



**Seattle  
Public  
Utilities**

**NEW 2019 SOLID WASTE  
COLLECTION CONTRACTS**

Seattle City Council

Civil Rights, Utilities, Economic Development and Arts Committee

*April 10, 2018*

# Authorization Request

SPU authority to sign new solid waste collection contracts:

- Two 10-year service contracts that begin in April 2019
- Provides Citywide services after SPU's current contracts end in March 2019
- Waste Management will continue service in South & NW Seattle
- Recology will continue service in Central & NE Seattle

# Presentation Contents

- Background & Request for Proposals
- Proposal Responses & Evaluation Process
- New Services & Operation Highlights
- Financial Impacts



# Background – Contract Scope

These service contracts include:

- Garbage, recycling, & compost pick-up from all residents
- Garbage pick-up from all businesses
- Limited recycling & compost pick-up from businesses
- Public litter & recycle can services & expanded neighborhood clean-up
- Back-up waste transfer capacity



# Background – Contract Scope (cont'd)

These service contracts do not include:

- Most commercial recycling or compost collection (open market)
- Large construction waste services (separate contract)
- Sorting & processing recyclables & compostables (separate contracts)
- Garbage processing & disposal (separate contract)

# Request for Proposal – July 2017

SPU released the RFP for new services in 2017:

- No major service changes in base terms
- Continues weekly garbage & compost and every other week recycle
- Continues SPU customer service for residents & contractor customer service for business
- 4 service zones to propose on – South, Central, NW & NE, w/ combinations of zones
- RFP built on input from staff, stakeholders, vendors, & Council prior to release

# Vendor Proposals – September 2017

SPU received proposals from 4 firms covering a mix of zones:

Proposer	Current Zones	Proposed Zones
Recology	Central & NE	South, Central, & NE
Republic Services	None	South
Sound Sustainable Svc	None	South
Waste Management	South & NW	South, NW, & NE

- Recology & Waste Management are the current SPU contractors.
- Republic Services provides commercial recycling in Seattle & serves other local cities.
- Sound Sustainable Services is a new firm, incorporated in 2017, w/ ownership & management from Cedar Grove Composting & Honolulu Disposal Services.

# Proposal Evaluation 4Q 2017 - Non-Price Rankings

An Evaluation Committee reviewed all proposals against the RFP non-price Evaluation Criteria:

Non-Price Rankings	Proposed Operations	Customer & Community	Background & Performance	Total Non-Price
Waste Management	1	1	1	1
Recology	2	1	1	2
Republic Services	3	3	3	3
Sound Sustainable Services	3	3	4	4



# Proposal Evaluation 4Q 2017 – Price & Composite Rankings

For price & composite review, SPU combined the 4 proposals & service zones to evaluate 5 different service scenarios w/ coverage for entire City:

Service Scenarios	NW	NE	C	S	Price	Non-price	Combined Rank	
<i>Status Quo</i>	WM	RC	RC	WM				
Scenario 1	WM	RC	RC	WM	1	1	1	WM = Waste Mgmt.
Scenario 2	WM	WM	RC	RC	2	1	2	RC = Recology
Scenario 3	WM	RC	RC	RC	3	2	3	
Scenario 4	WM	RC	RC	S3	3	4	4	S3 = Sound Sustainable
Scenario 5	WM	RC	RC	RS	4	3	5	RS = Republic

SPU selected Scenario 1 as the top ranked combination of proposals.

# Negotiations 1Q 2018

SPU completed negotiations in March 2018 w/ the finalists Recology & Waste Management to confirm:

- Service & Engagement Improvements
- Operational Upgrades
- Cost Savings



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# Service Improvements

The new services will introduce several customer enhancements:

- Expanded curb pick-up & drop-off services for “special item” recycling (e.g., foam packaging, textiles, CFLs, electronics, wood scraps)
- Future voluntary customer option for EOW Garbage, if desired
- Enhanced business customer service w/ new on-line tools & more local & customized customer support
- Clear alley service evolution, including new customer tools & options



# Customer & Community Engagement Improvements

New contractor support to achieve City goals & programs:

- New recycling & composting intervention at apartments & businesses
- Dedicated assistance staff, customer tools, increased monitoring, & garbage sorts at large accounts
- Community improvement & engagement w/ routine clean-up crews to proactively target debris, graffiti, & other community impacts
- Contractor initiatives to engage & reward communities



# Operational Upgrades – Green Fuels

The new services continue Seattle's leadership in fleet innovation:

- New 2018 or 2019 trucks w/ new clean engines surpassing latest emissions standards
- 100% renewable fuels w/ zero petroleum use & major greenhouse gas benefits
- Waste Management will use renewable natural gas (from landfill production credits)
- Recology will use renewable diesel (from animal fats & other waste grease)



**driveclean**  
s e a t t l e

# Operational Upgrades – Initial Electric Trucks

Contractors will introduce new electric fleet elements:

- 2 Class 8 heavy duty electric route trucks for initial feasibility testing
- 4 Class 6 midsize electric trucks for small routes & container delivery
- 10 electric supervisor pick-up trucks & support vehicles
- Potential to add more full-scale electric trucks, pending feasibility & financing



**Note:** Full-scale electric trucks are making progress, but still have challenges in load capacity, hydraulics, grade performance, service reliability, & costs

# Additional Operational Highlights

- Smooth transition w/ current firms continuing in current zones – minimal customer impacts
- Enhanced performance management w/ new systems for reliability improvement
- Worker safety improvements w/ new mini-carts for hydraulic tipping
- Attached lids & wheels for all customer containers
- Bike safety improvements w/ side guards on trucks



# Financial Impacts

New contracts provide significant savings:

- Over \$5M per year in savings below current contracts & Strategic Business Plan projections
- Savings will begin in April 2019 w/ the new contracts, & will be incorporated in 2019/2020 proposed budget
- Savings will allow City to reduce future rate increases
- Customer rates are set by Council & have been adopted through March 2020

**CITY OF SEATTLE**

Account Number  
**0123456789**

Jon Doe  
12345 Fake St  
Seattle, WA 98125

Property Owner  
Jon Doe  
Service Address  
12345 Fake St

For free answers to your billing questions in your native language, call 206-684-3000. Para obtener respuestas gratuitas en español a sus preguntas sobre facturación, llame al 206-684-3000. Xin gọi số điện thoại 206-684-3000 để có câu trả lời miễn phí bằng tiếng Việt cho những thắc mắc về hóa đơn của quý vị. 電話: 206-684-3000 • 請向專人以外文或台語查詢詳情。 Ku hel Af-Soomaalii Jawaabaha ku adahayga ku caawaa biyasho, wac 206-684-3000. Muhiimo ngi laabang naga saagot sa Tegayig para sa riyong mga tanong ukol sa mga singit sa 206-684-3000. 206-684-3000 번호로 전화하시면 당신의 질문에 대한 무료 답변을 받으실 수 있습니다.

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**DETAILED BILLING INFORMATION**

Water Service	Service From	Service Through	CCF Usage	Previous Reading	Current Reading
	May 09, 2016	Jul 07, 2016	10.00	1105.00	1115.00
Meter Number: PCN-S0335761-1			Service Category: WTR1		27.83
Base service charge			8.84 CCF @ \$5.20 per CCF	45.97	
Summer Residential			0.14 CCF @ \$6.43 per CCF	0.90	
Winter Residential			1.02 CCF @ \$5.05 per CCF	5.16	
<b>Utility Discount Program Savings</b>					<b>39.93 CR</b>
<b>Current Water Service:</b>					<b>39.93</b>

Sewer Service	Service From	Service Through	CCF Usage	Previous Reading	Current Reading
	May 09, 2016	Jul 07, 2016	10.00		122.70
Residential Service			10.00 CCF @ \$12.27 per CCF	122.70	
<b>Utility Discount Program Savings</b>					<b>81.35 CR</b>
<b>Drainage Utility Credit</b>					<b>28.84</b>
<b>Current Sewer Service:</b>					<b>28.84</b>

67% of sewer revenue is paid to King County Metro for sewage treatment.

Solid Waste Service	Service From	Service To	Usage	Previous Reading	Current Reading
	Jul 01, 2016	Aug 31, 2016	1-Garbage 12 Gal 1X Weekly		42.80
	Jul 01, 2016	Aug 31, 2016	1-Recycle 90 Gal 1X Every Other Week		0.00
<b>Utility Discount Program Savings</b>					<b>21.30 CR</b>
<b>Current Solid Waste Service:</b>					<b>21.30</b>

**CURRENT BILLING:** 90.07



*SPU seeks Council support for these new contracts to improve services, provide significant environmental benefits, & reduce future customer costs*

*Questions?*

