

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 <u>10-year service contracts</u> that begin in <u>April 2019</u>
- Provides Citywide services after SPU's current contracts end in March 2019
- <u>Waste Management</u> will continue service in South & NW Seattle
- <u>Recology</u> 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 <u>5 different service scenarios</u> w/ coverage for entire City:

Service Scenarios	NW	NE	С	S	Price	Non- price	Combined Rank	
Status Quo	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	S 3	3	4	4	S3 = Sound Sustainable
Scenario 5	WM	RC	RC	RS	4	3	5	RS = Republic

SPU selected <u>Scenario 1</u> 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



Service Improvements

The new services will introduce several customer enhancements:

- Expanded curb <u>pick-up & drop-off services for "special item"</u> 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
- <u>Dedicated assistance staff</u>, 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:

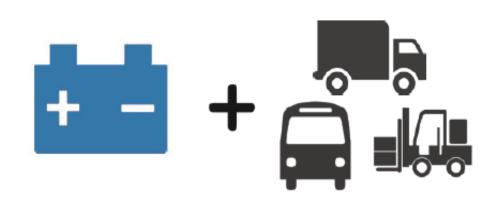
- New 2018 or 2019 trucks w/ new clean engines surpassing latest emissions standards
- 100% renewable fuels w/ zero petroleum use & major greenhouse gas benefits
- Waste Management will use renewable natural gas (from landfill production credits)
- Recology will use renewable diesel (from animal fats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



Operational Upgrades – Initial Electric Trucks

Contractors will introduce <u>new electric fleet</u> 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 Jon Doe Service Address 12345 Fake St been adopted through March 2020 For free answers to your bills your native tanguage, call 20

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Ion Doe 12345 Fake St Seattle, WA 9812 SPU seeks Council support for these new contracts to improve services, provide significant environmental benefits, & reduce future customer costs

Questions?

