

RESOLUTION #21-09 C

A RESOLUTION AUTHORIZING CHANGES TO THE RESIDENTIAL SOLID WASTE COLLECTION SERVICE AGREEMENT WITH WASTE MANAGEMENT OF UTAH, INC. TO ADDRESS COSTS RELATED TO RECYCLING SERVICES

BE IT KNOWN AND REMEMBERED that the City Council of Sandy City, State of Utah, finds and determines as follows:

WHEREAS, the City Council has reviewed Sandy City's solid waste collection services;

WHEREAS, City Council has determined that an amendment to the Residential Solid Waste Collection Service Agreement with Waste Management of Utah, Inc. is the best way to meet the community's needs for service affordability, reliability, and excellence;

WHEREAS, City Council desires to authorize administration to negotiate and execute an amendment to the Residential Solid Waste Collection Service Agreement with Waste Management of Utah, Inc. to either increase the monthly home rate for recycling services or revise the scope of work to decrease the frequency of recycling collection.

WHEREAS, after due consideration, the City Council of Sandy City has determined this action to be in the best interest of the City and its residents.

NOW, THEREFORE, BE IT RESOLVED by the City Council of Sandy City, Utah:

1. It does hereby approve the attached proposal authorize the administration to negotiate and execute an amendment to the Residential Solid Waste Collection Service Agreement with Waste Management of Utah, Inc. to:

Revise the collection schedule decreasing the frequency of collection from weekly to bi-weekly,

while maintaining excellent service.

2. The Hon. Kurt Bradburn, Mayor of Sandy City, is hereby authorized to execute the proposed change and take all other necessary steps on behalf of Sandy City Corporation and to act in accordance with its terms.

DATED this 9th day of February, 2021.

DocuSigned by:

Cyndi Sharkey

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Cyndi Sharkey
Sandy City Council

ATTEST:

DocuSigned by:

Wendy D.

City Recorder

RECORDED this 10 day of February, 2021.





WASTE MANAGEMENT OF UTAH, INC.

8652 South 4000 West
West Jordan, UT 84088

February 1, 2021

Michael Gladbach
Public Works Director
Sandy City
8775 S 700 W
Sandy City, Utah 84070

Re: Request to Extend and Increase Price

Dear Mr. Gladbach:

It has been a pleasure serving the citizens of Sandy City for the past several years. Waste Management of Utah, Inc. (WM) sincerely values your patronage and looks forward to continuing our partnership.

The Residential Solid Waste Collection Service Agreement (the "Agreement") between WM and Sandy City states the initial four (4)-year term, which ended on November 30, 2019, may be extended for up to two (2) additional two (2)-year terms. WM and the City previously agreed to extend the Agreement term by two years, meaning the current term is scheduled to expire on November 30, 2021.

WM desires to extend the Agreement to June 30, 2024, provided the recycling component of WM's rate is increased.

In February of 2019, WM and the City partially addressed these recycling issues in the way of a "Value Share" program. As we discussed at that time and many subsequent times, WM would need additional relief to completely offset the increased costs related to providing recycling services. WM proposed either reducing the recycling services from every week to every other week for a rate reduction or accept an increase to the curbside recycling rate. On July 7, 2020, the Sandy City Council verbally elected not to reduce recycling services to every other week.

Based on the above, WM would like to review all options once again, and if either option 1 or 2 is accepted, extend the Agreement to June 30, 2024. An extension to this date would allow Sandy City to move its waste collection contract with us to the Sandy City Fiscal Year cycle.

Option 1. Increase the recycling component of the Monthly Home Rate effective July 1, 2021 by \$2.45 from \$3.54 to \$5.99. This will make the weekly recycle rate commensurate with the trash rate. The costs associated with providing weekly recycling are nearly identical to trash pick-up.



WASTE MANAGEMENT OF UTAH, INC.

8652 South 4000 West
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Option 2. Change the recycling program from a weekly collection to a biweekly collection. This would reduce the recycling component of the Monthly Home Rate from \$3.54 to \$3.25. As discussed during the July 2020 meeting with the City Council, WM would assist with marketing and implementing this change including providing 96-gallon containers for residents that make this request.

Option 3. Make no changes and have WM continue to provide service per the current Agreement until it expires on November 30, with no extension.

With either option WM would like to change the CPI language from point to point West Urban to an annualized WST. Over the years this has been very difficult to calculate and a more standardized CPI indicative to the Waste industry would be preferred.

Options 1 and 2 are mutually beneficial and would enable the continuation of a successful partnership. If the City agrees to either Option 1 or Option 2 of WM's proposed Agreement term extension, Waste Management will conduct a 100% waste and recycling can audit that will ensure the accuracy of all databases. Please confirm your decision in writing, so that we can process an amendment to the agreement or proceed as directed. If you have any additional questions, I can be reached at (801) 716-0210.

Sincerely,

Blake Leonelli
Public Sector Solutions

| Residential Service | 2020 Rate |
|------------------------------|-----------|
| First Trash Container | \$ 6.28 |
| Additional Trash Containers | \$ 3.24 |
| First Recycle Container | \$ 3.54 |
| Additional Recycle Container | \$ 2.81 |
| Roll Off | \$181.51 |



DEPARTMENT OF PUBLIC WORKS

Tom Dolan
Mayor

Byron Jorgenson
Chief Administrative Officer

Rick Smith
Director

MEMORANDUM

February 2, 2021

To: City Council
From: Director, Public Works Department
Subject: Waste Management Request to Address Cost Increase of Curbside Recycling Collection

BACKGROUND

The Residential Solid Waste Collection Service Agreement (the “Agreement”) between WM and Sandy City has an initial four (4)-year term which ended on November 30, 2019 and may be extended for up to two (2) additional two (2)-year terms. WM and the City previously agreed to extend the Agreement term by two years, meaning the current term is scheduled to expire on November 30, 2021.

In February of 2019, WM and the City partially addressed these recycling issues in the way of a “Value Share” program. As discussed at that time, WM would need additional relief to offset the increased costs related to providing recycling services. WM proposed reducing the recycling services from every week to every other week for a rate reduction or an increase to the curbside recycling rate. On July 7, 2020, the Sandy City Council verbally elected not to reduce recycling services to every other week.

ANALYSIS

On February 1, 2021, Waste Management submitted a letter to the Public Works Director proposing that Sandy City consider three (3) options to address the increased costs to collect recycling.

1. Continue weekly recycling and increase the recycling component of the Monthly Home Rate by \$2.45 per month per resident from \$3.54 to \$5.99.
2. Change the program from weekly collection to biweekly collection and reduce the Monthly Home Rate by \$0.29 per month per resident from \$3.54 to \$3.25.
3. Make no changes and have Waste Management continue current service per current agreement until expiration on November 30, 2021, with no extension/renewal.
4. If Option 1 or 2 is selected, change the Consumer Price Index adjustment calculation from CPI-U (represents all commodities) to CPI-WST (represents the index for waste).
5. If Option 1 or 2 is selected, extend the contract to June 30, 2024.
 - a. This addresses the second extension of the contract. The first extension runs out November 30, 2021.
 - b. This would allow us to synchronize the contract with our fiscal year.

STAFF RECOMMENDATION

Options 1 and 2 are mutually beneficial and we recommend approval of either one. In addition, acceptance of one of these options will eliminate the uncertainty of bidding when we can continue to provide a stable service to our residents through June 2024. Other reasons for continued service with Waste Management:

1. Sandy City values its successful partnership with Waste Management.
 - Waste Management generously provides no cost service for City events such as the July 4th celebration.
 - They provide no cost waste and recycling services for City buildings and parks.
 - Waste Management is a sponsor of the Sandy City Amphitheater.
2. Waste Management will conduct a 100% waste and recycling container audit. Since 1999 when service began, the cans have not been audited. By improving the accuracy of the can count, we expect Waste Fund revenues to increase.
3. Residents receive a premium service from employees who care.
4. Managers consistently resolve service issues in a timely manner.
5. Strong communications team with access to data and resources for education.

Reviewed by:



Michael C. Gladbach, P.E.
Public Works Director