

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.

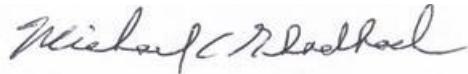
1. Continue weekly recycling and increase the recycling component of the Monthly Home Rate by \$2.45 per month per resident from \$3.54 to \$5.99.
2. Change the program from weekly collection to biweekly collection and reduce the Monthly Home Rate by \$0.29 per month per resident from \$3.54 to \$3.25.
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