

# Solid Waste Collection

---

## New Contract

Public Works Department  
City of Newcastle



City Council Study Session  
July 3, 2018

# Tonight's Discussion

1. Results of Negotiations
  1. Rates
  2. Contract Provisions
  3. Service Enhancements
  4. Schedule
2. Q&A
3. Provide Staff Direction

# Proposed Rates - Residential

	Garbage & Recycle Rates (Current)			Street/Admin Fee = 0%		Street/Admin Fee = 4.25%		Street/Admin Fee = 8.50%	
	Yard Waste Rates 96-gal (Current)	Total (Current)	Proposed Rate (monthly)	Increase (decrease)	Proposed Rate (monthly)	Increase (decrease)	Proposed Rate (monthly)	Increase (decrease)	
20-gal	\$ 22.73	\$ 12.20	\$ 34.93	\$ 28.86	\$ (6.07)	\$ 30.10	\$ (4.83)	\$ 31.35	\$ (3.58)
35-gal	\$ 30.08	\$ 12.20	\$ 42.28	\$ 35.18	\$ (7.10)	\$ 36.70	\$ (5.58)	\$ 38.22	\$ (4.06)
45-gal (NEW)	N/A	N/A	N/A	\$ 38.37	N/A	\$ 40.03	N/A	\$ 41.68	N/A
64-gal	\$ 39.75	\$ 12.20	\$ 51.95	\$ 43.60	\$ (8.35)	\$ 45.48	\$ (6.47)	\$ 47.36	\$ (4.59)
96-gal	\$ 51.01	\$ 12.20	\$ 63.21	\$ 54.33	\$ (8.88)	\$ 56.67	\$ (6.54)	\$ 59.02	\$ (4.19)

RESIDENTIAL

# Proposed Rates - Commercial

Garbage Rates (Current)	Recycle Rates	Total (Current)
-------------------------	---------------	-----------------

Street/Admin Fee = 0%	
Proposed Rate (monthly)	Increase (decrease)

Street/Admin Fee = 4.25%	
Proposed Rate (monthly)	Increase (decrease)

Street/Admin Fee = 8.50%	
Proposed Rate (monthly)	Increase (decrease)

## COMMERCIAL

1-yard	\$ 93.54	N/A	\$ 93.54
1.5-yard	\$ 128.33	N/A	\$ 128.33
2-yard	\$ 161.29	N/A	\$ 161.29
3-yard	\$ 237.00	N/A	\$ 237.00
4-yard	\$ 290.37	N/A	\$ 290.37
6-yard	\$ 400.76	N/A	\$ 400.76
8-yard	\$ 502.82	N/A	\$ 502.82

\$ 112.24	\$ 18.70
\$ 193.55	\$ 65.22
\$ 193.55	\$ 32.26
\$ 284.40	\$ 47.40
\$ 348.43	\$ 58.06
\$ 480.91	\$ 80.15
\$ 603.38	\$ 100.56

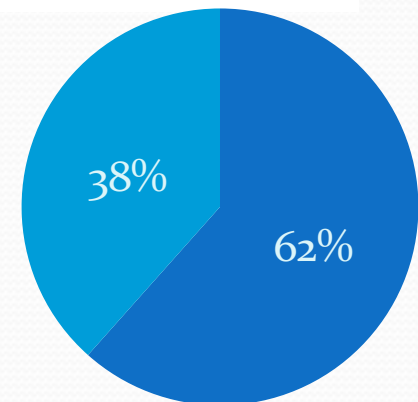
\$ 117.08	\$ 23.54
\$ 201.90	\$ 73.57
\$ 201.90	\$ 40.61
\$ 296.67	\$ 59.67
\$ 363.46	\$ 73.09
\$ 501.66	\$ 100.90
\$ 629.41	\$ 126.59

\$ 121.92	\$ 28.38
\$ 210.25	\$ 81.92
\$ 210.25	\$ 48.96
\$ 308.94	\$ 71.94
\$ 378.49	\$ 88.12
\$ 522.40	\$ 121.64
\$ 655.44	\$ 152.62

# Proposed Rates - Residential

- No Street/Admin Fee

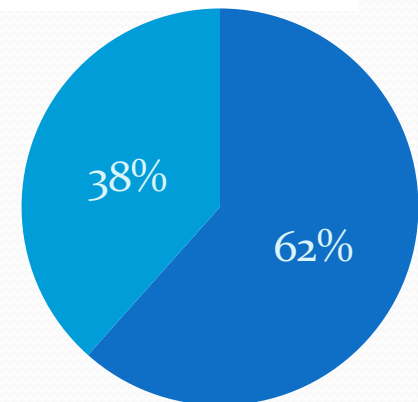
Effect of New Contract	Residential Customers (No.)	Residential Customers (%)	Current Yard/Food Waste Subscriber
Decrease	1,866	62%	Yes
Increase	1,164	38%	No
TOTAL	3,030	100%	



# Proposed Rates - Residential

- 4.25% Street/Admin Fee

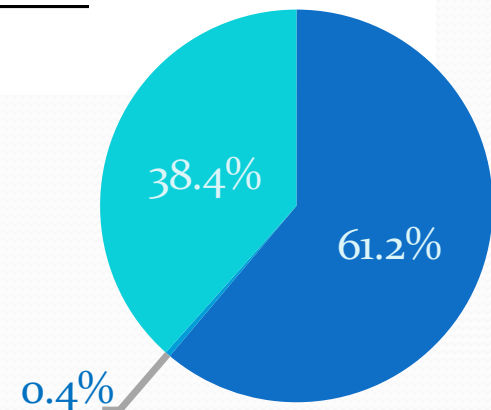
<u>Effect of New Contract with 4.25% Street/Admin Fee</u>	<u>Residential Customers (No.)</u>	<u>Residential Customers (%)</u>	<u>Current Yard/Food Waste Subscriber</u>
Decrease	1,866	62%	Yes
Increase	1,164	38%	No
TOTAL	3,030	100%	



# Proposed Rates - Residential

- 8.50% Street/Admin Fee

Effect of New Contract with <b>8.50%</b> Street/Admin Fee	Residential Customers (No.)	Residential Customers (%)	Current Yard/Food Waste Subscriber
Decrease	1,853	61.2%	Yes
Increase	13	0.4%	Yes
Increase	1,164	38.4%	No
TOTAL	3,030	100%	



# Proposed Rates - Residential

- Illustrative samples – Actual customer bills

→ *Represents 81.5% of all residential customers*



CURRENT SERVICE	CUSTOMER COUNT	% of TOTAL RESIDENTIAL ACCOUNTS	CURRENT RATE (monthly)
35-gal garbage 96-gal recycle 96-gal yard & food waste	407	12.9%	\$ 42.28
<i>32-gal garbage (own can)</i> 96-gal recycle 96-gal yard & food waste	279	8.9%	\$ 40.40
64-gal garbage 96-gal recycle 96-gal yard & food waste	224	7.1%	\$ 51.95
35-gal garbage 96-gal recycle 35-gal yard & food waste	146	4.6%	\$ 40.08
35-gal garbage 96-gal recycle 64-gal yard & food waste	142	4.5%	\$ 41.08
20-gal garbage 96-gal recycle 96-gal yard & food waste	135	4.3%	\$ 34.93
64-gal garbage 64-gal recycle 96-gal yard & food waste	118	3.8%	\$ 50.75
<i>20-gal garbage (own can)</i> 96-gal recycle 96-gal yard & food waste	68	2.2%	\$ 41.08
<i>SUBTOTAL</i>	<i>1,519</i>	<i>48.3%</i>	
35-gal garbage 96-gal recycle <b>No yard &amp; food waste</b>	408	13.0%	\$ 30.08
64-gal garbage 96-gal recycle <b>No yard &amp; food waste</b>	294	9.3%	\$ 39.75
20-gal garbage 96-gal recycle <b>No yard &amp; food waste</b>	197	6.3%	\$ 22.73
<i>32-gal garbage (own can)</i> 96-gal recycle <b>No yard &amp; food waste</b>	145	4.6%	\$ 28.20

*SUBTOTAL* 1,044 33.2%

*TOTAL* 2,563 81.5%

Street/Admin Fee = 0%	
PROPOSED RATE (monthly)	Increase (decrease)
\$ 35.18	\$ (7.10)
\$ 35.18	\$ (5.22)
\$ 43.60	\$ (8.35)
\$ 35.18	\$ (4.90)
\$ 35.18	\$ (5.90)
\$ 28.86	\$ (6.07)
\$ 43.60	\$ (7.15)
\$ 28.86	\$ (12.22)
\$ 35.18	\$ 5.10
\$ 43.60	\$ 3.85
\$ 28.86	\$ 6.13
\$ 35.18	\$ 6.98

Street/Admin Fee = 4.25%	
PROPOSED RATE (monthly)	Increase (decrease)
\$ 36.70	\$ (5.58)
\$ 36.70	\$ (3.70)
\$ 45.48	\$ (6.47)
\$ 36.70	\$ (3.38)
\$ 36.70	\$ (4.38)
\$ 30.10	\$ (4.83)
\$ 45.48	\$ (5.27)
\$ 30.10	\$ (10.98)
\$ 36.70	\$ 6.62
\$ 45.48	\$ 5.73
\$ 30.10	\$ 7.37
\$ 36.70	\$ 8.50

Street/Admin Fee = 8.50%	
PROPOSED RATE (monthly)	Increase (decrease)
\$ 38.22	\$ (4.06)
\$ 38.22	\$ (2.18)
\$ 47.36	\$ (4.59)
\$ 38.22	\$ (1.86)
\$ 38.22	\$ (2.86)
\$ 31.35	\$ (3.58)
\$ 47.36	\$ (3.39)
\$ 31.35	\$ (9.73)
\$ 38.22	\$ 8.14
\$ 47.36	\$ 7.61
\$ 31.35	\$ 8.62
\$ 38.22	\$ 10.02

# Proposed Rates - Commercial

- Illustrative samples

CURRENT SERVICE	Garbage Rates (Current)	Recycle Rates (Current)	TOTAL CURRENT RATE (Monthly)	Street/Admin Fee = 0%		Street/Admin Fee = 4.25%		Street/Admin Fee = 8.50%	
				PROPOSED RATE (monthly)	Increase (decrease)	PROPOSED RATE (monthly)	Increase (decrease)	PROPOSED RATE (monthly)	Increase (decrease)
<i>Newcastle Fruit &amp; Produce</i>									
(1) 8-yard 1x/week	\$ 480.18	N/A	\$ 502.78	\$ 603.38	\$ 100.60	\$ 629.41	\$ 126.63	\$ 655.44	\$ 152.66
Rent	\$ 22.60	N/A							
<i>YMCA</i>									
(1) 8-yard 1x/week	\$ 480.18	\$ 140.23	\$ 746.04	\$ 603.38	\$ (142.66)	\$ 629.41	\$ (116.63)	\$ 655.44	\$ (90.60)
Rent	\$ 22.60	\$ 12.00							
Gate & other fees	\$ 91.03								
<i>Multi-family Residential</i>									
(1) 6-yard 3x/week	\$ 1,143.39	\$ 300.00	\$ 1,482.59	\$ 1,442.72	\$ (39.87)	\$ 1,504.96	\$ 22.37	\$ 1,567.19	\$ 84.60
Rent	\$ 19.60	\$ 19.60							

# Other Agency Rates

Garbage & Recycle Rates (Current)	Yard Waste Rates 96-gal (Current)	Total (Current)
-----------------------------------	-----------------------------------	-----------------

NEWCASTLE	NORMANDY PARK	LAKE FOREST PARK	SAMMAMISH	RENTON	BELLEVUE
2018	2017	2017	2016	2016	2013
WM	WM	Republic	Republic	Republic	Republic
Proposed Rate (monthly)	Current Rate (Monthly)	Current Rate (Monthly)	Current Rate (Monthly)	Current Rate (Monthly)	Current Rate (Monthly)

## RESIDENTIAL

20-gal	\$ 22.73	\$ 12.20	\$ 34.93
35-gal	\$ 30.08	\$ 12.20	\$ 42.28
45-gal (NEW)	N/A	N/A	N/A
64-gal	\$ 39.75	\$ 12.20	\$ 51.95
96-gal	\$ 51.01	\$ 12.20	\$ 63.21

\$ 28.86	\$ 26.97	\$ 19.19	\$ 28.71	\$ 17.33	\$ 12.89
\$ 35.18	\$ 31.53	\$ 28.52	\$ 32.76	\$ 18.27	\$ 22.68
\$ 38.37	N/A	\$ 35.64	N/A	\$ 18.54	\$ 25.85
\$ 43.60	\$ 41.11	\$ 39.90	\$ 41.33	\$ 19.20	\$ 30.25
\$ 54.33	\$ 50.75	\$ 53.08	\$ 48.97	\$ 21.04	\$ 34.96

NOTE: Renton's garbage collection is every-other week

# Other Agency Rates

- Current activity:
  - Snoqualmie (direct negotiations)
  - Mukilteo (RFP)
  - Auburn (direct negotiations)
  - Mercer Island (RFP)

# New Contract Provisions

- Labor Disruption provisions
- Updated insurance and indemnity language
- Expanded curbside recyclables list
- Call-in recyclables service
- Lawn & food waste collection for multi-family & commercial

# New Service Enhancements

- Embedded yard & food waste collection(SFR)
  - Yard & food waste: Year-round weekly service
- Mandatory use of company-provided carts (no personal cans)
- Universal cart colors
- Embedded commercial recycling
- Kitchen food scrap container provided (SFR)
- 6 garbage & recycling solar compactors in Downtown

# Schedule

- July 17 (or later): Approve contract
- December 1, 2018, or January 1, 2019: Begin new service

# Decisions



- Proceed with New Contract? YES
- Include Street/Admin Fee? YES, 8.5%



# Questions | Discussion



---

# Reference material



	<b>Direct Renegotiation</b>	<b>Procure New Contract</b>
	Negotiate new contract with Waste Management	Solicit Proposals(RFP)
PROS	<ul style="list-style-type: none"> <li>• Maintain good working relationship</li> <li>• Expected rate relief sooner</li> <li>• Low risk</li> <li>• Potentially avoids transition</li> <li>• Less process</li> </ul>	<ul style="list-style-type: none"> <li>• Transparent</li> <li>• Higher confidence in best service &amp; lowest rate</li> </ul>
CONS	<ul style="list-style-type: none"> <li>• Not a public process</li> <li>• Not certain of lowest rates</li> </ul>	<ul style="list-style-type: none"> <li>• Delayed rate relief</li> <li>• More process</li> <li>• Significant staff time required</li> <li>• Uncertainty</li> </ul>

# Staff Time Commitment

## Renegotiation

- Negotiate Contract
- Negotiate Rates
- Approve Contract

## RFP

- Finalize RFP
- Issue RFP
- Respond to bidder questions
- Process Submittals
- Establish review committee
- Respond to Public Records Requests
- Review & score proposals
- Perform reference checks
- Negotiate Contract
- Negotiate Rates
- Approve Contract
- *Facilitate transition questions*
- *Meet new staff*