

Council Agenda Report

Date: April 10, 2017

Prepared and Submitted by: Sandra Tripp-Jones, City Manager 

SUBJECT: Privatization of Sanitation Services

Recommendation: That Council authorize staff to release a Request for Proposals for residential trash collection and disposal Services.

Discussion:

While making inquiries with local sanitation services about recycling, the City was approached with an informal proposal to provide trash collection and disposal services. The City researched privatized sanitation services in the past and determined that cost savings could not be achieved. The author of this unsolicited proposal indicated that sanitation services have changed over the years and are more cost effective. Using the informal proposal, staff has calculated potential savings.

Staff seeks Council approval to release a Request for Proposals for privatized services as follows:

1. Residential collection and disposal only.
2. Service options:
 - a. 1 day a week;
 - b. 2 days a week services (current service);
 - c. 2 days a week services – with one for garbage only and one for recycling only, including conditions for a recycling program.
3. Use of totes with attached lids.
4. Purchase of all but one City refuse truck.
5. Hiring of current staff at reasonably comparable salaries.
6. Three-year contract with locked-in rates, with two-year renewal.

Under this approach, the City would keep one truck and use maintenance workers to do commercial collection and disposal and collection and disposal on special city projects.

There are currently eight (8) authorized positions in Sanitation and Waste and one (1) Heavy Equipment Mechanic dedicated to refuse truck maintenance. Staff estimates a possible elimination of seven (7) authorized positions.

Until actual proposals are solicited and evaluated, it is not possible to estimate savings. But in FY 2018, it would become unnecessary to replace a refuse truck now budgeted in the Capital Program at \$150,000.

Time Frame:

- April: Release RFP for minimum of 21 days
- May: Work session to consider proposals and determine potential savings and impacts.
Submit recommendations to Council to award contract—if savings can be realized.
- June: Execute agreement.
- July & Aug: Complete transition and cut over to contract services

Use of funds:

If there are significant saving realized, staff would provide Council with recommendations for the utilization of these funds in accomplishing Council Goals.

Fiscal Impact:

The fiscal impact will be determined by proposals submitted.