

Council Agenda Report

Date: May 22, 2017

Prepared and Submitted by: Oden C. Wheeler Jr., Director, Public Works

SUBJECT: Privatization of Sanitation Services.

Recommendation: That Council:

- A. Receive the bid tabulation from staff in response to the Request for Proposals for Solid Waste and Recycling Services.
- B. Approve proceeding with Proposal Option #2 for a private contractor to provide twice a week solid waste collection and totes.
- C. Authorize staff to negotiate a contract with low bidder Chesapeake Waste Industries to be submitted for Council consideration at the June 12, 2017 meeting.

Discussion:

A. Current Solid Waste (SW) Collection and Disposal (Sanitation) Services:

- The City collects and disposes of residential, commercial, bulk, and City generated trash with City 8 authorized positions and 3 trash trucks. Trash is disposed of at the Dorchester County New Beulah Sanitary Landfill.
- Residents now have twice per week pick up. Residents and businesses provide their own trash cans, although it is not uncommon for residents to place trash in bags at curbside. They also place bulk items at curbside for City pick up.
- The General Fund will subsidize Sanitation Services in the amount of \$ 153,482 in fiscal year 2018, even with a \$3/month increase in residential trash collection services.
- The City does not provide curbside recycling service. Dorchester County currently provides a roll off container (volunteer) recycling location in the Industrial park off Chesapeake Drive. City/County are working to together to establish a second roll off container (volunteer) recycling location to be located on City property located on Leonard Lane. Dorchester County will provide the roll off containers, County will provide both dumping & maintenance of the containers. City of Cambridge will provide and maintain the site.

B. Proposals:

- April 10th Council authorized DPW staff to release an RFP for proposals for residential trash collection and disposal privatization.
- Proposals were due at Dept. of Public Works on May 5, 2017 by 2:00 pm
- Four (4) proposals were received: Bates Trucking Company, Chesapeake Waste Industries, Chessie Environmental, and Waste Industries.

- Bid Tabulation Exhibit A displays the proposed costs for services under three (3) options.
 1. Once per week trash collection with totes provided by the company.
 2. Twice per week trash collections (current collection frequency) with totes provided by the company.
 3. Once per week trash collection plus once per week recycling collection with totes provided by the company.

- C. Recommendation: Option 2 - Twice per week solid waste collection (SW) with Chesapeake Waste Industries
 - Bid Tabulation Exhibit A shows that Chesapeake Waste Industries is low bidder for twice a week residential SW collection, as currently being provided, and including company provided totes. The cost to the City of \$13.53 per customer per month for twice a week service compares to \$12.05 per customer for the lowest once per week bid. In staff's opinion, maintaining the current twice per week service is worth the \$1.48 per residence per month cost difference. Option 2 will reduce the General Fund subsidy reduction from \$ 153,482 to \$17,613.
 - Staff recommends monitoring use of the planned recycling drop-off site and consumer satisfaction with the new SW collection service over the initial term of the contract, before moving to curbside recycling.
 - DPW will retain one refuse truck, one employee, with three others transferring to vacant positions. Three employees will transfer to Chesapeake Waste Industries at comparable salaries. The City will continue to provide commercial, bulk, event, and City-owned street receptacle collection.

Fiscal Impact: Continuing 2 times a week SW collection, privatizing with the low bidder Chesapeake Waste Industries, the General Fund will continue to subsidize a portion of the cost for SW collection including capital needs, however estimates show savings to the General Fund of \$135,869 for FY 2018, \$213,699 for FY 2019, and \$75,951 for FY 2020.

Approved by: 

Attach: Exhibit A Bid Tabulation

Exhibit A

	Bates Trucking Company	Chesapeake Waste Industries	Cheesie Environmental	Waste Industries
Proposal 1				
MSW Collection 1 wk/Totes	\$12.05	\$12.20	\$16.84	No Bid
Proposal 2				
MSW Collection 2 wk/Totes	\$16.00	\$13.53	No Bid	\$24.15
Proposal 3				
MSW Collection 1 wk/Totes				
Recyclables Collection 2 wk/Totes	\$15.75	\$16.86	\$26.66	\$23.50
Other Items additional Totes cost to customer				
Solid Waste Per Cart	\$1.05	\$1.00	\$55.31	\$19.00
Recyclable Per Cart	\$1.00	\$1.00	\$55.23	\$4.50