



## MEMORANDUM

**TO:** Mayor and City Council

**CC:** Elaine Hart, Interim City Manager  
Robert Goode, P.E., Assistant City Manager

**FROM:** Sam Angoori, P.E., Interim Director  
Austin Resource Recovery

**DATE:** February 13, 2017

**SUBJECT:** **City Facility Dumpster Contract**

The purpose of this memo is to provide an update since the Dec. 15, 2016 Council meeting regarding the City Facilities Dumpster Services contract scheduled for Feb. 16, 2017 Council consideration.

**Summary.** Due to concerns expressed from private haulers, the City has NOT purchased equipment necessary to provide comprehensive service to commercial facilities, including our own facilities. Therefore, Austin Resource Recovery (ARR) is not equipped to provide waste management collection for the nearly 140 City facilities that require dumpster collection. Since ARR cannot provide this service, the City must hire a separate vendor to do so. Council has established a policy to competitively solicit services rather than pursuing "sole source" contracts when possible. Therefore, ARR issued a solicitation to provide these services.

The contract available for your consideration by Republic Services, the proposed vendor, provides four areas of services:

1. Collection and processing of trash, recycling, and composting from City buildings;
2. Roll-offs and dumpsters for emergency situations such as storm events;
3. Collection and processing of trash, recycling, and composting from eligible special events; and
4. Collection and processing of Class 2 and non-hazardous waste, including utility poles

**Options.** Council has several options available. Council may choose to:

- Approve all contract sections or limit approval to specific contract sections:
  - If approving, Council may wish to include specific conditions such as limits to maximum expenditures, exclusion of processing facilities, limits to contract duration, etc.
  - Limit approval to negotiation only and require staff to return to Council for execution; and/or
- Reject the contract.

**Recommendation.** Staff recommends approving all contract elements. If Council prefers that ARR discontinue providing dumpster management services to events, staff recommends limiting dumpster service to department organized special events. This would mean that special events would secure and pay for their own dumpster collection services. ARR would no longer coordinate dumpster service for any special event, unless the event was organized by a City department.

**Impact.** The current City facility dumpster contract is with Republic Services. The contract expired in November 2016 and is in a hold over that expires on March 31, 2017. Due to extenuating circumstances, Republic could seek a standard consumer price index (CPI) rate increase to continue providing service.

If Council rejects contract approval, staff will resolicit. If required to resolicit, ARR would defer to Austin Energy to resolicit for Class 2 and non-hazardous waste separately. ARR will resolicit for City facilities, including department organized special events, and emergencies. Because City Co-sponsored special events would not be included in the revised solicitation, special events would not be eligible to use the City contract and would have to secure and pay for their own waste management services.

**Contract Details.** The contract covers four service areas. Contract approval can be limited to one or more of the service areas, which are:

- Part 1 – City Facilities – Includes trash, recycling, and composting collection service for City facilities and office buildings. Composting collection is a new service offered under the proposed contract.
  - First 36-months: \$6,590,000
  - Three 12-month extensions (each): \$2,650,000
  - Total Contract Amount: \$14,540,000 (6 years)
- Part 2 – Emergencies – Provides the City with flexibility for emergency situations. The Department currently manages a contract that handles FEMA qualifying events. This contract would be utilized to respond primarily to non-qualifying FEMA events.
  - First 36-months: \$300,000
  - Three 12-month extensions (each): \$115,000
  - Total Contract Amount for City Facilities: \$645,000 (6 years)
- Part 3 – Special Events – Provides dumpster service to City Co-sponsored events and Department organized events. Can be limited to service only Department organized events.
  - First 36-months: \$155,000
  - Three 12-month extensions (each): \$60,000
  - Total Contract amount for Special Events: \$335,000 (6 years)
- Part 4 – Class 2 and non-hazardous waste – Provides management of Class 2 and Non-hazardous waste.
  - First 36-months: \$680,000
  - Three 12-month extensions (each): \$265,000
  - Total contract amount for AE class 2 and non-hazardous waste: \$1,475,000 (6 years)

**ZWAC Consideration.** On Feb. 8, 2017, staff presented a detailed review of the proposed contract to the Zero Waste Advisory Commission (ZWAC). ZWAC voted to reject the proposed contract and cited the following concerns:

*City Facilities:*

- *Opposition to any of the City waste going to the Austin Community Landfill or San Antonio landfill, or other facilities outside the Capital Area Council of Governments region;*
- *Lack of clarification regarding the benefit of the “Citywide” scope of the agreement, including lack of analysis of cost effectiveness of providing some services in-house;*
- *Need to ensure existing contracts are honored fully*

*Emergencies:*

- *Lack of explicit diversion and reuse provisions for emergencies*

*Special events:*

- *Unknown impact to small business community*

*Class 2 and non-hazardous waste:*

- *All concerns from previous discussions remain unaddressed*
- *Overall environmental and community impact, and carbon footprint concerns*

**Staff Response to ZWAC Concerns.** To address ZWAC’s concerns, Council could add specific direction to staff during negotiations with the vendor. ZWAC raised three specific points that require a response:

Landfill Designation. City Council and ZWAC have expressed concern about utilizing the Waste Management Community Landfill, but City Council has not specifically prohibited use of the facility for City contracts. If Council were to follow ZWAC’s recommendation to eliminate waste going to some of the duly permitted landfills within the region, the following information is provided for Council’s consideration. There are 3 landfills in the Capital Area Council of Governments (CAPCOG) region:

- Waste Management Austin Community Landfill in northeast Austin, Texas, approximately 11 miles from downtown Austin. The facility is owned and operated by Waste Management and accepts materials from various large and small scale haulers, including competitors.
- Texas Disposal System in Creedmoor, Texas, approximately 15 miles from downtown Austin. The facility is owned and operated by Texas Disposal Systems (TDS). Staff has been informed by some haulers that TDS is not willing to allow certain competitors to dispose at their facility.
- Williamson County Landfill and Recycling Center (Wilco) in Hutto, Texas, approximately 36 miles from downtown Austin. The facility is owned by Williamson County and operated by Waste Management and accepts material from various haulers including competitors to Waste Management.

Removal of the Waste Management Austin Community Landfill from the choice of available facilities limits options, especially since Texas Disposal Systems chooses not to participate in the solicitation process and has the authority to prohibit use of their facility by competitors.

Council also asked staff to evaluate the community impact of local landfills. A few areas to consider include quality of life to nearby residents as well as community climate impact.

- **Quality of Life.** Landfills generally are not ideal neighbors. Neighboring residents often complain of truck traffic, truck noise, debris from landfill operations/disposal, and odor. Since Council expressed specific concern about the Waste Management Community Landfill, staff researched current quality of life impacts. Since 2001, the TCEQ received 280 complaints about the WM landfill; 174 of which were filed in 2002. In 2016, a total of 10 complaints were filed with the TCEQ, primarily odor related. According to the WM website, since 2002, the company invested more than \$3 million on environmental controls and aesthetic improvements.

Additionally, Waste Management worked with neighbors, Travis County Audubon Society and Texas Bee Watches to build butterfly and bee gardens on the property. The company received an international certification from the Wildlife Habitat Council for its bee and butterfly garden and bird boxes at the Waste Management Education Center located at the entrance of the landfill.

- **Climate Impact.** Landfills are significant contributors to greenhouse gas emissions. Methane, which is the result of organic decomposition, is considered 21 times more potent than other greenhouse gases. To manage greenhouse gas emissions, landfills utilize a variety of methods including landfill gas capture,

Based on data reported to the Environmental Protection Agency by landfill operators, the Waste Management Austin Community Landfill is the **lowest** contributor of greenhouse gas emissions from an operational landfill in the CAPCOG region.

For emergencies, include diversion requirements for contractor. Requiring the vendor to sort through mixed material to achieve higher diversion rates will greatly impact the cost and time to remove the material. Diversion opportunities are dependent on the type of material collected. For example, during the 2015 Memorial Day Flood, ARR was able to divert over 95 percent of storm debris, primarily brush. But, material brought to the curb by residents tends to be mixed between recyclable and non-recyclable materials. When customers separated electronics, appliances, tires, and other recyclable items at the curb, ARR was able to collect the material separately and recycle them appropriately. However, ARR must rely on customers to source separate. Requiring the vendor to sort through the mixed material after it has been collected would increase costs significantly.

Class 2 and Non-hazardous waste. Utilities are generally limited to three methods to manage their utility pole waste streams (recycle via waste to energy, landfill, or reuse). Given the choices available, and the conflicting sustainability issues involved, final disposition of utility poles should be a policy decision.

Attachments:

-Feb. 8 Staff Presentation to ZWAC

# City Dumpster Contract

February 8, 2017 ZWAC Meeting  
Agenda Item #3b





# Objective

- Recap 12/13/16 Memo to Council and provide additional information
- Review each section of the contract
- Provide ZWAC with time for questions/concerns per section
- Obtain ZWAC Recommendation for each section
- Document recommendation and concerns with each section and provide to City Council for 2/16/17 meeting



# Clarifications

- City = the City of Austin as a governmental organization
- city = the city of Austin as a geographical location
- “Citywide”
  - Refers to the City of Austin as a governmental organization and its offices and facilities that are located citywide/throughout the city.
  - Doesn’t reference or impact commercial collections in the city of Austin at commercial customer sites other than City of Austin owned facilities/offices.



## Clarifications (cont.)

- Why utilize a contract?
  - City facilities generate trash, recycling and compostable materials
  - Local Government Code 252.021 requires purchases over \$50,000 to go through a competitive solicitation process when there is more than one vendor available to provide the service
  - Council purchasing policy also requires purchases over \$50,000 to be solicited competitively
  - Sole source procurements are extremely limited by these policies





## Clarifications (cont.)

- Why can't ARR service the City Facilities?
  - ARR doesn't have the staff necessary to service approximately 140 City locations for roll-off and dumpster service
  - ARR doesn't have equipment (trucks, roll-offs or dumpsters) to service this customer base



## Clarifications (cont.)

- Lack of Diversion Requirements in the RFP
  - RFP is for hauling and processing of material only
  - Vendor is responsible for diverting all materials placed in diversion containers
  - Diversion is the responsibility of the generator – the vendor is only required to appropriately process the material as separated by the generator
- Price Increase Drivers
  - RFP includes additional service levels (data tracking and reporting) and services (compost and class 2 and non-hazardous waste)
  - Contract authorization request includes annual price increase assumption as well as contingency



## Current Contract

- **Current Vendor:** Republic
- **Contract Start:** 12/1/2010
- **Term:** 36 months with three 1-year extensions
- **Current status:** Last extension expired 11/30/16; currently in contract holdover that expires 3/31/17
- **Scope:** Contract provides trash and recycling dumpster service to City Facilities, eligible special events, and emergencies



# New Request for Proposal

- Additions to current contract summary
  - Brush
  - Scrap wood
  - Compostable materials
  - Class 2 and non-hazardous waste; includes utility poles



# New Request for Proposal

- Enhancements
  - Compost collection at City facilities and eligible special events
  - For eligible special events:
    - Specific point of contact with 24/7 access during special events
    - 60 minute response time to make on-site corrections;
    - Faster invoicing and diversion reporting than City facility reporting
  - Required monthly reporting for diversion calculations
    - Dedicated route for City facility collection to track actual tonnage
    - Tracking of tonnages for all other sections of contract
  - Billing to each individual department



# Request for Proposal Sections

1. City Facilities
2. Emergencies
3. Special Events
4. Class 2 and non-hazardous waste



## Section 1 - City Facilities

- Current City Facility Usage
  - Approximately 200 trash dumpsters and roll-offs (average price increase 32% from current contract)
  - Approximately 65 recycling dumpsters and roll-offs (average price increase 35% from current contract)
- New City Facility Needs
  - Compost collection using 96 gallon carts
    - Approximately 20 sites with food permits (URO Organics Diversion applies)
    - Projected balance of sites to add on throughout contract term



# Section 1 - City Facilities

- Section 1 – City Facilities: Contract Authorization Request
  - First 36 months \$6,590,000
  - Three 1-year Extensions (each) \$2,650,000
  - TOTAL contract authorization for 6 years: \$14,540,000
- Options:
  1. Recommend as requested
  2. Recommend with exclusions that address ZWAC concerns
  3. Do not recommend with rationale
- Staff Recommendation – approval
  - Consideration #1 from 12/13/16 memo – “...exclude specific disposal or processing facilities from availability during contract negotiations.”





## Section 2 - Emergencies

- Emergencies include storms, floods, or other cleanups
- Separate contracts in place for Emergencies
  - Debris removal
  - Debris removal vendor monitoring
  - FEMA reimbursement potential
- New contract gives ARR flexibility to focus on emergencies without disrupting/delaying regular customer curbside services



## Section 2 - Emergencies

- Section 2 – Emergencies: Contract Authorization Request
  - First 36 months \$300,000
  - Three 1-year Extensions (each) \$115,000
  - TOTAL Contract authorization for 6 years: \$645,000
- Options:
  1. Recommend as requested
  2. Recommend with exclusions that address ZWAC concerns
  3. Do not recommend with rationale
- Staff recommendation – approval



## Section 3 - Special Events

- Events eligible to utilize COA contract:
  - **City Co-sponsored events (by resolution).** Examples include: Viva la Vida, MLK March and Festival, Zilker Kite Festival, Juneteenth Parade and Festival, 4th of July Auditorium Shores, Austin PRIDE Parade
  - **City Department organized.** Austin New Year; Austin Energy Resource Fair
  - **Community Partnership.** Trail of Lights
- SXSW – references 2-week timeframe of events
  - Does not include CBD contract area along 6<sup>th</sup> street area



## Section 3 - Special Events

- Fee Waivers:
  - City Council can waive recycling dumpster collection expense. ARR's budget covers the cost of service
  - Eligible events pay for landfill trash dumpster collection, at ARR's cost
- Enhancement from current contract
  - Specific point of contact with 24/7 access during special events
  - 60 minute response time for corrections
  - Faster invoicing and diversion reporting than City facility reporting



## Section 3 – Special Events

- Section 3 – Special Events: Contract Authorization Request
  - First 36 months \$155,000
  - Three 1-year Extensions (each) \$60,000
  - TOTAL Contract authorization for 6 years: \$335,000
- Options:
  1. Recommend as requested
  2. Recommend with exclusions that address ZWAC concerns
  3. Do not recommend with rationale
- Staff Recommendation – approval with exclusions
  - Consideration #2 from 12/13/16 memo – “...exclude the provision of dumpster service to special events, with an exception for events that are organized by a City department.”



## Section 4 – Class 2 and Non-Hazardous Waste

- Container locations planned at Austin Energy and for on-demand use by Building Services
- These containers will only be utilized for items that cannot be diverted/recycled
- Does not include biosolids except in an emergency where their current vendor is unable to respond
- Utility Poles: 3 options for management
  - Landfill
  - “Recycle” via waste to energy
  - Reuse/resale



## Section 4 – Class 2 and Non-Hazardous Waste

- Section 4 – Class 2 and Non-Hazardous Waste: Contract Authorization Request
  - First 36 months \$680,000
  - Three 1-year Extensions (each) \$265,000
  - TOTAL Contract authorization for 6 years: \$1,475,000
- Options:
  1. Recommend as requested
  2. Recommend with exclusions that address ZWAC concerns
  3. Do not recommend with rationale
- Staff Recommendation – approval with exclusions
  - Consideration #3 from 12/13/16 memo – “...notify the City Council via Corrective Action Memo within five business days of declaring the emergency condition before utilizing this contract for biosolids management.”

# QUESTIONS & ANSWERS