

Solid Waste Fund Residential Waste Collection Services Contract Recommendation

Tuesday, October 19, 2021



Background

Performance

Recommendation

Current Solid Waste Collection Contract

- Waste Management of Texas, Inc., (since 4/1/2003)
- 1st extension terminates 3/31/23, with two options to renew, each for a 10-year term.
- Chapter 252 exempts solid waste contracts from procurement.
- While preparing RFP, City staff has been negotiating with WM

Overview of Solid Waste Contracts

Contract Title & #'s	End Date	Renewal/Extension Options	Current Vendor	Annual Budget
Residential Collections Annual tons Garbage: 217,000 Recycling: 63,600 Yard: 30,000 Bulk: 56,100	3/31/23	Contract extension allows for two (2) additional ten (10) year renewals	Waste Management (Knight Waste Services is MWBE Subcontractor)	\$38,000,000
Cart Purchase, Maintenance & Services	4/30/23	Renewal allows 4 additional 1-year renewals	Toter	\$2,400,000
Recycling Processing (MRF)	3/31/23	Contract allows 2 additional 5-year renewals	Republic Services	\$1,800,000
Drop-Off Station Container Hauling	3/31/23	Extension allows 3 additional 10-year renewals	Republic Services	\$600,000
Southeast Landfill Lease	12/31/33	Lease contract allows 1 additional 10-year renewal	Republic Services	\$4,100,000
Yard Waste Mulch Processing	12/31/23	Mulch Processing allows 1 additional 5-year renewal		\$400,000

Residential Collection Service Details

Residents of Fort Worth receive four services:

- Garbage Collection – once a week
- Recycling Collection – once a week
- Yard Waste Collection – once a week
- Bulk Collection – once a month

Total Average Collections per Household/Per Month = 14

Collection Customers = 244,028

3.3M service touches monthly

Solid Waste Fund - Where We Are

- Solid Waste Working Group and process followed to develop the proposed recommendation
- Recommendation on path forward
- Proposed Next Steps

Goals and Guiding Principles

- Provide the best service at the best value for Fort Worth residents, at prices and service-levels that are competitive with like-sized markets”
 - Keep CFW a clean and attractive City
 - Decrease service collection costs
 - Preserve landfill life / increase diversion
 - Improve brush and bulky waste services
 - Maximize contracting opportunities and meet Business Equity goals

Staff Recommendation

Staff is recommending the City Council approve the Term Sheet developed collaboratively between the City and Waste Management and authorize the execution of the Second Extension and Restatement of the Solid Waste Collection Contract to expire March 31, 2033.

Agreed Upon Extension Amendments

The terms are as follows:

- The parties agree to a one-time waiver of the Cost Adjustment for FY22 (Oct 21) – equivalent to a 4% cost avoidance in the contractual household rate
- The parties agree to change the indices used for the calculation to the Garbage and Trash index (at 90%) and the Texas Commercial CNG fuel index (at 10%)
- The parties agree to develop a performance/success criteria for WM for monthly missed pick ups and truck route completion

Agreed Upon Extension Amendments

- Adjust liquidated damages to reflect the increased administrative costs of missed services
- Revise the Storm Debris Reimbursement Calculation trigger from a calendar quarter period to three (3) consecutive months and from a 20% tonnage surge to a 12% tonnage surge
- Amend the Uncontrollable Circumstances clause(s) to address conditions and lessons learned from a pandemic
- WM has agreed to a \$750,000 investment in smart technology
- New terms and conditions to begin once approved and be for an extension of 12 years (March 31, 2033.)
 - **New term of 12 years.**

Customer Service Data

Garbage	Recycling	Yard	Bulk	Garbage + Recyc. + Yard + Bulk
<ul style="list-style-type: none"> • 99.5%+ • Service • Success • Rate 	<ul style="list-style-type: none"> • 99.5%+ • Service • Success • Rate 	<ul style="list-style-type: none"> • 99.5%+ • Service • Success • Rate 	<ul style="list-style-type: none"> • 99.5%+ • Service • Success • Rate 	<ul style="list-style-type: none"> • 99.5%+ Success Rate • <i>2018: 99.93%</i> • <i>2019: 99.93%</i> • <i>2020: 99.94%</i> • <i>2021: 99.94%</i>

Waste Management maintains a 99.5%+ Service Success Rate and maintains consistently open, honest and professional communication to improve results, solve problems and celebrate mutual success

Recommendation– Burns and McDonnell

- The agreement between CFW and WM is a **good deal for the City**.
- Financial and customer service focused **benefits**.
 - WM forgoing the annual cost adjustment (estimated at 4% for FY 2022)
 - WM providing technology upgrades for equipment and the parties agreeing to incentives for Waste Management to continue improving customer service
 - Sustains compliance for Business Equity Ordinance with local MBEs
 - Provides stability and continuity that may not occur another service provider
 - Vendor's investment in employees, employee programs and the entire Fort Worth community

Proposed Next Steps

October 19th
Recommendation to
Mayor and Council

November 30th
CFW and WM
amendment &
extension executed

November 9th
M&C on Mayor/Council agenda to
approve amendment/extension

Questions

Solid Waste Curbside Collection Program

- Weekly Collection
 - Garbage Collection
 - All bagged trash contained in Brown Garbage Cart, lid closed, placed at curb by 7am on collection day
 - Recycling Collection
 - Only acceptable materials placed loose in Blue Recycling Cart with lid closed, placed at curb by 7am on collection day



Solid Waste Curbside Collection Program

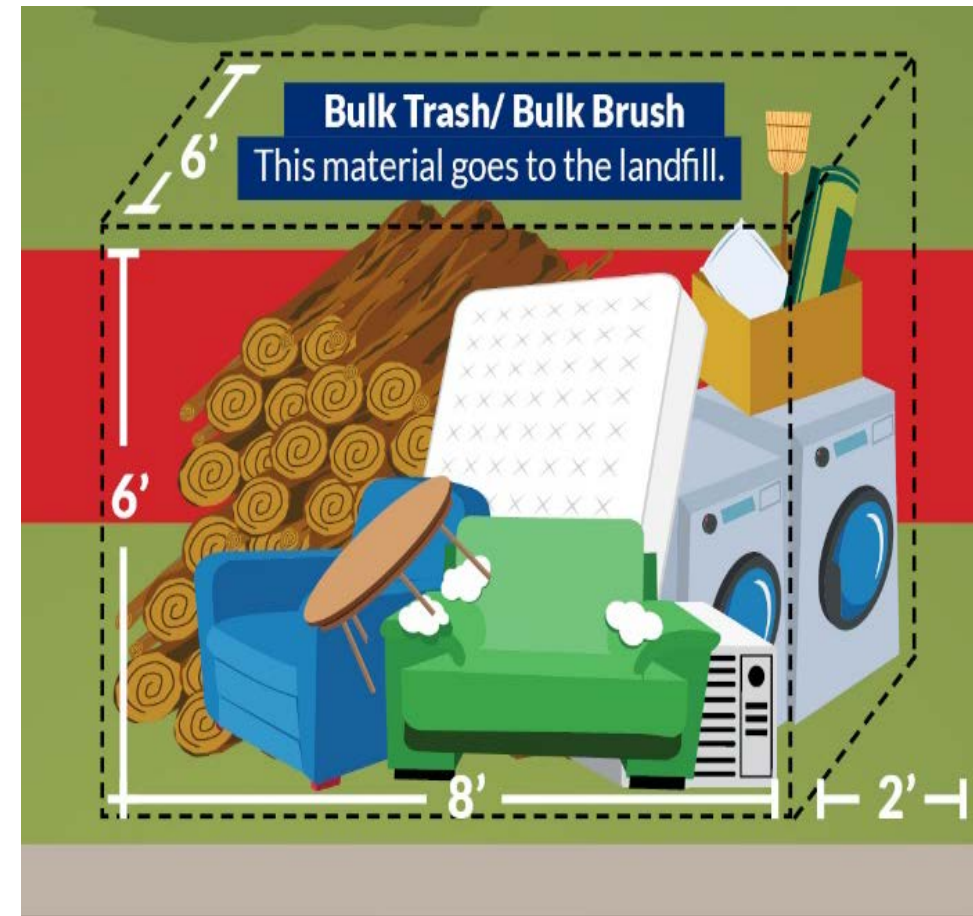
- Yard Trimmings at the Curb
 - Up to 10 Cy of brush stacked neatly at the curb by 7am on collection day
 - Unlimited bundles of neatly tied brush up to 4' long and 40lbs, stacked neatly at the curb by 7am on collection day
 - Yard Carts or unlimited Kraft paper yard bags placed neatly at the curb by 7am on collection day



Solid Waste Curbside Collection Program

Monthly Bulk

- Up to 10cy yards of bulk items stacked neatly at the curb by 7am on Monday of bulk collection week



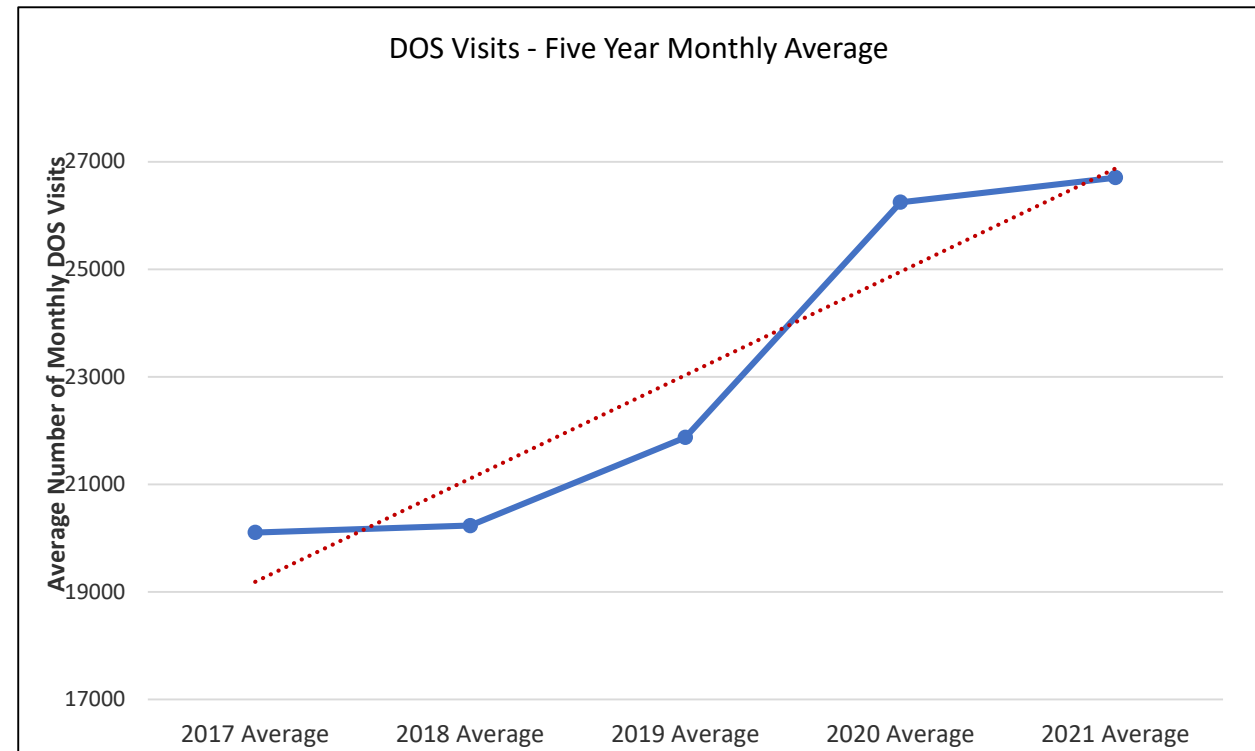
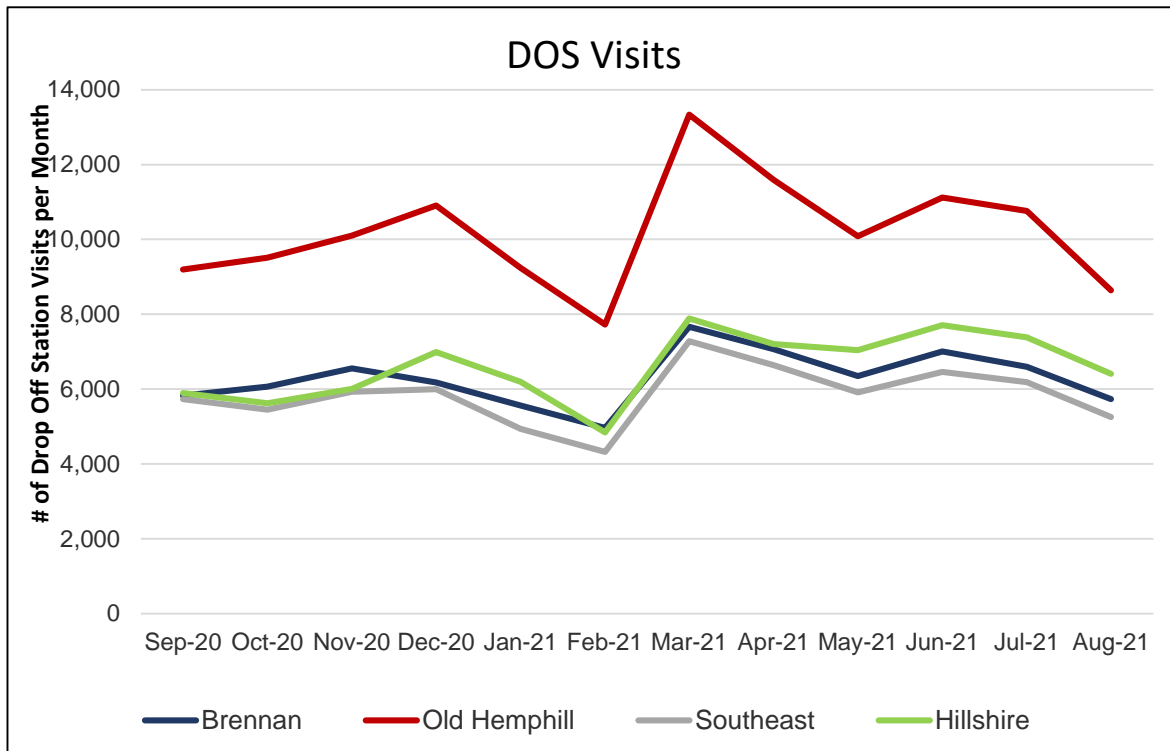
Solid Waste Beyond the Curb Facilities: Drop-Off Stations

- Service Offering

- There is no additional charge for Fort Worth residential solid waste customers to use any of our 4 Drop-Off Stations that serve different areas of the City
- Allow disposal of excess garbage, brush, bulk items, recycling, hazardous household waste, scrap metal, secure shredding, & Styrofoam
- Citizens can also drop off tires and electronics



Solid Waste Beyond the Curb Facilities: Drop-Off Stations



Drop-Off Stations have reduced the number of illegal dump sites and pounds of material collected since opening to residents

Solid Waste Beyond the Curb Facilities: ECC

- 1 Environmental Collection Center (ECC)
 - Household Hazardous Waste (HHW)
 - “Help Yourself Shelf”
 - All of the DOS material is brought to the ECC for processing, recycling and consolidation

