

# Solid Waste Services Procurement Presentation of New Franchise Agreement

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City of Piedmont  
December 4, 2017



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# Summary of Agreement Terms

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- ❑ Overall services remain largely the same
- ❑ New collection vehicles and existing carts
- ❑ New service, Compact fluorescent lamps (CFLs)
- ❑ Realignment of large item collection service (reduced yardage) for single and multi-family
- ❑ On-premises (“backyard”) service available to physically disabled at curbside rates
- ❑ \$75,000 annually for outreach & education
- ❑ Rates adjusted annually at CPI with 2.5% floor and 4% cap



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# Summary of Negotiation Results

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- ❑ 2.4% reduction in overall rate revenues
- ❑ Small reduction in large item services
- ❑ Detailed Rate Review eliminated
- ❑ Reduced fees to City
- ❑ Franchise fee left at current 5.5%
- ❑ Protection of current service levels



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# Current Rates May Be Low

## Comparison of Republic Services Initial Proposed Rates vs. Escalated 2008 Competitor Rates (35-gallon service example)

35-Gallon Garbage Container (Monthly Rates)	2008-2009		2017-2018 Republic Services Current Rates WM and CWS Estimated*		2018-2019 Republic Services Initial Proposed Rates WM and CWS Estimated*	
	Curbside	Backyard	Curbside	Backyard	Curbside	Backyard
Republic	\$44.53	\$49.52	\$55.11	\$61.08	\$88.65	\$131.43
Waste Management	\$62.62	\$72.42	\$77.50	\$89.33	\$79.55	\$91.64
California Waste Solutions	\$108.99	\$158.89	\$134.89	\$195.98	\$138.45	\$201.06

\*Estimated assuming the same level of annual adjustments as Republic through 2017-2018 and assuming an adjustment for 2018-2019 based on the average of previous annual adjustments



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# Elements Affecting Piedmont Rates

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- ❑ Backyard service participation (~50%) very labor intensive and narrow hilly streets
- ❑ Not currently feasible to use more efficient trucks and single-driver staffing
- ❑ No contiguous borders with other services providers except Waste Management, no regional procurement
- ❑ Very small commercial sector and no industrial thus no cross-subsidy
- ❑ High performance in diverting waste from landfills (>70%) with unlimited collection



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	Piedmont	Atherton	Fairfax	Hills.	Los Altos Hills	Orinda	San Anselmo
Contiguous with multiple jurisdictions?	N	Y	Y	Y	Y	Y	Y
Participating in a regional consortium that provides for cost-effectiveness in contracting?	N	Y	Y	Y	N	Y	Y
Meaningful commercial customer base available to offset residential rates?	N*	N	N	N	N	N	N
Competitiveness in procurement	One proposer	Multiple proposers	Not applicable	Multiple proposers	Not available	Multiple proposers	Not applicable
Extensive use of On-Premises Service	Y	N	N	N	N	N	N
Unlimited On-Premises Organics?	Y	N	N	N	N	N	N
Diversion Performance (achieved, 2014 per capita disposal)	82%	72%	74%	63%	60%	75%	75%



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# Rates Will Go Up

Note: All compared include Franchise Fee of 5.5%

Single-Family						
Garbage bundled with 95 gallon recycling and 95 gallon organics (Curbside) or 35 gallon recycling and 35 gallon organics (On-Premises)						
Monthly Rates	20 gallon	35 gallon	65 gallon	95 gallon	20 gallon On-Premises	35 gallon On-Premises
Current Monthly Rates per Customer	\$52.39	\$55.11	\$65.02	\$76.90	\$55.41	\$61.08
Republic Initial	\$86.13	\$87.71	\$91.09	\$94.48	\$128.91	\$130.49
Republic Revised	\$79.84	\$84.60	\$116.55	\$130.52	\$122.17	\$126.93

Multifamily & Commercial						
Garbage, not bundled with recycling or organics (recycling and organics are below)						
Monthly Rates	35 gallon 1 x per week	35 gallon 2 x per week	95 gallon 1 x per week	95 gallon 2 x per week	2 CY 2 x per week	2 CY 5 x per week
Current Monthly Rates per Customer	\$59.48	\$118.95	\$93.78	\$187.56	\$663.85	\$1,597.52
Republic Initial	\$80.47	\$160.93	\$87.23	\$174.46	\$864.93	\$2,162.33
Republic Revised	\$77.35	\$154.71	\$123.27	\$246.54	\$864.93	\$2,162.33

Multifamily & Commercial								
Monthly Rates	Recycling				Organics			
	35 gallon 1 x per week	35 gallon 2 x per week	95 gallon 1 x per week	95 gallon 2 x per week	35 gallon 1 x per week	35 gallon 2 x per week	95 gallon 1 x per week	95 gallon 2 x per week
Current Monthly Rates per Customer	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Republic Initial	-\$0.40	-\$0.80	-\$0.40	-\$0.80	\$7.65	\$15.30	\$7.65	\$15.30
Republic Revised	-\$0.40	-\$0.80	-\$0.40	-\$0.80	\$7.65	\$15.30	\$7.65	\$15.30

# Rate Payers Can Reduce Their Rates

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- ❑ Reduce garbage subscription levels (applies to 79% of single family rate payers) by recycling and composting more
- ❑ Switch to curbside services (applies to 50%)
- ❑ Use annual prepayment discount, ~8% savings (applies to all)
- ❑ Physically disabled customers with no able-bodied members of the household may apply to receive on-premises service at curbside rates



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# Rate Payers Can Reduce Their Rates

## □ Example 1: Curbside Service, 35-gallon garbage cart

Service	Monthly Rate (effective)	\$ increase from current
<b>Current – Curbside Service, 35-gallon garbage cart</b>	<b>\$55.11</b>	<b>NA</b>
New – Curbside Service, 35-gallon garbage cart	\$84.60	\$29.49
New – Curbside Service, 35-gallon garbage cart (With Annual Pre-Payment Discount)	\$77.55	\$22.44
New – Curbside Service, 20-gallon garbage cart	\$79.84	\$24.73
<b>New – Curbside Service, 20-gallon garbage cart (With Annual Pre-Payment Discount)</b>	<b>\$73.19</b>	<b>\$18.08</b>



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# Rate Payers Can Reduce Their Rates

## □ Example 2: On-Premises Service, 35-gallon garbage cart

Service	Monthly Rate (effective)	\$ increase from current
<b>Current – On-Premises Service, 35-gallon garbage cart</b>	<b>\$61.08</b>	<b>NA</b>
New – On-Premises Service, 35-gallon garbage cart	\$126.93	\$65.85
New – On-Premises Service, 35-gallon garbage cart, (With Annual Pre-Payment Discount)	\$116.35	\$55.27
New – On-Premises Service, 20-gallon garbage cart	\$122.17	\$61.09
<b>New – On-Premises Service, 20-gallon garbage cart, (With Annual Pre-Payment Discount)</b>	<b>\$111.99</b>	<b>\$50.91</b>
New – Curbside Service, 35-gallon garbage cart	\$84.60	\$23.52
New – Curbside Service, 35-gallon garbage cart, (With Annual Pre-Payment Discount)	\$77.55	\$16.47
New – Curbside Service, 20-gallon garbage cart	\$79.84	\$18.76
<b>New – Curbside Service, 20-gallon garbage cart, (With Annual Pre-Payment Discount)</b>	<b>\$73.19</b>	<b>\$12.11</b>



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# Contact Info

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