

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE: CleanScapes' Contract Amendments
DEPARTMENT: Public Works
PRESENTED BY: Jesus Sanchez, Operations Manager, and Rika Cecil,
Environmental Programs Coordinator

PROBLEM/ISSUE STATEMENT:

On October 22, 2007, Council authorized the City Manager to sign the new solid waste collection contract with CleanScapes. Since March 1, 2008, when new services began, one index in the annual rate adjustment formula has become obsolete, and some minor inaccuracies and gaps have been discovered. The proposed amendments provide clarification of service levels; add new language and timeline where data is no longer available; change the document retention period for consistency with State standards; and allow the contractor to charge for unreturned carts, when service is discontinued.

Staff proposes the following revisions to the contract with CleanScapes:

1. Add the definition "temporary service," since there are currently rates for this service.
2. Add the 32-gallon cart size for yard debris, and allow the contractor to charge for damaged carts to include carts which are not returned to the contractor, when service is discontinued.
3. Replace an obsolete index, which is currently in the contract's annual rate adjustment formula, with the recommended equivalent index; and adjust the rate calculation and review timeline to allow public notification.
4. Change the retention period for solid waste dump fee tickets from 7 years to 3 years, based on State standards.
5. Add the rates for 32-gallon and 64-gallon commercial and residential food scraps/yard debris cart service.

RECOMMENDATION

Staff recommends that Council adopt the Comprehensive Garbage, Recyclables and Yard Debris Collection Contract amendments.

Approved By:

City Manager 

City Attorney 

INTRODUCTION

On October 22, 2007, Council authorized the City Manager to sign the new solid waste collection contract with CleanScapes. Since March 1, 2008, when new services began, one index in the annual rate adjustment formula has become obsolete, and some minor inaccuracies and gaps have been discovered. The proposed amendments provide clarification of service levels; add new language and timeline where data is no longer available; change the document retention period for consistency with State standards; and allow the contractor to charge for unreturned carts, when service is discontinued.

DISCUSSION

Definitions Section is updated to reflect an added definition.

1. Add "Temporary service" to be collection services that are in place for less than ninety (90) days at any given location.

By adding "Temporary service" this service level will be clarified and differentiated from permanent services. Temporary services have rates listed in Attachment B of the contract.

Section 2.1.14.2, Garbage, Recyclables and Yard Debris Carts is updated to reflect the existing cart service levels for residential yard debris; and to expand the contractor's current ability to charge for damaged carts to include carts that are not returned when service is discontinued.

2.1.14.2 Garbage, Recyclables and Yard Debris Carts

The Contractor shall provide 10-gallon Micro-cans and 20-, 32-, 45-, 64- and 96-gallon Garbage Carts for the respective level of Garbage collection; 32-, 64- or 96-gallon Recyclables Carts; and 32-, 64- and 96-gallon Yard Debris Carts. All carts shall be manufactured from a minimum of 10 percent (10%) post-consumer recycled plastic, with a lid that will accommodate a Contractor affixed screening or label. Carts shall be provided to requesting Customers within seven (7) days of the Customer's initial request. All wheeled cart manufacturers, styles and colors shall be approved in writing by the City prior to the Contractor ordering a cart inventory. All carts must have materials preparation instructions and telephone and website contact information printed on a sticker on the lid. The initial distribution of Carts shall not be screened, molded-in, molded-on, imprinted, or otherwise labeled, with the Contractor's logo or company name. All Contractor-owned wheeled carts shall: be maintained by the Contractor in good condition for material storage and handling; contain no jagged edges or holes; contain wheels or rollers for movement; and be equipped with an anti-skid device or sufficient surface area on the bottom of the container to prevent unwanted movement. The carts shall contain instructions for proper use, including any Customer actions that would void manufacture warranties (such as placement of

hot ashes in the container causing the container to melt), and procedures to follow in order to minimize potential fire problems.

Collection crews shall note damaged hinges, holes, poorly functioning wheels and other similar repair needs on Contractor-owned carts (including those for Garbage, Recycling and Yard Debris) and forward repair notices to the Contractor's service personnel. Cart repairs shall then be made within seven (7) days at the Contractor's expense. Any wheeled cart that is damaged or missing on account of accident, act of nature or the elements, fire, or theft or vandalism by other members of the public shall be replaced no later than seven (7) business days after notice from the Customer or City. Replacement carts may be used and reconditioned, but shall be clean and appear presentable. Unusable carts shall be cleaned (if necessary) and recycled to the extent possible.

In the event that a particular Customer repeatedly damages a cart or requests more than one replacement cart during the term of the Contract due to negligence or intentional misuse, the Contractor shall forward in writing the Customer's name and address to the City. The City shall then attempt to resolve the problem. In the event that the problem continues, the Contractor may discontinue service to that Customer, on the City's prior approval. In addition, if a customer's service is discontinued and the customer fails to return the carts, the contractor may charge the customer \$50 for each cart not returned.

Section 3.3.1, Annual Rate Adjustment, is amended to delete an obsolete index in the formula and replace it with an equivalent index. In addition, the method used to develop the fuel index has been further defined, and the rate calculation timeline is revised to allow sufficient time between the rate adjustment and the City's review of the rates to provide the necessary public notification.

The original rate adjustment formula was included in the City's Request for Proposal for solid waste services; it was standardized for all potential service providers; and has been used in the contracts for the cities of Seattle, Renton and Mountlake Terrace, as well as the University of Washington. Since October 2007, when Council approved the contract with the original formula for CleanScapes, the index for labor costs has been eliminated. The equivalent new index is the Employment Compensation Cost Index and will also be used in the City of Seattle's solid waste contract.

The diesel fuel index is only calculated once a year by the Department of Labor, Bureau of Labor Statistics based on the monthly average diesel prices throughout the year. This calculation is not usually released until the end of January, which is too late to meet the notification requirements in the City's contract. As such, the proposed language in the contract allows CleanScapes to create the same index for an annual period of September to September. A slight modification is necessary to determine the 2009 index, by using a ten month period of January through September of 2008. This language corresponds with the original intent of the index language used in the contract approved by Council.

3.3.1 Annual Rate Adjustment

The Contractor's collection service charges, excluding waste disposal fees, for each level of service shall increase or decrease every year by an inflation adjustment factor based on three indices computed by the United States Department of Labor, Bureau of Labor Statistics. The three indices and their weights are: 1) the ~~second~~first-half annual consumer price index for Urban Wage Earners and Clerical Workers for the Seattle-Tacoma-Bremerton Area, Series ID No. CWURA423SAO, or successor indices, which will have a weight of 42%, 2) the Energy Information Agency annual West Coast Retail Price Series for On-Highway Diesel Fuel, Index No. PADD5, which will have a weight of 8%, ~~and 3) the Producers' Price Index for Labor in Service-Producing Industries (National), Series ID No. ECS12102i, which will have a weight of 50% and 3) the~~ Employment Compensation Cost Index for Private Industry, in current dollars, not seasonally adjusted, December 2005=100, for service providing industries, Series ID No. CIU201S0000000001 (B,H), which will have a weight of 50%.

~~The Inflation Adjustment Factor, for the contract year beginning in March 1, 2009, and for each subsequent contract year, will be calculated by taking the weighted average, based on the weights above, of the percentage difference between the three indices' most recent year end values and the corresponding values for the year ending December 2008, and adding the result to 1.0. The non-disposal component of all rates in Attachment B shall be multiplied by this calculated adjustment factor.~~ Consumer Price Index and the Employment Compensation Cost Indices' values at June 30, 2008, and the corresponding values at June 30, 2007. In calculating the change in the price of diesel fuel for 2008, the contractor will take the average of the month end prices as reported by the Energy Information Agency as provided in (2) above for the period from January 2008 through October 2008. The average price for the ten months of 2008 will then be divided by the 2007 annual index value. The weighted average percentage change of all three indices will then be added to 1.0. The non-disposal component of all rates in Attachment B shall be multiplied by this calculated adjustment factor.

For the contract year beginning March 1, 2010 and for all subsequent years, the contractor will calculate the change in the price of diesel fuel, using a trailing twelve month average price on September 30th of the current year and divide that by the trailing twelve month average price on September 30th of the previous year. The weighting, time periods measured, and methodology used for the Consumer Price Index and the Employment Cost Index will remain the same for the March 1, 2010 contract year as for the March 1, 2009 contract year. The weighted average percentage change of all three indices will then be added to 1.0. The non-disposal component of all rates in Attachment B shall be multiplied by this calculated adjustment factor.

Adjustments to the Contractor's collection service charge shall be made in units of one cent (\$0.01). Fractions less than one cent (\$0.01) shall not be considered when making adjustments.

Rates shall be adjusted annually, beginning March 1, 2009. The Contractor shall submit to the City for review and approval a Rate Adjustment Statement by October 20th of each year, calculating the new rates for the next year, ~~on or by December 15 of each year, starting December 15, 2008.~~ The City shall have thirty (30) days to confirm the Contractor's rate modification calculations. On City approval, which shall not be unreasonably withheld or delayed, the new rates shall take effect on March 1st of the following year, and Customers shall be notified by January 15th, forty-five (45) days prior to the new rate. Should ratepayers not receive notification by January 15th due to missed deadlines, rate calculation errors by the Contractor, or rate disapproval by the City, implementation of the new rates shall be delayed by one month without opportunity for recovery of lost revenue.

Section 6.2, Access to Records, is revised from a retention period of seven years (the term of the contract) for solid waste dump fee tickets to three years for consistency with State standards.

6.2 Access to Records

The Contractor shall maintain in its local office full and complete operations, Customer, financial and service records that at any reasonable time shall be open for inspection and copying for any reasonable purpose by the City. In addition, the Contractor shall, during the Contract term, and at least five (5) years thereafter, maintain in an office in King County reporting records and billing records pertaining to the Contract that are prepared in accordance with Generally Accepted Accounting Principles, reflecting the Contractor's services provided under this Contract. Those Contractor's accounts shall include but shall not be limited to all records, invoices and payments under the Contract, as adjusted for additional and deleted services provided under this Contract. The City shall be allowed access to these records for audit and review purposes.

The Contractor shall make available copies of certified weight slips for Garbage, Recyclables and Yard Debris on request within two (2) business days of the request. The weight slips may be requested for any period during the term of this Contract. The Contractor shall retain solid waste dump fee tickets for a period of three years.

The Contractor shall allow the City to interview any person and to review any evidence in the Contractor's possession or control that may assist the City in determining whether and by what amount: (1) the Contractor is entitled to reimbursement or increased rates under the contract; (2) the City is entitled to a reduction in rates under the contract; or (3) the Contractor is in compliance with the contract.

Attachment B, Contractor Rates, is expanded to include rates for all cart sizes of commercial and residential yard debris/food scraps service, which is currently in the contract. *See attachment to this staff report.*

RECOMMENDATION

Staff recommends that Council adopt the Comprehensive Garbage, Recyclables and Yard Debris Collection Contract amendments.

ATTACHMENT

Attachment B, Contractor Rates

Attachment B					
Form 2a - 2008					
	Service Level	Pounds Per Unit	Disposal Fee	Collection Fee	Total Service Fee
Monthly Weekly Residential Curbside Service	One 32-gallon Garbage Cart	32	\$ 1.52	\$ 3.39	\$ 4.91
	One 10-gallon Micro-Can	10	\$ 2.06	\$ 3.80	\$ 5.86
	1 20-gallon Garbage Cart	20	\$ 4.11	\$ 6.14	\$ 10.25
	1 32-gallon Garbage Cart	22	\$ 4.46	\$ 10.18	\$ 14.64
	1 45-gallon Garbage Cart	31	\$ 6.28	\$ 14.95	\$ 21.23
	1 64-gallon Garbage Cart	43	\$ 8.93	\$ 15.96	\$ 24.89
	1 96-gallon Garbage Cart	65	\$ 13.39	\$ 20.28	\$ 33.68
	Additional 32 Gallon Carts (weekly svc)	22	\$ 4.46	\$ 5.79	\$ 10.25
	Additional 64 Gallon Carts (weekly svc)	43	\$ 8.93	\$ 8.50	\$ 17.42
	Additional 96 Gallon Carts (weekly svc)	65	\$ 13.39	\$ 10.18	\$ 23.57
	Extras (32 gallon equivalent)				\$ 3.50
	Miscellaneous Residential Fees:				
	EoW Yard Debris service (includes 32-gallon cart)				\$ 7.31
	EoW Yard Debris service (includes 64-gallon cart)				\$ 8.06
	EoW Yard Debris service (includes 96-gallon cart)				\$ 8.82
	Extra Yardwaste (per 32 gallon)				\$ 2.00
	Return Trip				\$ 7.00
	Carry-out Charge, per 25 ft, per month				\$ 3.00
	Drive-in Charge, per month				\$ 4.00
	Overweight/Oversize container (per p/u)				\$ 3.00
	Redelivery of containers				\$ 10.00
	Cart Cleaning (per cart per event)				\$ 7.50
	Sunken Can Surcharge per month				\$ 7.50
On-Call Bulky Waste Collection	White Goods, except refrigerators/freezers		\$ 20.00	\$ 65.00	\$ 85.00
	Refrigerators, Freezers		\$ 40.00	\$ 65.00	\$ 105.00
	Sofas, Chairs		\$ 35.00	\$ 65.00	\$ 100.00
	Mattresses		\$ 35.00	\$ 65.00	\$ 100.00
Weekly Commercial & Multifamily Can and Cart	1 32-gallon Garbage Cart	21	\$ 4.40	\$ 13.53	\$ 17.93
	1 45-gallon Garbage Cart	30	\$ 6.19	\$ 19.06	\$ 25.25
	1 64-gallon Garbage Cart	43	\$ 8.80	\$ 21.18	\$ 29.97
	1 96-gallon Garbage Cart	64	\$ 13.20	\$ 27.35	\$ 40.55
	Additional 32 Gallon Carts (weekly svc)	21	\$ 4.40	\$ 13.53	\$ 17.93
	Additional 64 Gallon Carts (weekly svc)	30	\$ 6.19	\$ 21.18	\$ 29.97
	Additional 96 Gallon Carts (weekly svc)	43	\$ 8.80	\$ 27.35	\$ 40.55
	Extras (32 gallon equivalent)				\$ 3.50
	Miscellaneous Commercial Fees:				
	Weekly Yard Debris/FW (includes 32-gallon cart)				\$ 18.48
	Weekly Yard Debris/FW (includes 64-gallon cart)				\$ 20.38
	Weekly Yard Debris/FW (includes 96-gallon cart)				\$ 22.30
	Return Trip (same day, before 2:00)				\$ 7.00
	Carry-out Charge, per 25 ft, per month				\$ 3.00
	Drive-in Charge, per month				\$ 4.00
	Overweight/Oversize container (per p/u)				\$ 3.00
	Redelivery of containers				\$ 10.00
	Cart Cleaning (per cart per event)				\$ 7.50

	Service Level	Pounds Per Unit	Disposal Fee	Collection Fee	Total Service Fee
Commercial & Multifamily Detachable Container (loose)	1 Cubic Yard, 1 pickup/week	135	\$ 27.77	\$ 55.11	\$ 82.88
	1 Cubic Yard, 2 pickups/week	135	\$ 55.53	\$ 110.23	\$ 165.76
	1 Cubic Yard, 3 pickups/week	135	\$ 83.30	\$ 165.34	\$ 248.64
	1 Cubic Yard, 4 pickups/week	135	\$ 111.06	\$ 220.45	\$ 331.52
	1 Cubic Yard, 5 pickups/week	135	\$ 138.83	\$ 275.57	\$ 414.40
	1.5 Cubic Yard, 1 pickup/week	203	\$ 41.65	\$ 79.74	\$ 121.39
	1.5 Cubic Yard, 2 pickups/week	203	\$ 83.30	\$ 159.48	\$ 242.78
	1.5 Cubic Yard, 3 pickups/week	203	\$ 124.95	\$ 239.22	\$ 364.17
	1.5 Cubic Yard, 4 pickups/week	203	\$ 166.60	\$ 318.96	\$ 485.56
	1.5 Cubic Yard, 5 pickups/week	203	\$ 208.25	\$ 398.70	\$ 606.95
	2 Cubic Yard, 1 pickups/week	270	\$ 55.53	\$ 103.98	\$ 159.51
	2 Cubic Yard, 2 pickups/week	270	\$ 111.06	\$ 207.96	\$ 319.02
	2 Cubic Yard, 3 pickups/week	270	\$ 166.60	\$ 311.93	\$ 478.53
	2 Cubic Yard, 4 pickups/week	270	\$ 222.13	\$ 415.91	\$ 638.04
	2 Cubic Yard, 5 pickups/week	270	\$ 277.66	\$ 519.89	\$ 797.55
	3 Cubic Yard, 1 pickup/week	405	\$ 83.30	\$ 147.77	\$ 231.06
	3 Cubic Yard, 2 pickups/week	405	\$ 166.60	\$ 295.53	\$ 462.13
	3 Cubic Yard, 3 pickups/week	405	\$ 249.90	\$ 443.30	\$ 693.19
	3 Cubic Yard, 4 pickups/week	405	\$ 333.19	\$ 591.07	\$ 924.26
	3 Cubic Yard, 5 pickups/week	405	\$ 416.49	\$ 738.83	\$ 1,155.32
	4 Cubic Yard, 1 pickup/week	540	\$ 111.06	\$ 181.40	\$ 292.47
	4 Cubic Yard, 2 pickups/week	540	\$ 222.13	\$ 362.80	\$ 584.93
	4 Cubic Yard, 3 pickups/week	540	\$ 333.19	\$ 544.20	\$ 877.40
	4 Cubic Yard, 4 pickups/week	540	\$ 444.26	\$ 725.61	\$ 1,169.86
	4 Cubic Yard, 5 pickups/week	540	\$ 555.32	\$ 907.01	\$ 1,462.33
	6 Cubic Yard, 1 pickup/week	810	\$ 166.60	\$ 248.67	\$ 415.27
	6 Cubic Yard, 2 pickups/week	810	\$ 333.19	\$ 497.34	\$ 830.54
	6 Cubic Yard, 3 pickups/week	810	\$ 499.79	\$ 746.01	\$ 1,245.80
	6 Cubic Yard, 4 pickups/week	810	\$ 666.39	\$ 994.69	\$ 1,661.07
	6 Cubic Yard, 5 pickups/week	810	\$ 832.98	\$ 1,243.36	\$ 2,076.34
	8 Cubic Yard, 1 pickup/week	1080	\$ 222.13	\$ 300.32	\$ 522.45
	8 Cubic Yard, 2 pickups/week	1080	\$ 444.26	\$ 600.64	\$ 1,044.90
	8 Cubic Yard, 3 pickups/week	1080	\$ 666.39	\$ 900.96	\$ 1,567.35
	8 Cubic Yard, 4 pickups/week	1080	\$ 888.52	\$ 1,201.28	\$ 2,089.80
	8 Cubic Yard, 5 pickups/week	1080	\$ 1,110.65	\$ 1,501.60	\$ 2,612.25
	Extra loose cubic yard, per pickup				\$ 12.00
Weekly Commercial Detachable Container (compacted)	1 Cubic Yard Container	405	\$ 83.30	\$ 102.89	\$ 193.52
	1.5 Cubic Yard Container	608	\$ 124.95	\$ 131.84	\$ 264.49
	2 Cubic Yard Container	810	\$ 166.60	\$ 141.86	\$ 332.96
	3 Cubic Yard Container	1215	\$ 249.90	\$ 212.51	\$ 471.54
	4 Cubic Yard Container	1620	\$ 333.19	\$ 223.36	\$ 587.16
	6 Cubic Yard Container	2430	\$ 499.79	\$ 257.40	\$ 823.06
	Detachable Container Miscellaneous Fees (per occurrence):				
	Return Trip				\$ 10.00
	Roll-out Container over 15 feet (per p/u)				\$ 2.00
	Unlock Container (per p/u)				\$ 1.50
	Gate Opening (per p/u)				\$ 1.50

	Service Level	Pounds Per Unit	Disposal Fee	Collection Fee	Haul Charge
Temporary Collection Hauling	4 Yard detachable container	540	\$ 25.65	\$ 90.00	\$ 115.65
	6 Yard detachable container	810	\$ 38.48	\$ 90.00	\$ 128.48
	8 Yard detachable container	1080	\$ 51.30	\$ 90.00	\$ 141.30
	Non-compacted 10 cubic yard Drop-box				\$ 130.00
	Non-compacted 20 cubic yard Drop-box				\$ 150.00
	Non-compacted 30 cubic yard Drop-box				\$ 170.00
	Non-compacted 40 cubic yard Drop-box				\$ 180.00
Temporary Collection Container Rental and Delivery	Service Level		Delivery Fee	Daily Rental	Monthly Rental
	4 Yard detachable container		\$ 70.00	\$ 4.00	\$ 48.00
	6 Yard detachable container		\$ 70.00	\$ 4.00	\$ 48.00
	8 Yard detachable container		\$ 70.00	\$ 4.00	\$ 48.00
	Non-compacted 10 cubic yard Drop-box		\$ 90.00	\$ 6.00	\$ 72.00
	Non-compacted 20 cubic yard Drop-box		\$ 90.00	\$ 6.00	\$ 72.00
	Non-compacted 30 cubic yard Drop-box		\$ 90.00	\$ 6.00	\$ 72.00
	Non-compacted 40 cubic yard Drop-box		\$ 90.00	\$ 6.00	\$ 72.00
	Miscellaneous Temporary Fees:				Per Event
	Return Trip				\$ 25.00
	Stand-by Time (per minute)				\$ 1.25
	Drop-box turn around charge				\$ 10.00
Commercial & Multifamily Drop-box Collection	Service Level (based on pick ups)	Daily Rent	Monthly Rent	Delivery Charge	Haul Charge
	Non-compacted 15 cubic yard Drop-box	\$ 5.00	\$ 60.00	\$ 90.00	\$ 140.65
	Non-compacted 20 cubic yard Drop-box	\$ 5.00	\$ 70.00	\$ 90.00	\$ 154.20
	Non-compacted 25 cubic yard Drop-box	\$ 5.00	\$ 80.00	\$ 90.00	\$ 167.75
	Non-compacted 30 cubic yard Drop-box	\$ 5.00	\$ 90.00	\$ 90.00	\$ 181.30
	Non-compacted 40 cubic yard Drop-box	\$ 5.00	\$ 100.00	\$ 90.00	\$ 208.40
	Compacted 15 cubic yard Drop-box			\$ 100.00	\$ 160.65
	Compacted 20 cubic yard Drop-box			\$ 100.00	\$ 174.20
	Compacted 25 cubic yard Drop-box			\$ 100.00	\$ 187.75
	Compacted 30 cubic yard Drop-box			\$ 100.00	\$ 201.30
	Compacted 40 cubic yard Drop-box			\$ 100.00	\$ 228.40
	Drop Box Miscellaneous Fees (per occurrence):				
	Return Trip				\$ 10.00
	Unlock Container (per p/u)				\$ 1.50
	Gate Opening (per p/u)				\$ 1.50
On-Street Litter Cans		Pounds			Total
		Per Unit	Disposal Fee	Collection Fee	Service Fee
	Can collection 30-50 gallons, per p/u	30.00	\$ 1.43	\$ 1.85	\$ 3.28
City Facilities	City Facilities flat rate, per month		\$ 218.17	\$ 423.50	\$ 641.67
Sweeping Solids	Disposal/recycling flat rate, per month.				\$ 800.00
Hourly Rates	Service	Rate/hour			
	Rear/Side-load packer + driver	\$ 110.00			
	Front-load packer + driver	\$ 110.00			
	Drop-box Truck + driver	\$ 90.00			
	Additional Labor (per person)	\$ 40.00			
Commercial Fluorescent Tube Recycling	Service	Rate/tube			
	Collection, first tube	\$ 20.00			
	Collection, additional tubes	\$ 2.00			

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