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**Council Meeting Date: September 5, 2000**

**Agenda Item: 6(a)**

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**CITY COUNCIL AGENDA ITEM**  
**CITY OF SHORELINE, WASHINGTON**

<b>AGENDA TITLE:</b>	Shoreline Park and Ride Transit Oriented Development Master Plan Process Briefing
<b>DEPARTMENT:</b>	Planning and Development Services
<b>PRESENTED BY:</b>	Kirk McKinley, Planning Manager Jan Briggs, Senior Project Manager, King County

**EXECUTIVE / COUNCIL SUMMARY**

As you know, encouraging economic development along the Aurora Corridor is a top priority for your Council in your 1999-2000 Workplan. To this end, staff has been working diligently with King County to move this goal forward by jointly working on the potential for a mixed use development at the Shoreline Park and Ride (SPR). The purpose of this workshop is to brief your Council on the proposed process for developing a Master Plan for the SPR Transit Oriented Development (TOD) at 192<sup>nd</sup> and Aurora. The Master Plan process will be a co-lead project between King County and the City of Shoreline. The result of the process will be the submission to of a Master Plan proposal including a special overlay to the Development Code, and potentially an amendment to the Shoreline Comprehensive Plan.

At your workshop, Rich Thorsten from the 1,000 Friends of Washington will make a brief presentation on TOD in general. 1,000 Friends are under contract with the Puget Sound Regional Council (PSRC) to share their knowledge and findings on TOD and to help facilitate TOD type development. Shoreline and County staff will then review with your Council the proposed Master Plan process for the Shoreline Park and Ride. Jan Briggs, Senior Project Manager with King County will be lead on this project for the County. Jan has recently completed a similar process and TOD project for the Overlake Park and Ride in Redmond, and will share her experiences in developing that project. We will also review with you the preliminary market and site studies that have already been completed for this project.

The Shoreline Park and Ride site is owned by the Washington State Department of Transportation (WSDOT) and operated by King County Metro. The site is 5.78 acres, and currently has 400 parking spaces that are utilized at 80 – 90% of capacity. The site itself is in a depression area and at the lowest point is approximately 25 feet below the grade of Aurora. The site is zoned Industrial, which currently allows for most uses that would be considered for this TOD project including housing, commercial, office, and

park and ride uses. The newly adopted development code provides for a maximum height of 65 feet.

Attachment A is a graphic representation of the proposed process to develop a Master Plan for this site. The process includes three workshops, and several public meetings. Your Council, the Planning Commission, and stakeholders will receive briefings at key milestones along the way. Eventually, the Planning Commission and your Council will be asked to consider the Master Plan as a Type L permit (legislative action) to amend the Development Code with a special overlay, and/or the Comprehensive Plan. This is an approach that is similar to the North City Subarea Plan. Stakeholders for this process include King County, WSDOT, abutting neighborhoods, and potential future occupants/major tenants (such as Puget Sound Learning Center, YMCA).

### **RECOMMENDATION**

No formal action is requested. Direct staff to proceed with TOD Master Plan process and keep Council informed of process at key milestones during the process.

Approved By: City Manager LB City Attorney N/A

## **BACKGROUND / ANALYSIS**

Major park and ride lots/transit facilities are identified in the Comprehensive Plan as "essential regional facilities". The Comprehensive Plan states that these facilities should offer substantial public benefits to Shoreline and to the greater community, and should enhance the identity and image of the community. The Comprehensive Plan policies EPF 12, 13, 14, and 15 address essential regional facilities. The policies require essential regional facilities to undergo development review for substantial redevelopment, establishes criteria for that review, and encourages the development of Master Plans. Planning staff has assembled a checklist to guide the development of Master Plans in accordance with the criteria established in the Comprehensive Plan. Master Plans are legislative permits, as they may involve amending both the Comprehensive Plan and the Development Code. An overlay designation will be placed upon the properties indicating the Master Plan as the governing document for development or redevelopment of the site.

King County has identified the SPR as a TOD candidate site and has assigned Jan Briggs as lead staff. The County has also dedicated some planning funds to this project. The County is negotiating a contract with Merritt+Pardini a Planning and Architectural firm as the primary consultant in this process.

The County has undertaken and completed two preliminary studies that support the site as a TOD project. The Preliminary Market Analysis by Economics Research Associates (ERA) undertaken in the spring of 1999 identified potential successful scenarios for the park and ride site. These scenarios include: a 200 – 300 unit apartment complex with a small amount of retail; a civic center, or Puget Sound Learning Center (PSLC) complex with substantial office; a civic center with some additional retail/office and an apartment complex; or the PSLC with some additional retail/office and housing. The ERA report also indicated that one of the challenges will be to accommodate park and ride replacement parking (ie, the high cost of constructing structured parking). The ERA report suggested in order to adequately analyze the financing and market, that some preliminary site planning with different scenarios be developed. The Preliminary Constraints Analysis prepared by Arai/Jackson Architects and Planners was completed in May 2000. This report developed four different scenarios with a mix of different uses including housing, park and ride, Shoreline Civic Center, and the Puget Sound Learning Center. The study examined structure types and placement, traffic, parking, access, transit circulation, and utilities needs. We will review these work efforts with your Council at the workshop.

Both of these preliminary studies have provided a good foundation on which to base a Master Planning process.

## **SUMMARY OF MASTER PLAN PROCESS**

The purpose of the Master Plan effort for the Shoreline Park and Ride is to identify and strategically resolve all potential "hurdles", processes, or actions that the City can control or influence that may lead to a future transit oriented development mixed use project on this site.

Several agencies and private developers have expressed interest in joint-use opportunities at the Shoreline Park and Ride (SPR). The SPR Master Plan presents an opportunity to stimulate redevelopment/investment in a TOD type project. The Master Plan will expedite approval of a development proposal. The process will pull the disparate agencies together in developing a strategy and roles for the development of the SPR. It will provide an opportunity for involving the neighbors at appropriate times and with information by which public input can be molded into a buildable project which mitigates concerns. The project will stimulate additional interest in investing on Aurora.

### **Project Goals or Desired Outcomes**

This overall planning process is intended to pre-emptively address many of the potential stumbling blocks that a TOD proposal on this site could face.

- Develop an environmental document that would identify potential capacity and buildout, develop mitigation steps to resolve impacts, and be approved so that any future scenario (within reason) could quickly be studied for compliance with the SEPA document, and move forward.
- Resolve ownership interest in the site. This 5.79 acre site is currently owned by WSDOT and was purchased with State Highway funds and Federal Highway funds. An analysis of current ownership constraints (due to funding sources) and a recommended ownership strategy would be developed and agreed upon by stakeholding agencies. The options would include air rights leases, transfer or trade of properties between WSDOT and King County, outright purchase, or other strategies.
- Develop a Master Plan for the site as an amendment to the Comprehensive Plan and Development Code. This planning process would involve outreach to abutting neighborhoods and residents, and would result in an approved plan that would identify development conditions, phasing, and mitigate impacts.
- Outreach and coordination with potential agency partners including the principal stakeholders (WSDOT, King County Metro, City of Shoreline). Other potential stakeholders, funding participants, or tenants include: Puget Sound Learning Center, Post Office, Port of Seattle, YMCA, and housing agencies.
- Develop a permit package for future development of this site. The package could include a checklist of permits needed, contacts, and some marketing information.

### **Milestones and Significant Steps in the Process**

Attachment A diagrams a proposed process for this effort. Below is a brief discussion of this proposed process. There are several outreach and coordination elements with this process. The process includes workshops, stakeholder briefings, briefings with your Council and the Planning Commission, and public meetings. Staff and consultants are continuing to work on scoping the environmental review process and will provide more information at the workshop.

There are several stakeholder groups that need to be included in the process. These groups include: WSDOT, King County, City of Shoreline, abutting neighborhoods,

potential developers/occupants such as PSLC, YMCA, or housing agencies. Representative Edmonds has also expressed interest in the TOD potential for this site. Staff is proposing briefings of stakeholders over the course of the project. Because the early stages in this process are very conceptual, staff suggests identifying one representative each from Hillwood and Echo Lake neighborhoods for the workshops and stakeholder briefings. We will solicit names from these neighborhoods and ask the Mayor and Deputy Mayor to identify the representatives. This method has been used in the recent past to speed the process along. The process includes two public meetings after actual alternatives are developed.

The process includes three workshops over the six month Master Plan development process. Each of these workshops has a distinct purpose.

**Workshop #1:** This workshop is intended to solicit input on issues, constraints, ideas, and opportunities from different interest groups or stakeholders. Information gathered would include space and parking requirements. We are suggesting that the staff and consultant team meet individually with these stakeholders to gather this input. Following the first workshop, staff and consultant team will assemble the input and brief the stakeholders as a group on the findings. The project team will then develop a maximum buildout concept. This concept will be forwarded to WSDOT with a request to respond to it. WSDOT, as the owner of the property, will need some time to develop a position/response to the TOD proposal. This review by WSDOT involves many different sections of the department, including the Northwest Region office and the Olympia offices.

**Workshop #2:** The same interest groups will be invited to this workshop. This workshop will utilize a "charrette" process to develop three distinct alternative design concepts. The consultant team of ERA and Merritt-Pardini will facilitate the process. Market analysis and financial feasibility will be developed as part of the charrette process. The three concepts will address height, scale, bulk, parking, phasing, design, access, and neighborhood compatibility. The results of the input gained from the second workshop will be refined into three alternatives. A three dimensional model will be made for each alternative to assist stakeholders and the public in conceptualizing the proposals. The alternatives will be analyzed for cost, impacts, and compatibility with current development codes. A public meeting will be held at this point to gain input and reaction to the three alternatives, and potential modifications to the development standards for this site. Your Council and stakeholders will be briefed following the public meeting.

**Workshop #3:** The intent of this workshop is to take the input from the previous workshops, stakeholder briefings, and the public meeting and develop a preliminary recommended Master Plan. The recommended Master Plan may incorporate different facets from the three alternatives. A proposed development code overlay will also be developed. A public meeting will be held following the third workshop. After the public meeting, the consultant team will assemble a draft Master Plan, a draft environmental document, and cost estimates. Stakeholder, Council and Planning Commission briefings will occur. A Master Plan application will be submitted to the City. The Master Plan application will be reviewed by the Planning Commission and your Council, with eventual adoption by your Council.

## **SUMMARY**

The completion of this process is a major step in facilitating investment in this site by a developer to construct a TOD project. The Master Plan overlay, completion and approval of the environmental document, and a design concept, coupled with the Aurora Corridor and Interurban Trail projects will improve the marketability and interest in development at this location.

## **RECOMMENDATION**

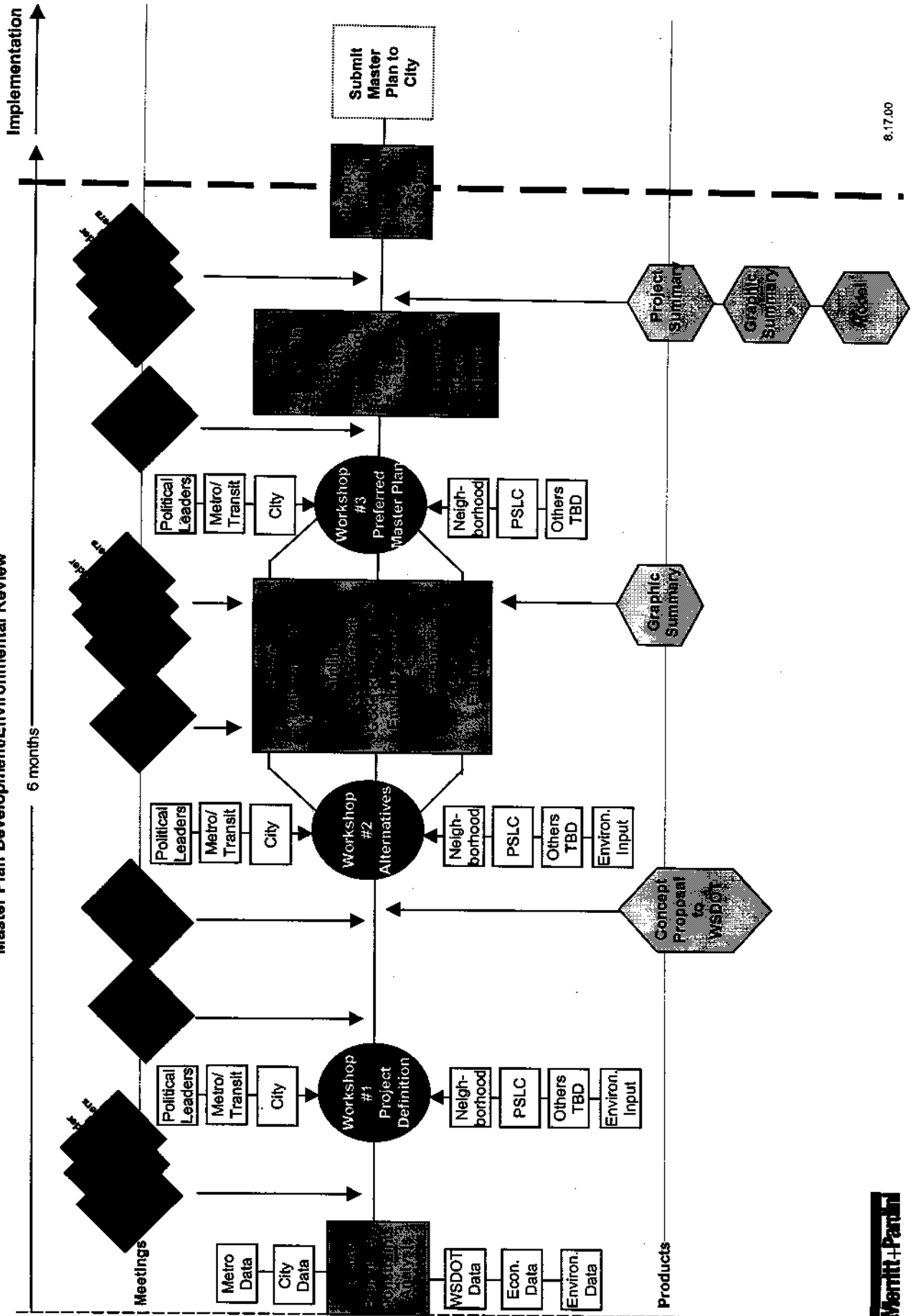
No formal action is requested. Direct staff to proceed with TOD Master Plan process and keep Council informed of process at key milestones during the process.

## **ATTACHMENTS**

A – Shoreline TOD Process Diagram

# Shoreline T.O.D. Process Diagram

Master Plan Development/Environmental Review



6.17.00

Meritt+Partin

**CITY COUNCIL AGENDA ITEM**  
CITY OF SHORELINE, WASHINGTON

**AGENDA TITLE:** Review of Provider Responses and Recommendation for City Solid Waste Collection Services  
**DEPARTMENT:** City Manager's Office  
**PRESENTED BY:** Kristoff T. Bauer, Assistant to the City Manager

**EXECUTIVE / COUNCIL SUMMARY**

As discussed with your Council on May 15, 2000, the City may have an opportunity to award a single seven year contract for solid waste collection services across the entire City effective November 1, 2000. This opportunity is the culmination of a number of actions taken by the City including the issuance of a Request For Proposal (RFP) on May 16, 2000. The City's ability to cancel the rights of current service providers, however, is the subject of litigation that may prevent the City from moving forward. As you know, the City is currently served by two providers each providing a different level of service. Three potential providers have responded to the RFP. The purpose of this report is to review those proposals and staff's recommendation regarding a preferred service provider. The next step in the process would include final contract negotiations with the preferred provider with a presentation of a proposed contract to your Council tentatively scheduled for October 23, 2000.

Three companies responded to the City's RFP:

- General Disposal Corp. (a local company that previously held the Seattle contract)
- Rabanco (a national organization currently serving eastern Shoreline)
- Waste Management (a national organization currently serving western Shoreline)

The RFP included a number of alternative service options as proposal alternatives. The price and other service information included in this summary is based upon the following recommended level of base and alternative services:

**RFP Base Services**

- Recyclable Materials
  - Additional plastics recycling
  - Co-mingled collection
  - Every other week collection
  - No additional charge or value credit
- Yard Waste
  - Every other week collection (Mar. – Oct.)
  - Monthly collection (Nov. – Feb.)
  - No value credit
- Bulky item/white good collection

**RFP Alternative Services**

- Vacation cancellation<sup>1</sup>
- Community event support
- Recycling program support (\$50,000)
- Three-month service transition
- Garbage directed to Shoreline transfer station

***Italics*** – indicates base service changes for current Waste Management customers only.

<sup>1</sup> Rabanco's proposal includes specific limitations to this service alternative.



### **Key Comparisons And Findings:**

A multi-department team evaluated each proposal based upon the four criteria established in the RFP as discussed with your Council on May 15, 2000. Each criterion is defined and discussed separately below.

**1 Proposer's Background and Past Performance:** (key factors include litigation history, financial strength, experience in other jurisdictions, and customer relations)<sup>2</sup>

- ⇒ Financial Strength - General Disposal no longer has a significant residential solid waste collection contract in Washington after the expiration of their contract with Seattle in April 2000 which was their primary source of revenue in the state.
- ⇒ Experience/Customer relations - Staff contacted past contract cities for General Disposal all of which commented that rates, not service, was the most significant reason for awarding the contract to another provider. Waste Management and Rabanco both hold several service contracts throughout the region and provide service within Shoreline. Both providers have a history of timely resolution of customer service issues and have assisted the City with community cleanup events.

**2 Proposed Operations:** (key factors include proposed collection vehicles, procedures, and containers, and recycling and yard waste processing operations and impacts)

- ⇒ Collection - King County Department of Natural Resources has requested that Shoreline require that all garbage collected within the City be directed to the Shoreline transfer station. All proposals include the delivery of all garbage directly to the Shoreline transfer station allowing the City to satisfy the County's request without additional cost to customers within the City.

- General Disposal's base of operations, located in north Seattle, is the closest of the three. They propose to utilize a diverse set of specialized vehicles to provide collection services some of which may need to be purchased for the Shoreline contract. General Disposal would contract with Rabanco for recycling processing.
- Waste Management's base and recycling facility is in Woodinville. Rabanco's base is in Bellevue and its recycling facility is in south Seattle. Both providers propose to serve Shoreline utilizing vehicles of 10 years or less in age from their standardized fleets.
- The vehicles utilized by Rabanco are slightly more maneuverable and create less noise and potential for spillage than Waste Management's.
- Waste Management's fleet is younger and their operational program is more clearly articulated in their proposal.

**3 Proposed customer implementation, outreach and relations:** (key factors include implementation plan and experience, public communication experience, plan and resources, and methods and resources to improve waste diversion)

- ⇒ General Disposal's customer relations and outreach proposal is well laid out and contains a number of new communication methods that could benefit Shoreline customers (e.g. informational tagging to remind customers of materials that could be recycled or how to avoid contamination of recyclable materials).

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<sup>2</sup> In addition to reviewing the proposal materials provided, staff contacted a number of references for each provider.

⇒ Waste Management's customer relations program contains many of the same elements, but also contains a number of actual examples of informational flyers and tags. Waste Management's implementation plan, however, is the clearest and the resources and expertise to complete that plan are identified and proven through recent efforts in Seattle.

⇒ Rabanco's response in this area is less specific and relies predominantly on past performance.

#### 4. Total system price:

As shown in the rate comparison attached (See Attachment 1), the range of available rates is significant and complex. A few key comparisons illustrate that Waste Management's proposed rates are the lowest for almost all Shoreline customers.

Below is a comparison of three typical customers including all costs and taxes in order to contrast the final two-month bill each customer would pay.

Service/Tax	Proposed			Current	
	Gen	WM	Rabanco	WM	Rabanco
<b>Customer 1</b>					
One 32 Gal. Can Garbage/Recycling	\$ 25.38	\$ 22.50	\$ 23.34	\$ 28.54	\$ 25.93
One 32 Gal. Can Yard Waste (Mar.-Oct.) <sup>3</sup>	\$ 17.40	\$ 5.12	\$ 13.54	\$ 19.27	\$ 19.38
Taxes and Fees <sup>4</sup>	\$ 4.54	\$ 1.70	\$ 4.22	\$ 1.92	\$ 1.85
<b>Total (Two-Months)</b>	\$ 47.32	\$ 29.32	\$ 41.10	\$ 49.73	\$ 47.16
<b>Customer 2</b>					
60 Gal. Toter Garbage/Recycling <sup>5</sup>	\$ 40.90	\$ 33.06	\$ 32.52	\$ 43.48	\$ 36.67
Taxes and Fees	\$ 4.78	\$ 2.08	\$ 4.26	\$ 2.29	\$ 2.12
<b>Total (Two-Months)</b>	\$ 45.68	\$ 35.14	\$ 36.78	\$ 45.77	\$ 38.79
<b>Customer 3</b>					
60 Gal. Toter Garbage/Recycling	\$ 40.90	\$ 33.06	\$ 32.52	\$ 43.48	\$ 36.67
One 96 Gal. Can Yard Waste (Mar.-Oct.)	\$ 18.50	\$ 15.38	\$ 18.14	\$ 19.27	\$ 19.38
Taxes and Fees	\$ 4.78	\$ 2.08	\$ 4.26	\$ 2.29	\$ 2.12
<b>Total (Two-Months)</b>	\$ 64.18	\$ 50.52	\$ 54.92	\$ 65.04	\$ 58.17

The estimated bill based upon Waste Management's proposed rates is 29% (\$11.78) lower than the next lowest proposed rate (i.e. Rabanco's) for Customer #1. The difference, in contrast, for Customer #2 is only 4% (\$1.65). Customer #1 benefits from Waste Management's significantly lower proposed yard waste rate, while Customer #2 benefits less from a slight difference (after the taxes are considered) in rates for garbage/recycling in 60 Gal. Toters. Customer #3 is between the two at 8% (\$4.40).

Comparing proposed rates to current rates is comparing apples to oranges due to the different levels of service proposed, described above, and currently provided, but does indicate the expected impact of the new contract and the proposed change in service level. Waste Management's proposed rate represents a 9 to 41% reduction from the most similar current rates (\$3.65 to \$20.41 every two months). (See Attachment 1)

<sup>3</sup> Current rates are for up to a 96 Gal. container. WM includes weekly service and a 96 Gal. toter. Rabanco includes every other week service and a toter rental charge has been added.

<sup>4</sup> The City's utility tax is included in WM's proposed service rate and current service rates for both providers. Taxes for current services and Customer 3 are estimated.

<sup>5</sup> Waste Management's proposed rates include the City's utility tax. The proposed rates of the other providers do not.

While some of Rabanco's proposed rates are lower in some areas of commercial service, the advantage over Waste Management in those rates is small (with the notable exception of commercial yard waste) and may be subject to additional charges. In addition, 94% of the customer base in Shoreline is residential.

### **Preferred Provider**


Based upon the key differences and findings discussed above, staff recommends that Waste Management be identified as the preferred provider. The next step would include the completion of a contract for service with Waste Management for presentation to your Council on October 23, 2000 to be effective November 1, 2000.

Staff will update your Council on the progress of the City's litigation to clarify the City's ability to terminate existing franchises of current service providers during the presentation on this item.

### **RECOMMENDATION**

This item is for discussion purposes only. Staff does seek Council consensus supporting the recommended preferred solid waste collection services provider.

Approved By: City Manager



City Attorney



## **BACKGROUND / ANALYSIS**

Residences and businesses in the City currently receive solid waste collection services from two separate providers formerly under Washington Utilities and Transportation Commission (WUTC) regulation. Rabanco (Allied) serves eastern Shoreline while Waste Management serves western Shoreline. The City Council took action in August 1995, and subsequently with each annexation (Area B in Feb. 1997, Area A-3 in November 98, and Area A-2 in August 99) to provide continuation franchises to these providers. This act began the process of terminating the authority of these companies to provide service within the City under WUTC regulation. The statutory transition period for the first area (the initial incorporation boundary of the City) was scheduled to end August 31, 2000. Your Council took action in July to extend this termination date to October 31, 2000 in order to provide additional time for the RFP process.

The main objectives of the City to be accomplished through the RFP process are to:

1. Give the City a role in ensuring the adequate provision of Solid Waste Collection services to Shoreline residents and businesses;
2. Equalize the level of service to similar customers across Shoreline; and
3. Ensure that the service is being provided at a competitive price.

Solid waste collection in the City is under the City's jurisdiction, but currently the terms under which the franchisees operate are the same as the WUTC's regulations. There is little opportunity to require different or new services like assistance with community cleanup events.

The City has filed an action in King County Superior Court to clarify the City's authority to replace existing continuation franchises with a service contract awarded to one provider after a competitive selection process. That action is proceeding to summary judgement in late September or early October 2000.

The City issued a RFP for solid waste collection services on May 16, 2000, and received three responses, as discussed above, on July 21. Staff from the City Manager's Office and Finance and Public Works Departments reviewed these responses.

### **Solid Waste Priorities And Proposal Selection**

As previously discussed with your Council, staff utilized two frameworks to assist in recommending a preferred contract and contractor for Council consideration. The first is a set of nine overall objectives that attempt to embody both the purpose for seeking the proposed service delivery change and the key characteristics of the desired service delivery system including:

1. Minimum cost - ensured through the utilization of a competitive process
2. High quality of service - ensured through reference check, experience with existing providers, and a high level of accountability built into the terms of the draft contract
3. Equitable levels of service for all customers (including uniform collection frequencies and materials accepted and an increase in recycling participation) - ensured by awarding a single contract for entire City and by requiring a more diverse and flexible set of services

4. New services desired by customers - ensured by requiring services demanded by customers including co-mingled recycling, vacation cancellation, etc.
5. Minimum customer confusion and service disruption during implementation - ensured through careful review of proposed implementations plans and verification of ability to deliver on elements of those proposed plans
6. Opportunities for service evolution (such as new recyclable materials, mandatory collection, extension of service into annexation areas) - ensured through flexibility in draft contract language and information provided during the RFP process
7. Services based on container type instead of dwelling or customer type - ensured by contract language, flexible levels of service, the City's role in monitoring service, and careful review of proposed implementation and customer communication programs
8. Opportunities for contractor innovation - ensured through change to a close contracting relationship with the City as opposed to regulation by a state agency
9. Reduced environmental impacts (such as, number of trucks, spills, noise, etc.) - ensured through new alternating collection schedule and clear enforcement language in the proposed contract

The second is a set of specific evaluation criteria that guided staff's analysis of how each proposal serves the objectives discussed above. Individual criteria are weighted in order to communicate both to those responding to the RFP and the staff reviewing those responses the relative importance that will be given to each area of interest as follows:

- Proposer's background and past performance (20%)
- Proposed operations (25%)
- Proposed customer implementation, outreach and relations (15%)
- Total system price (40%)

As described in the RFP, the percentages were provided only as guidance to staff and respondents to clarify the relative priorities of the City. Staff has not used a specific weighted ranking process to compare proposals and the RFP specifically reserves the City's ability to choose the respondent it believes best suited to provide the requested services regardless of the outcome of the criteria analysis. As it turns out, the preferred provider in response to each criterion as discussed below in reverse order was determined to be Waste Management.

### **TOTAL SYSTEM PRICE**

The RFP set out a number of service alternatives to determine whether they would affect the price of service. It also gave the respondents the option of providing service alternative proposals of their own. Waste Management was the only respondent to propose an additional service alternative.

### **Service Alternatives**

General Disposal provided only one rate proposal stating that all the service alternatives included in the RFP would not have a significant impact on rates over the life of the service contract. Waste Management and Rabanco provided more detail, summarized below, in response to the City's request.

- 1 Vacation service cancellation for periods greater than two weeks in duration without resumption charges;**
  - ⇒ All three respondents stated that this option could be provided without impacting the proposed service rates. Rabanco did add specific conditions including that the customer must provide two weeks advance notice of vacation cancellation and could utilize the exemption only once in a 12-month period.
- 2 Support for three community cleanup events (east, central, and west) per year with a maximum annual tipping fee expenditure of \$2,000 adjusted annually for inflation;**
  - ⇒ All three respondents stated that this option could also be provided without impacting the proposed service rates. Rabanco did add specific conditions including that the City provide the location for each event, limit participation to Shoreline residents, and limit the duration of each event to one day. These limitations are consistent with the City's current operational practices.
- 3 Support for City programs designed to encourage recycling and waste diversion through a \$50,000 annual payment;**
  - ⇒ Neither Rabanco or General Disposal provided sufficient information to allow the impact of this option to be calculated. Waste Management's response spreads the cost of this option across the residential customer base increasing rates by \$.36 per customer per month. The typical customer's two-month bill is impacted by about 2%.
- 4 Mandatory collection for all residential customers;**
  - ⇒ General Disposal states that this option would not significantly change service rates. Rabanco states that mandatory service would reduce the proposed residential rate by 2.5%, but the City would need to be responsible for enforcement, billing, and payment collection. Waste Management indicates a reduction in residential rates of .4 to 1.7% or about \$.12/month.
- 5 Three month transition period from effective date of contract to full implementation of required services; and**
  - ⇒ None of the responses stated an impact for this option.
- 6 Six month transition period from effective date of contract to full implementation of required services.**
  - ⇒ Only Rabanco stated that this option would reduce overtime and may reduce rates by as much as 0.25% when compared to a shorter transition period.

In response to recent discussions with King County Solid Waste Division regarding their Comprehensive Solid Waste Management Plan, staff amended the RFP to include the following additional service alternative:

- 7 Direct all garbage to the Shoreline transfer station operated by King County.**
  - ⇒ All respondents indicated that they planned to deliver garbage they collect to this facility, so this requirement would have no operational or rate impact.

As previously discussed with your Council, staff does not recommend moving toward mandatory collection at this time. The potential benefit demonstrated by the responses does not appear to support the public disruption and implementation effort necessary to take this step at this time. As you may recall, Shoreline has a significant percentage of residents that self-haul their garbage to the transfer station.

Staff recommends that alternatives 1-3, 5 and 7 be added to the service contract and these options have been included as part of the base level of service for price comparisons provided throughout this report. The best service transition period and process, however, in regards to service price and easing customer confusion, will be negotiated with the preferred provider during final stage negotiations.

#### **Option Service Alternatives (Yard Waste Collection Frequency)**

Waste Management was the only company that proposed an alternative level of service to the base included in the RFP. They proposed to maintain their current frequency of yard waste collection (i.e. weekly March through November and every other week December through February instead of the every other week March through October and monthly November through February included in the RFP). As we discussed in May, Rabanco currently collects recycling and yard waste on an alternating week schedule (i.e. recycling one week and yard waste the next). In order to provide the same level of service across the City, the RFP establishes the current Rabanco service methodology as the standard.

Waste Management argues that weekly yard waste collection is needed to serve Shoreline's large lots and reduce potential customer confusion and odor that may occur during the extra week of yard waste accumulation. Accepting this service alternative increases Waste Management's proposed rates by about 6% (\$1.73 to \$3.00 per two month bill for Customers 1 and 3 respectively). The impact would be less for customers who do not subscribe to yard waste service (3% increase or \$1.10 for Customer 2).

Staff recommended the every other week schedule based upon the policies articulated above (i.e. reducing impacts), past experience, and Seattle's RFP process. Alternating recycling and yard waste collection reduces truck traffic related to this service by 33% (from 3 trucks to 2). This reduces noise, traffic congestion, road wear, and pollution impacts, reduces the risk of litter or other debris related to collection, and reduces the contractor's costs for fuel, vehicle maintenance, and personnel. Rabanco shifted to this collection methodology since incorporation and the City received few complaints related to the implementation of that change and almost all complaints received were related to the size of the new 96 Gal. recycling container (too big, too hard to move). There is specific language in the draft contract allowing a customer to request a smaller recycling container in response to these complaints.

Seattle has recently transitioned to this level of service and all the cities around Shoreline currently utilize this alternating service methodology (i.e. Lake Forest Park, Edmonds, Lynnwood). While there are still a fair number of cities utilizing weekly yard waste service (e.g. Bothell), the trend as contracts are renewed or re-bid is to move toward alternating service for the reasons above.

Staff anticipates that this change in service level may cause concern among some of Waste Management's current customers. Staff recently received one call from a Rabanco customer since the issuance of the RFP stating an interest in higher levels of recycling and yard waste services, and a lower level of garbage service. Most of the calls received by staff over past years, however, requested the opportunity to demand lower levels of service and pay less. The RFP does this for yard waste by delineating three plus levels of service (i.e. 32, 60, or 90 Gal. service plus up to 5 additional 32 Gal. cans) in contrast to the current one plus level of service (i.e. up to 96 Gal. plus up to 5 additional 32 Gal. cans). The RFP does this for garbage/recycling by adding 10 and 20 Gal. mini-can service options and requiring the contractor to provide a recycling container that suites the needs of the customer. These changes allow customers the flexibility to customize their service to their needs and resources and may bring new customers to curbside collection service reducing self-haul traffic at the transfer station.

It should be noted that including Waste Management's service alternative would represent a change in service level and price for current Rabanco customers increasing service impacts (i.e. truck traffic, noise, etc.) from current experience and would likely result in a similar risk of customer concern.

One of the reasons staff is recommending a three month implementation period for this contract is to provide the new provider ample opportunity to communicate with customers about changes in the way service will be provided. Staff believes that timely, responsive, and informative communication during the implementation process, as described in Waste Management's implementation plan included in its proposal, will minimize customer confusion and concern regarding this service change.

Staff does not recommend the inclusion of Waste Management's service alternative and it has not been included in the base services used for comparison.

### **Rate Comparison**

A summary rate proposal comparison is provided as Attachment 1. This document does not include all of the commercial rates provided, but does include a representative sample of those rates. As mentioned in the summary, less than 6% of the solid waste collection customers in Shoreline are commercial customers. Since Waste Management chose to include the City's 6% utility tax in its base rates while the other respondents did not do so, the proposed rates of the other respondents have been increased by 6% where appropriate in order to provide a true comparison. The first page of this attachment illustrates proposed residential garbage /recycling service rates. The lowest rates have been highlighted throughout and percentage difference between the lowest rate and the next lowest rate is provided to the left.

The first page also includes the three rate categories presented to your Council on May 15 (i.e. 1 & 2 can and 60 Gal. toter). These categories represent the majority of residential service customers (mini can service is not currently available in the City). As this page illustrates, Waste Management's proposed rates are generally the lowest. In the few residential garbage/recycling service areas that Rabanco proposes a lower rate, the difference is small. In contrast Waste Management's residential garbage/recycling rate is up to 23% lower than Rabanco's and is the lowest at the most popular service levels (i.e. one can, two can, 60 Gal. toter).



The second page of the attachment also indicates that Waste Management's proposed rates would provide a reduction from current rates for all residential service customers (up to 41% in the comparison to the typical customer in its current service area). Rabanco's proposed rates would also decrease the rates of most residential customers (see typical customer summary), but some of its proposed rates (e.g. two can service) not included in the typical customer summary are an increase over their current rates.

Waste Management's residential Yard Waste collection rates are significantly lower (16 to 63%) than those offered by the next lowest proposer. Waste Management's commercial rates are also usually the lowest, but there are areas where Rabanco is lower. In these service areas, however, Rabanco is usually only slightly lower and may have an additional charge that can not easily be made comparable to Waste Management's proposed rate (e.g. the drop box pickup rate which has an additional mileage charge). Small volume commercial recycling and commercial yard waste are two notable exceptions to this observation. Rabanco's rates are significantly lower in these two areas, but these rates will apply to few if any customers in Shoreline. General Disposal's proposed rates are not competitive with the other proposers.

In the most service areas and for the majority of customers, Waste Management's proposed rates are the lowest and will represent a savings, significant to customers in its current service area, when compared to current rates.

### **PROPOSED CUSTOMER IMPLEMENTATION, OUTREACH AND RELATIONS**

The most significant difference in implementation between the three proposals relates to the areas annexed to the City after incorporation. Rabanco currently serves these areas, and if the contract is awarded to Rabanco, these areas would be added to the service contract upon its effective date. The other respondents would have to wait until Rabanco's current continuations franchises expire<sup>6</sup> in each of these areas before they are added to the terms of the service contract. This broader implementation, however, would not only deny most customers the benefit of Waste Management's lower proposed rates, but would may also raise rates in the annexed areas (Rabanco's proposed rates are sometimes higher than their current rates).

Both Rabanco and Waste Management have identified and adequately described the resources that they have available to implement the service changes in the proposed contract. Waste Management's plan is more clearly articulated and they have just completed a successful implementation of a similar service change in north Seattle. General Disposal's implementation plan is well laid out, but it is unclear how much information that they would expect the City to provide (the City doesn't currently track collection operations) and whether they have adequate resources available. In reviewing the financial information provided by the respondents, Waste Management is a national, publicly traded organization with significant and diverse resources. Rabanco is part of a large privately held national organization with similar resources. General

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<sup>6</sup> It is the City's position that Rabanco's authority to operate in the City's three annexation areas will expire February 26, 2002, November 27, 2005, and August 1, 2006.

Disposal in contrast is a small company that used to derive almost all of its operating capital from its contract with Seattle that expired in April 2000.

With regard to customer outreach, General Disposal articulates some nice ideas for new means of communicating with Shoreline customers to ensure regulatory compliance and proper service implementation. Waste Management articulates similar ideas, informational tagging (i.e. placing a tag on the toter during the collection process with information specific to the items collected "Did you know plastic bottles can be placed in the recycling container?") for example, but takes it to the next step by providing actual samples of informational flyer and tags that can be edited and put into service with little effort.

### **PROPOSED OPERATIONS**

The RFP asks respondents to describe their proposed operations for all three waste streams (i.e. garbage, recyclables, and yard waste). All three propose to collect garbage and deliver it directly to the Shoreline transfer station. All three will collect recyclable materials using a single container with an insert for glass as required in the RFP. All three would deliver yard waste to the Cedar Hills facility for processing and marketing. General Disposal and Waste Management would deliver yard waste directly to this facility utilizing their respective collection vehicles. Rabanco would transfer yard waste to larger transportation vehicles at their facility in north Seattle. This additional step provides a secondary opportunity to inspect the yard waste for contamination and shortens the distance traveled by collection vehicles.

Both Waste Management and Rabanco operate processing and marketing operations for recyclables. General Disposal would contract with Rabanco for these services. Rabanco's sorting process is well laid out in their proposal and, from the information provided, appears to represent the best opportunity to generate high quality and marketable sources of recyclable materials. While Waste Management's operations are not as fully described, their collection practices are not as likely to provide a source of good quality recyclable glass, which must be sorted by color. On the marketing side, Rabanco appears to focus a little more heavily and with greater success on developing local consumers for their supply of recyclable materials.

General Disposal's proposal includes the purchase of vehicles to serve Shoreline that may lead to a younger overall fleet of service vehicles. In contract, both Rabanco and Waste Management would utilize a mix of existing and new vehicles that are consistent with their existing fleet. This may result in an older fleet on average, but the opportunity to maintain these vehicles should be improved by this standardization.

Rabanco utilizes side or rear load trucks for its services. Waste Management uses top-loading vehicles exclusively. This requires Waste Management to utilize a dump twice collection system for most residential materials. Residential materials are first dumped by the driver into a collection box that is carried in front of the vehicle. This box is then lifted, when full or when the vehicle enters traffic, over the cab of the truck and dumped into the compactor storage area. This dump twice system provided additional opportunity for noise and spillage as the collection box is dumped. It also makes the truck physically longer when the collection box is being carried in front or taller when the

box is stored on top of the compaction unit. Staff is not aware of any current operational problems resulting from Waste Management's current utilization of this system in Shoreline.

Waste Management's description of staff training and quality assurance programs was preferred by staff over the responses provided by the other two respondents.

### **PROPOSER'S BACKGROUND AND PAST PERFORMANCE**

Staff reviewed financial information provided by all respondents. Waste Management is a large national publicly held corporation with significant and diverse resources. Rabanco is part of a large national privately held corporation also with significant and verifiable resources. General Disposal, in contrast, is a small privately held company whose major source of revenue within the state, the Seattle collection contract, ended in April of this year. No other significant replacement sources of revenue were indicated. The Shoreline contract, if awarded to General Disposal, would be their most significant source of revenue.

Staff reviewed the information provided by all respondents in relation to their past performance and contacted a number of cities served in the past or currently being served by the respondents. Staff was particularly concerned with the rationale for General Disposal's failure to be awarded a number of contracts in areas that it previously served during the last 10 years<sup>7</sup>. While information was inconsistent due to the passage of time, those who could recall the decision making process indicated that price, not service, was the most significant driver of the decision to change contract service providers. Staff's experience with both Waste Management and Rabanco, while not without service complaints, is that both providers work responsibly to address service issues in a timely fashion.

#### **Implementation**

The City does not currently have a Recycling Coordinator position or other staff charged with the responsibility of monitoring solid waste collection services. Monitoring and ensuring appropriate enforcement and development of service responsibilities is estimated to require a half time position at a minimum. Current grant funding for recycling and waste reduction programs is not sufficient to support this position unaided. The service alternative providing for \$50,000 annually is designed to address this shortfall. An Environmental Specialist position in Public Works is the subject of a 2001 budget proposal to be considered in your Council's 2001 budget process and would fulfill this responsibility.

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<sup>7</sup> General Disposal lost bids for contract renewal in Kent, Renton, Mercer Island, and Seattle between 1986 & 2000.

## **Litigation**

The City filed a motion for summary judgment in its case involving the termination of WUTC authority to provide service asserted by current service providers. The outcome of this litigation will determine how or if this process can move forward to conclusion in accordance with the RFP process previously presented to your Council. The anticipated date for the hearing on that motion will be provided and discussed as part of the staff presentation on this issue.

## **SUMMARY**

Staff's recommendation is that Waste Management's proposal represents the best opportunity to provide consistent solid waste collection services to all customers in Shoreline. This recommendation is based predominantly on their proposed rates, but is also supported by their past performance and implementation plans and resources.

## **RECOMMENDATION**

This item is for discussion purposes only. Staff does seek Council consensus supporting the recommended preferred solid waste collection services provider.

## **ATTACHMENTS**

Attachment 1 – Summary Rate Proposal Comparison

## Summary Rate Proposal Comparison

## Residential Solid Waste and Recyclable Collection Rates:

Rate Category	Proposed			Current		Key Differences		
	General	WM	Rabanco	WM	Rabanco*	1	2	3
10 Gallon Mini Can	\$ 10.64	\$ 8.45	\$ 8.31			1.7%		
20 Gallon Mini Can	\$ 11.97	\$ 9.73	\$ 9.70			0.3%		
One 32 Gallon Can	\$ 14.36	\$ 11.25	\$ 12.44	\$ 14.27	\$ 12.97	9.6%	-21.2%	-13.2%
Two 32 Gallon Cans	\$ 21.80	\$ 16.63	\$ 16.59	\$ 20.69	\$ 16.09	6.4%	-24.9%	-3.5%
Three 32 Gallon Cans	\$ 29.25	\$ 19.81	\$ 23.38			15.3%		
Four 32 Gallon Cans	\$ 36.16	\$ 24.10	\$ 30.08			19.9%		
Five 32 Gallon Cans	\$ 44.14	\$ 28.38	\$ 36.83			22.9%		
32 Gallon Toter	\$ 15.16	\$ 12.25	\$ 13.50			9.3%		
60 Gallon Toter	\$ 23.13	\$ 16.63	\$ 17.33	\$ 21.74	\$ 18.33	4.6%	-24.0%	-9.8%
90 Gallon Toter	\$ 31.11	\$ 20.81	\$ 23.38			11.0%		
One 32 Gallon Can Per Month	\$ 12.76	\$ 7.75	\$ 7.38			4.8%		
Extra Unit	\$ 3.46	\$ 2.80	\$ 3.08			9.2%		

1 Difference between the lowest proposed rate (highlighted) and next lowest proposed rate

2 Percentage reduction between proposed WM rate and current WM rate

3 Percentage reduction between proposed WM rate and current Rabanco rate

Note: Current rates have been adjusted to reflect the inclusion of the City's utility tax and the Proposed rates for General & Rabanco have also been adjusted to include the City's utility tax. WM rate quoted with utility tax included.

\*Includes Toter rental fees as appropriate

Highlight indicates lowest rate

"Difference" generally refers to the percentage difference between the lowest rate and the next lowest rate.

Service/Tax		Proposed		Current	
Typical Customer 1		Gen	WM	WM*	Rabanco**
One 32 Gallon Can Solid Waste/Recycling		\$ 25.38	\$ 22.50	\$ 28.54	\$ 25.93
One 32 Gallon Can Yard Waste (Mar-Oct.)		\$ 17.40	\$ 5.12	\$ 19.27	\$ 19.38
King County Hazardous Waste Fee		\$ 1.20	\$ 1.20	\$ 1.20	\$ 1.20
Washington State Refuse Tax		\$ 0.62	\$ 0.50	\$ 0.72	\$ 0.65
Shoreline Utility Tax		\$ 2.72	Inc.	Inc.	Inc.
Total		\$ 47.32	\$ 29.32	\$ 49.72	\$ 47.16
Typical Customer 2		Gen	WM	WM	Rabanco
60 Gallon Toter Solid Waste/Recycling		\$ 40.90	\$ 33.06	\$ 43.48	\$ 36.67
King County Hazardous Waste Fee		\$ 1.20	\$ 1.20	\$ 1.20	\$ 1.20
Washington State Refuse Tax		\$ 0.98	\$ 0.88	\$ 1.09	\$ 0.92
Shoreline Utility Tax		\$ 2.60	Inc.	Inc.	Inc.
Total		\$ 45.68	\$ 36.14	\$ 45.77	\$ 38.79
Typical Customer 3		Gen	WM	WM	Rabanco
60 Gallon Toter Solid Waste/Recycling		\$ 40.90	\$ 33.06	\$ 43.48	\$ 36.67
90 Gallon Toter Yard Waste (Mar-Oct.)		\$ 18.50	\$ 15.38	\$ 19.27	\$ 19.38
King County Hazardous Waste Fee		\$ 1.20	\$ 1.20	\$ 1.20	\$ 1.20
Washington State Refuse Tax		\$ 0.98	\$ 0.88	\$ 1.09	\$ 0.92
Shoreline Utility Tax		\$ 2.60	Inc.	Inc.	Inc.
Total		\$ 64.18	\$ 50.52	\$ 65.04	\$ 58.16

\*WM yard waste service is up to 96 gal. every week totor included

\*\*Rabanco yard waste service is up to 96 gal. every other week with totor rental added

**Typical Customer Rate Comparison**

Dollar difference between lowest proposed rate (highlighted) and next lowest rate	Cust1	Cust2	Cust3
Percentage difference between highlighted rate and next lowest rate	\$ 11.78	\$ 1.65	\$ 4.40
Percentage difference between highlighted rate and current WM Rate	29%	4%	8%
Percentage difference between highlighted rate and current Rabanco Rate	-41%	-23%	-22%
Percentage difference between highlighted rate and current Rabanco Rate	-38%	-9%	-13%

Yard Waste		General Disposal		Waste Management		Rabanco		Difference	
Rate Category		(Mar-Oct)	(Nov-Feb)	(Mar-Oct)	(Nov-Feb)	(Mar-Oct)	(Nov-Feb)	(Mar-Oct)	(Nov-Feb)
One 32 Gal. Can (customer provided)		\$5.00	\$3.50	\$2.66	\$1.28	\$6.77	\$3.18	49%	63%
60 Gal. Toter (Contractor provided)		\$8.50	\$4.00	\$5.12	\$2.56	\$8.42	\$4.48	40%	36%
90 Gal. Toter (Contractor provided)		\$9.25	\$4.25	\$7.69	\$3.56	\$9.07	\$4.78	17%	16%
Extra Unit (up to 32 Gal. customer provided)		\$2.25	\$2.25	\$1.25	\$1.25	\$1.25	\$1.25	0%	0%

Highlight indicates lowest rate

"Difference" generally refers to the percentage difference between the lowest rate and the next lowest rate.

**Commercial Solid Waste Collection Rates:**

Solid Waste Container Size	Gen	WM	Rabanco	Difference
32 Gallon Toter	\$15.11	\$12.26	\$13.43	9%
60 Gallon Toter	\$23.06	\$18.53	\$17.24	4%
90 Gallon Toter	\$31.01	\$20.81	\$23.25	10%
1 Cubic Yard	\$64.55	\$51.33	\$54.27	5%
1.25 Cubic Yards	\$84.85	\$61.26	\$63.06	3%
1.5 Cubic Yards	\$89.09	\$71.20	\$64.73	9%
2 Cubic Yards	\$105.95	\$91.07	\$96.25	5%
3 Cubic Yards	\$149.99	\$130.18	\$137.62	5%
4 Cubic Yards	\$193.45	\$163.91	\$173.31	5%
6 Cubic Yards	\$243.75	\$217.80	\$230.23	5%
8 Cubic Yards	\$298.39	\$277.69	\$293.49	5%
3 Cubic Yard Compactor	\$609.50	\$362.13	\$512.43	29%

**Commercial Recyclable Materials Collection Rates:**

Container Size	Gen	WM	Rabanco	Difference
32 Gallon Toter	\$7.63	\$4.75	\$4.71	1%
60 Gallon Toter	\$12.93	\$9.50	\$6.03	37%
90 Gallon Toter	\$18.44	\$14.25	\$8.14	43%
1 Cubic Yard	\$30.53	\$17.79	\$19.00	6%
1.25 Cubic Yards	\$38.19	\$22.24	\$22.07	1%
1.5 Cubic Yards	\$39.46	\$23.62	\$22.66	4%
2 Cubic Yards	\$45.82	\$29.69	\$33.69	12%
3 Cubic Yards	\$62.93	\$41.20	\$48.17	14%
4 Cubic Yards	\$77.91	\$48.92	\$60.66	19%
6 Cubic Yards	\$101.60	\$59.55	\$80.58	26%
8 Cubic Yards	\$122.43	\$72.84	\$102.72	29%

Highlight indicates lowest rate

"Difference" generally refers to the percentage difference between the lowest rate and the next lowest rate.

