

Memorandum

Department of Public Works



TO: Michael O. Geisel, P.E.
City Administrator

FROM: James A. Eckrich, P.E. *JAE*
Public Works Dir. / City Engineer

DATE: June 1, 2020

RE: Solid Waste Agreement

On June 16, 2014 the City of Chesterfield City Council approved an Agreement with Republic Services for solid waste services covering the period of August 1, 2014 through July 31, 2021. As you know, Republic Services has been providing solid waste service to the City of Chesterfield since 1990. The current rate for the remainder of the contract is \$14.58 per month for solid waste and recycling, with a \$13.12 rate for seniors.

The City of Chesterfield contracts with one solid waste contractor to provide solid waste service to its residents. This is done for three primary reasons:

- 1) Contracting with one solid waste provider ensures that trash bins / recycling bins / yard waste are each out only one day per week. If residents used different haulers these bins would be out every day.
- 2) Trash trucks are heavy and cause substantially more wear and tear on our streets than passenger vehicles. We prolong the life of our streets by ensuring that only one trash truck / recycling truck / yard waste truck drives on our streets each week.
- 3) Coordinating one solid waste price for all residents in the City ensures that our residents obtain the lowest price possible for solid waste service.

The current solid waste contract expires on July 31, 2021. The contract does provide for one-year extensions at a maximum increase of 2.5 percent. However, it would be preferable to avoid such an extension and instead execute a new, multi-year contract.

The City of Chesterfield has two options regarding a new solid waste contract. The first option is to bid a new contract. The second option is to negotiate a contract extension with Republic Services. Both options have advantages and disadvantages.

By bidding a new contract, the City of Chesterfield will ensure that the rates paid by its residents are the lowest possible. The drawback is that the level of service provided by the low-bid hauler may not meet the residents' standards. Solid waste service is something that affects every resident every week. In the great majority of cases, solid waste and recycling are picked up without incident. However, when these services are not provided properly, residents can get very frustrated. I have been through a number of changes in solid waste providers, and have seen the frustration of residents who were made to change haulers who did not want to change. Contracting with another hauler would be a substantial change to some City residents.

If a new contract were to be negotiated, the City would be able to maintain its current provider, Republic Services. There would be no change to residents and no need for residents to acquire new trash and recycling bins. The rate paid by residents could be justified based upon rates paid by other municipalities. That said, if a rate is negotiated, there is simply no way to guarantee that the rate being paid is the lowest rate possible. This is a difficult decision that can only be made by City Council. Republic Services is interested in negotiating a contract extension, and has submitted the attached request.

In the past the City of Chesterfield Staff negotiated a rate and then presented the results of that rate negotiation to City Council. I do not believe that is the proper way to handle this matter. It is my opinion that City Council should make the decision as to whether a new contract should be bid or negotiated. If Council desires that a new contract be bid, City Staff will develop plans and specifications for a future bid opening. If Council prefers that a contract be negotiated, City Staff would negotiate a new contract at terms most favorable to the City.

It is important to note that a contract should be bid or negotiated, but not both. It is not ethical to bid a contract and use the bid results to negotiate with a contractor who is not the low bidder. The City always has the right to choose a contractor who is not the low bidder, if it believes that the low bidder is not capable of performing the work to City standards. However, if the City knows that it wants to continue to use Republic Services, it is not ethical to use a bidding process to lower Republic's prices. This is not only unfair to Republic, it is unfair to the other prospective haulers who spend time and money on submitting a bid.

If the City Council were to make the decision to negotiate a contract, that does not necessarily mean that it is choosing Republic as its hauler. The City Staff could negotiate a contract with Republic, and submit such a contract to City Council. If City Council does not accept those terms, it could always choose to bid the contract instead. Negotiating with the existing solid waste provider does not back the City into a corner. It is simply one of two ways to execute a new solid waste contract for the City residents.

It is my opinion that both bidding the contract and negotiating with Republic Services are reasonable and viable options for the City. My experience is that Republic

Services provides excellent service to the City residents, and we receive very few complaints. At my previous employer I received multiple solid waste complaints daily. At the City of Chesterfield these complaints are dramatically lower, and I sometimes go more than a month without receiving a solid waste complaint.

Given my previous experience, **I would recommend that the City negotiate a solid waste contract extension with Republic Services.** I believe that recent solid waste bids and current solid waste rates (all public record) can be used to determine a fair rate for the Chesterfield residents. That said, I completely understand why any member of the City Council would want to bid the project. If that is the direction that City Council chooses, the City Staff will compile specifications and bid documents for a public bid opening.

Action Recommended

The Planning and Public Works Committee of City Council should consider whether the City of Chesterfield should publicly a bid a new solid waste contract, or negotiate a contract extension with Republic Services. The decision by the PPW Committee should be forwarded to the full City Council for approval and formal direction to City Staff.

Please forward to PPW for review and direction.

McTeish 2020-6-1



12976 Saint Charles Rock Road Bridgeton. MO 63044
o:636.947.5959 f: 314.739.4911 republicservices.com

March 13, 2020

James Eckrich
PW Dir./City Engineer
City of Chesterfield
690 Chesterfield Pkwy West
Chesterfield, MO 63017

Dear Jim,

Republic Services certainly appreciates and values our 20+ year partnership with the city of Chesterfield's residents, council and staff. Please allow me to explain why I would appreciate the City's consideration to an extension proposal to our current solid waste agreement, which is scheduled to expire on July 31, 2021.

Our partnership with the City of Chesterfield goes beyond just providing solid waste, recycling and yard waste services. Republic Services enjoys the opportunity to join the city in numerous city events, whether it be a monetary sponsorship (example: \$10,000 donation to the Veteran's Park), attending a community event, offering recycling education, or just providing containers for an event. Some of these highlights include:

- Recycling education to various community groups including but not limited to the CCEAC. I've attached a photo of our January event at city hall, where over 90 residents participated in our "Recycling: Then and Now" presentation.
- Continuous solid waste and/or recycle service at no charge to the following facilities:
 - Public Works
 - Amphitheater
 - Administration Building
 - Park and Recreation
 - Pool (seasonal)
 - Maintenance Department
 - City Hall
- Special Events service at no charge include:
 - Celebrate Chesterfield
 - Bus Stops
 - Fourth of July Celebration
 - Earth Day

While those are services we provide as part of our contract and partnership, I would like to focus on the people side – starting with our drivers. Our Chesterfield drivers have combined years of service to Republic of over 155 years. This doesn't include your Route Supervisor,



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Greg Rothberg, who just celebrated 34 years with our company – and 25 of those have been in Chesterfield! Our drivers are what makes us who we are – a company committed to servicing the customer and in the case of our long-term partnership with Chesterfield, they truly get to know your residents! Not only the residents, but the nuances of certain streets, stops, subdivisions that only come with experience and make the routes operate in the safest manner possible. We will not sacrifice safety – and we have minimized unsafe scenarios - such as back-downs –to make sure our drivers and your residents are safe, day after day. Our drivers are proud to service your residents, and don't see it as just “a job to do” – but something they truly take pride in. For example:

- o There was a special birthday surprise this past January for 2-year-old Mitch of Chesterfield, who had his driver, Eddie, and Greg stop by his birthday party with their garbage truck – Mitch got to have his picture taken in the driver's seat, and Eddie and Greg provided goody bags filled with Republic toys to the entire party! This was in our national employee newsletter – little Mitch is famous! (photo attached)
- o Lead driver, Brian, has stopped to help your residents numerous times through the years – checking on elderly if their trash cart isn't out like usual, changing flat tires, and assisting any way he can. Many of our drivers will do the same.

I'm sure you agree that these are special stories and didn't happen on “day one” of our contract. These are relationships and familiarity with your residents that have been developed through our continuous years of service that only Republic Services can provide. And below are comments currently on our drivers' Brag Board from Chesterfield residents, who recently phoned in:

- ... said Keshawn was very helpful taking care of his bulk pickup; stated he was gracious and helpful and took care of him as promised.
- ...is 80 years old and she was trying to take her trash and recycle container to the curb and Curtis came and helped her, took the containers down and serviced them and returned them up to her home.

Our drivers are backed by a local team in Bridgeton that includes our local Customer Resource Center (CRC). This local team of 27 agents help keep your residents informed with the latest information. They can also initiate a call blast to customers to alert them to a holiday schedule, weather delay, etc. Our CRC is managed by Beth Moore, who has over 22 years at our Bridgeton location, making sure our consultants are providing the best service we can. Their efforts truly support our tagline “We'll Handle It From Here™”!

Our reliable fleet, which includes 17 spare trucks to ensure service delivery, is backed by our Maintenance Team, which works around the clock Monday thru Friday (and a day shift on weekends) to keep our trucks maintained and in order. Thirty of our maintenance employees have 25 years in the industry! They are a dedicated crew and are committed to quality service!

I've attached a Rate/Service Comparison chart and would like to briefly address those figures:

- First, please notice the rate comparison has been updated to convey pricing in the contracts at the time your contract expires – 7/31/2021. I felt this was a better comparison than looking at today's price, when we already have pricing established/frozen for the final year of your contract.
- Factors to take into consideration when comparing:
 - No two contracts are identical; we have not taken bulk into consideration, white goods, cart rental fees, free municipal services, etc. Also, some YW services have bag limits while others are unlimited. So, what you may assume looks "less expensive" on the surface, would most likely change if we did a deep dive into the contract. Should you desire details on any listed, I would be happy to provide those.
 - City billed vs. Individually billed –
 - City billed - a single invoice typically incurs zero bad debt (city covers), virtually no billing cost related to postage as well as little administrative time in our office. It also allows the driver to run his route more efficiently, as s/he does not need to pay attention to suspended service accounts due to bad debt.
 - Individually billed, however, is a greater expense to mail, track and follow up on payments, implement suspends, remove/redeliver carts, and try to recover bad debt. The driver also needs to pay close attention to each street s/he services, as some may be on suspend and should not be serviced. All of these factors are considered in formulating pricing.
 - Distance to haul site – Time for driver to reach municipality from haul site, as well as disposal site during/after route, is also a pricing factor.

Jim - you, your staff and elected officials have been excellent to work with, and we truly appreciate the professionalism and knowledge they contribute to this partnership. It is our desire to have the consent of the council to negotiate an extension to continue building on this partnership and taking care of the city of Chesterfield. We truly value our relationship and your time and consideration to this request. Please see attachments on following pages.

Sincerely,



Susan Piazza
Manager, Municipal Sales



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 o:636.947.5959 f:314.739.4911 republicservices.com

| Rate/Service Comparison: Contract rates effective 7/31/2021 | | | | | | | | | |
|---|-------------------------------|-------|---------|----|---|-----------------|-------------------------------------|---------------------------------------|--|
| City Name | Current Hauler | Trash | Recycle | YW | YW included in bundled rate or optional service | Rates | | Optional YW Pricing | Billing IND=individually billed CITY= one bill to city |
| | | | | | | Bundled: T/R/YW | Bundled: T/R | | |
| Chesterfield | Republic Services | x | x | x | optional | | \$14.58 | \$15.34/\$14.07 | IND |
| Clarkson Valley | Waste Management | x | x | x | optional | | \$11.85 see below | \$9.95 | CITY |
| Creve Coeur | Republic Services | x | x | x | optional | | \$12.40* current rate, CPI based PI | \$9.50/mth or \$3.00/bag current rate | CITY |
| Ellisville | Republic Services | x | x | x | optional | | \$16.72 | \$4.00 per bag / stickers | CITY |
| Florissant | Gateway | x | x | x | optional | | \$15.50 | \$8.50 | IND |
| Widwood | Waste Connections | x | x | x | optional | | \$16.50 \$16.96 on 8/1 | \$10.30 | IND |
| Ballwin | Republic Services | x | x | x | included | \$22.90 | | | IND |
| Clayton | Republic Services | x | x | x | included | \$28.44 | | | CITY |
| Crestwood | Waste Connections | x | x | x | included | \$19.87 | | | IND |
| Manchester | Republic Services | x | x | x | included | \$18.85 | | | CITY/IND |
| Maryland Heights | Republic Services | x | x | x | included | \$19.41 | | | CITY |
| Sunset Hills / Town & Country | multiple haulers - rates vary | | | | | | not applicable | | |

| | |
|--|---------------------------------|
| * blended rate due to choice of containers | Clarkson Valley expires 6/30/20 |
|--|---------------------------------|

| HISTORICAL CONTRACT PRICING - CITY OF CHESTERFIELD | | | | | | | |
|--|----------|--|------------|---|-----------------------|------------|----------|
| note: August 1 thru July 31 contract year | | | | | | | |
| 2001-02 | \$ 9.91 | | 2008-09 | \$ 12.01 | | 2014-15*** | \$ 13.51 |
| 2002-03 | \$ 10.21 | | 2009-10 * | \$ 12.37 | | 2015-16 | \$ 13.72 |
| 2003-04 | \$ 10.52 | | 2010-11 | \$ 12.74 | | 2016-17 | \$ 13.93 |
| 2004-05 | \$ 10.84 | | 2011-12 | \$ 13.12 | | 2017-18 | \$ 14.14 |
| 2005-06 | \$ 10.99 | | 2012-13 | \$ 13.51 | | 2018-19 | \$ 14.36 |
| 2006-07 | \$ 11.32 | | 2013-14 ** | \$ 13.51 | | 2019-20 | \$ 14.58 |
| 2007-08 | \$ 11.66 | | | | | 2020-21 | \$ 14.58 |
| | | | | * 10% Sr Disc implemented & recycle carts added | *** Trash carts added | | |
| | | | | ** Rate was to go to \$13.92 | | | |

Over 155 YEARS of Driver Experience Servicing Chesterfield
 PLUS our Route Supervisor, Greg, with 25 years in Chesterfield and
 34 years total with Republic!

| Driver Name | Year Started w/RSG | # yrs |
|-----------------------------------|---------------------------|--------------|
| Chris Lyke | 2005 | 15 |
| Chris Ramsey | 2007 | 13 |
| Toryano Allen | 2005 | 15 |
| Eddie Gunn | 2000 | 20 |
| Claude King | 2011 | 9 |
| Steven Howell | 2003 | 17 |
| Darrell Willis | 2002 | 18 |
| Curtis Williams | 2007 | 13 |
| Brian Cutright (lead) | 2010 | 10 |
| Brian Spore | 2004 | 16 |
| Keshawn Buchanan | 2004 | 16 |
| Clayton Kyle (Saturday) | | |
| Greg Rothberg Route Supervisor | 1986 | 34 |

From Blue Nation™:

Two-year-old Mitch who loves Republic trucks got a birthday surprise when Driver Eddie G. and Supervisor Greg R. arrived at his birthday party to deliver a special birthday gift. Mitch was able to climb into the cab and sit in the driver's seat of the truck, and all the kids at the party received a Republic goody bag to take home. Thank you to the team in Bridgeton, MO for giving back to the community, especially our youngest fans.





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A well-attended CCEAC event in January, where Republic Services presented "Recycling: Then and Now" and included an interactive Q/A event with Chesterfield residents.



Our Republic Services App allows for account management at your fingertips!

Simple account access at your fingertips.



Manage your account anytime, anywhere.

Republic Services® gives you one simple tool to manage all of your recycling, waste disposal and account management needs. With 24/7 access on any device you can:

- ✓ Pay your bill
- ✓ Schedule a pickup
- ✓ Find new products and services
- ✓ Receive proactive alerts
- ✓ And more

Sign up or download the app at RepublicServices.com/AccountToday



We'll handle it from here.

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