



MEETING DATE: July 25, 2017
TO: Honorable Mayor and Council Members
FROM: Erica Mertens, Administrative Analyst II
SUBJECT: Solid Waste Franchise Agreement Proposal Review

VS for EM

APPROVED BY *Daniel P. Wilkins*
Daniel Wilkins, Acting Town Manager

RECOMMENDATION: Provide direction to staff to finalize negotiations with Tahoe Truckee Sierra Disposal (TTSD) and direction on new service improvements for the solid waste franchise agreement.

DISCUSSION: The current solid waste franchise agreement with Tahoe Truckee Sierra Disposal (TTSD) expires June 30, 2018. While TTSD has provided solid waste and recycling services to the Town for decades, the expiration of this contract presents an opportunity to expand, modernize and improve services. Town Staff have been working alongside HF&H consultants through the negotiations process to obtain the best value for new services.

Town staff conducted public outreach during the summer of 2016 to gather feedback from community and Council. Stakeholder outreach included an online survey, tabling special events booths, scoping stakeholder workshops, and a council workshop. Town staff was directed to explore new programs including containerization of recyclables, containerization of yard waste, and increased accountability of the waste hauler with more transparent billing. Furthermore, Town Council signed a climate change commitment proclamation this spring, declaring the Town's commitment to reduce its greenhouse gas impacts, including improved solid waste and recycling efforts. At its core values, the Truckee community prides itself on being sustainability-minded and a leader in relation to sustainability in the greater region.

Taking this direction into consideration along with needs of increasing State solid waste and recycling regulations, staff drafted a new franchise agreement with the assistance of HF&H. An exhaustive yet collaborative process has been underway with TTSD to find their true costs of service and practical solutions for new program requests. The RFP was set up to detail the current base services as well as the following additional enhanced services:

- Residential Mixed Materials Cart collection (no customer cans)
- Containerized Recyclables Collection (reduced blue bags)
- Containerized Yard Trimmings Collection (no green bags)
- Residential Food Scraps Collection
- Containerized Commercial Food Scraps Collection
- Yard Trimmings Bin Service

- Bulky Item Collection Service
- Multi-Family Recycling Toolkits
- Recyclables Drop-Off Facility
- Expanded Commercial Services
- Expanded Other Services such as expanded public education and online billing

TTSD's proposal comprised of a narrative, technical proposal, draft franchise agreement, and cost forms detailing cost of service for base and enhanced services. The cost forms were developed in a way to detail the costs, not set rates. This mimics a competitive process while in sole-sourced negotiations ensuring the determination of true cost of services.

To date, five in-person negotiations meetings have been held with TTSD, led by HF&H. The first meeting was to explain the Town's RFP and how the negotiations process would function. The subsequent pair of meetings were utilized to understand TTSD's initial proposal, the assumptions used in their cost forms, and revisions needed to bring the cost of base services to essentially no cost increase. The following two meetings were utilized to clarify the enhanced services requests. Through the collaborative and open process, certain services have been deemed cost-prohibitive or impractical from a service stand point. After great discussion and refinement between Town Staff, TTSD staff, and HF&H consultants, the following services are recommended for inclusion in final negotiations:

Residential

- **Mixed Waste:** Customer-provided cans will be utilized for mixed waste materials; no changes will be made. Due to the complexities of our neighborhoods, carts were not cost-effective.
- **Recyclable Carts:** Utilize service-provided carts for recyclables serviced every other week. The recyclables carts would begin with a one year pilot program in the Glenshire neighborhood, and then would roll out to the remaining parts of town over a two year process (a total of three years). Residents may opt-out of the recyclables carts and continue utilizing blue bags.
- **Residential Food Scraps:** Food scraps could be placed in biodegradable bags and placed directly into the mixed waste cans at no added cost.
- **Recyclables Drop-Off Facility:** Two new locations would be secured for recyclables drop-off, similar to the cardboard drop-off locations. These would be available from July-August, and would target the population who may opt-out of recyclables cart service and provide greater capacity for recyclables disposal during peak season.
- **Yard Waste Carts:** Move to exclusively service-provided carts for yard waste, serviced every other week. Green bags would no longer be accepted.
- **Subsidized Yard Waste Bin Rentals:** An increased number of bin rentals would be made available for residents to rent during the spring and summer months to make these more accessible.
- **Free Bulky Item Collection:** Two pickups of large items (ie. Couch, furniture) available per year at no added cost, but must be scheduled in advance.

- **Can Credits/ Overages:** Eliminate can credits and can averaging and allow four overages of extra cans per year.
- **Online System:** Provide an online system for account management and email notification capabilities to alert when an overage or special pick up occurs.

Commercial

- **Containerized Commercial Food Scraps:** Serviced up to three times per week in hauler-provided animal resistant carts, available to all commercial customers. These carts would provide more efficient collection of food waste than the current yellow bag program.
- **Commercial Cardboard:** Maintain collection of clean cardboard stream and possibly site communal cardboard collection in the downtown corridor.
- **Commercial Mixed Recyclables Carts:** Utilize hauler-provided carts for recyclables.
- **Commercial Bin Collection:** Collect commercial bins (3-yard or larger) up to five times per week.
- **Commercial Mixed Waste Carts:** Hauler-provided mixed waste carts will become available in lieu of 1- or 2-yard dumpsters to provide capacity to customers with space constraints. These will be serviced up to three times per week.
- **Outreach:** TTSD will provide a staff as a point-person whom Town staff can work alongside in outreach efforts. In addition, a new Town Solid Waste position will be included in the rates to ensure each business and multi-family complex is assisted each year to ensure compliance with State recycling regulations. The Town is opting out of selecting a multi-family recycling toolkit as it was cost-prohibitive.

Other items that were discussed throughout the negotiations process that may impact the overall costs are: reviewed financials instead of audited; timing of Town payment to TTSD for residential service; excess liability insurance; reporting requirements; and performance bond requirements.

Discussions with the transfer station owner (Placer County) are anticipated to commence within the next month and will be critical in the continuance of a "clean" waste stream throughout the entire process.

FISCAL IMPACT: Specific fiscal impacts will be finalized during negotiations and brought back to Council for final review. It is anticipated that there will be effects on Town residents and customers – we believe approximately up to \$5 per month for residential customers and approximately 30% increases for commercial customers – if the commercial customers do not change solid waste disposal to more cost effective and "greener" services.

PUBLIC COMMUNICATIONS: Agenda Posting