



Legislation Text

File #: AGR 18-029, **Version:** 1

Consideration of and action on exercising a three (3) year extension of commercial waste removal services with Waste Management of Texas, Inc.

Summary:

On September 3, 2013, Council entered into a five (5) year contract with Waste Management of Texas, Inc. for the collection and transportation of commercial solid waste. Per the contract, this agreement may be extended for an additional three (3) year term upon mutual written consent of both parties. Staff recently met with Waste Management officials to discuss this renewal. Waste Management has proposed an extension of the current contract, which expires December 1, 2018, for this additional three (3) year period, with a few noteworthy changes (see attachments). First, the commercial rates would rise by twelve percent (12%) in the first year and five percent (5%) in both of the following years. This replaces current cost increase language tied to fluctuations in the consumer price index. Waste Management officials state their cost of business well exceeds the annual CPI increase, which has averaged 1.95% during the first four (4) years of the contract.

Also, Waste Management proposes to begin charging an “Unusual Accumulations Fee” of \$138.00 in instances where they retrieve trash from an overflowing dumpster. Their proposed language related to “Unusual Collections” is noted below, and would be inserted into the contract per this three (3) year extension to begin January 2, 2019:

As to commercial customers, including apartment complexes, “Unusual Accumulations” means any waste, garbage, or trash located outside the dumpster regularly used for such collection service or any waste, garbage or trash that overfills, is left on top of, or exceeds the tonnage limit for the dumpster. WMTI may collect Unusual Accumulations and assess an overage charge (“Snapshot”) for the collection and disposal of any Unusual Accumulations. The amount that WMTI shall charge for collection, transportation, and disposal of Unusual Accumulations is set forth in Schedule “A” attached hereto. WMTI shall have the right to take photographic or digital evidence of Unusual Accumulations.

No other provisions of the contract are set to for change or amendment. Council discussed this matter at the City Council Meeting on October 2, 2018, and favored extension of the contract. There will be an opportunity to discuss once more at Tuesday evening’s Council Workshop, in advance of taking action on this agreement. It is important to note, with this extension Waste Management will continue providing recycling bins at the City’s Solid Waste Transfer Station.

Fiscal/Budgetary Impact:

Commercial rates will increase 12% in Year 1, 5% in Year 2, and 5% in Year 3.

Approval is recommended.