



Legislation Text

File #: ORD 18-093, **Version:** 1

Consideration of and action on an ordinance amending Schedule B to address Commercial Solid Waste Fees.

Summary:

On September 3, 2013, Council entered into a five (5) year contract with Waste Management of Texas, Inc. (WMTI) 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 WMTI officials to discuss this renewal. WMTI proposed an extension of the current contract, which expires December 1, 2018, for this additional three (3) year period, with a few noteworthy changes:

1. The commercial base rates would rise by twelve percent (12%) in the first year and five percent (5%) in each of the subsequent two years. This replaces the existing provision for a cost increase, which is tied to fluctuations in the consumer price index (CPI). According to WMTI, their cost of business has well exceeded the annual CPI increase, which has averaged 1.95% during the last four years. Under the 3-year extension of the contract, the base rates would begin each December 1 of 2018, 2019, and 2020.

2. WMTI has proposed an "Unusual Accumulations Fee" of \$138.00 in instances where they must retrieve trash from an overflowing dumpster. Their proposed language related to "Unusual Collections" is noted below. The "Unusual Accumulations Fee" would be effective 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'.... WMTI shall have the right to take photographic or digital evidence of Unusual Accumulations."

No other provisions of the contract are set for change or amendment. City Council recently discussed this matter at City Council meetings on October 2 and October 16, and approved the 3-year extension of the contract for commercial waste removal services with WMTI, including the above referenced changes, at the October 16, 2018 meeting.

WMTI provided a new rate table effective December 1, 2018 and the new rates have been incorporated in the attached ordinance.

Fiscal/Budgetary Impact:

None. Expenditures in the FY 2018-2019 budget for commercial garbage collection are included in the Sanitation Department budget (Account No. 10-402-4220, Commercial Garbage Collection); however, these costs are offset by revenues in the General Fund (Account No. 10-000-3202, Commercial Garbage Fees). Per the contract, garbage collection from dumpsters used by the City at its facilities is provided at no cost to the City.

Approval of the ordinance amending Schedule B for Commercial Solid Waste Fees.