

TO: Mayor Thomas J. Weisner

FROM: Jim Pilmer, Director of Neighborhood Standards &
Carie Anne Ergo, Chief Management Officer

DATE: December 4, 2014

SUBJECT:

Request for approval of a contract extension with the current franchise refuse contractor, Allied Waste Services of North America, LLC d/b/a Republic Services of Aurora with mutually agreed upon terms.

PURPOSE:

Aurora refuse and recycling collection is provided for through a city wide franchise contract with Republic Services of Aurora. The current contract began in 2007 and has one final extension year for service. The contract will expire on June 30, 2016. The final contract year of July 1, 2015 to June 30, 2016 allows for a contract extension upon mutually agreeable terms between the city and Republic Services of Aurora.

BACKGROUND:

In February 2014, based on Republic Services positive performance record, the city entered into negotiations for another long-term contract. The City contracted with Walter Willis to assist city staff with these negotiations. Mr. Willis has been the Executive Director of the Solid Waste Agency of Lake County (SWALCO) since 2007 and is responsible for overseeing the Agency's solid waste and resource management programs and implementing the Lake County Solid Waste Management Plan. Prior to joining SWALCO, Mr. Willis worked in the waste industry as a consultant for approximately 20 years developing solid waste management plans and assisting with solid waste facility development projects throughout the United States. During his career, he has assisted with more than 50 contract negotiations for communities.

Approximately 46,000 households currently receive service through the city of Aurora's refuse and recycling contract. Members of the negotiation team began by evaluating neighboring communities' refuse programs and reviewing input from residents through the network of neighborhood groups.

The waste industry has experienced several changes since the City implemented the current program in 2007. The industry has transitioned to automated collection in an effort to increase safety for employees and create operational efficiencies. In addition, widespread adoption of sustainable recycling practices have resulted in greater demand for recycling services. The proposed program adapts to these changes and achieves the following goals.

1. Saves the average household money per month.
2. Encourages recycling with carts that have more capacity than the current bins.
3. Offers flexibility with different garbage cart sizes to suit each household's need.
4. Keeps neighborhoods tidier with lidded cans to prevent flyaway trash.

5. Preserves senior bag program and lower costs for elderly residents.
6. Maintains popular programs including yard waste collection, leaf collection, brush collection, holiday tree collection, and stickered bulk item collection.

Since the presentation to Council last month, our team has worked closely with the Public Information Division and the Mayor's Office to communicate the potential changes and seek public input. City staff along with Republic Services of Aurora jointly held four community meetings. Information was prominently posted on the City's web site and Facebook pages with a link to an on-line comment form. In addition, staff attended various neighborhood meetings at the request of Alderman and held individual sessions for Alderman to further understanding of the proposed program. Staff is in the process of finalizing a summary of the community feedback received, which will be forwarded to you early next week for review.

DISCUSSION:

Staff is recommending that Council approve a long-term contract extension contract with Republic Services to provide refuse and recycle pick-up through a Volume Based, Variable Rate Automated Cart System. The contract period would be July 1, 2015 through June 30, 2022. Highlights of this contract include:

- Allows residents to preserve the "Pay as You Throw" concept giving resident choice of variable cart sizes, which are priced to the size of the cart.
- Retains popular programs, including yard waste, 2 weeks of free spring yard waste pickup, free fall leaf pick up for a minimum of 8 weeks and a maximum of 10 weeks, 2 week holiday tree collection, and Neighborhood clean-ups for Ward Alderman.
- Retains unlimited brush pick up program, although brush would need to be bundled.
- Preserves lower costs for senior environmental fee and use of the popular Senior Bag Program for residents age 65 or older (although use of these bags will be capped at 4,500 households).
- Provides each household will two lidded carts, one for refuse and one for recycling. Carts will be the property of Republic Services of Aurora. Residents do not buy or rent the carts.
- Republic Services will invoice residents quarterly for refuse pick-up. Residents leaving for a minimum 1 month and a maximum of 4 months, can stop service and not be charged
- Annual price increases are tied to the Consumer Price Index (CPI) with a rate increase of a minimum 2.5% to a maximum of 2.75%.
- Excess refuse can be disposed of through the purchase of an excess waste sticker for a price of \$2.75. The price of the excess sticker does not increase for the duration of the contract.
- Expands collection services to multiple family dwellings of four (4) or less residential dwelling units.

The pricing structure for the length of the contract can be found in Exhibit 3 of the attached proposed contract document.

Should the Council reject this contract, the Council would need to approve a one-year extension of the current program with negotiated price increases. Early in 2015, City staff would issue an RFP in order to select an alternative long-term provider beginning in July 2016.

A comparison of pricing under the proposed program, current program and current program extension can be accessed at the following link <https://www.aurora-il.org/sanitation/trashtalk.php>.

Republic Services of Aurora does not have outstanding debt to the city of Aurora. Funds for refuse collection are budgeted through account 208-1727-424-45.62.

IMPACT STATEMENT:

The impact to the average household in Aurora will see a decrease in cost for refuse service, refuse collection will be more efficient, recycling should increase, neighborhoods stay cleaner with less litter. Levels of fly dumping on streets, alleys and public containers in parks and the central business district should decrease.

RECOMMENDATIONS:

That the City Council adopt the resolution as presented that would extend the contract with Allied Services of North America, LLC.d/b/a/ Republic Services of Aurora.

cc: Alderman O'Connor, Chairman
Alderman Mervine
Alderman Bohman
Alderman Peters, Alternate



CITY OF AURORA, ILLINOIS

RESOLUTION NO. _____
DATE OF PASSAGE _____

A Resolution Approving an Extension of Contract with Allied Waste Services of North America, LLC, d/b/a Republic Services of Aurora, for Refuse, Recyclables, and Yard Waste Collection Services.

WHEREAS, the City of Aurora has a population of more than 25,000 persons and is, therefore, a home rule unit under subsection (a) of Section 6 of Article VII of the Illinois Constitution of 1970; and

WHEREAS, subject to said Section, a home rule unit may exercise any power and perform any function pertaining to its government and affairs for the protection of the public health, safety, morals, and welfare; and

WHEREAS, the current Contract for Refuse, Recyclables, and Yard Waste Collection Services between the City of Aurora and Allied Waste Services of North America LLC, d/b/a Republic Services of Aurora, will expire on June 30, 2014; and

WHEREAS, after thorough research and consideration of the various options and rates presented, the City has determined that it is in the business interests of the citizens of the City of Aurora to extend the contract with Allied Waste Services of North America, LLC, d/b/a Republic Services of Aurora, to provide for a more automated system and for the Services and rates that are contained in the proposed Contract as modified and attached hereto as Exhibit "A"; and

WHEREAS, the funds in the budget are accounted for in 208-1727-424-45.62

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Aurora, Illinois, as follows: the contract extension terms and the services and rates set forth in Exhibit "A" are hereby approved and hereby incorporated into the Contract between the City of Aurora and Allied Waste Services of North America, LLC; d/b/a Republic Services of Aurora, a copy of which is attached hereto and incorporated as if fully set forth herein, subject to legal review and approval.

RESOLUTION NO. _____
DATE OF PASSAGE _____

PASSED AND APPROVED on _____.

AYES _____ NAYS _____ NOT VOTING _____ ABSENT _____

Alderman Bohman, Ward 1

Alderman Garza, Ward 2

Alderman Mesiacos, Ward 3

Alderman Donnell, Ward 4

Alderman Peters, Ward 5

Alderman Saville, Ward 6

Alderman Hart-Burns, Ward 7

Alderman Mervine, Ward 8

Alderman Bugg, Ward 9

Alderman Johnson, Ward 10

Alderman Irvin, At Large

Alderman O'Connor, At Large

ATTEST:

City Clerk

Mayor

Exhibit A: Contract with Rate and Service schedule