



# Approval of Exclusive Franchise Agreement for Municipal Solid Waste

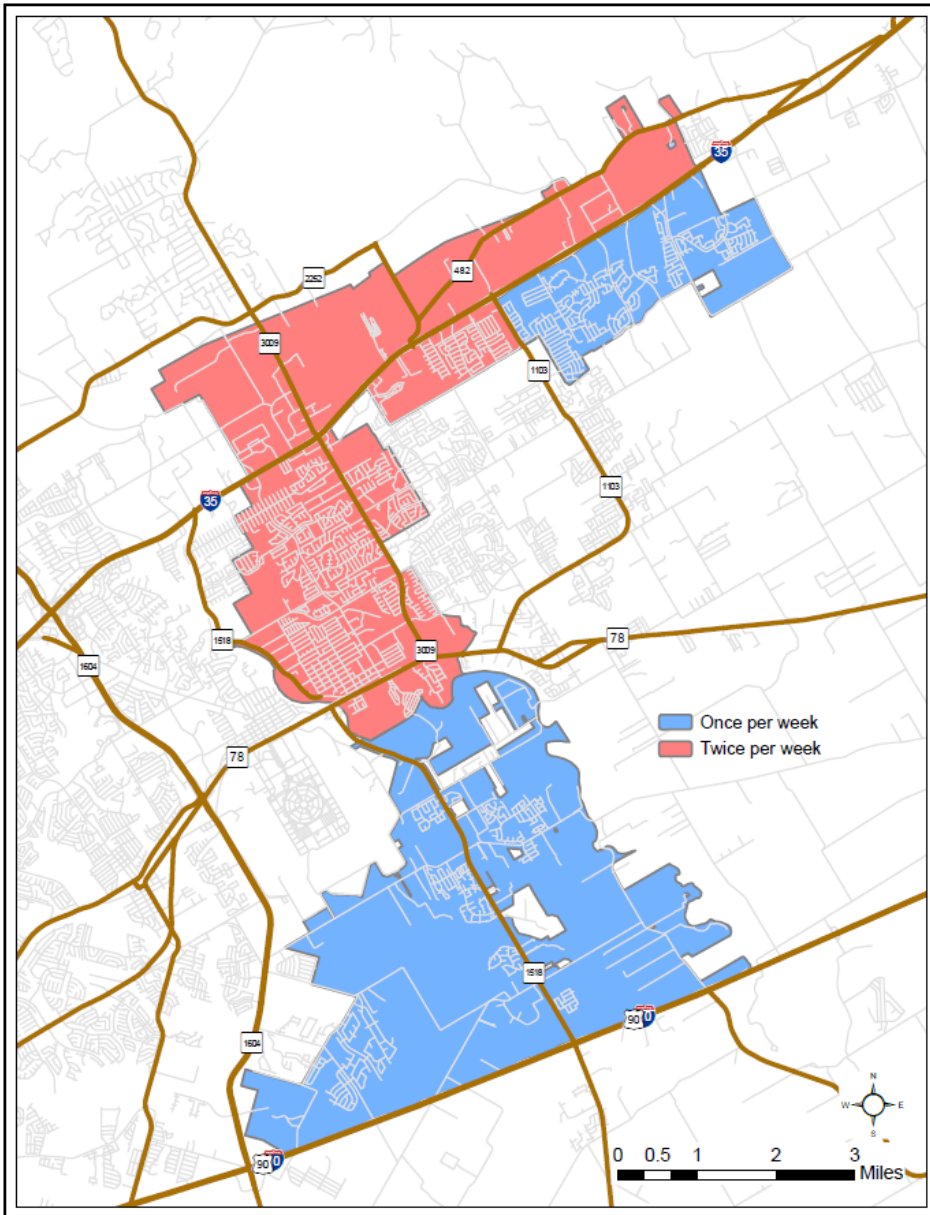
Pre-Budget Retreat, March 28, 2025 &  
City Council Meeting, April 1, 2025

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# History

- **2001** – Established renewing franchise relationship with Bexar Waste
  - Ordinance Nos 01-F-2, 03-F-22, 07-F-07, and 11-F-35
- **2013** – Awarded a seven-year franchise agreement to Bexar Waste
  - Ordinance No. 13-F-03
- **2015** – Awarded a ten-year franchise agreement to Bexar Waste
  - Ordinance No. 15-F-18
- **2017** – Bexar Waste sold to Republic Services; Request made to Council to approve assignment of the City's solid waste franchise agreement to Republic Services
  - Resolution 17-R-41
- **2017 – Present Day** – Republic Services has been provider; operating under existing, legacy contract
- **June 30, 2025** – Contract expires

# Current Services Provided - Residential



- **Once-a-Week – approx. 5,200 accounts**
  - **Solid Waste**
    - Once a week pick-up
    - 96-gallon poly-cart provided to customer
  - **Recycle**
    - Once a week pick-up
    - 18-gallon bin provided to customer
- **Twice-a-Week – Approx. 9,300 accounts**
  - **Solid Waste**
    - Twice a week pick-up
    - Hand collect and/or customer provides small container (32 gallon or less)
  - **Recycle**
    - Once a week pick-up on second day
    - 18-gallon bin provided to customer
- Goal is to Equalize level of service across City

# Current Services Provided - Residential

- Included with monthly fee, all accounts receive:
  - Bulk Pick-Up – 12 times per calendar year
    - Scheduled online through the customer portal
  - Access to Spring and Fall Clean-Ups
    - 16 Days
    - Temporary Collection Point at 125 Pecan Drive
    - Hazardous Items/Tires Drop Off on last weekend
- Optional Curbside Chipping service
  - Provided by Public Works on a weekly basis
  - Scheduled through the city's website
  - \$40 fee for use and it applied to the resident's water bill

# Current Monthly Costs - Residential

- Both Once-a-Week and Twice-a-Week

Garbage: \$12.41

Recycling: \$2.05

Total Cost: \$14.46

- No rate increase in 7 years

# Current Services Provided - Commercial

- All Accounts Option to Receive:
  - Roll-offs
  - Dumpsters
  - Front-End Loaders
  - Recycle (non-exclusive)
- Costs are dependent based on need - size, pick-up frequency, etc.

# RFP Process & Key Dates

January 21, 2025

- Conducted meeting with city staff to gather information and receive direction on preparation of the RFP and Contract

February 5, 2025

- Publish RFP

February 11, 2025

- Mandatory Pre-Proposal Conference

March 5, 2025

- RFP submittals due

**April 1, 2025**

- **Award of new contract by City Council**

July 1, 2025

- New solid waste services contract begins

# Residential Collection Options – Solid Waste

## Solid Waste Options:

- Once a week collection in 96-gallon cart
- Twice a week collection in a 96-gallon cart

## Recycling Options

- Once a week collection in 96-gallon cart
- Every Other Week collection in a 96-gallon cart

## Brush & Bulk Options

- Once a week collection of 3 cubic yards
- Every Other Week collection of 3 cubic yards

On Call Household Hazardous Waste Collection

All options will allow for unusual accumulation collection (special collection larger than requirements for bulk) for a predetermined fee.

# Commercial and Roll-Off Collection

No significant changes to service options

- Rates to be submitted based on size of container and frequency of collection (same as current contract)
- Facility services for City to continue, free of charge
- New containers will be required

# General Provisions & Requirements

- All poly-carts provided by the Contractor will be new
- Equipment to be used by the Contractor will be no older than four-years at the start of the contract
- Liquidated Damages to be included to allow the City to charge vendor for specific failures
- GPS-tracking software and camera equipment will be required of all firms submitting an RFP
- Customer complaints will be directed to Vendor
  - Provides direct route to solving customer problems
  - Reports will be required to be sent to the City daily providing a recap of the day's complaints and a summary of the follow-up action taken to resolve the issue
  - Staff will monitor performance
- 5-year initial contract, with optional one additional 5-year term

# Billing and Account Set Up

- Residential billing will continue to be handled by Utility Billing office
- Commercial customer billing will be handled by Vendor
  - Vendor will meet with each customer account to review current trash and recycling services and make changes if requested/needed

# Key Factors

- When evaluating options, staff considered the following:
  - Anticipation of increased costs
  - Desire to equalize level of service across the city
  - Balance the needs of all residents/businesses and the financial impacts to them
  - Aware that whichever way we go, we will not make everyone happy

# Option 1

Garbage One-time Per Week:	\$12.73
Recycling Every Other Week:	\$ 4.37
Bulk/Brush Every Other Week:	<u>\$ 1.00</u>
Total Monthly Cost:	\$18.10

Current Monthly Cost: \$14.46

- This option results in a \$43.68 annual increase or 25% cost increase
- Option to add Household Hazardous Waste direct pick-up: additional \$1.10/month

## Option 2

Flat Rate: \$22.00

Includes:

Garbage One-time Per Week  
Recycling One-time Per Week  
Bulk/Brush Every Other Week

Current Monthly Cost: \$14.46

- This option results in a \$90.48 annual increase or 52% cost increase
- Option to add Household Hazardous Waste direct pick-up: additional \$1.10/month

# Why Not Twice a Week?

- Twice a week garbage pick-up too costly
  - Minimum 75% increase to maintain this level of service
  - Set-out rates don't reflect full use
    - 65% day one set out
    - 35% day two set out
- FlashVote sentiment analysis
  - Random sampling of residents (didn't know topic ahead of time)
  - Twice-a-week residents sensitive to service changes; however, were also sensitive to cost increases
  - Once-a-week residents sensitive to cost increases

# Why Not Twice a Week

Garbage Two-times Per Week:	\$20.00
Recycling Every Other Week:	\$ 4.37
Bulk/Brush Every Other Week:	<u>\$ 1.00</u>
Total Monthly Cost:	\$25.37

Current Monthly Cost: \$14.46

- This option results in a \$130.92 annual increase or 75% cost increase
- To provide once-a-week recycle increases the cost to \$26.72/month (a 85% cost increase)

# Pricing Sheet at a Glance

Once a week Garbage collection					Twice a week Garbage collection					
<u>Garbage Recycling and Brush all 1 x week</u>					<u>Garbage 2 x week, Recycling 1 x week and Brush 1 x week</u>					
	<u>Frontier</u>		<u>Republic</u>	<u>WM</u>	<u>TDS</u>		<u>Frontier</u>	<u>Republic</u>	<u>WM</u>	<u>TDS</u>
	24.95		22.77	n/a	34.72		32.22	32.11	n/a	55.37
Business Effect	317,426		338,195	n/a	377,311		317,426	338,195	n/a	377,311
<u>Garbage and Recycling 1x week, Brush Every Other Week</u>					<u>Garbage 2 x week, Recycling 1x week, Brush Every Other Week</u>					
	<u>Frontier</u>		<u>Republic</u>	<u>WM</u>	<u>TDS</u>		<u>Frontier</u>	<u>Republic</u>	<u>WM</u>	<u>TDS</u>
	22.00		22.22	27.30	33.20		26.72	31.56	34.83	53.85
Business Effect	317,426		338,195	386,079	377,311		317,426	338,195	386,079	377,311
<u>Garbage 1 x week, Recycling Every other Week and Brush 1 x week</u>					<u>Garbage 2 x week, Recycling Every other Week and Brush 1 x week</u>					
	<u>Frontier</u>		<u>Republic</u>	<u>WM</u>	<u>TDS</u>		<u>Frontier</u>	<u>Republic</u>	<u>WM</u>	<u>TDS</u>
	23.60		20.99	n/a	28.65		30.87	30.33	n/a	49.30
Business Effect	317,426		338,195	n/a	377,311		317,426	338,195	n/a	377,311
<u>Garbage 1 x week, Recycling Every Other Week and Brush Every Other Week</u>					<u>Garbage 2 x week, Recycling Every Other Week and Brush Every Other Week</u>					
	<u>Frontier</u>						<u>Frontier</u>	<u>Republic</u>	<u>WM</u>	<u>TDS</u>
		<u>Frontier</u>								
		<u>Alternate</u>								
	<u>Frontier</u>	<u>10-year</u>	<u>Republic</u>	<u>WM</u>	<u>TDS</u>		<u>Frontier</u>	<u>Republic</u>	<u>WM</u>	<u>TDS</u>
	18.10	15.00	20.44	23.32	27.13		25.37	29.78	30.85	47.78
Business Effect	317,426	317,426	338,195	386,079	377,311		317,426	338,195	386,079	377,311
<b>HHW Collection</b>	\$1.10	included	\$1.67	\$1.25	\$1.23		\$1.10	\$1.67	\$1.25	\$1.23
<b>Holiday collection</b>	1.00	1.00	3.00	not offered	0.06		1.00	3.00	not offered	0.06

# Curbside Chipping

- Due to frequency increase of brush pick-up, curbside chipping service will no longer be provided
- Public Works division dedicates 20-30 hours a month to provide service
  - Will now be able to focus on core services – potholes, crack-sealing, street repair, etc.

# Items of Note - Residential

- All residents will receive a new 96-gallon garbage cart and a new 96-gallon recycling cart
- Same day trash, recycling and bulk/brush pick-up
- Disability Collection Services – Vendor will provide door to truck waste collection for residents who demonstrate a need or hardship

# Commercial Costs

- Small commercial
  - Use 96-gallon carts
  - Eliminating categories that are not in use
  - Consolidating categories to small commercial (ie offices, barbershops, professional services; light retail; and medium retail)
  - Increase fees from \$15.70, \$27.08, and \$39.34, respectively, to \$45 for once-a-week pick-up and \$90 for twice-a-week pick-up

# Commercial Costs

- Commercial Containers
  - Used for customers who desire to use them in lieu of garbage carts
  - Costs determined based on size and frequency of pickup
  - Will increase 43%
  - Recycle containers will be available

# Commercial Container Costs

## Container Size:

Frequency of Pickup	1	2	3	4	5	6.00	On Call Additional
<b>2 cu. Yard</b>	\$ 59.45	\$ 101.23	\$ 122.28	\$ 139.79	\$ 157.26	\$ 174.72	\$ 29.70
<b>2024-25</b>	\$ 85.16	\$ 145.01	\$ 175.17	\$ 200.25	\$ 225.27	\$ 250.29	\$ 75.00
<b>3 cu. Yard</b>	\$ 71.65	\$ 129.26	\$ 178.23	\$ 204.38	\$ 230.63	\$ 256.82	\$ 37.12
<b>2024-25</b>	\$ 102.64	\$ 185.16	\$ 255.31	\$ 292.77	\$ 330.38	\$ 367.89	\$ 75.00
<b>4 cu. Yard</b>	\$ 89.06	\$ 153.79	\$ 209.65	\$ 253.32	\$ 297.04	\$ 340.71	\$ 44.56
<b>2024-25</b>	\$ 127.58	\$ 220.30	\$ 330.32	\$ 362.88	\$ 425.51	\$ 488.07	\$ 75.00
<b>6 cu. Yard</b>	\$ 125.84	\$ 209.65	\$ 288.30	\$ 366.95	\$ 445.49	\$ 524.14	\$ 51.98
<b>2024-25</b>	\$ 180.27	\$ 300.32	\$ 412.99	\$ 525.66	\$ 638.16	\$ 750.83	\$ 75.00
<b>8 cu. Yard</b>	\$ 148.53	\$ 270.81	\$ 375.60	\$ 480.46	\$ 586.04	\$ 690.14	\$ 59.41
<b>2024-25</b>	\$ 212.77	\$ 387.94	\$ 538.05	\$ 688.26	\$ 839.50	\$ 988.63	\$ 75.00
<b>10 cu. Yard</b>	\$ 171.19	\$ 314.45	\$ 445.49	\$ 559.12	\$ 672.64	\$ 786.19	\$ 66.82
<b>2024-25</b>	\$ 232.77	\$ 397.94	\$ 548.05	\$ 698.26	\$ 839.50	\$ 998.63	\$ 75.00
<b>2 cu. Yard Recycle</b>	\$ 79.25	\$ 134.94	\$ 163.00	\$ 186.34	\$ 209.63	\$ 232.90	\$ 75.00
<b>4 cu. Yard Recycle</b>	\$ 95.51	\$ 172.30	\$ 237.58	\$ 272.44	\$ 307.43	\$ 342.34	\$ 75.00
<b>6 cu. Yard Recycle</b>	\$ 167.74	\$ 279.46	\$ 384.30	\$ 489.14	\$ 593.84	\$ 698.68	\$ 75.00
<b>8 cu. Yard Recycle</b>	\$ 197.99	\$ 360.99	\$ 500.67	\$ 640.45	\$ 781.19	\$ 919.96	\$ 75.00

# Commercial Costs

- Roll-Off Containers
  - Available in 20, 30 and 40 cubic yards
  - Cost increase will be higher the smaller roll-off the customer has (67% for a 20 cubic yard) and the cost increase is lower as the container size increases (41% for a 30 cubic yard and 21% for a 40 cubic yard)
  - Tonnage fee will also be added

# Commercial Costs – Compactor Rentals

Frequency of Pickup	1	2	3	4	5	6	On Call Additional
<b>2 cu. Yard compactor</b>		\$ 230.27				\$ 87.31	
<b>2024-25</b>	\$ 255.48	\$ 435.03	\$ 525.51	\$ 600.75	\$ 675.81	\$ 750.87	\$ 300.00
<b>4 cu. Yard compactor</b>		\$ 474.39					
<b>2024-25</b>	\$ 382.74	\$ 660.90	\$ 900.96	\$ 1,088.64	\$ 1,276.53	\$ 1,464.21	\$ 300.00
<b>6 cu. Yard compactor</b>	\$ 540.81	\$ 900.96	\$ 1,238.97	\$ 1,576.98	\$ 1,914.48	\$ 2,252.49	\$ 300.00
Compactor Rental, per month							\$ 500.00
Casters, per month							\$ 7.50
Locks, per collection							\$ 2.50
Enclosures, per month							\$ 5.00

- Based on size and frequency of pick-up
- If business wants to use this for recycle purposes, they are free to choose a different provider

# Items of Note - Commercial

- All commercial accounts will receive new carts, containers, etc.
- Costs are dependent on business needs
- Vendor will meet with each commercial account to assess their usage and needs

# Franchise/Billing Fees

- The franchise agreement and contract with Vendor provides for exclusive right to service City
- Current fees are 15%
  - 3% Franchise Fee
    - Goes to General Fund
    - Allows Vendor to use our rights-of-way to perform service
    - Helps offset costs for wear and tear on streets
  - 12% Bill Processing Fee
    - Goes to Water/Sewer Fund
    - Helps offset operational costs and billing services performed by Utility Billing Office
- Proposed fees are 10%
  - 3% Franchise Fee
    - General Fund will see an increase of approximately \$60,000 (previous amount \$180,000; new amount \$240,000)
  - 7% Bill Processing Fee
    - Shift of customer service and commercial billing to Vendor
    - Equates to reduction of \$100,000 in revenues - Water/Sewer fund can absorb
- Rates submitted for services include the 10% franchise/billing fees

# Future Rate Increases

- Vendor may adjust Base Rates subject to the Consumer Price Index (CPI) garbage and trash collection
- Annual adjustment shall not result in an increase in the Base Rates exceeding the lesser of:
  - The percentage increase in the CPI for the twelve-month period
  - Five percent of the then current Base Rates
- If the percentage change in the CPI would result in a decrease in the Base Rates, the Base Rates shall remain unchanged for the immediately following contract year

# Comprehensive Trash Campaign

- Campaign framework established
- Once receive direction, staff will work closely with vendor to ensure all communication elements are being utilized before, during, and after implementation
- New service starts July 1<sup>st</sup>

# Recommendation

- Staff recommends approving the exclusive franchise agreement for Municipal Solid Waste to Frontier Waste Solutions

- Recommend Option 1

Garbage One-time Per Week:	\$12.73
Recycling Every Other Week:	\$ 4.37
Bulk/Brush Every Other Week:	<u>\$ 1.00</u>
Total Monthly Cost:	\$18.10

# COMMENTS AND QUESTIONS