

Mission Trail Waste Systems Franchise Agreement: Extension Update & Recommendation



PRESENTATION TO:

City Council | City of Los Altos, CA

August 27, 2019



Agenda

- ❑ History of Solid Waste Contract
- ❑ MTWS Services
- ❑ Community Input & Survey Results
- ❑ Landfill Diversion Achievement
- ❑ Negotiation Priorities & Results
- ❑ Rate Adjustment & Comparison
- ❑ Options & Staff Recommendation



History of Solid Waste Contract

- ❑ MTWS awarded 10-year contract in 2010 through September 30, 2020
- ❑ City needs to arrange for solid waste collection effective October 1, 2020
- ❑ In April 2018, Council provided direction to negotiate 10-year MTWS contract extension
- ❑ Performance Review completed in 2018
 - Safe, courteous and effective collection services
 - Some improvements to outreach and education are needed



MTWS' Current Services

- Recycling & organics with food scraps included with garbage service for all customers
- Curbside HHW pickup for motor oil, batteries, cell phones, cooking oil, paint, and CFLs
- 2x/year bulky item collection for residential customers with cart service
- Compost giveaway
- Recyclables and organics processing, landfilling
- Online billing and website with accepted materials
- Compensation for all services is via rates



MTWS Services *(continued)*

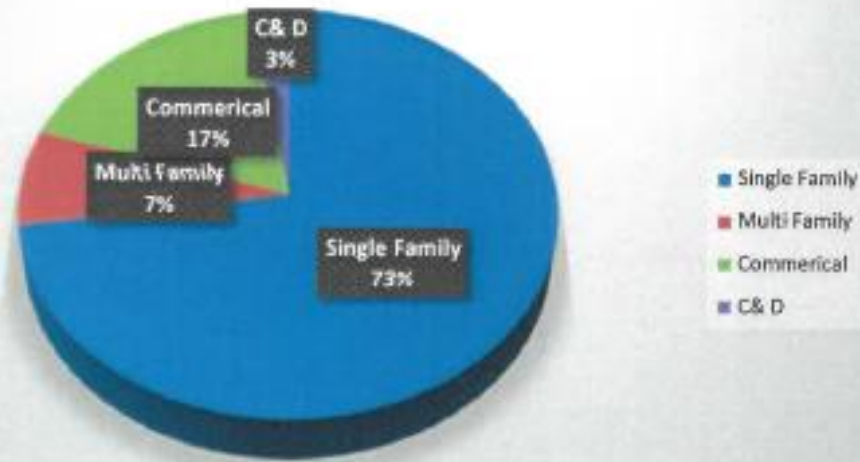
- ❑ Quarterly newsletters
- ❑ On-site waste assessments upon customer request for businesses and multi-family
- ❑ Part-time recycling coordinator
- ❑ Overall high diversion performance





MTWS Estimates of Cost for Los Altos

% of Cost



Post Collection Costs	Per Ton
Landfill	\$ 49.00
Composting	\$ 86.00
Processing of Recycling	\$ 115.00

Single Family Service % of Cost



% of Single Family Service Costs



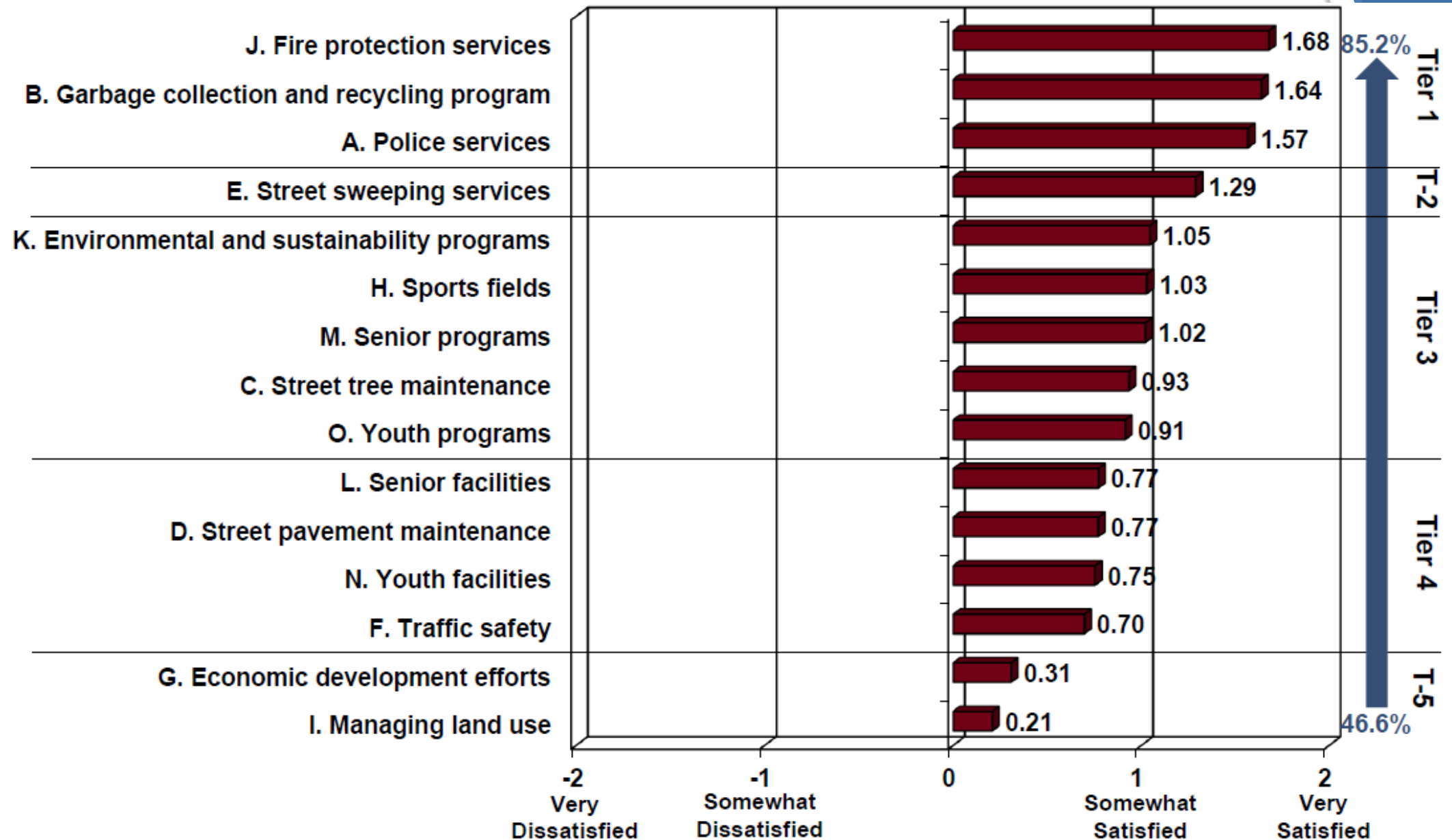


Negotiation Input from Community

- ❑ One on one meetings with each member of the City Council
- ❑ A meeting with an ad hoc committee of the Environmental Commission
- ❑ An evening community meeting open to all members of the public
- ❑ An online survey open to the public seeking input on improvements to the solid waste and recycling program
 - Education and outreach / confusion
 - Senior rate discount



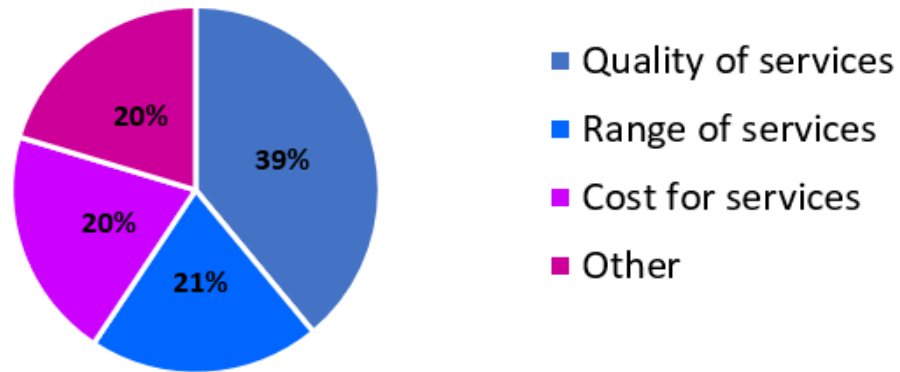
2018 Community Survey Results



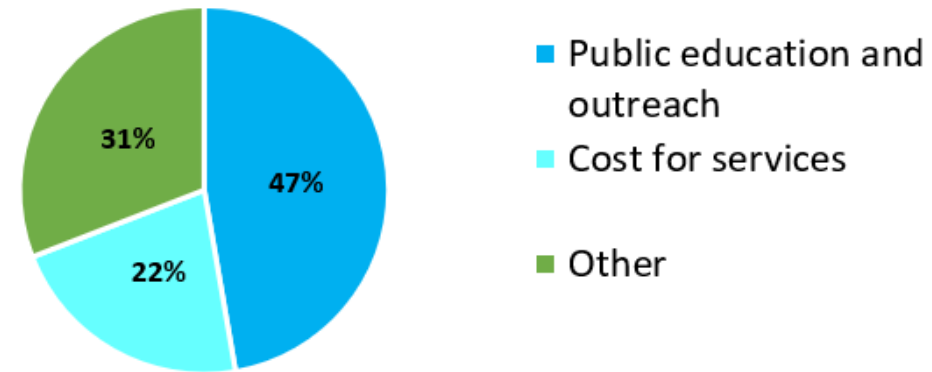


2019 Extension Survey Results

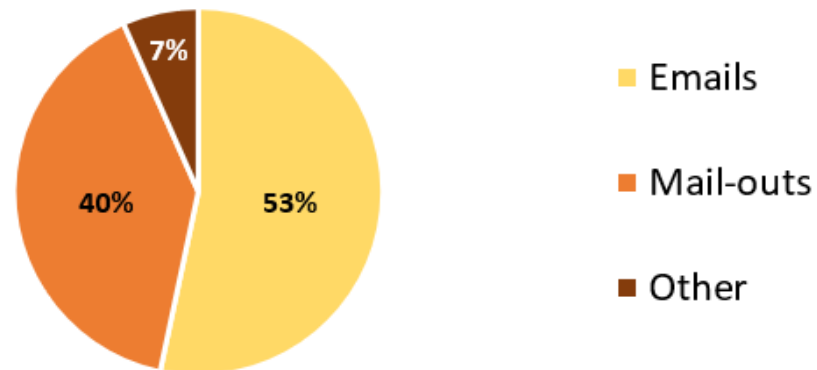
What area of solid waste services is most important to you?



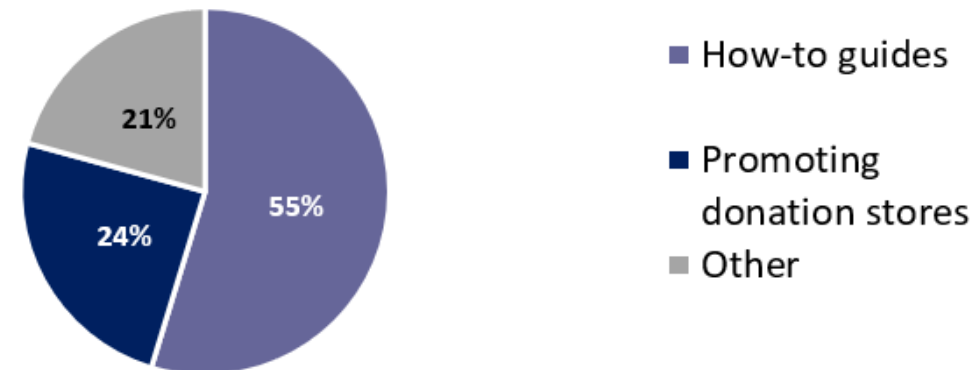
What areas need the most improvement?



What communication methods do you prefer?



How could outreach and education be improved?



Diversions Achievement

- ❑ 78% requirement in contract was not achievable
- ❑ Subscription to recycling & organics is very good
- ❑ Los Altos diversion very high compared to surveyed jurisdictions

Jurisdiction	Diversion Rate (%)
San Leandro	29%
Santa Clara	29%
Vallejo	37%
Half Moon Bay	39%
Novato	39%
Burlingame	40%
Alameda	41%
Mountain View	42%
East Palo Alto	43%
North Fair Oaks	44%
Santa Rosa	44%
Sunnyvale	46%
Redwood City	46%
San Mateo	46%
Martinez	48%
Windsor	48%
Berkeley	49%
Larkspur	50%
Unincorporated Sonoma County	50%
Los Gatos	50%
Foster City	51%
San Rafael	53%
San Carlos	53%
Belvedere	53%
Mill Valley	54%
Belmont	55%
Tiburon	55%
Corte Madera	55%
Sausalito	57%
San Francisco	60%
Menlo Park	60%
Napa City	60%
Unincorporated Marin County*	61%
Fairfax	61%
San Mateo County	64%
Palo Alto	64%
San Anselmo	65%
West Bay Sanitation	71%
Piedmont	72%
South Napa County	73%
Ross	73%
Hillsborough	74%
Los Altos	77%
Atherton	81%





Negotiation Priorities

- Maintain and improve the City's high diversion
- Achieve compliance with new state recycling and organics mandates
- Secure City-wide roll out of recycling and organics to businesses and multi-family dwellings
- Keep rate increases as low as possible
- Secure a new, clean-air collection fleet
- Maintain the City's recycling programs
- Improve the recycling and organics public education and outreach program
- Improve timeliness of the bulky waste collection program



Negotiation Results

- ❑ All new CNG collection vehicles by July 1, 2021
- ❑ Roll-out of organics services to all non-exempt commercial customers by July 1, 2021
- ❑ Bulky waste collection changes to increase availability
- ❑ Diversion:
 - Minimum diversion requirement 65% and
 - 50% per State requirements
 - Goal of 78%
- ❑ Ability to dispose of un-marketable recyclable materials, upon MTWS request and City approval



More Negotiation Results

- ❑ Addition of bulky waste collection promptness of service requirements
- ❑ 2x more performance reviews at adjusted cost
- ❑ Performance bond amount increased to \$1.5M
- ❑ Additional requirements added regarding fleet lifecycle and vehicle maintenance and upkeep
- ❑ Additional annual report items – State laws
- ❑ Addition of some liquidated damages – outreach and education accountability and others
- ❑ MTWS will re-route some Thursday customers
- ❑ MTWS to maintain all other currently provided services



Outreach & Education

- ❑ Greater oversight over MTWS education & outreach requirements
- ❑ City intention to participate by:
 - Hiring new Sustainability Coordinator position
 - Conduct site visits and community engagement
 - Participate in newsletters and focused outreach on topics of interest in community



Recyclables Market Crash

- ❑ MTWS revenue impacted by China's "National Sword" policy
- ❑ New state requirements on recycling organics
- ❑ With extension, rate adjustment for change in disposal or material changes in organics processing may occur in future years
- ❑ No change in compensation for recycling going forward



Bulky Item Collection Services

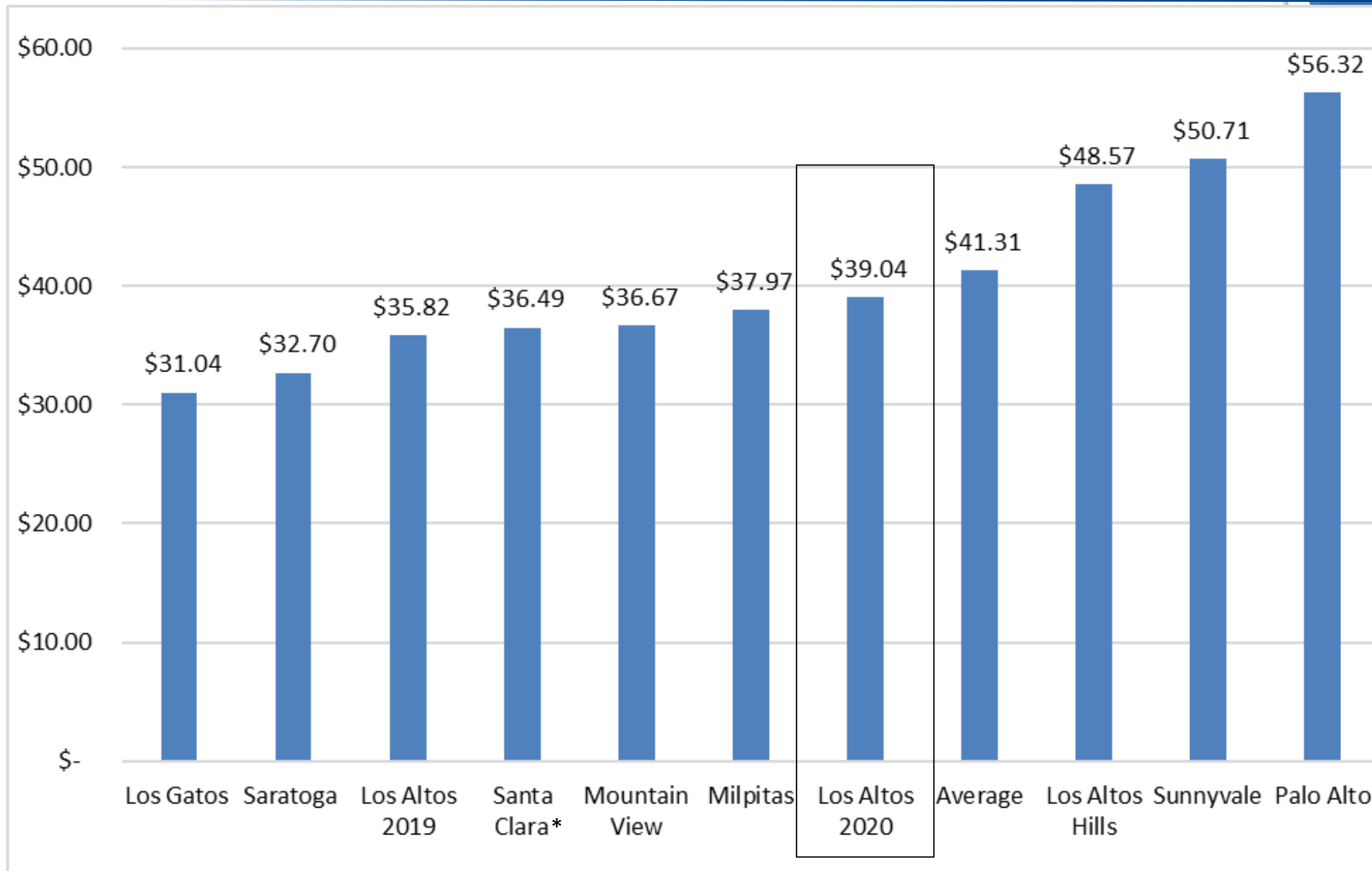
- City has received some complaints about bulky item collection promptness
- Some improvement in turnaround is anticipated
- Current promptness of service is about 22 days from date of call during May to December
- The service is expensive but could have a third route if needed
- Additional route would increase availability of service, and would increase rates nearly 5%
- Customers can avoid waiting or paying more by planning and scheduling in advance



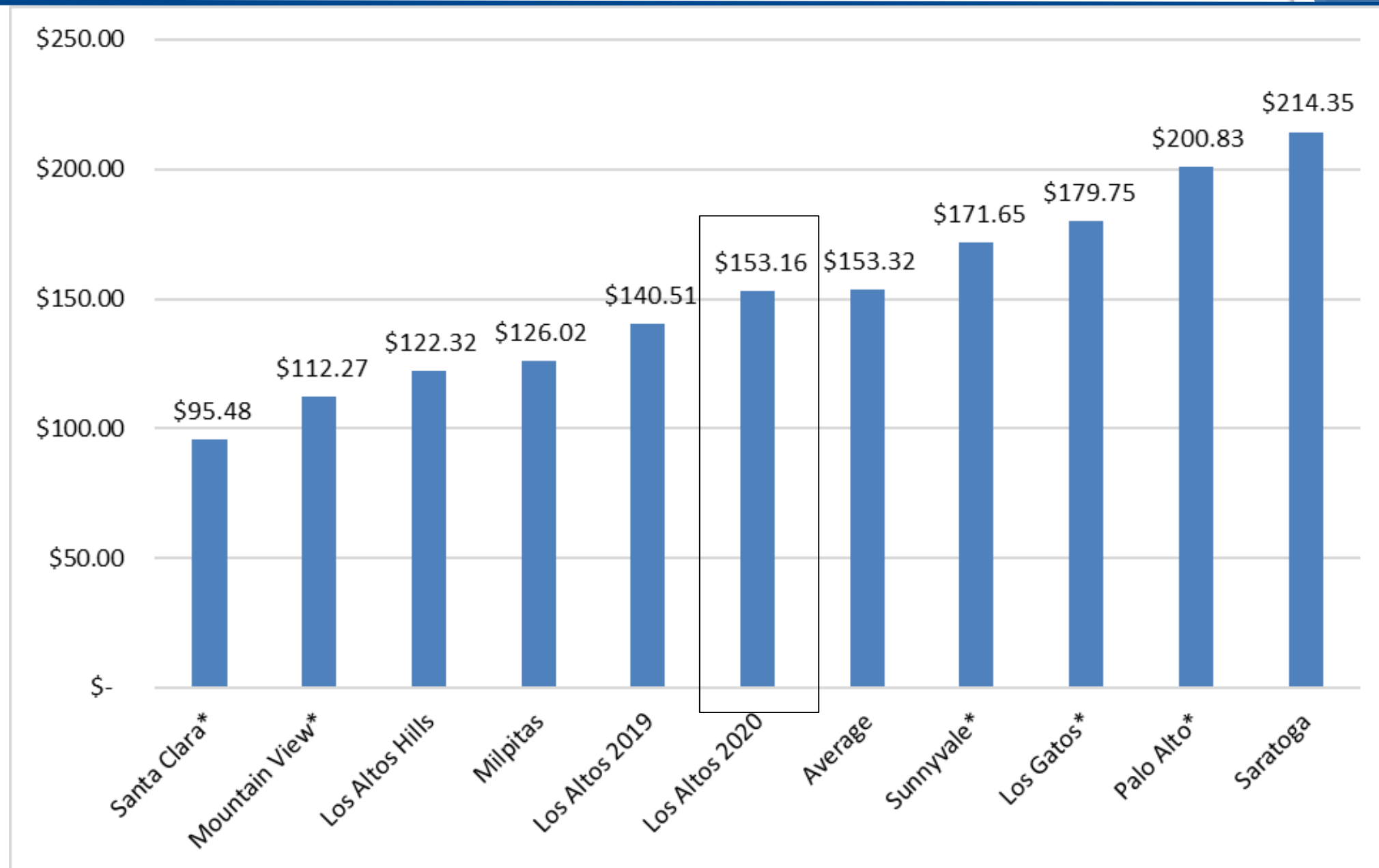
Rate Adjustments and Term Length

- ❑ Three options
 - 15-year extension (Recommended)
 - 9% July 1, 2020
 - 8% July 1, 2021
 - 7% July 1, 2022
 - 10-year extension (Alternative)
 - 9.9% July 1, 2020
 - 9.9% July 1, 2021
 - 9.9% July 1, 2022
 - 1-year extension (If necessary)
 - 36% July 1, 2020
- ❑ Water/Sewer/Trash (WST) Index 2%-6% thereafter

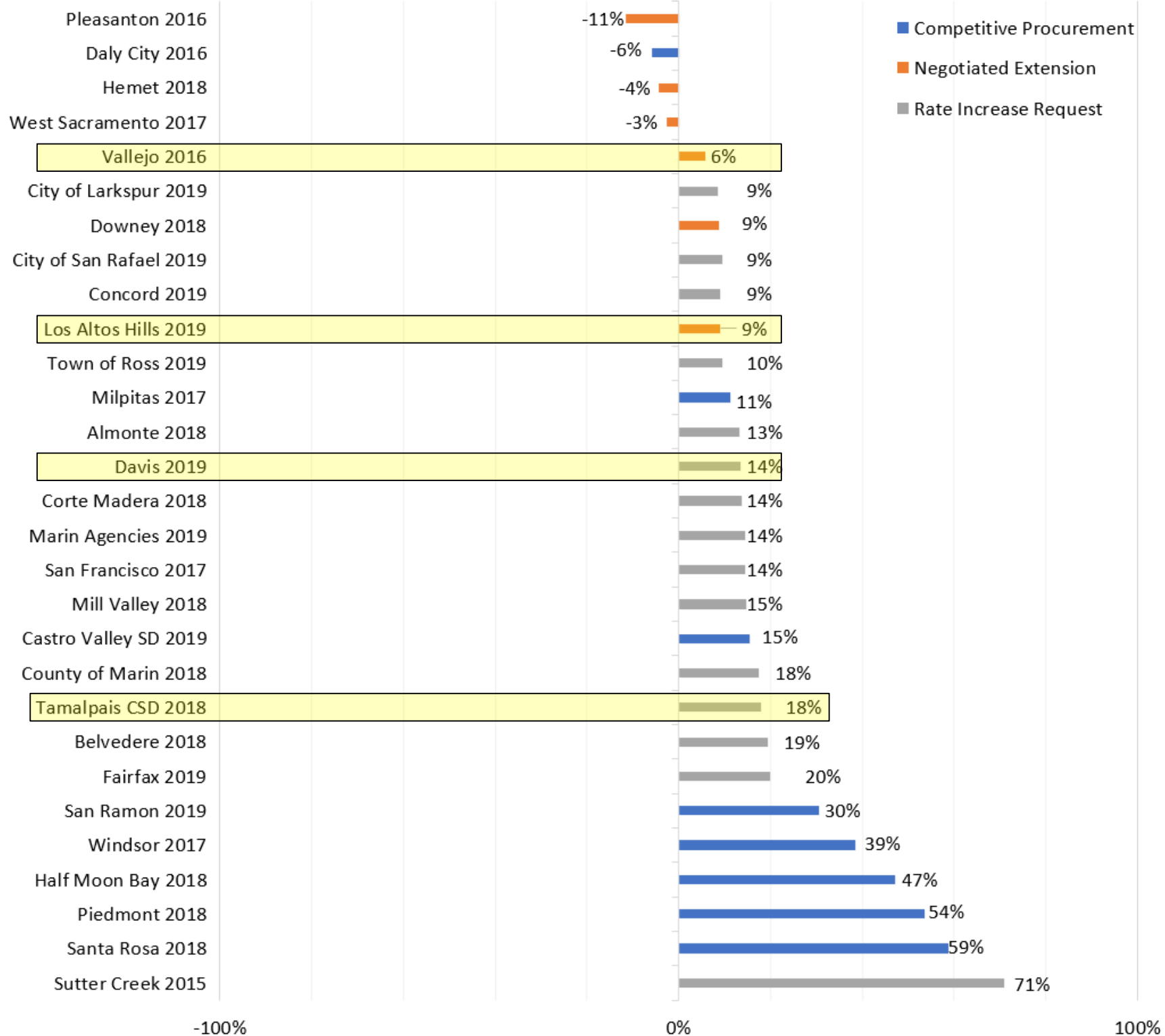
Rate Comparison 2020 35-gallon Residential



Rate Comparison 2020 1-yard Commercial



Recent Procurement/Negotiation Results





Direction Sought

Direct City Manager to:

1. Complete negotiations for 15-year extension
2. Complete negotiations for 10-year extension
3. Extend agreement 1 year and begin Request for Proposal process for collection services



Recommendation

Direct City Manager to complete negotiations for 15-year extension to Collection Service Agreement with MTWS