

# Request for Council Action

Originator Public Works	Item <b>Organized Collection</b>
Agenda Section Organizational	Date 1/26/2015

## Description

The City Council, at its January 12, 2015 Study Session meeting, reviewed a proposal for organized collection submitted by existing Bloomington licensed haulers (Haulers) on January 5, 2015. The January 5<sup>th</sup> proposal was lower than the average rates currently charged to Bloomington residents, but more than the average prices charged in other organized cities where contracts have been negotiated. At the Study Session, the City Council generally indicated that they want the Haulers' proposed prices to be lower than the average prices of other negotiated cities. Some Council Members indicated their preference for Hauler-proposed prices closer to the average prices charged in cities where contracts were arrived at competitively.

On January 20, 2015, the Haulers submitted a revised proposal. This newest proposal is described in the attached memo from Foth. Generally, the Haulers' proposed prices in the new proposal for trash are slightly below the average negotiated city prices. The Haulers' proposed prices for recycling (\$4.96 per household per month) are higher than the average recycling prices in comparable negotiated cities (\$3.23).

In order to be most directly comparable, the City staff team is now using the negotiated cities prices where the contract haulers do the billing as requested by the Haulers. There are three comparable cities where the contract haulers do the billing.

The Haulers' January 20<sup>st</sup> proposal does include an option for citywide organics recycling. The proposed additional charge for organics recycling is \$2.00 per month per household throughout the City. If the City elects this organics recycling service, the Haulers propose that all residents pay the \$2.00 charge city-wide. This organics collection price will remain fixed as long as the total number of participants is less than 25% of the total number of customers. This price is generally lower than the prices charged in other communities with citywide organics collection.

Throughout negotiations, the City's negotiating team has indicated that an acceptable price from the Haulers should be at or below the average prices charged in comparable negotiated cities. The current Hauler proposal comes close to this mark, but the Haulers' proposed total price of trash plus recycling is still higher by \$1.67 per household per month.

The attached memo from Foth includes a description of potential next steps in the organizing process. Five options for Council action are:

1. Accept the January 20, 2015 Haulers' proposal
2. Continue negotiations with the Haulers
3. Form an Organized Collection Options Committee (OCOC) (Draft resolution attached)
4. Form an OCOC, but allow negotiations to continue for a short additional period. If negotiations produce an acceptable proposal, the OCOC would be disbanded.
5. Terminate pursuit of organized collection.

So far, Hauler negotiations have been productive. If the Council finds the January 20<sup>th</sup> proposal acceptable, Option 1 should be approved. If the Council supports a negotiated agreement, does not find the January 20<sup>th</sup> proposal acceptable and is optimistic that agreeable rates can be negotiated, Staff recommends Option 4 – Continue negotiations and concurrently form an OCOC. If the Council desires a price that is significantly lower than the average price in negotiated cities and is not optimistic that an acceptable price can be negotiated with the Haulers, staff recommends Option 3 – form an OCOC.

Select an action option based on Council discussion.

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Attachments:

1-26-15 Resolution authorizing formation of a OCOC

Foth Memo Summary of Negotiations – 1-22-15