



INSOURCING SOLID WASTE OPERATIONS

Public Works Department

Land Use, Sustainability and Resilience Committee

January 8, 2024

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BACKGROUND

During the May 9, 2023, City Council meeting, the Public Works Department was directed to return to the Land Use, Sustainability, and Resilience Committee to explore the gradual scaling of internal trash hauling services. To initiate this conversation, Public Works staff studied operational needs and costs associated with insourcing all residential and commercial solid waste operations.



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CURRENT OPERATIONS

- 63,484 Residential accounts
 - City crews service 42,323
 - 1 Private hauler services 21,161
- 7,408 commercial accounts
 - All accounts serviced by 3 private haulers
- Through March 2029, all waste goes to Agua Mansa Transfer Station/Materials Recovery Facility



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COST ESTIMATE EXCLUSIONS

- Installation of additional CNG and EV fueling stations
- Additional mechanics and fleet maintenance costs
- Electric infrastructure and grid connection costs
- Real property costs
- Costs associated with a City-owned/operated MRF
- Insourcing costs/revenues vs. outsourcing costs/revenues
- Insourcing solid waste rate impacts



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FRANCHISE AGREEMENTS

- July 1, 2023 – City executed 15-year Franchise Agreements for residential and commercial solid waste services
- Each Agreement includes an Article for Modifications to the Agreement
 - City and Contractor would negotiate in good faith a reasonable and appropriate compensation adjustment for any increase or decrease in services or other obligations
 - Buy out for 15-year Agreement would need to consider Contractor's investment in their vehicle fleet, bin inventory, personnel, and possibly lost profit



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INSOURCING RESIDENTIAL SERVICE

Estimated cost \$12 million for personnel, vehicles and bins

- \$1.9M for 21 additional employees
- \$10.5M for 16 refuse vehicles
 - Note: we do not yet know how electric trash trucks will perform and may need more trucks to provide a full day of service plus time for disposal at MRF
- \$400K for container replacement inventory
- Ramp-up Period Complete in 3+ years
 - Take over private hauler routes as staff and trucks come online
 - 18-24 months to receive trucks



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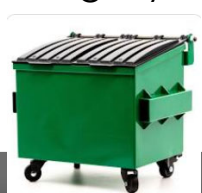
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INSOURCING COMMERCIAL SERVICE

Estimated cost \$63 million for personnel, vehicles, containers

- \$4M for additional 44 employees
- \$34.6M for 50 refuse operation vehicles
 - Note: we do not yet know how electric trash trucks will perform and may need more trucks to provide a full day of service plus time for disposal at MRF
- \$23.7M for 25,080 commercial bins + inventory
- Ramp-up during 5-year required notification



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REAL PROPERTY NEEDS

- Solid Waste based at City Corporation Yard with RPU, Park Maintenance, Fleet (includes Fire & PD), Building Services, EOC, Special Transportation and Central Stores
- Insourcing would necessitate a new base for Solid Waste or relocating other City departments
- Further study required to identify options and costs



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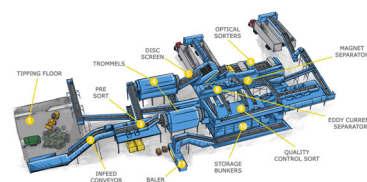


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MRF / TRANSFER STATION

1. MRF / Transfer Station: Materials Recovery Facility – single stream system – 30K tons annually
2. Receives, separates, and prepares recyclable materials – sold for reuse or repurposing
3. MRF is either clean or dirty



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MRF / TRANSFER STATION

Many unknowns related to costing:

- Location options and land acquisition
- Regulatory costs
- Environmental study and permitting
- Design and construction
- Timeframe to reach operating status



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STRATEGIC PLAN ALIGNMENT



Strategic Priority 4 – Environmental Stewardship

Goal 4.4 – Implement measures and educate the community to responsibly manage goods, products, and services throughout their life cycle to achieve waste reduction outcomes.

Cross-Cutting Threads



Community Trust



Fiscal Responsibility



Sustainability & Resiliency



Equity



Innovation



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RECOMMENDATION

That the Land Use, Sustainability, and Resilience Committee provide input on preliminary estimated costs associated with insourcing residential and commercial solid waste services.



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