



Memorandum

Foth Infrastructure & Environment, LLC
2314 West Altorfer Drive
Peoria, IL 61615
(309) 691-5300 • Fax: (309) 691-1892
www.foth.com

February 20, 2017

TO: Pat Urich, City Manager and Scott Reeise, Public Works Director
City of Peoria (City)

CC: Josh Gabehart and Dan Krivit, Foth Infrastructure & Environment, LLC
(Foth)

FROM: Jennefer Klennert, Foth

RE: Summary of Current Solid Waste Management Services Agreement
with PDC Services, Inc.

Executive Summary

A review was completed of the existing solid waste management services Agreement between PDC Services, Inc. (PDC) and the City of Peoria (City). The basis for the review was the *Waste Collection Agreement, First Amendment to Waste Collection Agreement, Roll-Out Waste Container Agreement and Third Amendment to Waste Collection Agreement*, known collectively as the Agreement.

The intent of the review is to summarize current services required under the Agreement and document unit prices and estimated annual City costs indicated under the Agreement.

Additional questions remain regarding specific services outside of the Agreement. This document is intended to serve as a starting point for the City to fully describe current solid waste services and costs in the existing Agreement.

Background

The City currently contracts with PDC to provide solid waste management services. The City completed a Request for Proposal¹ (RFP) process in 2009 that resulted in a change in vendors from Waste Management to PDC. The City's original *Waste Collection Agreement* with PDC commenced on January 1, 2010 and terminated on December 31, 2014.

¹ Invitation for Proposal, Refuse, Recycling and Yard Waste Collection, Bid #37-09

A First Amendment to Waste Collection Agreement changed the end date to December 31, 2016. A subsequent document, *Roll-Out Waste Container Agreement*, added terms for Roll-Out Waste Containers (carts). The *Third Amendment to Waste Collection Agreement* changed the solid waste management services end date to June 30, 2019. The *Roll-Out Waste Container Agreement* specifically ends on June 30, 2020.

The City has a comprehensive Agreement with PDC with multiple services offered. The following section lists and categorizes the services available to the City. Each amendment resulted in additional changes to the Agreement. The details provided are updated to the most current terms. The Agreement documents are located in Appendix A, Attachments 1 through 4. The services included in the Agreement are itemized below with specific details on each item.

Residential Services

Residential Waste

Per the Agreement, one to four unit family residences receive pick up one time per week of contained residential waste. Residential waste is defined as “garbage, rubbish, household trash and bulky waste, excluding banned waste”. Residential units are defined as “single family detached residences, single family attached residences and two to four family stacked residences”. A map of the current service day for each of area of the City is included in Appendix A, Attachment 5. Service days are restricted to Monday through Friday with the exception of weeks containing a major holiday as defined in the Agreement.

The City reported that 39,835 households are currently receiving services. Trash carts in Peoria, by size and provided by PDC, indicates that 39,147 individual addresses have a 35, 65, or 95 gallon cart² and 1,234 addresses have more than one cart. The City has indicated that all new or replacement carts in the City will be 95 gallon carts, and residents will no longer choose a choice of cart size.

Residential waste per the Agreement should be contained in carts, cans, however the PDC drivers will pick up unlimited bags or bundles of trash. Bulky items such as mattresses, couches, are considered residential waste and are part of the provided solid waste management services.

Disposal of the residential waste collected is directed to the Peoria City/County Landfill (Landfill) in the Agreement. According to information available from PDC, 38,419 tons of trash were collected in 2016 under the Agreement. Historical trash tonnage information for 2010 to 2016 is located in Appendix A, Attachment 6.

² Trash Carts in Peoria by size provided by PDC on 1-19-2017

Recyclables

Each residential unit in the City is entitled to recyclable materials collection. Recyclables collection is offered one time per month. Residents must register with PDC to receive the service. PDC will pick up all recyclable materials contained within a 95 gallon cart provided by PDC. Additional recyclables outside of the cart will be picked up as long as they are contained or boxed.

The cost of recyclable materials collection service is embedded within the residential waste services base price. Residents are required to pay a \$50.00 refundable deposit fee to PDC for each 95 gallon recycling cart requested for recyclable materials which does include delivery of the cart to the home.

According to PDC, 10,317 residences currently participate in recyclable materials collection³. Recyclables service is offered on Friday. Monday residences receive service on the first Friday of the month, Tuesday residences receive service on the second Friday of the month, Wednesday residences receive service on the third Friday of the month, and Thursday and Friday residences receive service on the fourth Friday of the month.

Recyclables are collected in a single stream manner with no sorting necessary by residents. Accepted materials are: steel, aluminum and bi-metal cans; cardboard; newspapers; catalogs; phone books; magazines; office paper; notebook paper; junk mail; cereal, gift and beverage boxes; clear, brown, and green glass; and plastics #1 through #5 and #7 (#6 “Styrofoam is excluded). PDC curbside recycling education with specifics is provided in Appendix A, Attachment 7.

All recyclables are processed at Area Recycling, owned and operated by the same company as PDC, in Pekin, IL. According to information available from PDC, 2,279 tons of recycling were collected in 2016 under the Agreement. Historical recycling tonnage information for 2010 to 2016 is included in Appendix A, Attachment 6.

Landscape Waste

Landscape waste collection occurs one time per week on the same day as residential waste pick up, April 1 to December 7. Landscape waste as long as properly bagged and contained and less than 50 pounds in weight will be picked up in unlimited quantities. Landscape waste (also referred to a “yard waste”) consists of grass, leaves, tree limbs and brush. Landscape waste may be placed in:

- ◆ 30-gallon biodegradable paper yard waste bags;
- ◆ Resident-provided containers that are less than 45 gallons and labeled with a label that states “Yard Waste Only”; or
- ◆ The City cart provided through the *Roll-Out Waste Container Agreement* marked with the “Yard Waste Only” label.

³ PDC Residential Recycle List 1-10-17. Provided by PDC on 1-19-17

Labels are purchased and provided by PDC at specific locations (e.g., fire department, City Hall, Public Works, or any PDC office). Additional carts for landscape waste can be rented or purchased from PDC.

Per the Agreement, landscape waste must be composted in accordance with State of Illinois laws. Landscape waste is composted at Better Earth located in Peoria, IL.

According to information available from PDC, 6,354 tons of yard waste were collected in 2016 under the Agreement. Historical landscape waste tonnage information for 2010 to 2016 is located in Appendix A, Attachment 6.

Stacked Condominiums – Residential Waste and Disposal Services

Stacked condominiums per the Agreement are “a group of five or more single family dwelling units attached through the ceiling or floor, physically located on top of another and each unit being under separate ownership”. The City currently includes pick up of commercial and residential waste service for 25 separate Stacked Condominium properties with a total of 1,257 units. Services provided by the Contractor range from 2 yard to 10 yard dumpsters serviced one to five times per week. Appendix A, Attachment 8 is the PDC provided spreadsheet with details of the Stacked Condominium services.

Disposal of the waste picked up from stacked condominiums is not reported in the tons collected under the Agreement. Disposal of waste picked up at the stacked condominiums is mixed with waste from outside of the Agreement and disposed of at Indian Creek Landfill, owned by PDC, in Hopedale, IL.

Recyclable service is available to stacked condominiums. Service is an additional charge per the Agreement and is provided in 95 gallon carts picked up every other week. It is currently unknown how many recycling carts are serviced at stacked condominiums. There are not currently ordering, communication or data management protocols in place. The stacked condominiums receiving recyclable service list should be obtained and verified by the City.

City Buildings

The Agreement includes commercial and residential waste pick up of buildings owned by the City, defined as “city buildings.” Commercial waste is defined as “any and all accumulations of paper; rags; wooden, paper or cardboard boxes or containers; sweeping; and any other accumulation not included under the definition of residential waste, generated by the operation of stores, offices and other business places, excluding banned waste”.

There are currently 25 city buildings receiving service through the Agreement. Eight of the buildings receive one time per week pick up in a 95 gallon cart and seventeen receive service in a 2 yard to 8 yard dumpster picked up one to five times per week. Appendix A, Attachment 9 is the PDC provided spreadsheet with details of the city building services.

Disposal of the waste picked up from city buildings is not reported in the tons collected under the Agreement. (Appendix A, Attachment 6) Disposal of waste picked up at the city buildings is mixed with waste from outside of the Agreement and disposed of at Indian Creek Landfill, owned by PDC, in Hopedale, IL.

Recyclable service is available to city buildings. Service is an additional charge per the Agreement and is provided in 95 gallon carts picked up every other week. It is currently unknown how many recycling carts are serviced at city buildings. There are not currently ordering, communication or data management protocols in place. The city buildings receiving recyclable service list should be obtained and verified by the City.

Neighborhood Clean-Up Boxes

The Agreement includes on call delivery, removal and disposal of up to 140 roll-off boxes each 30 cubic yards or sized as requested by the City at no additional charge. PDC reported that 134 boxes were used in 2015 and 141 boxes were used in 2016⁴. It is unknown how the clean-up boxes were utilized or the addresses they were delivered to.

Disposal of the waste picked up in the clean-up boxes is not reported in the tons collected under the Agreement. (Appendix A, Attachment 6) Disposal of waste from the clean-up boxes is disposed of at Indian Creek Landfill, owned by PDC, in Hopedale, IL.

The City website indicates the Neighborhoods Division of Planning and Growth provides information on Neighborhood Clean-Up Events⁵. Orders for clean-up boxes are made through Public Works and the Neighborhoods Division of Planning and Growth. A procedure should be developed for the City to track who utilizes these clean-up boxes.

Tire Disposal

As part of the Agreement a van trailer is staged at Darst Street and at the City's Public Works Garage for storage of passenger tires. Tires are picked up by City employees in right-of-ways, streets, or alleys or from City vehicles. The van trailers are 100 cubic yards and hold approximately 1,200 tires. The City loads the tires into the van trailers and contacts PDC when the van trailers are full. PDC disposed of 9,568 tires in 2015 and 10,530 tires in 2016⁶.

Disposal & Processing

It is important to note that the Contractor is responsible for disposal and/or processing all materials collected under the Agreement. The Contractor's disposal rate for waste collected under the Agreement is \$59.96 per ton in 2017.

⁴ PDC Customer Service Calls Report and Roll off Tires provided on 1-19-17

⁵ <http://www.peoriagov.org/public-works/public-works-garbage-landfill/> accessed on 1/24/2017

⁶ PDC Customer Service Calls Report and Roll off Tires provided on 1-19-17

It is unknown what Contractor's disposal rate is for waste collected under the Agreement at Indian Creek Landfill. The Contractor is also responsible for all disposal and processing fees for landscape waste, single stream recyclable materials, and tires.

Dead Animals

Per the Agreement, the Contractor is responsible for on call pick up and disposal of any dead animal less than 50 pounds located on public right-of-ways. The animals are picked up within 24 hours Monday through Friday, 8 a.m. to 5 p.m.

Typically residents, public works, or dispatch will notify the Contractor of dead animals for pick up. The Contractor's drivers will also collect dead animals they see on the road. On average there is one (1) dead animal picked up per day.

Street Sweeping Waste

The City's Agreement in 2012 and 2013 included disposal of 4,000 tons of street sweeping waste at Indian Creek Landfill No. 2 at no additional charge. PDC provided this service as part of Amendment 1. Free disposal of street sweeping waste is no longer included in the Agreement.

Public Education

The Contractor provides multiple public education items required under the Agreement. Final drafts of each public education tool are to be provided to the City for approval prior to printing, external publication or release. There is no current known process for approval to be obtained and final copies kept on file at the City.

PDC is responsible for customer service and phone calls from residents served under the Agreement. The City requested customer service call volumes and topics from PDC. On January 19, 2017 PDC provided the following information:

- ◆ October 2016 – 1,005 phone calls
- ◆ November 2016 – 1,194 phone calls
- ◆ December 2016 – 1,191 phone calls

Types of phone calls included missed pick-ups or late pick-ups, new service set up due to moving, adding recycling service, stolen carts, and disposal of large items such as mattresses and couches, and holiday schedule.

The following education components are specifically required in the Agreement.

Residential Waste Collection and Disposal

- ◆ Web page with residential waste disposal instructions (items included vs. excluded, route map with collection schedule, etc.).

- ◆ Stickers for attaching to approved residential waste containers (with contact phone numbers).
- ◆ Information fliers for any program adjustments.

Landscape Waste

- ◆ Web page with landscape waste setout requirements (items included vs. excluded, weight and size restrictions, approved containers, route map and schedules, etc.)
- ◆ “Education Tags” for attaching to landscape waste itemizing why an item was left behind (include Contractor’s and City’s phone numbers for further questions).

Recyclable Materials

- ◆ Stickers for recycling containers that clearly list acceptable and non-acceptable materials.
- ◆ Web page with recycling instructions (items included vs. excluded, route map with collection schedule, etc.)
- ◆ “Education tags” for tagging recycling carts itemizing why an item, or items, were not collected (include Contractor’s and City’s phone number for further questions).
- ◆ Annual flyer to each household with recycling instructions (including items collected, items excluded, route maps, and schedules, etc.)
- ◆ Customer service center

Roll-Out Waste Containers

PDC on behalf of the City purchased one cart for each residence in Peoria. This arrangement is memorialized in the Roll-Out Waste Container Agreement. In 2012, residents could choose a 35, 65, or 95 gallon cart. The cart can be used for either residential waste or landscape waste. If the cart contains landscape waste it must contain a label that states “Yard Waste Only”.

PDC stores and maintains the City’s carts. Residents now must pick up replacement carts from PDC if the cart is damaged or needs repair. In the future, all new or replacement carts will be 95 gallon carts. PDC will deliver a cart to an existing home or swap out the existing cart for a fee of \$35.00 paid by the resident. Policies and procedures for residents to receive a new or replacement cart should be further documented and communicated to residents.

Ala Carte Services for Residents

The following services are offered to Peoria residences on a subscriber basis. The Contractor offers rental of additional roll-out carts for \$4.00 per cart per month. This fee is charged directly by PDC to the resident. The resident pays quarterly in advance for the service. Approximately 2,000 carts are currently rented by residents.

The Contractor also provides pick up of non-containerized residential waste. For example, bags of trash not placed in the cart or large items that do not fit inside the cart are collected for an additional charge. The specific policy on when this fee applies and how payment is collected is unknown.

A specific policy should be developed on non-containerized residential waste. Charges are \$58.00 for 5 yards or less of waste, \$115 for 6 to 10 yards of waste, \$174 for 11 to 14 yards of waste and \$200 for 15 to 20 yards. Residential waste exceeding 20 yards requires a roll off for pick up.

Additional Subscription Services Available for City Buildings and Stacked Condominiums

Recyclable material collection from city buildings and stacked condominiums is available through the Agreement. It is unknown how recyclable materials collection can be ordered. It is uncertain if this service is currently in use by any city buildings or stacked condominiums and there may be no current ordering, communication or data management protocols in place. Additional information should be requested from the Contractor to determine if and where these services are being utilized.

Additional Contracted Services

School District 150 Buildings

The City of Peoria includes services for School District 150 as part of the Agreement. Per City staff the City is reimbursed by the School District for the services. Services for School District 150 buildings includes commercial waste collection and disposal in various sized dumpsters picked up multiple days per week. Services for the school year are in Attachment 10.

Per information received from PDC, there are currently 36 buildings serviced under the School District 150 portion of the Agreement. In 2009 when the Agreement began there were 45 buildings receiving services. The total number of yards serviced annually by the Contractor has remained consistent between 2009 and 2016. Appendix A, Attachment 10 lists the school district buildings by address and itemizes the commercial waste service levels.

School District 150 is in the process of implementing recycling services at several of their buildings. Additional information on this service should be collected and utilized for future contract discussions.

Peoria Stadium Services

The City of Peoria receives an additional invoice for Peoria Stadium Services that is used for landscape waste.

Costs for Various Services from PDC to the City

As part of this analysis costs were collected and placed into this section for reference and comparison. The latest Agreement allows for 3 percent annual increases through the end of the term due to increases at the Peoria City/County Landfill. Pricing is located in tables followed by specific explanations of service costs. The City provided document, PDC Billing Data, Attachment 11, is the source for Table 1.

Table 1
City Payments to PDC for City Services - 2016

Annual Residential Services	Cart Purchase & Maintenance	Additional City Buildings Service	Additional Stacked Condominium Service	Total City Paid Services Costs
\$5,895,300.00	\$636,464.40	\$7,534.21	\$16,160.23	\$6,555,458.84

Annual Services

Annual Residential Services is the annual fee paid for residential services (trash, recycling, and landscape waste), stacked condominium collection services (residential and commercial waste), and city building services (commercial waste), as defined above as well as disposal and processing from these items. Also included are neighborhood clean-up boxes and dead animal pick up. The Agreement stipulates the City will remit twelve equal installments for the Annual Residential Services.

The City receives separate monthly invoices for Additional City Buildings Service and Additional Stacked Condominium Service. Street sweeping waste is included in the annual services cost. It is unknown if tire disposal is separately invoiced to the City or if it is included in the annual services cost.

Roll-Out Waste Container Cost

Cart rental is specifically payment for the services available under the Roll-Out Waste Container Agreement (RWCA). Services included under the RWCA include purchase of one cart for each household as well as ongoing maintenance, management, and storage of the carts. Replacement carts are available at no charge to residents, but the cart must be picked up at PDC's offices. An additional charge of \$25.00, payable to PDC from the resident, applies to the household if they wish to have the cart delivered.

The vendor purchased the carts on July 1, 2012 on behalf of the City. For the first five years of the RWCA, July 1, 2012 through June 30, 2017, the City remits \$1.30 per household per month to the vendor for a total payment of \$78.00 per household over the five years.

For the subsequent three years of the RWCA, July 1, 2017 through June 30, 2020, the City remits \$0.60 per household per month to the vendor for a total payment of \$21.60 over the three years.

The RWCA appears to be a separate document from the other Agreement documents. Per the RWCA, “Upon receipt of final payment by the City, the Contractor shall convey title to the roll-out waste containers to the City”. The expiration date of the RWCA term is not the same as the other Agreements.

Additional City Buildings

Additional City building costs are currently billed as a separate item to the City by the Contractor. These costs are for recycling at city building locations. A specific ordering, communication and data management protocol for additional services should be developed to ensure the City is aware of changes or additions to services.

Additional Stacked Condominiums

Additional stacked condominium costs are currently billed as a separate item to the City by the Contractor. These costs are for recycling at stacked condominium locations. A specific ordering, communication and data management protocol for additional services should be developed to ensure the City is aware of changes or additions to services.

Costs for School District 150

School District 150 Building collection and disposal is included in the Agreement. The Agreement provides for collection and disposal from School District 150 Buildings for an annual fee. The City remits the payment for services and then is reimbursed by School District 150 for the costs. It needs to be verified that the City is being reimbursed for these services. There may be no current ordering, communication or data management protocols in place. This should be verified by the City.

As with residential services, the latest Agreement allows for 3 percent annual increases through the end of the term for School District 150 locations due to increases at the Landfill. Pricing is located in Table 2 followed by specific explanations of service costs. The City provided document, PDC Billing Data, Attachment 11, is the source for Table 2.

**Table 2
City Payments to PDC for School District 150 Services - 2016**

School District 150 Annual Services	Peoria Stadium Additional Costs	Total School District 150 Paid Services Costs
\$107,338.38	\$9,357.11	\$116,695.49

School District 150 Buildings

The Agreement provides for collection and disposal from School District 150 buildings for an annual fee. The annual fee is paid out in twelve equal installments. Details on specific services provided are in the Background section. The services are for collection and disposal of commercial waste and no recyclable materials services.

Peoria Stadium

The City receives a separate invoice for the Peoria Stadium. The separate invoice is for landscape waste from the Peoria Stadium.

Next Steps

The intent of this review is to document services provided under the Agreement as well as outline and summarize changes in services received since 2009. The review also documents costs indicated under the Agreement.

Additional questions documented in the Memorandum remain regarding specific services outside of the Agreement. The City should verify the information provided, review missing information and then determine next steps for the Agreement.

Appendix A (Under Separate Cover)

- ◆ Attachment 1 Waste Collection Agreement
- ◆ Attachment 2 First Amendment to Waste Collection Agreement
- ◆ Attachment 3 Roll-Out Waste Container Agreement
- ◆ Attachment 4 Third Amendment to Waste Collection Agreement
- ◆ Attachment 5 Current Service Day Map
- ◆ Attachment 6 Peoria, Illinois – Tons trend from 2010-2016 with PDC
- ◆ Attachment 7 PDC Curbside Recycling Program
- ◆ Attachment 8 Stacked Condominium Association Services
- ◆ Attachment 9 City Buildings Services
- ◆ Attachment 10 School District 150 Buildings Services
- ◆ Attachment 11 PDC Billing Data 2016 (City-provided payment information)