

**ITEM NO. \_\_\_\_\_ TO THE CITY COUNCIL OF PEORIA, ILLINOIS, IN COUNCIL,  
ASSEMBLED YOUR COMMITTEE OF THE WHOLE to Whom was  
Referred a POLICY SESSION Regarding WASTE COLLECTION  
SERVICES.**

A Policy Session was held on Tuesday, March 20, 2018, beginning at 6:10 P.M. at City Hall, Council Chambers (Room 400), 419 Fulton Street, with Mayor Jim Ardis presiding, and with proper notice having been given.

**ROLL CALL**

Roll Call showed the following Council Members present: Akeson, Cyr, Jensen, Montelongo, Moore, Oyler, Riggerbach, Ruckriegel, Mayor Ardis –9; Absent: Grayeb, Turner - 2.

Others present: City Manager Patrick Urich, Foth Infrastructure & Environment LLC Representative Josh Gabehart, Corporation Counsel Donald Leist, Public Works Director Scott Reese, Finance Director James Scroggins, Interim Police Chief Loren Marion III, City Treasurer Patrick Nichting, City Clerk Beth Ball, Deputy Clerk I Dan Sullivan, interested citizens, and members of the media.

**Waste Collection Services Policy Session**

City Manager Patrick Urich presented a Power Point presentation discussing the City's waste collection services.

City Manager Urich provided some overview of the current waste collection contract, the largest single contract for the City of Peoria that terminates June 30, 2019. He stated the solid waste services affects all residents and visitors to the City of Peoria and serves approximately 40,000 units. He indicated the City of Peoria released a request for proposals (RFP) on August 11, 2017, and four respondents' submitted proposals by the deadline of Thursday, November 9, 2017. He said the four respondents were Advanced Disposal, City of Peoria Public Works Department, PDC Services, Inc., and Waste Management.

City Manager Urich provided information regarding the existing solid waste services, which consisted of the following services:

**Residential Waste**

Residential trash collection has every week pickup and covers just under 40,000 households. This service provides 35/65/95 gallon carts, which has the same cost for all three. Part of the residential trash collection includes bulky items that has an unlimited weekly pickup of bulky items.

**Recycling**

Recycling collection consists of a single stream recycling that requires a subscription based service through PDC Services, Inc. Recycling is a once a month pickup with a 95 gallon cart, which requires a \$50.00 deposit per recycling cart. Approximately 25% of Peoria households subscribe to the service.

## **Landscape Waste**

Landscape Waste Collection occurs on a seasonal schedule April through December and has a weekly unlimited collection. Landscape waste is classified as grass, leaves, tree limbs and brush. Residents provide their own containers or use approved bags for weekly landscape collection.

## **Other Services**

Non-Residential Collection consists of stacked condos, City buildings and Peoria Public School's properties. Other contracted services provided in the City's waste collection contract was neighborhood cleanup boxes, tire disposal and removal of dead animals. Landfill disposal costs were also included as part of the contract.

City Manager Urich stated the Solid Waste Fee increases were as follows:

2018 - \$17.00 per month /\$204 per year

2019 - \$18.00 per month/\$216 per year

2020 - \$19.00 per month/ \$228 per year

2021 - \$20.00 per month/ \$240 per year

City Manager Urich stated the City of Peoria held initial public meetings in July of 2016 seeking feedback on current solid waste services and input for the future of solid waste services provided in the City. He stated information received from the public meetings discussed an increase in recycling, extension of the yard waste season, improvement of general education and public outreach, clarifying responsibilities of the contractors versus the City, and it was noted there were no customer service complaints for PDC. Survey results were as follows:

## **Survey Results**

Four out of Five residents say they are very or moderately satisfied with the current service. Three out of four residents support increasing recycling frequency to every other week, while two out of three residents indicate they would be willing to pay more for the service. Recycling had the greatest influence on overall satisfaction level and substantially fewer people would pay more to extend the yard waste season.

## **RFP OVERVIEW**

City Manager Urich indicated the RFP Base Service Components were based off the current solid waste contract and included the following: increased single stream recycling to all residents, recycling collection every other week, heavier Spring/Fall landscape waste schedule, direct bill to City for disposal fees, education requirements for vendors and a more robust audit process.



### **RFP Submissions**

RFP submissions were as follows; Advanced – Base submission, with a longer contract. City of Peoria Base submission, alternate bid, Peoria Disposal Company - Base submission, Alternate bid, and Waste Management – Base submission, Alternate bid.

### **RFP OVERVIEW – BASE SUBMISSIONS**

|                    | ADVANCED  | CITY OF PEORIA | PEORIA DISPOSAL | WASTE MGMT |
|--------------------|-----------|----------------|-----------------|------------|
| Residential Waste  | \$9.60    | \$4.30         | \$7.22          | \$23.62    |
| Education          | \$0.00    | \$0.00         | \$(0.08)        | \$0.00     |
| Recyclables        | \$2.45    | \$1.95         | \$5.29          | \$0.00     |
| Landscape Waste    | \$2.75    | \$2.00         | \$3.31          | \$0.00     |
| Total HH Per Month | \$14.80   | \$8.25         | \$15.74         | \$23.62    |
| Other Fees         | \$308,594 | \$117,998      | \$95,026        | \$0.00     |

### **RFP OVERVIEW – ALTERNATES**

|                    | City of Peoria | PDC ALT 1 | PDC ALT 2 | WASTE MGMT |
|--------------------|----------------|-----------|-----------|------------|
| Residential Waste  | \$4.13         | \$6.61    | \$5.81    | \$20.18    |
| Education          | \$0.00         | \$(0.08)  | \$(0.08)  | \$0.00     |
| Recyclables        | \$1.95         | \$1.85    | \$1.85    | \$0.00     |
| Landscape Waste    | \$2.00         | \$3.23    | \$3.23    | \$0.00     |
| Total HH Per Month | \$8.08         | \$11.61   | \$10.81   | \$20.18    |
| Other Fees         | \$117,998      | \$128,457 | \$128,457 | \$0.00     |

### **RFP OVERVIEW – PDC INCENTIVES (GOOD THROUGH MARCH 27, 2018)**

Forego the 3% Contract escalator in 2018 (\$96,000)

Forego 2 years of garbage toter rental payments (\$580,000)

Accelerate the Landfill 3 payments to City and County (\$450,000 each), subject to changes to the 2009 Agreement:

Change in operating hours

Ability to not open landscape waste facility at landfill

### **RFP OVERVIEW – EVALUATION**

|                              | PDC          | CITY         | WM           | ADVANCED     |
|------------------------------|--------------|--------------|--------------|--------------|
| Understanding of Work        | 5.00         | 0.50         | 3.50         | 2.00         |
| Customer Service             | 3.20         | 3.80         | 2.90         | 1.10         |
| Qualifications               | 7.50         | 2.10         | 4.80         | 2.10         |
| Compliance with State/County | 2.05         | 1.75         | 1.15         | 0.25         |
| Prices                       | 12.25        | 17.50        | 1.75         | 7.00         |
| References                   | 4.40         | 0.50         | 4.10         | 2.00         |
| Compliance to RFP            | 1.75         | 2.50         | 1.00         | 0.25         |
| Acceptance/Exceptions        | 3.50         | 5.00         | 2.00         | 0.50         |
| <b>TOTAL</b>                 | <b>39.65</b> | <b>33.65</b> | <b>21.20</b> | <b>15.20</b> |

## **COST PROJECTION MODEL**

### **GENERAL COSTS**

Both Residential units and Stacked Condos pay these costs. Costs not currently in scenarios, but related to solid waste collection are paying back general fund and illegal dumping costs. City building disposal and collection fees, Downtown/Riverfront Collection and Disposal; current contract with EPIC and Peoria Park District. Education costs including new tracked cost. Administration costs includes County billing and City Staff contract administration.

## **COST PROJECTION SCENARIOS**

City of Peoria projections include the following:

Residential Trash Service

Recycling Cart for all residential units

Universal Recycling service with every other week collection

Landscape Waste seasonal with Weekly collection

2019: \$16.79 2025: \$17.16 2028: \$18.79

Estimated Cash on Hand 2028: \$6.5M

## **COST PROJECTION SCENARIOS**

PDC Services, Inc. projections include the following:

Residential Trash Service

Subscription based Recycling service with every other week collection

Landscape Waste seasonal with Weekly collection

2019: \$17.07 2025: \$18.06 2028: \$19.69

Estimated Cash on Hand 2028: \$0.8M

## **COST PROJECTION SCENARIOS**

Hybrid Public and Private Operations projections include the following:

PDC Trash Collection services

City of Peoria Public Works Recycling and Landscape Waste Services

Landscape Waste and Universal Recycling

Rotate pickups every other week

2019: \$17.23 2025: \$18.16 2028: \$19.81

Estimated Cash on Hand 2028: \$1.4M

## **COST PROJECTION SCENARIOS**

Hybrid Public and Private Operations projections include the following:

PDC Trash Collection services

City of Peoria Public Works Recycling and Landscape Waste Services

Universal Recycling every other week

Landscape Waste seasonal, every week

2019: \$17.98 2025: \$19.06 2028: \$20.79

Estimated Cash on Hand 2028: (\$2.5M)



## **COST PROJECTIONS – 2019**

|                             | City of<br>Peoria | PDC REV<br>ALT 1 | HYBRID<br>E O WEEK | HYBRID<br>EVERY WEEK |
|-----------------------------|-------------------|------------------|--------------------|----------------------|
| Residential Waste           | \$4.73            | \$6.35           | \$6.35             | \$6.35               |
| Education                   | \$0.00            | (\$0.08)         | (\$0.08)           | (\$0.08)             |
| Recyclables                 | \$2.06            | \$1.78           | \$1.97             | \$2.32               |
| Landscape Waste             | \$2.11            | \$3.10           | \$2.02             | \$2.42               |
| Total HH per month          | \$8.90            | \$11.15          | \$10.26            | \$11.01              |
| <u>Disposal &amp; Admin</u> | <u>\$7.89</u>     | <u>\$5.92</u>    | <u>\$6.97</u>      | <u>\$6.97</u>        |
| Total HH per Month          | \$16.79           | \$17.07          | \$17.23            | \$17.98              |

## **RISK VERSUS COST**

City of Peoria – Highest Risk, Lowest Cost, Services meet base proposal.

Peoria Disposal – Lowest Risk, Lower Cost, Reduced Recycling.

Hybrid Every other Week – Lower Risk, Lower Cost, Reduced Landscape

Hybrid Every week – Lower Risk, Highest Cost, Services meet base proposal.

## **RECOMMENDATION**

Public and Private Operations – PDC Services, Inc. provide Trash Collection services while City of Peoria – Public Works provide Universal Recycling every other week and Landscape Waste seasonal, every week.

## **QUESTIONS**

Council Member Oyler questioned Public Works Director Scott Reese on what process the City used to formulate the numbers required for its bid.

In response to Council Member Oyler's question, Public Works Director Scott Reese stated the City did route audits, which allowed the City to follow garbage trucks to gain the knowledge of number of pickups per day and time allowed together with overhead cost and capital cost needed to provide a bid.

In response to Council Member Jensen's questions, Public Works Director Scott Reese stated the City used Minneapolis garbage collection as a model for obtaining information to complete bid. Director Reese indicated Minneapolis had both recycling and landscape waste pickup.

City Manager Patrick Ulrich stated 70% of the contract was trash and 30-35% of the contract was recycling and yard waste.

Council Member Ruckriegel asked about the thought process regarding qualifications rating. In response to Council Member Ruckriegel's question, City Manager Urich stated he was confident the City could 100% operate waste collection services with every week pickup.

Council Member Moore asked if any towns within Central Illinois provided their own trash pickup. In response to Council Member Moore's question, Director Reese stated that Pekin and East Peoria had government run waste pickup.

Council Member Riggerbach spoke on the PDC incentives, which expires on March 27, 2018. He asked the City Manager if an extension could be discussed. He voiced concerns with the removal of the \$50.00 deposit for recycle totes and questioned why the \$50.00 wouldn't be refunded to the households that already paid the deposit.

Council Member Oyler voiced concerns with universal recycling not being fully utilized and the possible rise in cost per household if vacant houses would be exempt from waste collection services. He voiced concern with the City using older garbage trucks and the high maintenance cost involved if the City would gain the garbage contract.

Matt Coulter, PDC representative, distributed a handout to the Council which explained that PDC had spent \$35 million with businesses and charities in Peoria. He stated 101 PDC employees' lived in the City of Peoria, while 179 employees were living in Peoria County. He said PDC spent \$6 million in adjoining communities and the annual payroll for employees living in Peoria was around \$6 million a year. Mr. Coulter stated PDC was one of the top 30 largest environmental service companies in North America. He said PDC was headquartered in Peoria and reached out to communities throughout the Midwest. He indicated PDC was the most qualified vendor with the lowest risk and a highest satisfaction rate among customers. He explained that PDC had been picking up trash since 1928. He spoke on the incentives proposed to the City, which could save the City around \$800,000. He said the Public Works department lacked experience to provide waste collection services. He explained to the Council that Bloomington-Normal had government run waste collection and they recently had to raise their rates over \$30.00 a month in order to cover costs. He stated the Peoria Park District had recently contracted with PDC to provide trash pickup at their facilities. He indicated recycling was universal because not everyone wanted to recycle or use curbside services. He stated that PDC had an 18% minority hiring record.

Mayor Ardis asked how the City could increase recycling. In response to Mayor Ardis's comments, Matt Coulter stated many people still utilized drop off facilities. Foth Infrastructure & Environmental, LLC Representative Josh Gabehart stated every community was different in regards to recycling.

Council Member Ruckriegel requested a ten year breakdown on recycling. Josh Gabehart indicated the last memo provided had a history of residential recycling pricing. Matt Coulter stated the current market had China cutting down on the amount of trash being sent to them, which effects the price of recycling. He indicated PDC was willing to assume risk.



PDC Attorney Brian Meginnes, explained that PDC was the most responsible bidder and PDC has been respectful of the RFP. He stated that paper recycling had no market value and residents were selling aluminum cans themselves to recycle companies rather than placing them in curbside recycle bins.

Council Member Cyr requested the City negotiate shorter terms for the garbage contract. City Manager Urich stated the City could negotiate shorter terms, but the requirements placed on age of garbage trucks led to longer time limits.

Council Member Oyer asked Corporation Counsel Leist if it was standard language to include a no communication clause with vendors during the RFP process. He stated it places a disadvantage on the council person because it doesn't allow for questions to be answered by the vendor.

In response to Council Member Oyer's question, Corporation Counsel Leist indicated it wasn't standard language to include in a contract.

In response to Mayor Ardis' question regarding marketable recycle products, Matt Coulter stated that 15%-20% of residential waste went to the landfill. He stated PDC uses landfills in Hopedale and Clinton because the tipping fees were cheaper.

Mayor Ardis thanked the City Manager and the Coulter family for providing the information needed to move forward with the RFP process.

The Policy Session closed at 7:55 P.M.



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Beth Ball, MMC  
City Clerk, Peoria, Illinois

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