



City Council Staff Report

Date: June 1, 2011

NEW BUSINESS

Subject: AUTHORIZATION TO NEGOTIATE NEW AGREEMENT WITH PALM SPRINGS DISPOSAL SERVICES (PSDS) PROVIDING FOR ONCE WEEKLY SERVICE.

From: David H. Ready, City Manager

Initiated by: Public Works and Engineering Department

SUMMARY

The City entered into an agreement with PSDS on July 1, 2003 to provide solid waste collection services. That agreement provides twice weekly pick up and expires June 30, 2016. Approval of this item will authorize staff to enter negotiations with PSDS on a new agreement which will modify the existing terms to, among other things, change collection to once weekly.

RECOMMENDATION:

- 1) Authorize staff to enter into negotiations with PSDS on a new Agreement which will modify some existing terms of the current Agreement to, among other things, change collection to once weekly.

STAFF ANALYSIS:

The current term of Agreement No. 4727 with PSDS expires June 30, 2016 after a term of 13 years. The City Charter limits the term of any franchise agreement to 15 years which means the Agreement could be extended to no later than June 30, 2018. PSDS has prepared and submitted a proposal for once weekly service. City Staff, utilizing our solid waste consultant MSW Consultants, reviewed the proposal and presented findings to City Staff as well as PSDS. PSDS has concurred in the general conclusions included in the findings. The main conclusions were a) a new 11 year contract term b) change to once weekly residential service resulting in an average 11.4% decrease in customer rates c) fully automated collection using new CNG vehicles d) Green Waste services on a subscription basis.

As part of the performance review of PSDS services by the City's Consultant, staff conducted a customer satisfaction survey. One thousand residential customers and 50% of the commercial customers were surveyed, yielding a margin of error of 3-6%. The overwhelming majority of customers rated PSDS's overall performance as either Good or Excellent. The survey results did show a few minor areas where improvement is needed and those areas are proposed to be addressed in the new agreement.

Staff proposes to negotiate all terms of a new agreement and bring it back to Council for their consideration this coming Fall. Authorization as recommended above would need to also include approval of the MSW amendment also on this agenda.

FISCAL IMPACT:

Authorizing staff to negotiate a new agreement, in itself, has no fiscal impact.

SUBMITTED:

Recommended by:



David J. Barakian
City Engineer &
Director of Public Works

Approved by:



Thomas J. Wilson
Assistant City Manager

Approved by:



David H. Ready
City Manager

Attachment: PSDS proposed program rate comparison

(Memo) Present Monthly Rate Effective 10/1/10	CURRENT PROGRAM		PROPOSED PROGRAM	
	Twice-Weekly Collection		Once-Weekly Collection	
	Subscription Services(1)(2)	Estimated FY'12 Monthly Rate	Subscription Services(4)(5)	Estimated FY'12 Monthly Rate(3)
Individually-Billed Dwellings				
\$ 17.33	Curbside Economy (Trash: 1, 32-g. can), Recycle: 1, 68-g. cart)	\$ 17.92	Curbside Economy (Trash: 1, 68-g. cart), Rec: 1, 68-g. cart)	\$ 16.25
\$ 20.49	Family Value (Trash: 4, 32-g. cans), Recycle: 1, 68-g. cart)	\$ 21.21	Curbside PLUS (Trash: 1, 96-gal cans), Recycle: 1, 68-gal Cart)	\$ 19.54
\$ 22.64	Walk-In (Trash: 2, 32-g. cans), Recycle: 1, 68-g. cart @ curb)	\$ 23.40	Standard Walk-In(7) (Trash: 1, 68-gal cart, 1X), Recycle: 1, 68-gal cart)	\$ 20.93
			Manual Walk-In(7)(8) (Trash: 4, 32-gal. cans, Recycle: 2, 32-gal. cans)	\$ 20.93
\$ 57.74	Estate (Unlimited trash & recycle, walk-in)	\$ 59.66	Estate (Unlimited trash & recycle, walk-in)	\$ 53.70
Centrally-Billed Dwellings				
\$ 17.18	Curbside Economy (Trash: 1, 32-gal can, 2X), Recycle: 1, 68-gal cart)	\$ 17.74	Curbside Economy (Trash: 1, 68-gal cart), Recycle: 1, 68-gal cart)	\$ 16.09
\$ 20.34	Family Value (Trash: 4, 32-gal cans, 2X), Recycle: 1, 68-gal cart)	\$ 21.03	Curbside PLUS (Trash: 1, 96-gal cans), Recycle: 1, 68-gal Cart)	\$ 19.39
\$ 22.47	Walk-In (Trash: 2, 32-gal cans, 2X), Recycle: 1, 68-gal cart @ curb)	\$ 23.21 (6)	Standard Walk-In(7) (Trash: 1, 68-gal cart), Recycle: 1, 68-gal cart)	\$ 20.77

Additional Charges

Curbside Service		Curbside Service	
\$ 5.14	Each additional refuse can	\$ 5.29	Each additional refuse cart
\$ 4.81	1st additional recycling cart	\$ 4.97	1st additional recycling cart
\$ 4.81	2nd additional recycling cart	\$ 4.97	2nd additional recycling cart
incl.	Green waste collection	incl.	Green waste collection
Walk-In Service		Walk-In Service	
\$ 11.32	Each additional refuse can	\$ 11.71	Each additional refuse cart
\$ 4.81	Walk-in recycling collection	\$ 4.99	Walk-in recycling collection
\$ 2.15	1st additional recycling cart	\$ 4.97	1st additional recycling cart
\$ 2.15	2nd additional recycling cart	\$ 4.97	2nd additional recycling cart
incl.	Green waste collection	incl.	Green waste collection

Notes:

- (1) Trash services are twice-weekly, recycling services are once-weekly; walk-in recycling is an added cost.
- (2) All trash cans provided by customer; all recycle carts provided by PSDS.
- (3)
- (4) All services are once-weekly.
- (5) All trash & recycle carts provided by PSDS.
- (6) \$28.18 with optional walk-in recycling added.
- (7) All Walk-In customers will receive walk-in recycling collection at no added cost.
- (8) Customer to provide 32-gal. max cans for trash & recycle collection.