

South Portland City Council
Position Paper of the City Manager

Subject:

ORDER #209-16/17 – Amending the curbside solid waste/recycling collection contract with Pine Tree Waste. Passage requires majority vote.

Position:

In March of 2008, the City signed a contract with Pine Tree Waste for curbside collection of the City's solid waste and recyclables. The term of that agreement was July 1, 2008 to June 30, 2013. This contract was later amended in July of 2010 to include a fuel cost adjustment and an extension through June 30, 2015.

In February 2012, former City Manager Jim Gailey met with Pine Tree Waste to discuss a way to reduce the City's current payment for collection, which included costs associated with the 64-gallon carts Pine Tree purchased for recycling.

Pine Tree waste proposed the following that would provide a stable cash flow for Pine Tree Waste and provide a monthly savings to the City:

- ❖ The City would provide a onetime payment to Pine Tree of \$ 84,324.24 for the remaining depreciation on the carts.
- ❖ The monthly payment for the curbside collection was reduced by \$6,486.48 or \$77,837.76 per year effective with the May 2012 billing period.
- ❖ In order to offset in part the loss of cash flow to Pine Tree over the last three years of the existing agreement term (\$77,837.76 x 3) the contract was extended for an additional two (2) years beyond the current termination date of June, 2015 to June 2017.
- ❖ All other provisions of the current contract regarding cost adjustments etc. remained intact.

Staff is now recommending extending the contract with Pine Tree Waste for an additional year so they can assess the new pilot program for curbside pickup of food waste prior to entering into a long-term contract for curbside collection of the

City's solid waste, recyclables, and possibly its food waste. The extension would be at the same terms of the existing contract with a price increase of 1.5%.

Requested Action:

Council passage of ORDER #209-16/17.



City Manager



Doug Howard
Director of Public Works
Phone: 207-767-7635
Fax: 207-767-7636

To: Scott Morelli, City Manager
From: Doug Howard, Director of Public Works
CC: Greg L'Heureux
Date: May 31, 2017
Subject: One-year extension for Pine Tree Waste Rubbish and Recycling Curbside Service

Dear Mr. Morelli,

Staff is recommending to extend the contract with Pine Tree Waste for the curbside pickup of rubbish and recycling for one (1) year. We have currently begun a one-year pilot program for curbside pickup of food waste. The pilot program will give us data and information to determine if the City will be including curbside pickup of food waste in the next RFP for rubbish and recycling.

We feel this is an acceptable option because the landscape of potential bidders to provide the curbside service we require is limited. Pine Tree Waste was the only bidder to respond to the last RFP and the landscape of competitive bidders remains narrow. Therefore, we think it is prudent to extend our current service because it would not compromise competition and would allow us to get a better sense of our long-term needs.

The extension would include a 1.5% increase with no fuel escalation in the contract with Pine Tree Waste. The past contracts have included a 1.5% increase every other year with fuel escalations in the subsequent years. Therefore, this proposal is consistent with prior year's contracts.

Respectfully,

A handwritten signature in black ink, appearing to read "Doug Howard".

Doug Howard
Director of Public Works



*SUSTAINABILITY
OFFICE*

JULIE A. ROSENBACH
Sustainability Coordinator

To: Scott Morelli, City Manager; Patti Smith, Mayor; City Council
From: Julie Rosenbach, Sustainability Coordinator
CC: Greg L'Heureux, Finance Director; Doug Howard, Public Works Director
Date: April 14, 2017
Subject: Curbside waste & recycling collection services contract

We are currently in the process of drafting a Request for Proposals (RFP) for the next five-year segment of curbside waste & recycling collection services because the City's contract with Pine Tree Waste is ending on June 30, 2017.

Yesterday I met with Doug and Greg to discuss this process as it relates to the food waste curbside collection pilot project we are launching in May. This one-year pilot will give us more information about whether or not it is viable to wrap food waste collection into curbside services Citywide, and if so, how we might structure an RFP to include this.

In light of our uncertainty at this point about how and if we will want to make this significant change in one year, one of the options we discussed was to extend Pine Tree's contract for one year and delay issuing an RFP until we have more information about what we will want in our next long-term contract.

We feel this is an acceptable option because the landscape of potential bidders to provide the curbside service we require is limited. Pine Tree Waste was the only bidder to respond to the last RFP, and the landscape of competitive bidders remains limited. Therefore, we think it is prudent to extend our current service because it would not compromise competition and would allow us to get a better sense of our long-term needs.



CITY OF SOUTH PORTLAND

PATRICIA A. SMITH
Mayor

SCOTT T. MORELLI
City Manager

EMILY F. SCULLY
City Clerk

SALLY J. DAGGETT
Jensen Baird Gardner & Henry

**IN CITY COUNCIL
ORDER #209-16/17**

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District Two
PATRICIA A. SMITH

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EBEN C. ROSE

District Four
LINDA C. COHEN

District Five
BRAD FOX

At Large
MAXINE R. BEECHER

At Large
SUSAN J. HENDERSON

ORDERED, that the Amended Agreement dated March 28, 2010 between the City of South Portland and Pine Tree Waste to provide curbside solid waste/recyclables collection services be and hereby is amended for a term to expire June 30, 2018.

Fiscal Note: \$856,890 (\$71,407.48 monthly)

Dated June 5, 2017