



City of Pflugerville

Legislation Text

File #: ORD-0516, **Version:** 2

Approving an ordinance on second reading with the caption reading: An ordinance of the City of Pflugerville, Texas, finding that the provision of a solid waste collection and recycling is not a public utility; amending an exclusive franchise agreement for the collection, hauling, recycling and disposal of municipal solid waste and recyclable materials; amending certain terms and conditions of the franchise grant; extending the term of the franchise; and providing an effective date.

On September 12, 2017, the City Council approved an exclusive franchise agreement with Progressive Waste Solutions of TX, Inc., d/b/a Waste Connections (Company) and entered into an agreement to be effective on February 1, 2018 and conclude on January 31, 2023. Although the franchise agreement was approved as a public utility franchise, this provision is being removed at the direction of the City Attorney.

The current agreement for solid waste and recycle collection services specifies that the monthly price per residence will remain in effect through January 31, 2020 and this amount will be adjusted on February 1, 2020 and annually thereafter in accordance with the formulas provided in the agreement regarding Consumer Price Index (CPI) and fuel cost adjustments. In addition, the agreement allows for Company to petition the City for Operating Cost Adjustments beginning February 1, 2020. The Company has provided a petition to the City requesting an increase in the monthly solid waste and recycling rate due to considerable price changes in the recyclable material commodity market.

City staff has also analyzed the City's curbside Chipping program. Due to the considerable operational and administrative program costs, staff recommends transitioning the Chipping program to a pay per pickup service operated by a 3rd party. In discussions with Company, they indicated interest in providing curb-side brush removal service exceeding the bundled brush collection provided for in the existing contract (securely fastened bundles less than 48" and 40 pounds). The Company's pay per pickup brush removal service would collect brush, limbs, and branches less than four feet in length and up to four cubic yards per pickup at a price not to exceed \$35.00 (plus applicable sales tax). Company would collect payment for and schedule these services directly and the program would begin by October 1, 2020. Transition of this program to a 3rd party would allow for a significant reduction in the FY21 budget related to Resource Recovery.

Based on this information, staff recommends amending the franchise agreement for the collection, hauling, recycling and disposal of municipal solid waste as follows:

1. Monthly solid waste and recycling rate adjustment of \$0.85 per residence, including a rate adjustment of \$0.85 per extra recycle cart per month.
2. Engage the Company to provide curbside brush removal service directly to residents on a pay per pickup basis not to exceed \$35.00 per pickup and to begin by October 1, 2020.
3. Increase the Company contribution to the City's public information program for recycling to \$2,000

monthly.

4. Extend the agreement term to conclude on January 31, 2026.

Please find the attached ordinance and agreement amendment for consideration. If this proposed amendment is not adopted, the agreement with Waste Connections will continue with the current rates adjusted for the calculated CPI and fuel adjustments, the City will continue operating the current Chipping program as part of the Resource Recovery budget, the City will continue to receive \$3,100 annually for recycling education, and the agreement will terminate as of January 31, 2023.

Prior City Council Action

On September 12, 2017, the City Council Ordinance No. 1316-17-09-12, granting an exclusive franchise to Progressive Waste Solutions of TX, Inc., d/b/a Waste Connections and entered into an agreement to be effective on February 1, 2018.

The City Council approved this proposed ordinance on first reading on March 10, 2020.

Deadline for City Council Action

Action of second and final reading is requested on April 14, 2020.

Funding Expected: Revenue Expenditure N/A

Budgeted Item: Yes No N/A

Amount: \$20,500 - additional monthly service cost

1295 Form Required? Yes No

Legal Review Required: N/A Required Date Completed: 02/19/20

Supporting documents attached:

Ordinance Amending Solid Waste Franchise Agreement
First Amendment to Exclusive Franchise Agreement
2018 Exclusive Franchise Agreement

Recommended Action

Approve the ordinance on second and final reading amending the agreement for solid waste services.