



Agenda Item Summary

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Submitted By

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Reviewed By

LKS

Agenda Item Title

A Resolution Approving an Independent Contractor Agreement with Lakeshore Recycling Systems, LLC for Municipal Trash, Recycling, Food Scrap/Yard Waste, Household Hazardous Waste and Electronics Collection for a Five-Year Term and Authorizing its Execution

Overview

The Villages waste hauling contract with its current hauler expires on March 31, 2022. A Request for Proposal was advertised for the next contract for these residential waste hauling services. The most favorable proposal was received by Lakeshore Recycling systems, LLC. Proposed is a five-year agreement for these services.

Recommendation

Approve the Resolution.

Fiscal Impact

The recommended Environmental Services fund, Fiscal Year 2022 budget, account no. 5055-43760-101-530660, General Contractuals, is proposed to include an amount of \$2,775,000.00 for waste hauling services. Municipal trash disposal costs (tipping fees) are not included in this contract. They are billed separately.

Based on the pricing provided by LRS it is recommended to not increase the rates for solid waste collection in Fiscal Year 2022. Rates for Fiscal Year 2023 would be reviewed in Q4 2022. The Fiscal year 2022 budget was prepared assuming no increase in customer rates for service. With the new LRS rates the budget is anticipated to be balanced.

All Environmental Service fund accounts are designated as enterprise funds. Enterprise funds account for activity in which a fee is charged to external users for services.

Background

As noted above, the Village of Oak Park's waste hauling contract with its current hauler, Waste Management, expires on March 31, 2022. Staff prepared a Request for Proposals (RFP) to obtain pricing and service options for a successor agreement. The RFP was made available July 7, 2021. Proposals were received until August 19, 2021.

Four waste hauling contractors initially expressed interest in the contract and attended the pre-proposal

conference. Two waste haulers, Waste Management and Lakeshore Recycling Service (LRS), submitted proposals. Each Hauler was interviewed and offered an opportunity to clarify or modify their proposal response including exceptions to the services requested and pricing. A summary of the final proposals is attached.

The Village's comprehensive municipal solid waste collection program is designed to effectively deal with increasing amounts of refuse, rising collection and disposal costs, legislative restrictions and growing environmental concerns. Municipal waste hauling services can be divided into five categories which include trash, recycling, food scrap/yard waste collection, fall leaf collection and hazardous and electronic waste. Currently the Village services approximately 11,200 residential locations.

By Village Ordinance, municipal solid waste collection services are provided only to residential properties with five or fewer units. Owners of larger multifamily dwellings and commercial buildings must contract directly with a private waste hauler and are not governed by the Village program.

Staff reviewed the proposals and presented the results to the Environment and Energy Commission. The proposals were also reviewed with the Village Boards Finance Committee as part of the Fiscal Year 2022 budget discussions.

The following is a summary of the proposed services:

Base Refuse Service: Base refuse service includes the weekly collection of trash and recycling. The basic refuse service also allows for the scheduling and collection of household hazardous waste, latex paint and electronics. Users may request either a 96-gallon or 64-gallon container. Additional trash will require a sticker.

Food Scrap/Yard Waste: The current "Opt-in" program is proposed to continue. The Opt-In program provides a 96-gallon container which can be used for food scrap/yard waste. There are currently approximately 2,500 participants in the Opt-in program. Originally, LRS did not offer to include meat in the food scrap collection however after further discussion they will include the collection of meat. This contract will also include service of up to three drop off locations for food scraps.

Alternate pricing was requested for a Universal (All-in) program which would provide a 35-gallon container to all customers (at the cost of \$11.00 per month). It is not recommended to pursue this option at this time. LRS has offered to move to a Universal program in year two or later in the contract if the Village would like to move in that direction.

Leaf Collection: it is recommended to maintain the existing Fall Leaf Collection Program (raking leaves into the street). Community input received throughout these discussions indicate a preference to maintain the existing program. While the alternate program pricing is lower, both alternate options would result in additional cost to the Village as Public Works staff will need to be street sweep the streets clean of leaves and haul those leaves to the composting facility. This is currently done by the waste hauler but would become the Village's responsibility.

The term of the agreement is for a five-year period from April 1, 2022 through March 31, 2027. The Village and the selected contractor have the option to extend the agreement for a period of one to three years by

mutual agreement.

Staff checked references and reached out other communities that are serviced by the LRS. They received positive recommendations.

This contract also includes pricing for Institutional facilities (Park District, schools, churches and other non-profit facilities). These facilities will be billed separately for the services.

The contract also allows for providing collection of municipal trash, recycling, yard waste and food scrap/yard waste service to residential locations not serviced by the Village (residential structures with six or more units). The pricing for these services are included in the LRS proposal. Interested property owners/manages are to contact LRS and these facilities will also be billed separately for the services.

If this agreement is approved, the next steps will include the preparation of educational materials to provide residents directions on how the transition from the current hauler to LRS will work. The new service will begin April 1, 2022.

For further information attached is a memo outlining details of the recommendations, proposal and pricing.

Alternatives

The Board can delay action to gain additional information.

Previous Board Action

In September 2016, the Village Board approved a contract with Waste Management for these services for the period January 1, 2017 through March 31, 2022.

On May 24, 2021 the Village Board approved a motion to concur with staff's recommendation on the details of a Request for Proposals for the next waste collection contract.

Citizen Advisory Commission Action

The Environment and Energy Commission concurred with staffs recommended on the details of the waste hauling Request for Proposals on April 29, 2021.

The Environment and Energy Commission concurred with staffs recommended waste hauler, LRS, and the proposed waste collection program services on September 22, 2021.

Anticipated Future Actions/Commitments

This contract, if approved, will be revisited in Q4 2026 to consider a one to three-year extension.

Intergovernmental Cooperation Opportunities

The waste hauling contract provides discounted waste hauling rates to intergovernmental partners.