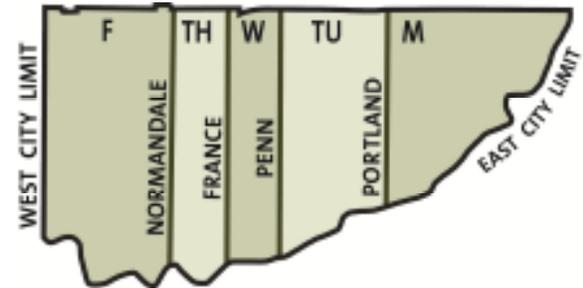




## ***OCOC Interim Report***

### **Background:**

In 1998, the City considered implementing citywide organized collection. After much public discourse, full organized collection was not approved and the City established the five hauling districts that exist today -- one for each day of the work week. In recent years, community interest in organized collection has returned. In 2013, the City commissioned the development of a draft *Solid Waste Management Plan* to provide a comprehensive policy framework for solid waste issues including organized collection.



Currently seven (7) Haulers are licensed by the City to collect trash from residential routes. After review of the framework and continuing citizen requests to consider changes to the City's collection system, the Bloomington City Council directed staff on July 28, 2014 to pursue the possible development of an organized solid waste management system including trash and recycling. The City's planning process has carefully followed the requirements of the organized collection statute (Minnesota Statutes 115A.94) regarding the process to organize collection for solid waste programs.

### **Hauler Negotiations:**

The City Council approved moving forward with the first step in the organized collection process, beginning with hauler negotiations, at the City Council meeting on October 13, 2014. At this meeting, the *City Priorities* to guide negotiations were adopted by Council. Negotiations with existing Haulers have continued since that time. To date, the Council has not come to agreement with the Haulers. The latest proposal from the Haulers, and a summary of the negotiation process to date, is contained in a separate memo from the City's consultant, Foth Infrastructure & Environment, LLC, dated April 30, 2015 (See Attachment 1).

### **OCOC:**

On February 2, 2015 the City Council began the next step of the legislatively required process and formed the Organized Collection Options Committee (OCOC). Membership includes three (3) City Council members and two (2) staff. The OCOC is charged with evaluating options for organizing solid waste collection systems in Bloomington and submitting a report to the full City Council.

The OCOC has held six meetings. All meetings have been open to the public with posted meeting notices, agendas, minutes and OCOC meeting updates. The City's organized collection webpage has kept up-to-date information regarding the OCOC and the City's consideration of organized collection.

The OCOC held a public open house to discuss organized collection on April 23, 2015. This event was well attended with approximately 230 interested residents in attendance. Comments submitted at the open house are tabulated in the attached summary (see Attachment #2). In addition to the public input received at the open house, the OCOC has collected many comments via e-mail and phone (see Attachment #3). Additional outreach and OCOC information has been provided through various media outlets including the Sun Current and the Star Tribune. No final decision by City Council will be made until a public hearing is held. This *Interim Report* from the OCOC is a preliminary set of findings about the Hauler negotiations and OCOC process to date.

### **Options Proposed by the OCOC:**

In its deliberations, the OCOC reviewed and considered a wide range of options including (but not limited to):

- ◆ Direct negotiations with the existing licensed Haulers (still in progress);
- ◆ Contracting with one hauler through a competitive process;
- ◆ Contracting with a consortium of haulers through a competitive process; and
- ◆ Forming contract zones to allow multiple contracts to be awarded.

The last three of these options listed above have been incorporated into a draft request for proposals (RFP) document that has been prepared under the direction of the OCOC.

The following options are proposed for City Council consideration:

#### **1. Accept the Latest Proposal from Existing Haulers**

A detailed summary of the latest hauler proposal submitted on April 29, 2015 is attached in the form of the Foth memo dated April 30, 2015 (see Attachment #1). Acceptance of this proposal allows the City to proceed to organized collection without changing the market share of residential haulers currently doing business in Bloomington. The rates proposed are below the average rates charged in other organized communities where contracts were procured thru negotiations. The rates are higher than the average rates in organized communities where contracts were procured competitively.

##### Next Steps if Selected

(All dates are tentative and subject to change):

- Hold public hearing – June 1, 2015
- Final City Council decision – June 2015
- Prepare/award a final contract – July 2015
- Implement change to organized collection – August through March 2016
- Begin service – April 2016

## 2. Initiate a Competitive Procurement Process

The OCOC has developed detailed plans for a competitive procurement process through the release of a request for proposals (RFP). The concept of an alternative form of a request for qualifications (RFQ) was also discussed. While a competitive process is intended to result in the lowest overall rates, it often limits the number of haulers able to do business in a given community. Also, it is speculative as to the final outcome concerning the number of competitive responses and final contract prices. Other competitive processes have, in other communities, proven to be contentious and have resulted in significant public acrimony.

### Next Steps if Selected

(All dates are tentative and subject to change):

- Finalize RFP document – May 2015
- Solicit/review proposals – Proposals due June 11, 2015
- OCOC reconvenes to review proposals – July 6, 2015
- Full City Council accepts OCOC Final Report and sets public hearing – July 20, 2015
- Public hearing – August 3, 2015
- Full City Council authorizes organized collection contract(s) – August 24, 2015
- Prepare/award final contract(s) – September 2015
- Implement change to organized collection – October 2015 through March 2016
- Begin service – April 2016

## 3. Abandon Consideration of Organized Collection at this Time

### **OCOC Recommendation:**

The OCOC recognizes the benefits of a negotiated solution and supports an agreement with the existing haulers if the Council finds their proposed rates acceptable. If not, the OCOC supports moving forward with a competitive process and favors the RFP approach.