



Request for City Council Committee Action From the Department of Public Works

Date: May 1, 2007
To: Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee

Subject: Organized Solid Waste Collection Process

Recommendation: Declare conclusion of planning period, and beginning of 90-day discussion period with licensed haulers who have expressed interest for potential organized solid waste collection arrangements, and establish organized collection goals.

Previous Directives:

- April, 2007, Contract with MRI extended to June 30, 2008
- November 21, 2006, public hearing held
- November 9, 2006, public hearing held
- November 3, 2006, set additional public hearing for November 21, 2006
- October 10, 2006, set public hearing for November 9, 2006
- March, 2006, Direction to extend current contract with Minneapolis Refuse, Inc. through June, 2007
- January, 2006, and March, 2006: Direction to issue RFP for collection services
- December, 2004 and December, 2005: Approval of Business Plan for Solid Waste and Recycling Services, including competitive awarding of all contracts
- August, 2001: Contract with Minneapolis Refuse, Inc. authorized for a five year term, January 1, 2002 – December 31, 2006

Prepared by: Heidi Hamilton, Deputy Director, Public Works
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Approved by:

Steven A. Kotke, P.E., City Engineer, Director of Public Works

Presenters: Heidi Hamilton, Deputy Director, Public Works

Permanent Review Committee (PRC)	Approval _____	Not applicable <u> X </u>
Policy review Group (PRG)	Approval _____	Not applicable <u> X </u>

Financial Impact (Check those that apply)

- No financial impact - or - Action is within current department budget.
(If checked, go directly to Background/Supporting Information)
- Action requires an appropriation increase to the Capital Budget
- Action requires an appropriation increase to the Operating Budget
- Action provides increased revenue for appropriation increase
- Action requires use of contingency or reserves
- Business Plan: Action is within the plan. Action requires change to plan
- Other financial impact (Explain):
- Request provided to department's Finance Dept. contact when provided to the Committee Coordinator

Community Impact

Neighborhood Notification: Letters were mailed to all neighborhoods served by contracted solid waste collection services offering to meet with them to discuss the process. Two neighborhoods (Waite Park and Holland) accepted the invitation. The Fulton and Columbia Park neighborhoods sent emails.

City Goals: Maintain the physical infrastructure to ensure a healthy, vital and safe city.

Comprehensive Plan: Not Applicable

Zoning Code: Not Applicable

Background/Supporting Information:

On December 1, 2006, in response to an order from Hennepin County District Court, the City Council adopted a Resolution of Intent to organize residential solid waste collection and invite the participation of interested persons licensed to operate solid waste collection services in planning and establishing the organized collection system for one half of the City's residential dwelling units. This process, as required by the Court, is described in Section 115A.94 of Minnesota Statutes. A facilitator, Mr. Kevin Johnson with Lindquist & Venum PLLP, was hired and conducted three planning meetings and received comments regarding possible contracting methods for organized solid waste collection in the contracted half of the city. The attached document summarizes the planning process and the comments that were received.

The next step in the Section 115.A. process requires the city to conduct a 90-day discussion period regarding possible solid waste organized collection arrangements with licensed haulers who expressed interest in participating with the City in this process during the initial planning and comment period. All parties on our mailing list (which includes all licensed haulers in Minneapolis, four labor unions, and other haulers in the metro area) were sent a copy of the planning process summary and notified that they must express interest prior to closure of the planning period if they wish to be included in the 90 day discussion period.

We recommend that the City Council close the planning period and authorize staff to begin the 90-day discussion period. The Council is also asked to adopt Organized Collection Goals, which will be used to evaluate the proposed collection methods during the discussion period, and upon conclusion of the 90-day discussion period. The following organized collection goals are recommended for adoption:

1. Maintain or exceed the current high level of customer satisfaction for solid waste and recycling services.
2. Provide solid wastes and recycling collection services in the most cost-effective manner possible while meeting Clean City objectives.
3. Recognize the need for a comprehensive waste collection program that meets the unique physical and demographic challenges of a core urban city
4. Protect the Health and Safety of City residents and visitors by minimizing disruption of collection services due to natural events, labor disputes or Incidents of National Significance.
5. Comply with City policies on Small and Minority Owned Businesses, Living Wage and Domestic Partner Benefits, and anti-discrimination requirements.

To open the discussion, staff plans to present the following possible organized collection arrangements for the contracted half of the city:

1. Negotiate with all interested haulers to determine if an agreement can be reached with a majority of the haulers who have expressed interest as to an organized collection arrangement.
2. Negotiate a new contract with Minneapolis Refuse, Inc., the current contractor
3. Issue a Request for Proposals for contracted solid waste services for the entire contracted half of the city to be served under one contract, using the evaluation criteria identified below. Evaluate all proposals submitted, including any submitted by MRI or by any collector licensed in the City that has expressed an interest.
4. Issue a Request for Proposals for contracted solid waste services for the contracted half of the city to be divided into multiple segments and served through individual contracts, with the RFP being evaluated based on the evaluation criteria identified below. Evaluate all proposals submitted, including any submitted by MRI or by any collector licensed in the City that has expressed an interest.
5. Include Labor Peace provisions, as described in the March 9 2007 letter from Brendan D. Cummins of Miller O'Brien, in all contract requirements (included as Exhibit B in attached summary report of planning process).

Proposed RFP evaluation criteria:

1. Completeness of information and documented compliance with all RFP requirements
2. Degree of confidence that the health and safety of the City will be protected through the complete and timely collection of solid waste.
3. Demonstrated and documented understanding of and commitment to the Customer Service and Clean City missions of Solid Waste and Recycling Services:
Customer service history, contract compliance history in other contracts, history of safe operations under climate and infrastructure (street and alley) conditions similar to Minneapolis, and history of reliability and commitment to day-certain service will be evaluated. Understanding and commitment to the Clean City goal, including examples of Clean City activities in other contract situations will be evaluated.

4. Past performance in Residential Collection Contracts:
Names and contact information from at least three (3) prior residential collection contracts must be provided. Enquiries will be conducted by the City of these references. A random survey of those who have been customers as a part of these contracts will be conducted to determine Customer Satisfaction with Contractor services.
5. Demonstrated capacity to provide year-round collection services in the manner, and within the geographic constraints, of the City of Minneapolis:
Collection vehicles and equipment, collection experience, operator training practices and previous experience with customers in similar geographic settings will be evaluated. Demonstrated knowledge of local geographic and demographic conditions and of a clear understanding of the routing and customer service challenges and expectations.
6. Demonstrated understanding of, and commitment to, the City's policies on Small and Minority Owned Businesses, Living Wage and Domestic Partner Benefit policies, and anti-discrimination requirements.
7. Lowest net cost to the City: All costs to the City will be included in the evaluation.
8. Minimizing displacement of collectors.
9. Maximizing efficiency in solid waste collection

Items 1 through 7 of the proposed RFP evaluation criteria are similar to criteria that were included in the RFP issued in March 2006. Item 8 and 9 have been added to this list because Minnesota Statutes, Section 115A.94, Subdivision 4 (e) (2) includes these standards by which the city must evaluate proposed collection methods.

Mr. Johnson will continue to facilitate the 90 day discussion period. The objective of the discussion will be for the city to agree on an organized collection arrangement with the majority of licensed collectors who have expressed interest in the process. If this is not achieved within the 90 day period, the city may propose to implement an alternate method of collection as provided in Minnesota Statutes, Section 115A.94. Staff will return to your Committee at such time as an agreement is reached or an alternate method of collection is recommended.

Attachment 1 – Summary Report of Planning Process