

Contract Rate Increase Texas Disposal System

City Council
September 10, 2019

Purpose

Consideration and possible action to approve a third amendment to the contract for Solid Waste, Recycling, Yard Trimming and Bulky Waste Collection, Disposal and Processing Services with Texas Disposal Systems (TDS) amending the rate schedule effective November 1, 2019

Agenda

- TDS Current Contract
- Refuse Rate Index
- Georgetown Rate Comparison
- Impact to Current Rates

2017 - Five Year Extension

- 5 Year Extension of 2012 Contract

- Timing

- September 2017

- Modifications

- New Refuse Rate Index
 - Add Commercial Recycling (optional, but exclusively provided by City)
 - Evaluating pricing options for Brushy Waste drop-off
 - Considered making Roll-Offs exclusive but temporarily paused

New Price Index

- Refuse Rate Index (RRI)

- Growing use nationally
- Basket of Indices

- #2 Diesel: Bureau of Labor Statistics the Producer Price Index (BLS PPI)
- Vehicle & Equipment Replacement : (BLS PPI)
- Labor Cost: (BLS Monthly Labor Review for Employment Cost)
- Repair & Maintenance : (BLS PPI)
- All Other: BLS Consumer Price Index (CPI)

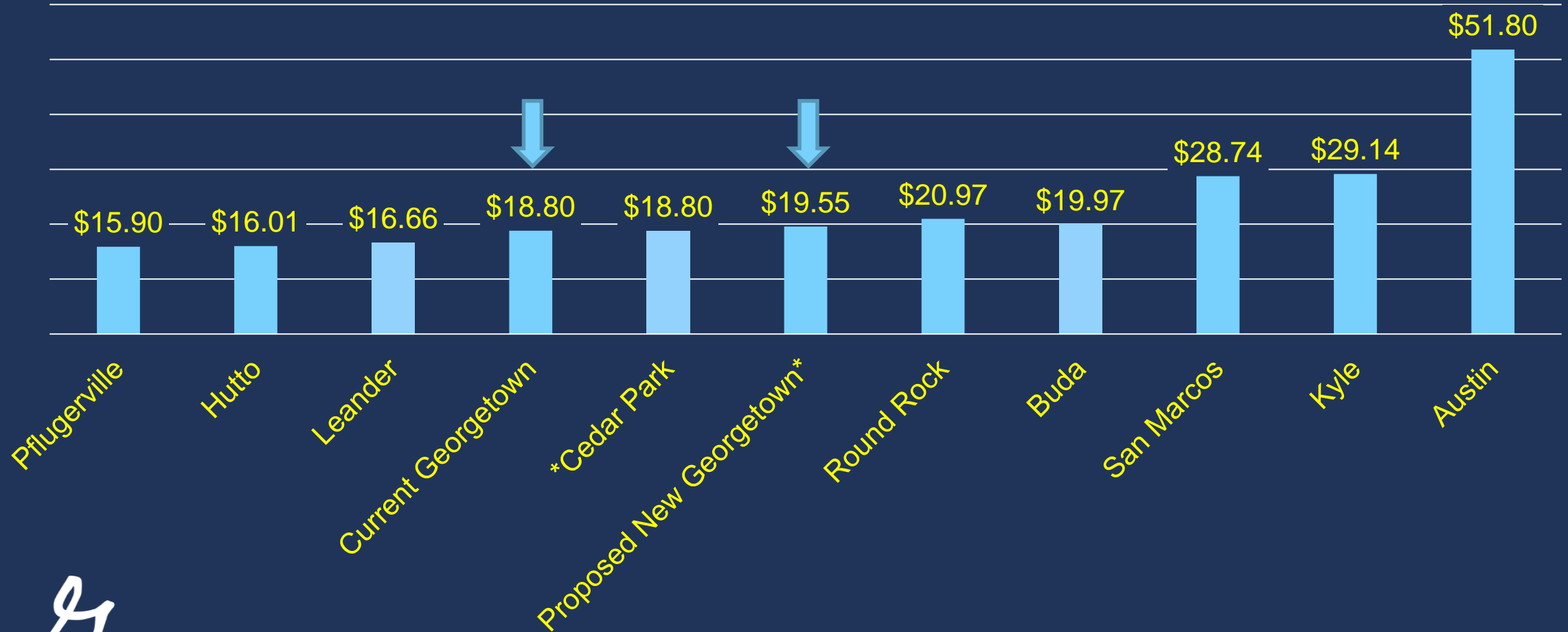
New Price Index

Refuse Rate Index (RRI) Calculations				
Index	Weight %	2017	2019	% Change
Producer Price Index: Diesel	6.00%	204.6	272.5	1.991%
Core Consumer Price Index	17.00%	251.143	261.114	0.675%
Producer Price Index: Truck Bodies	10.00%	236.0	255.2	0.814%
Service Labor	38.00%	128.2	135.5	2.164%
Producer Price Index: Industrial Trucks	29.00%	241.0	256.3	1.841%
			Actual	7.485%

Peer Comparison

*New Georgetown is proposed only

96 gal cart, Standard Residential Service



* Cedar Park has a new RFP and rates may change

Impact to Rates

Service	Current	New	\$ inc	% inc
Residential IN	\$18.80	\$19.55	\$0.75	4%
Residential OUT	\$26.40	\$27.50	\$1.10	4%
Comm Cart	\$28.20	\$29.35	\$1.15	4%
4 YD @ 1/wk	\$102.00	\$106.10	\$4.10	4%
6 YD @ 1/wk	\$123.25	\$128.20	\$4.95	4%
8 YD@ 1/wk	\$143.50	\$149.25	\$5.75	4%

Questions

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GEORGETOWN, TEXAS AMENDING SECTION 13.04.180, TITLED “RATES AND CHARGES – SOLID WASTE DISPOSAL – SCHEDULE” OF THE CODE OF ORDINANCES OF THE CITY OF GEORGETOWN; REPEALING CONFLICTING ORDINANCES AND RESOLUTIONS; INCLUDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE.