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MEMORANDUM

TO: Public Works & Environmental Concerns Committee

THROUGH: Carl S. Goldsmith, Director of Public Works *cy*

FROM: David P. Gorman, PE, Asst. Director of Public Works *DPG*

SUBJECT: **Solid Waste Contract – Proposed Second Amendment**

DATE: September 25, 2018

Attached is a proposed Second Amendment to the Solid Waste Contract and the Municipal Code to eliminate the subsidy for curbside brush collection, increase the yard waste sticker fee, and extend the Contract expiration date. The subsidy elimination had been discussed by the Village Board and Committee earlier this year as part of budget considerations, and the proposed Contract Amendment is a result of Staff's negotiations with Waste Management. The changes to the brush collection program and sticker fee would take effect on 4/1/19.

Background:

The Solid Waste Contract with Waste Management includes an annual payment by the Village of \$83,610 for a no-sticker collection (i.e., free) of bundled brush. Brush is collected as part of the weekly yard waste truck route from early April to mid-December. Bundles must be less than 6' long, 18" wide and 50# in weight, and individual branches must not exceed 6" in diameter.

Most neighboring communities also offer no-fee brush collection. These include Glen Ellyn, Villa Park, Addison, Glendale Heights, and Oakbrook Terrace. Stickers are required in Downers Grove and Oak Brook. The cost of a Lombard yard waste sticker is currently \$2.00.

The cost of the brush program is covered by the Village Service Fee (monthly \$0.59/residence and \$3.00 per business, and also \$0.10 per yard waste sticker) that is collected on the Village's behalf by Waste Management. As an enterprise fund, changing the brush program to require stickers would necessitate that the cost reduction must be applied to another waste-related expenditure. Street sweeping, which cost a total of \$188K in 2017, would qualify. Based upon Committee and Village Board direction, this reallocation has already been made in the proposed FY19 budget.

This change would require a Contract amendment. Waste Management is agreeable in concept but would request a three year Contract extension (to 3/31/2024) and a \$0.35 increase in the yard waste sticker fee, saying that such an increase will keep the change revenue neutral. The number of yard waste stickers sold for bags & cans varies greatly but has averaged 95,300 over the past five years. The additional \$0.35 would result in additional \$33,300 revenue based on that quantity. Waste Management has gauged that requiring stickers for brush collected is likely to make up for the additional \$50K that they will be forgoing by concurring to end the subsidy.

Recommendation:

The Committee had expressed openness during the FY19 budget process to ending the brush collection subsidy, and the budget has been approved as such. In addition, Staff deems the additional changes regarding increasing the sticker fee and extending the Contract by three years to be reasonable considerations requested by Waste Management. Therefore, Staff recommends that the Committee vote to recommend the Contract amendment for the Board of Trustees' consideration. Coincident with this proposed amendment is an ordinance that would amend the Municipal Code to appropriately codify the program.

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attachments: Contract Amendment and Code Amendment

**SECOND AMENDMENT TO
SOLID WASTE COLLECTION AND DISPOSAL SERVICES CONTRACT**

This Second Amendment to Solid Waste Collection and Disposal Services Contract (the "Second Amendment") is made and entered into as of October 18, 2018 (the "Effective Date"), by and between the Village of Lombard, an Illinois municipal corporation (the "Village"), and Waste Management of Illinois, Inc., a Delaware corporation licensed to do business in Illinois (the "Contractor"). The Village and the Contractor are hereinafter sometimes referred to collectively as the "Parties" and individually as a "Party."

WITNESSETH

WHEREAS, the Village and the Contractor entered into a Solid Waste Collection and Disposal Services Contract dated January 7, 2016 (the "Original Contract"); and

WHEREAS, the Village and the Contractor entered into a First Amendment to Solid Waste Collection and Disposal Services Contract dated April 5, 2018 (the "First Amendment"), which amended the Original Contract (the Original Contract as amended by the First Amendment being hereinafter referred to as the "Amended Contract"); and

WHEREAS, the Village and the Contractor desire to extend the term of the Amended Contract, and amend certain provisions of the Amended Contract; and

WHEREAS, it is in the best interests of the Village and the Contractor to enter into this Second Amendment;

NOW, THEREFORE, in consideration of the foregoing, the covenants, conditions and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Parties, the Parties hereby agree as follows:

1. That Section 1 of the Amended Contract is amended as follows:
 - A. The reference to "five (5) years" is revised to read "eight (8) years."
 - B. The reference to "2021" is revised to read "2024."
2. That Section 2 of the Amended Contract is amended as follows:
 - A. The reference to "five (5) years" is revised to read "eight (8) years."
 - B. The reference to "2021" is revised to read "2024."
3. That Section 3 of the Amended Contract is amended as follows:
 - A. The reference to "2021" is revised to read "2024."
 - B. The reference to "2023" is revised to read "2026."
 - C. The reference to "2020" is revised to read "2023."

4. That Section 7 of the Amended Contract is amended as follows:
- A. A new definition shall be inserted, relative to the term “Bagster,” which shall read in its entirety as follows:
- “**Bagster:** A commercially available flexible container designed to hold loose **Household Refuse, Household Construction and Demolition Debris** and **Bulk Materials** or **Large Items**, excluding any material or item that is a **White Good**, electronic waste or is not permitted at the disposal facility, up to three thousand three hundred (3,300) pounds or three (3) cubic yards.”
- B. The definition of “Bulk Materials” is revised to read in its entirety as follows:
- “**Bulk Materials:** Any items set forth as **Refuse** which are too large to fit into an approved **Refuse Container** or greater than fifty (50) pounds, and so unable to be handled by one individual in the conventional form of collection, but rather require a special collection vehicle or additional manpower. Examples include cast iron tubs, double basin concrete sinks, oversized furnaces, pianos and organs. **Bulk Materials** shall either be placed by residents in (a) bundles weighing less than one hundred (100) pounds, so as to be safely lifted by two workers, (b) containers weighing less than one hundred (100) pounds, so as to be safely lifted by two workers, or (c) a **Bagster** unit, pursuant to the terms and conditions accompanying the **Bagster** bag. These types of items would be subject to the charges quoted for **Bulk Materials** and/or **Bagster**.”
- C. The definitions of “Garbage Can” and “Refuse Cart,” as contained in the definition of “Refuse Containers” as set forth therein, shall be broken out as separate subprovisions of the definition of “Refuse Containers”.
- D. The definition of “Large Items” is amended as follows:
- (i) In the first sentence thereof, the words “are under one hundred (100) pounds and” shall be inserted between “but” and “can”.
- (ii) In the second sentence thereof, the word “televisions” shall be deleted.
- (iii) The last sentence thereof is revised to read as follows: “These items shall require one (1) **Refuse** sticker per fifty (50) pounds or one (1) cubic yard, whichever is greater.”
- E. The definition of Recyclables, Atypical” is revised by adding the words, “clean construction and demolition debris (CCDD)” between “scrapmetal” and “wood”, in the second sentence thereof.

5. That Section 8A(13) of the Amended Contract is amended by deleting the following therefrom: "Police Department Resource Center, 32 Yorktown Road."
6. That, effective April 1, 2019, Section 8B(1) of the Amended Contract is amended as follows:
 - A. The first sentence thereof is revised by adding the following to the end thereof: "and shall only be provided for **Yard Waste Containers** that have pre-paid stickers securely and visibly affixed to them."
 - B. The third sentence thereof is revised to read in its entirety as follows: "The **Yard Waste** collection service shall include the collection of **Bundles** of **Brush** for all **Residential** properties within the Village."
 - C. The fourth sentence thereof is revised by deleting the word "other" therefrom, and by adding "by the resident," to the end thereof.
7. That Section 8B(6) of the Amended Contract is amended by inserting, "and the unit of local government/school district facilities listed in Section 8B(7)" between "Residents" and "will," in the second sentence thereof.
8. That Section 8B(7) of the Amended Contract is amended as follows:
 - A. Effective April 1, 2019, the second sentence of the first paragraph thereof is revised to read in its entirety as follows:

"The **Brush** collection service shall be offered from the first full week of April through the second full week of December during the term of the **Contract** and shall only be provided for **Bundles** of **Brush** that have pre-paid stickers securely and visibly affixed to them."
 - B. Effective April 1, 2019, the third sentence of the first paragraph thereof is revised by deleting the word "unlimited" therefrom.
 - C. Effective April 1, 2019, the sixth sentence of the first paragraph thereof is deleted.
 - D. Effective April 1, 2019, the seventh sentence of the first paragraph thereof is revised to read in its entirety as follows: "**Residential** and **Commercial** properties shall be required to place a pre-paid **Yard Waste** sticker on the **Bundles** of **Brush** from the first week of April through the second full week of December."
 - E. Effective April 1, 2019, the last sentence of the first paragraph thereof is revised by adding the words "and **Commercial**" between "**Residential**" and "properties".
 - F. The second paragraph thereof is revised by inserting "Fall Leaf Collection, as referenced in Section 8B(6) above, and" between "provide" and "**Brush**".

- G. The second paragraph thereof is revised by adding the following to the list of unit of local government/school district facilities set forth therein: "Madison Meadows Athletic Center, 500 E. Wilson Avenue."
9. That Section 8C(1) of the Amended Contract is amended by revising the reference to "2021," as contained in the first paragraph thereof, to read "2024".
10. That Section 8C(6) of the Amended Contract is amended by adding a comma (,) between "as" and "but" in the list of municipal properties contained therein.
11. That Section 8C(7) of the Amended Contract is amended by adding the following to the list of public taxing facilities as contained therein: "Madison Meadows Athletic Center, 500 E. Wilson Avenue."
12. That Section 14A(2) of the Amended Contract is amended as follows:
- A. That the following shall be added to the end of the second sentence thereof: ", and shall be subject to an additional \$0.35 per sticker increase on April 1, 2019."
 - B. That ", and annually thereafter," shall be inserted between "2017" and "said", in the second sentence thereof.
 - C. Effective April 1, 2019, the last sentence shall be deleted therefrom.
13. That Section 14A(3) of the Amended Contract is amended by adding the following to the end thereof:
- "Bagster** collections shall be per the applicable rate at www.bagster.com."
14. That Section 14A(8) of the Amended Contract is amended by revising the last sentence thereof to read in its entirety as follows:
- "This fee shall be in effect throughout the term of this **Contract**."
15. That, effective April 1, 2019, Section 14A(11) of the Amended Contract is amended by deleting it from the Amended Contract.
16. That Section 14A(12) of the Amended Contract is amended by revising "therof", in the last sentence thereof, to read, "thereof".
17. That, effective April 1, 2019, Section 14A(12) of the Amended Contract is amended by relabeling it as Section 14A(11).
18. That, effective April 1, 2019, Section 14A(13) of the Amended Contract is amended by relabeling it as Section 14A(12).
19. That, effective April 1, 2019, Section 14A(14) of the Amended Contract is amended by relabeling it as Section 14A(13).

20. That Section 14B(1) of the Amended Contract is amended by revising the reference to “period of April 1, 2016 through March 31, 2021,” as contained therein, to read “term of this **Contract**”, and by adding the following to the end thereof:

“Residents in condominiums and apartments shall be allowed to dispose of **Bulk Materials** and **Large Items**, in the same manner as provided in Sections 14A(3) and 14A(4) above.

21. That Section 29A of the Amended Contract is amended as follows:

A. The schedule in the first paragraph thereof is revised by adding the following to the end thereof:

4/1/21	CPI not to exceed 5%
4/1/22	CPI not to exceed 5%
4/1/23	CPI not to exceed 5%

B. In the second paragraph thereof, the reference to “4/1/17, 4/1/18, 4/1/19 and 4/1/20” is revised to read “4/1/17, 4/1/18, 4/1/19, 4/1/20, 4/1/21, 4/1/22 and 4/1/23.”

22. That Section 29B of the Amended Contract is amended as follows:

A. The schedule in the first paragraph thereof is revised by adding the following to the end thereof:

4/1/21	CPI not to exceed 5%
4/1/22	CPI not to exceed 5%
4/1/23	CPI not to exceed 5%

B. In the second paragraph thereof, the reference to “4/1/17, 4/1/18, 4/1/19 and 4/1/20” is revised to read “4/1/17, 4/1/18, 4/1/19, 4/1/20, 4/1/21, 4/1/22 and 4/1/23.”

23. That the Contractor hereby warrants and represents that the representations made in the Certification by the Contractor, as attached to the Amended Contract, as Exhibit “C”, remain true and correct as of the date of this Second Amendment.

24. This Second Amendment may be executed in two (2) or more counterparts, each of which, taken together, shall constitute one and the same instrument.

25. That all portions of the Amended Contract, not amended hereby, shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties have caused this Second Amendment to be executed by their respective duly authorized officers as of the date first above written.

Village of Lombard,
an Illinois municipal corporation

Waste Management of Illinois, Inc.,
a Delaware corporation
licensed to do business in Illinois

By: _____
Keith Giagnorio
Village President

By: _____
Name: _____
Title: _____

ATTEST:

ATTEST:

By: _____
Sharon Kuderna
Village Clerk

By: _____
Name: _____
Title: _____

ORDINANCE NO. _____

**AN ORDINANCE
AMENDING TITLE IX, CHAPTER 92
OF THE LOMBARD VILLAGE CODE IN REGARD TO
WASTE COLLECTION AND DISPOSAL**

BE IT ORDAINED by the President and Board of Trustees of the Village of Lombard, DuPage County, Illinois, as follows:

SECTION 1: That Title IX, Chapter 92, Section 92.10 of the Lombard Village Code is amended as follows:

"A. The definition of "Bulk Materials," as contained therein, is revised to read as follows:

"Bulk Materials: Any items set forth as Refuse (as defined in the Village's contract with the authorized waste disposal firm) which are too large to fit into an approved Refuse Container (as defined in the Village's contract with the authorized waste disposal firm) or greater than fifty (50) pounds, and so unable to be handled by one individual in the conventional form of collection, but rather require a special collection vehicle or additional manpower. Examples include cast iron tubs, double basin concrete sinks, oversized furnaces, pianos and organs. Bulk Materials shall either be placed by residents in (a) bundles weighing less than one hundred (100) pounds, so as to be safely lifted by two (2) workers, (b) containers weighing less than one hundred (100) pounds, so as to be safely lifted by two (2) workers, or (c) a Bagster unit, pursuant to the terms and conditions accompanying the Bagster bag."

B. The definition of "Large Items," as contained therein, is revised to read as follows:

"Large Items. Any items which are too large to fit into an approved Refuse Container (as defined in the Village's contract with the authorized waste disposal firm) but are under one hundred (100) pounds and can be handled through the conventional method of collection. Examples include sofas, tables, chairs, dressers, bookcases, mattresses and box springs or other large household furniture or appliances which do not contain CFC or HCFC refrigerant gases or PCP containing capacitors, mercury switches or other hazardous components."

C. A definition for “Bagster” shall be added, which shall read in its entirety as follows:

“Bagster: A commercially available flexible container designed to hold loose Household Refuse (as defined in the Village’s contract with the authorized waste disposal firm), Household Construction and Demolition Debris (as defined in the Village’s contract with the authorized waste disposal firm) and Bulk Materials or Large Items, excluding any material or item that is a White Good, electronic waste or is not permitted at the disposal facility, up to three thousand three hundred (3,300) pounds or three (3) cubic yards.” ”

SECTION 2: That Title IX, Chapter 92, Section 92.15 of the Lombard Village Code is amended by revising the reference thereto to “five years” to read “ten years.”

SECTION 3: That Title IX, Chapter 92, Section 92.17(A)(7) of the Lombard Village Code is amended by adding the following to the end thereof:

“Large items shall require one (1) sticker per fifty (50) pounds or one (1) cubic yard, whichever is greater.”

SECTION 4: That Title IX, Chapter 92, Section 92.17(A) of the Lombard Village Code is amended by adding a new subsection (13) thereto, which shall read in its entirety as follows:

“(13) Bagster collections shall be per the applicable rate at www.bagster.com.”

SECTION 5: That Title IX, Chapter 92, Section 92.17(B) of the Lombard Village Code is amended by adding a new subsection (11) thereto, which shall read in its entirety as follows:

“(11) Pick-up of Bulk Materials and Large Items for condominium and apartment buildings in the same manner and at the same charge as set forth in subsections (A)(5) and (A)(7) above.”

SECTION 6: That Title IX, Chapter 92, Section 92.17(E) of the Lombard Village Code is amended by revising the reference therein to “(B)(9)” to read “(B)(10)”.

SECTION 7: That this Ordinance shall be in full force and effect from and after its passage, approval and publication in pamphlet form, as provided by law.

Passed on first reading this _____ day of _____, 2018.

First reading waived by action of the Board of Trustees this ___ day of _____, 2018.

Passed on second reading this _____ day of _____, 2018, pursuant to a roll call vote as follows:

AYES: _____

NAYS: _____

ABSENT: _____

APPROVED by me this _____ day of _____, 2018.

Keith Giagnorio, Village President

ATTEST:

Sharon Kuderna, Village Clerk

Published by me in pamphlet form this _____ day of _____, 2018.

Sharon Kuderna, Village Clerk