

# CITY OF SULTAN

## Council Agenda

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**DATE:** March 13, 2008

**ITEM #:** Action A 3

**SUBJECT:** 9 Month Franchise Extension with Rabanco for Recycling Services

**CONTACT PERSON:** Laura Koenig, City Clerk/Deputy Finance Director

**ISSUE:**

The issue before the Council is authorizing the Mayor to sign a 9 month Franchise extension with Rabanco Connections for residential and commercial recycling services.

**SUMMARY:**

In 2003 the City entered into a contract with Rabanco Connections dba as Lynnwood Disposal (now known as Allied Waste) to provide curbside recycling services and residential yard waste collection. A separate contract for roll off drop collection, compactor services and commercial recycling was also approved. These were five year contracts that will expire in April 2008. Staff has prepared an addendum to extend the current contract until December 31, 2008. Rabanco Connections has advised Staff that they are willing to extend the contract.

SMC 13.20.030 (Attachment A) requires competitive bidding for garbage collector franchise agreements. SMC 13.16.020 establishes mandatory recycling service for residents.

At this time the only change to the contracts will be to Section 2, Term of the Agreement. There are issues that need to be addressed during the preparation of a request for proposals (RFP) and during contract negotiations. Staff is recommending an extension to give the City time to prepare the required RFP in the second half of 2008.

**BACKGROUND:**

Rabanco is responsible for collection services and for providing recycle bins to customers. The City collects for the service and pays \$3.14 per single family residential unit and \$3.14 for multi-family residential units. The City charges \$3.50 per residential unit per month for recycling.

The change to the single bin container has encouraged more residents to use the recycling services. Unlike the City's garbage service, which allows only one can per week without additional fees, there is no limit to the amount of recycled materials customers can put out weekly.

There have been problems, complaints and service requests received which included:

1. Failure to deliver collection bins to new residents in a timely manner
2. Failure to collect recycling – the service is mandatory so there it is not possible to give customers a credit when collection does not occur.
3. Request from multi-family units to have a dumpster instead of multiple bins. This would require a change in status from residential units to commercial units.

These issues will be addressed during the RFP and negotiation process.

**ALTERNATIVES:**

1. The Council could direct staff to renew the existing contracts and issue a Request for Proposals for recycling and commercial drop box service. This will require staff time from the Executive, Finance and Public Works departments. Since the City is also focused on other priority issues such as the Comprehensive Plan, Wastewater Plant funding and revisions to the 2008 budget, the staff would need to reprioritize work loads to include this task.
2. The Council could direct staff to issue a Request for Proposals and not extend the current contract. This would require that the Council enter into a new contract no later than April 30, 2008 to ensure continued recycling services.
3. The Council could extend the existing contract for 9 months and issues an RFP in the 3<sup>rd</sup> or 4<sup>th</sup> quarter of 2008.

**STAFF RECOMMENDATION:**

Staff recommends extending the current Franchise to December 31, 2008 and proceeding with a Request for Proposal for Residential Recycling and for Commercial Drop Box Service in the second half of 2008.

**MOTION:**

Move to authorize the Mayor to sign a 9 month Franchise extension with Rabanco Connections for residential and commercial recycling services.

- Attachments:
- A. SMC regarding garbage and franchise
  - B. Contract for Residential Recycle Service
  - C. Contract for Commercial Drop Box Service
  - D. Sample RFP – City of Anacortes
  - E. Addendums to Current Contracts

## ATTACHMENT A

### 13.16.020 Mandatory collection – Exceptions.

There is established a mandatory solid waste disposal system within the city of Sultan which shall be operated and controlled through the garbage utility department. Relief from the city-operated solid waste collection service may be granted to those residents that can produce evidence that use of the service would create a physical or financial hardship, or that use of the service is unnecessary. Property owners must make application to the utility committee on an annual basis for continued relief from the service. All decisions of the utility committee will be reviewed and ratified by the city council. Residential recycle service provided by contract for nonyard waste materials is mandatory and the fact that the residence does not use the service shall not exempt the property owner from the payment of the regular charges established. Recycle of yard waste materials is optional and is provided through a separate contract agreement with the vendor. (Ord. 810-03; Ord. 585, 1992; Ord. 487, 1986; Ord. 482 § 1, 1986; Ord. 304 § 2, 1964)

### GARBAGE COLLECTION BUSINESS REGULATIONS

#### Sections:

- 13.20.010 Purpose.
- 13.20.020 Franchise required.
- 13.20.030 Requirements.
- 13.20.040 Franchise fee.
- 13.20.050 Equipment approval.
- 13.20.060 Rules and regulations.
- 13.20.070 Violation.

#### 13.20.010 Purpose.

This chapter is passed to provide regulation of the business of garbage collection and to provide revenue to the city of the regulation of said business. (Ord. 488 § 1, 1986)

#### 13.20.020 Franchise required.

No person, association or corporation shall engage in the business of hauling or transporting garbage, refuse, rubbish, cans or discarded bottles within the city of Sultan, or in gathering the same within said city for transfer or disposal at some point or area inside or outside of the city without obtaining a written franchise agreement with the city therefor, and complying with the regulations of the city in the pursuit of said business, and providing the collection service as provided by city ordinances. (Ord. 488 § 2, 1986)

#### 13.20.030 Requirements.

Collector franchise agreement shall be competitively bid, approved by the city council and adopted by ordinance. Before such approval, the mayor or his agent shall investigate the trucks and equipment proposed to be used, and shall not approve the same for use under the proposed agreement unless he shall find that the use thereof

will adequately contain all garbage, refuse, etc., during such hauling and that the reasonable use thereof will protect the health and welfare of the inhabitants of the city and will not lead to the loss or distribution of garbage or refuse, etc., within the city. (Ord. 488 § 3, 1986)

13.20.040 Franchise fee.

A. Franchise agreements may be granted in accordance with RCW 35.23.251. There shall be levied upon every person, firm or corporation involved in the business of hauling or transporting garbage, refuse, rubbish, cans or recycled materials within the city of Sultan a fee equal to three percent of the gross revenues derived from such business.

B. The fee shall be paid on a semi-annual basis to the city treasurer's office. (Ord. 640, 1996)

13.20.050 Equipment approval.

No contractor shall use, to collect or haul garbage, any trucks or equipment not approved by the city for regular use within the city or for temporary use in cases of emergency without special permission therefor being granted. (Ord. 488 § 5, 1986)

13.20.060 Rules and regulations.

A. The city council shall have the authority to make and require enforcement of reasonable rules and regulations and to modify and change the same from time to time, regulating the manner of collecting, removing, hauling and disposal of garbage, etc., within the city of Sultan for the purpose of safeguarding the health, safety and welfare of the inhabitants and visitors of the city.

B. Such garbage hauler shall observe all regulations of the city of Sultan together with all state laws relative to public health, safety and welfare and in particular with the laws and regulations pertaining to the operation of garbage pickup and hauling services. Prior to the effectiveness of any franchise ordinance approved by the city, a certificate of public need and necessity shall have been granted by the utilities and transportation commission or certification of authority to such garbage hauler shall have been given to service the area comprising the city of Sultan. (Ord. 488 § 6, 1986)

13.20.070 Violation.

The violation of any of the provisions of this chapter shall constitute a misdemeanor, punishable by a fine not to exceed \$100.00. (Ord. 488 § 7, 1986)

**FIRST ADDENDUM  
BY AND BETWEEN THE CITY OF SULTAN  
AND RABANCO CONNECTIONS  
(Roll Off Drop Box Collection, Compactor Serve and Commercial Recycling Contract)**

**THIS** first **ADDENDUM** is made by and between the City of Sultan (hereinafter referred to as "City"), a Washington Municipal corporation, and Rabanco Connections (hereinafter referred to as "Service Provider") collectively the "Parties".

**WHEREAS**, on April 21, 2003, the Parties entered into that certain Agreement for Services ("Agreement") for the collection of recyclables and residential yard waste ; and

**WHEREAS**, the contract will expire on April 21, 2008; and

**WHEREAS**, the City and Rabanco Connections desire to extend the contract; and

**WHEREAS**, Sultan City Municipal Code 13.20.020 requires a franchise agreement to provides for garbage collection and, **NOW, THEREFORE**,

**IN CONSIDERATION OF** the mutual promises, terms and conditions set forth in the Agreement and contained herein, the Parties hereby agree as follows:

**Section 1. Amendment of Section 2** of the Agreement. Section 2 of the Agreement is hereby revised to provide in its entirety as follows:

Term of Agreement: The term of the Agreement shall be from April 21, 2008 to December 31, 2008. The parties may extend the term by mutual agreement in writing.

**Section 2. Effect of Addendum.** This first Addendum is in addition to the Agreement. Except as otherwise provided herein, the provisions of this first Addendum modify, but do not supersede the provisions of the Agreement. Except as otherwise provided herein, each provision of the Agreement shall continue in full force and effect as if this first Addendum did not exist. Except as otherwise provided herein, capitalized words and phrases shall have the meanings ascribed to them in the Agreement.

**IN WITNESS WHEREOF**, the parties have caused this Addendum to be signed and executed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

**CITY OF SULTAN**

**CONTRACTOR:**

By: \_\_\_\_\_  
Mayor

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Taxpayer ID #: \_\_\_\_\_

**ATTEST/AUTHENTICATED:**

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
City Clerk

By: \_\_\_\_\_  
Office of the City Attorney

**FIRST ADDENDUM  
BY AND BETWEEN THE CITY OF SULTAN  
AND RABANCO CONNECTIONS  
(Collection of Recyclables and Residential Yard Waste Contract)**

**THIS** first **ADDENDUM** is made by and between the City of Sultan (hereinafter referred to as "City"), a Washington Municipal corporation, and Rabanco Connections (hereinafter referred to as "Service Provider") collectively the "Parties".

**WHEREAS**, on April 21, 2003, the Parties entered into that certain Agreement for Services ("Agreement") for the collection of recyclables and residential yard waste ; and

**WHEREAS**, the contract will expire on April 21, 2008; and

**WHEREAS**, the City and Rabanco Connections desire to extend the contract; and

**WHEREAS**, Sultan City Municipal Code 13.16.020 provides for mandatory recycling services, **NOW, THEREFORE**,

**IN CONSIDERATION OF** the mutual promises, terms and conditions set forth in the Agreement and contained herein, the Parties hereby agree as follows:

**Section 1. Amendment of Section 2** of the Agreement. Section 2 of the Agreement is hereby revised to provide in its entirety as follows:

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**CITY OF SULTAN**

By: \_\_\_\_\_  
Mayor

**CONTRACTOR:**

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Taxpayer ID #: \_\_\_\_\_

**ATTEST/AUTHENTICATED:**

By: \_\_\_\_\_  
City Clerk

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
Office of the City Attorney