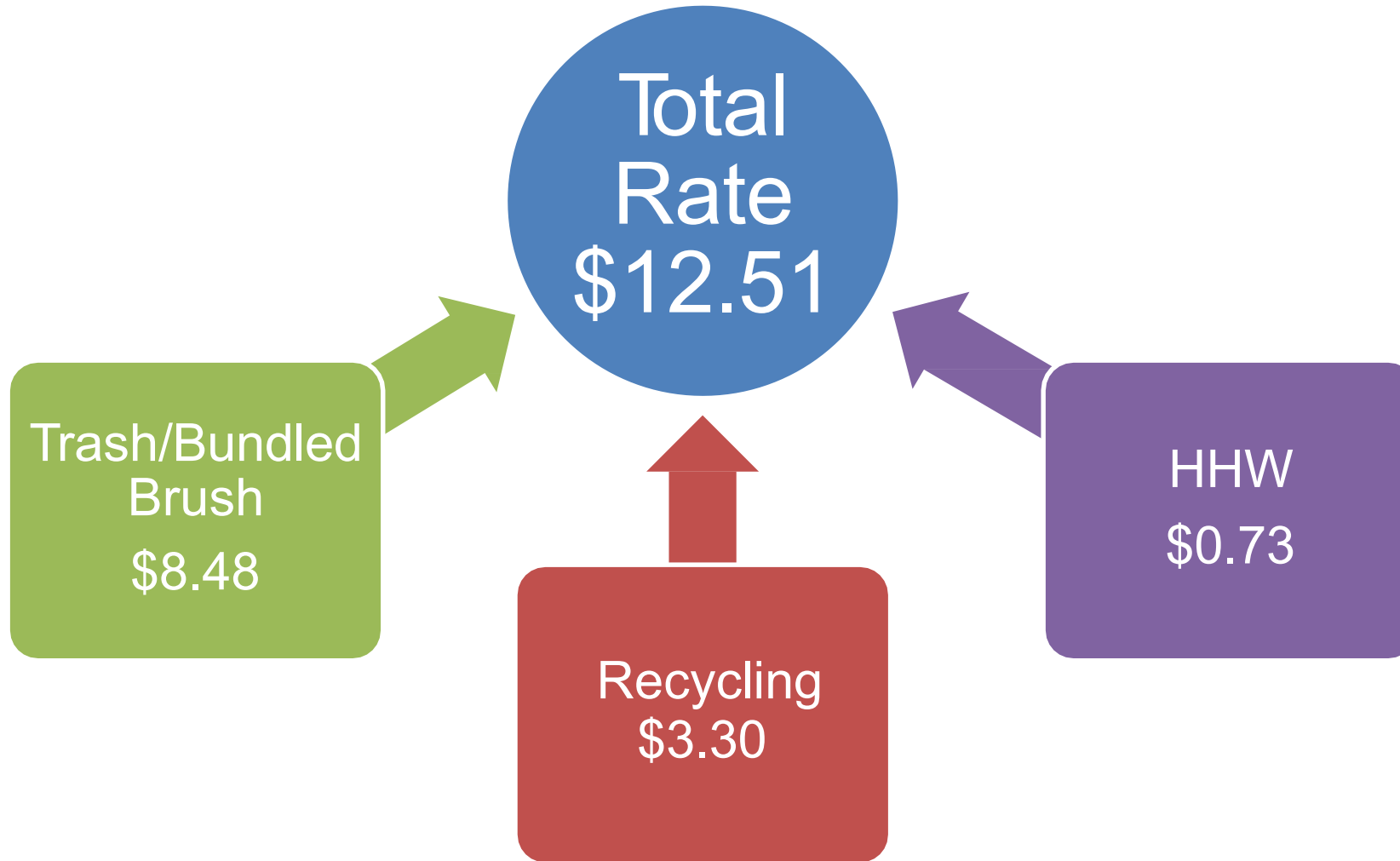


CWD Contract Renewal Discussion

The logo for Addison, featuring the word "ADDISON" in a bold, blue, sans-serif font centered within a white circle. The circle is set against a blue background that is part of a larger graphic design on the right side of the slide, which includes a grey triangle in the top right corner and a grey triangle in the bottom right corner.

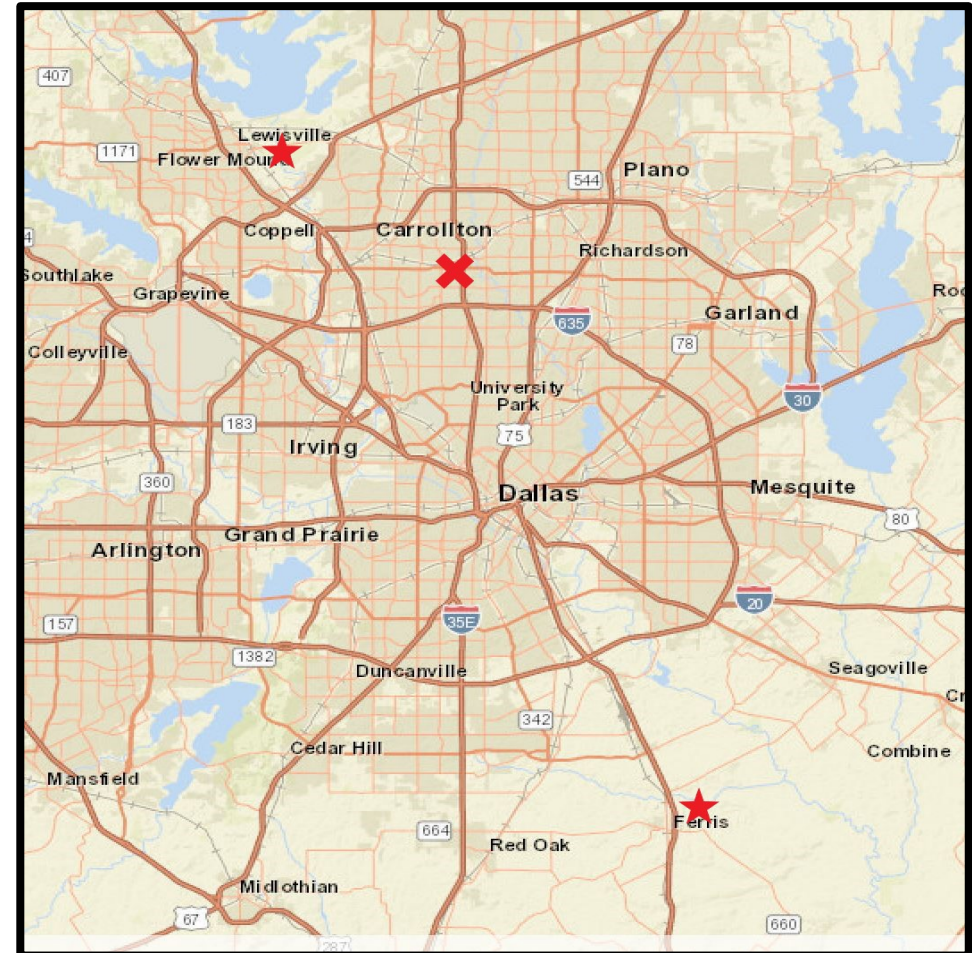
Background

- November 2015 - Community Waste Disposal (CWD) and Town of Addison entered a 5-year service contract for residential waste services.
 - Services include trash, recycling and Household Hazardous Waste (HHW) removal.
 - Annual rate increase based on Consumer Price Index (CPI).
 - Current rate is \$12.51 per residence per month.
 - This agreement is set to expire on October 31, 2020.
 - Option for 5-year renewal



Changes Since 2015

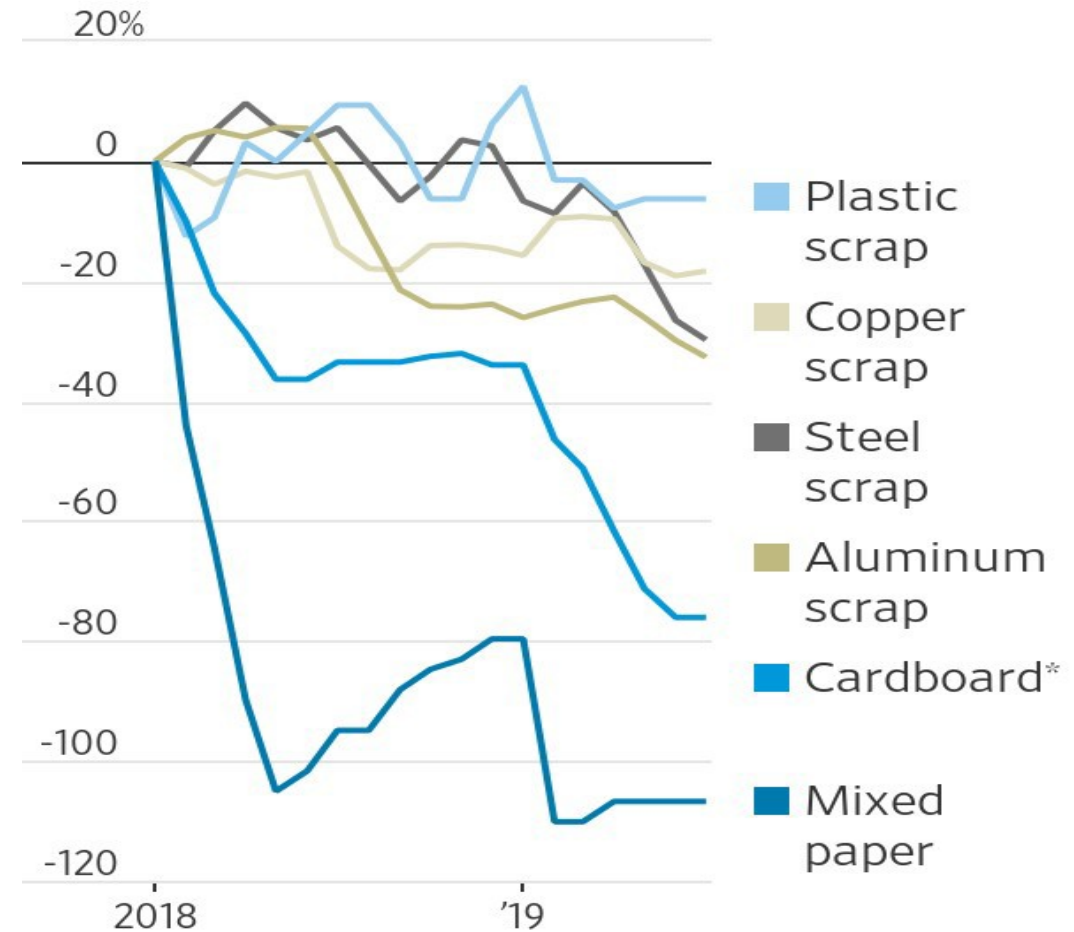
- In January of 2020 the DFW Landfill in Lewisville was closed.
- CWD determined the most economical landfill is the Skyline Landfill outside of Ferris, Texas.
 - This increases the round-trip distance by 41 miles.
 - There is an increase in tipping fees/gate rate at the Skyline Landfill.



Changes Since 2015

- In 2018 China enacted it's "National Sword" policy.
- This severely restricted what they would accept for recycling.
- Significantly increased the cost of recycling as recyclable material value declined by close to 50%.

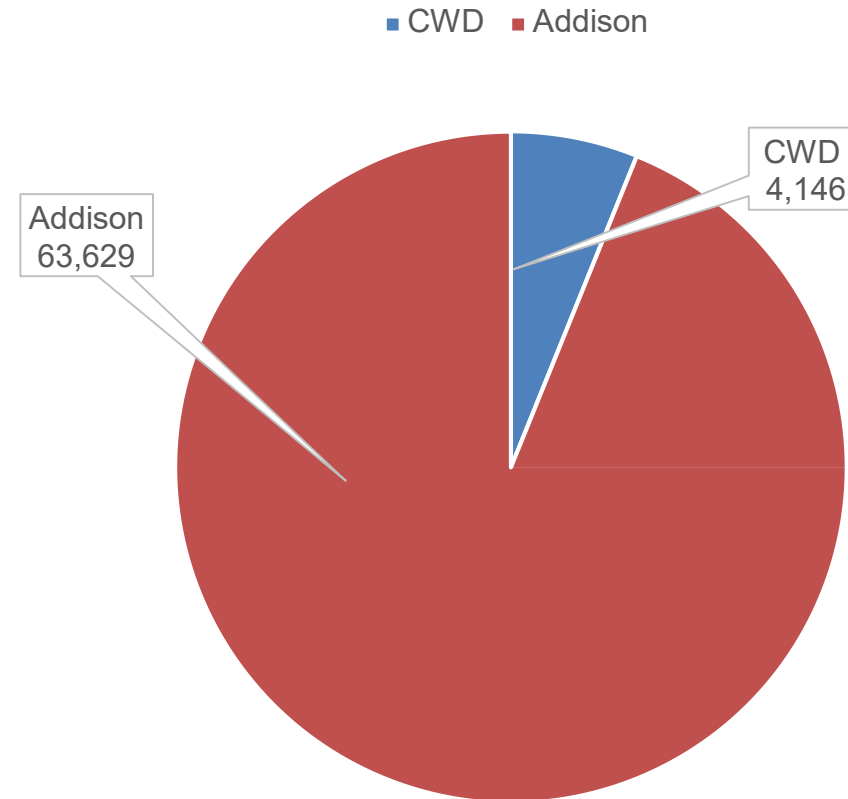
Recycled commodity prices, percentage change from January 2018



Changes Since 2015

- The original vision was for CWD to collect HHW.
- Program is not utilized as planned due to the ease of use of Town Services.
- Since 2015, 94% of all HHW has been collected by Town Staff.
- Do not recommend continuation of this service.

Pounds of HHW Collected Since 2016



Proposed Base Rate



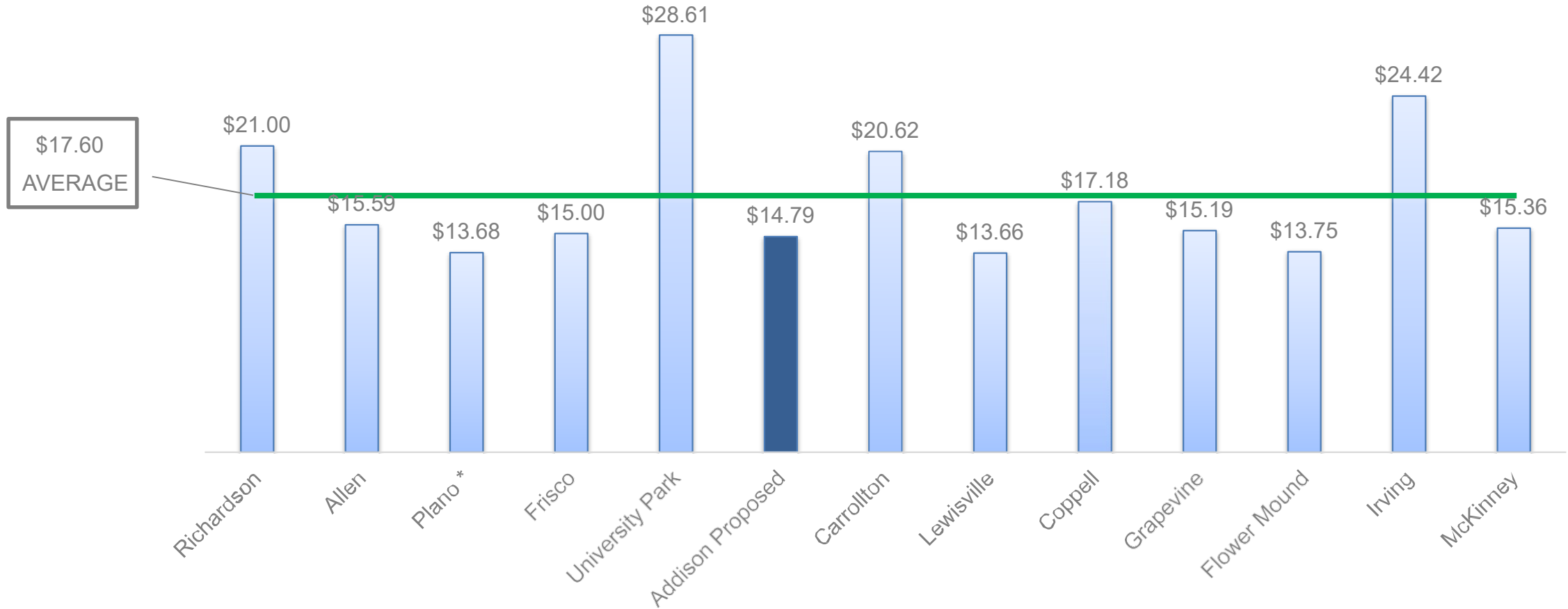
Current Combined Rate: \$12.51

Rate Table

Services Provided	Current Rate	CWD Proposed Rate	Change	Percent Change
Residential Trash with Bundled Brush	\$ 8.48	\$ 10.62	\$2.14	25%
Residential Recycling	\$ 3.30	\$ 4.17	\$0.87	26%
Household Hazardous Waste	\$ 0.73	NA	-\$0.73	NA
Total	\$ 12.51	\$ 14.79	\$2.28	18%

Rate Comparison

COMPARISON CITIES



*Plano is an average of different costs for different cart sizes.
Farmers Branch does not charge a fee for trash and recycling.

CWD Performance

- CWD is currently performing very well.
 - Most complaints are minor and typically missed trash and property damage (ruts in yards).
 - They respond quickly to resolve issues.
- CWD Staff is trained to handle Addison's unique situations:
 - Tight alleyway entrances
 - Trash doors
 - Lack of trash cans
 - Zero lot lines



Optional Services

- CWD has offered an optional unbundled brush and bulk trash pickup.
- Currently the streets maintenance crew handles all brush and bulk trash pickup.
- This crew spends approximately 25 hrs. (100 man-hours) per week performing residential collection services.
- Totaling approximately \$172,000 in labor and equipment costs annually.

Optional Services

Unbundled Brush	Town Service	CWD Service
Frequency	On demand, pickups typically occur within 2 business days	Once a week, day not determined
Size Restrictions	None	Limbs must be less than 10' in length and 6" in diameter
Weight Restrictions	None	No individual pieces greater than 50 pounds
Capacity Limits	None	2 cubic yards
Cost	40 man-hours weekly \$69,000 annually	\$15,120 annually (\$0.63/mo.) and 8 man-hours weekly, \$13,800 annually Total estimated: \$28,920 annually

Optional Services

Bulk Trash	Town Service	CWD Service
Frequency	On demand, pickups typically occur within 2 business days	Once a week, day not determined
Size Restrictions	None	Items must not exceed 4' x 4' x 8'
Weight Restrictions	None	No individual items greater than 50 pounds
Capacity Limits	None	4 cubic yards
Cost	60 man-hours weekly \$103,000 annually	\$22,800 annually (\$0.95/mo.) And 12 man-hours weekly, \$20,600 annually Total estimated: \$43,400 annually

Optional Services

	Town Service	CWD Service
Unbundled Brush	40 man-hours weekly \$69,000 annually	\$15,120 annually (\$0.63/mo.) and 8 man-hours weekly, \$13,800 annually Total estimated: \$28,920 annually
Bulk Trash	60 man-hours weekly \$103,000 annually	\$22,800 annually (\$0.95/mo.) And 12 man-hours weekly, \$20,600 annually Total estimated: \$43,400 annually
Total	100 man-hours weekly \$172,000 annually	\$37,920 annually (\$1.58/mo.) And 20 man-hours weekly, \$34,400 annually Total estimated: \$72,320 annually

Optional Services Discussion

- 1) Maintain Town providing brush and bulk trash collection
 - Provide the highest level of service
 - Not an efficient use of Town resources
- 2) CWD provide brush and bulk trash collection, cost passed to residents
 - Provide a more restricted level of service
 - Increase in residential utility bills by \$1.58 per month
 - More efficient use of Town resources
 - Town staff will supplement pickup of items outside of CWD limitations
- 3) CWD provide brush and bulk trash collection, Town covers costs
 - Provide a more restricted level of service
 - Increase in Town costs of \$37,920 annually
 - More efficient use of Town resources
 - Town staff will supplement pickup of items outside of CWD limitations

Contract Proposal

- Proposed contract can either be a 5 or 7 year term.
- Fixed rate for initial 24 months.
- Annual rate adjustments based on the Consumer Price Index, Henry Hub Natural Gas Spot Price and the change in the disposal cost price for the landfill.
 - Utilizing current contract adjustment of CPI only rate changed from \$11.67 in 2015 to \$12.51 in 2019.
 - Utilizing the proposed methodology our rate would have gone from \$11.67 to \$14.28.

Recommendation

- Recommend renewal of the contract for a 5-year term.
 - Include only Trash and Recycling.
 - Fixed rate for initial 2-year period (\$14.79)*.
 - Allow for the annual adjustment based on the CPI, Natural Gas Spot Price and tipping fees.
 - Inclusion of the bulk/ unbundled brush option chosen by Council.
- All other terms of the existing contract remain unchanged.

* Current Rate is \$12.51

Questions / Discussion