



CommunityWasteDisposal.com

Since 1984

September 21, 2018

Peter H. Vargas
City Manager
City of Allen
305 Century Parkway
Allen, TX 75013

Contract Renewal Offer:

Dear Mr. Vargas:

Community Waste Disposal has been servicing The City of Allen since June 1997.

Our Residential and Commercial rates, June 2009 vs now, March 2018 are as follows:

	<u>Date</u>	<u>Charge</u>	<u>Change</u>
Residential Service	May 2009	\$6.77	
	June 2018	\$7.57	12.0%
Commercial Service (8x3)	<u>Date</u> May 2009	<u>Charge</u> \$510.97	<u>Change</u>
	March 2018	\$510.97	0.0%
CPI	<u>Date</u> May 2009	<u>Index</u> 199.31	<u>Change</u>
	March 2018	230.27	15.5%

Our charge when compared to the CPI, demonstrates that over the past 9 years CWD has effectively managed operational cost. Passing this saving on to the city has resulted in low waste management charges.

Note: CWD considers this material as proprietary rate information that could affect their competitiveness if the waste services contract goes to competitive bid process. Therefore, CWD requests that their extension request letters and all associated discussion information to be exempt from public disclosure. CWD request's this information is exempt from Public Records, and is only allowed to be part of Public Records, after a ruling of Attorney General of Texas.

2010 California Crossing
Dallas, Texas 75220-2310
Telephone
972.392.9300 • 817.795.9300
Facsimile
972.392.9301

CWD was able to accomplish this in spite of a number of financial headwinds that were increasing costs. Over the past five years the following significant cost categories have been affected: (1) Recycle product values have fallen by 21%, (2) Driver labor costs have increased by 17%, and (3) Insurance costs have risen by 150%. Those three items have combined to reduce operating income at CWD by over \$1.8 million per year.

Additionally, this year we have made advancements in the quality and reliability of our service. Service inquiries for 2017 were .34 calls per 1000 service opportunities. This is a 23% reduction over the prior four years.

On May 31, 2019, the current 6 year partnership term is subject for a renewal. As an incentive to renew the contract for 5 or 7 years, your choice, we would like to offer you the following:

- #1 1. **Cart Wash Program** – CWD will implement a program to wash each residential cart (trash and recycle) once per year at no additional charge to the city or resident. Effective January 2019. Estimated monthly value is \$14,486.00.
- #2 2. **Enhanced Bulk Service** – CWD will provide free of charge the enhanced bulk service that is currently being provided (Hillside and Windridge subdivisions). Effective November 1, 2018. Estimated monthly value is \$2,000.00
- #3 3. **Commercial Fuel Surcharge** – The Commercial Fuel Surcharge (Exhibit C to 2013 contract) will be eliminated. Effective November 1, 2018.
- #4 4. **CPI Commercial** – Beginning June 1, 2020 an annual CPI adjustment will be allowed on commercial and industrial accounts. CWD has not increased commercial rates in the City of Allen since June 1, 2009. CWD will “cap” commercial CPI adjustments to not exceed five percent (5%) annually.
- #5 5. **Free Open Top Hauls** – The home count from June 2013 to March 2018 has grown by 8.39%. I propose section 31.02, City Clean Up Campaigns be increased by this same percentage. Effective November 1, 2018
- #6 6. **Temporary 30 Yard Open Tops** – Rates for Delivery, Weekly Rental and Hauling charge will be reduced by 4%. Effective November 1, 2018.
- #7 7. **Residential Rates** – Will be adjusted June 1, 2019 and each June 1 thereafter in accordance with the current rate adjustment program. CWD will “cap” residential CPI adjustments to not exceed five per cent (5%) annually.

Note. CWD considers this material as proprietary rate information that could affect their competitiveness if the waste services contract goes to competitive bid process. Therefore, CWD requests that their extension request letters and all associated discussion information to be exempt from public disclosure. CWD request's this information is exempt from Public Records, and is only allowed to be part of Public Records, after a ruling of Attorney General of Texas.

8. Commercial Recycle - CWD is amendable to including commercial recycling rates in the City rate resolution to give business customers visibility of the recycling cost savings over regular trash disposal. Additionally, CWD will provide a sample of our large volume recycling profit sharing program calculations that can be added into the contract extension. That program provides specific profit sharing opportunities based on recycled commodity values that can add to the general savings provided by recycling compared to regular waste disposal at the landfill.

#9
#10

We estimate the above programs enhancements will provide the City of Allen with approximately \$2,149,000.00 of savings/value over 91 month period (assuming a 7 year renewal).

CWD can provide weekly recycle collection for an additional \$1.71 per home per month. Should weekly recycling collection be implemented after contract renewal, CWD will commence weekly collections per City direction with cost adjustments from the intervening CPI applied. Should the city choose not to accept the cart wash program, CWD will alternatively determine a discount to the \$1.71 per home per month rate quote for weekly recycle collection. Weekly recycle collection can be available 8 months after contract renewal.

#8

A residential rate of \$15.02 per month is competitive when compared to surrounding cities. Current residential rates, as billed to the resident are as follows:

8m

City	Rate	Provider
Frisco	\$14.50	Waste Connections (EFF 1/1/19)
Allen	\$15.02	CWD
McKinney	\$15.36	Waste Connections
Plano	\$16.10	City
Richardson	\$19.40	City

CWD continues to greatly respect our partnership and I believe this offer to be a cost effective approach to providing needed services to the city.

Thank you for your time and consideration of this proposal. I appreciate your business.

Sincerely,



Greg A. Roemer
President
groemer@cwd.to
GR/lp

1.71
x c P₂

Note: CWD considers this material as proprietary rate information that could affect their competitiveness if the waste services contract goes to competitive bid process. Therefore, CWD requests that their extension request letters and all associated discussion information to be exempt from public disclosure. CWD request's this information is exempt from Public Records, and is only allowed to be part of Public Records, after a ruling of Attorney General of Texas