

# City of Yuba City

## Collection Services Franchise RFP

### Negotiation Report



# Negotiated Rate Overview

Rate Overview		Republic		Recology	
		Proposed	Negotiated	Proposed	Negotiated
Residential Rates: Standard Service		\$30.90	\$30.45	\$31.73	\$29.25
Low-Income Sr. Service		\$24.72	\$24.36	\$23.54	\$22.27
Commercial Rates					
2 yard bin 1 X week:	Solid Waste	\$202.04	\$202.04	\$178.09	\$200.63
	Recyclables	\$70.71	\$70.71	\$133.57	\$100.32
	Organics	\$161.63	\$161.63	\$178.09	\$200.63
3 yard bin 1 X week:	Solid Waste	\$244.53	\$244.53	\$215.55	\$242.84
	Recyclables	\$85.59	\$85.59	\$161.66	\$121.42
	Organics	\$195.63	\$195.63	\$215.55	\$242.84
4 yard bin 1 X week:	Solid Waste	\$293.99	\$293.99	\$259.15	\$291.95
	Recyclables	\$102.90	\$102.90	\$194.36	\$145.98
	Organics	\$235.19	\$235.19	Not Proposed	Not Proposed
32-gallon cart 1 X week:	Solid Waste	\$56.76	\$56.76	\$34.92	\$31.98
	Recyclables	\$19.87	\$19.87	\$46.16	\$23.54
	Organics	N/A	N/A	N/A	N/A
96-gallon cart 1X week:	Solid Waste	\$58.76	\$58.76	\$61.55	\$61.55
	Recyclables	\$20.57	\$20.57	\$46.16	\$30.77
	Organics	\$47.01	\$47.01	\$61.55	\$61.55
On-Call Service: Roll-Off Box (per pull)		\$433.00	\$333.00	\$305.00	\$300.00
Compactor (≥ 10 yards)		\$1,704.00	\$1,443.00	\$420.00	\$350.00

# Overall Rate Comparison Overview

Rate Overview		Current 2017-2018 Rates	2018-2019 Rates with Proposed Rate Increase under Current Contract	Republic Proposed 2019-2020 Rates	Recology Proposed 2019-2020 Rates
Residential Rates		32 Gallon \$27.29	32 Gallon \$32.26		
		64 Gallon \$40.92	64 Gallon \$48.38		
		96 Gallon \$54.56	96 Gallon \$64.51	\$30.45	\$29.25
		Low-Income Sr. \$20.47	Low-Income Sr. \$24.20	\$24.36	\$22.27
2 yard bin 1 X week:	Solid Waste	\$190.49	\$225.21	\$202.04	\$200.63
	Recyclables	-	-	\$70.71	\$100.32
	Organics	-	-	\$161.63	\$200.63
3 yard bin 1 X week:	Solid Waste	\$230.56	\$272.59	\$244.53	\$242.84
	Recyclables	-	-	\$85.59	\$121.42
	Organics	-	-	\$195.63	\$242.84
4 yard bin 1 X week:	Solid Waste	\$277.19	\$327.72	\$293.99	\$291.95
	Recyclables	-	-	\$102.90	\$145.98
	Organics	-	-	\$235.19	Not Proposed
32-gallon cart 1 X week:	Solid Waste	N/A-	N/A	\$56.76	\$31.98
	Recyclables	-	-	\$19.87	\$23.54
	Organics	-	-	N/A	N/A
96-gallon cart 1X week:	Solid Waste	\$53.52	\$63.28	\$58.76	\$61.55
	Recyclables	-	-	\$20.57	\$30.77
	Organics	-	-	\$47.01	\$61.55
On-Call Service: Roll-Off Box (per pull) Compactor (≥ 10 yards)		N/A	N/A	\$333.00	\$300.00
				\$1,443.00	\$350.00

# First Year Rate Revenue Projection

Rate Revenue Category	Recology	Republic <sup>1</sup>	Difference	% Difference
A. Residential Service Rate Revenue	\$6,106,419	\$6,359,056	(\$252,637)	(4.1%)
B. Commercial Service Rate Revenue	\$6,571,689	\$5,731,631	\$840,058	12.8%
C. Total Debris Box Rate Revenue	\$1,707,386	\$2,767,473	(\$1,060,088)	(62.1%)
D. Temporary Clean-Up Bin Rate Service	\$10,915	\$9,674	\$1,241	11.4%
E. Total 1 <sup>st</sup> -Year Rate Revenue	\$14,396,408	\$14,867,835	(\$471,427)	(3.3%)
F. Total City Fees	(\$1,583,605)	(\$1,635,462)	\$51,857	(3.3%)
G. Total 1 <sup>st</sup> -Year Revenue Less City Fees <sup>2</sup>	\$12,812,803	\$13,232,373	(\$419,570)	(3.3%)

1. Republic first-year rate revenue was normalized by using the same assumed subscription levels as Recology, for all services. See Exhibit 2 – Rate Revenue Normalization.
2. Excludes all fees and surcharges

# 10 and 20 Year Revenue Projection

Overall Rate Revenue Projections*	Recology	Republic	Difference
10-Year	\$143,546,726	\$148,247,326	4,700,600
20-Year	\$344,110,180	\$355,378,457	\$11,268,277

\*2.5% annual rate adjustment used for the purpose of projection

# City of Yuba City

## Collection Services Franchise RFP

### Negotiation Report



# Exhibit 2 Tables

**Exhibit 2 - Table A: Service Level Assumptions**

	Recology	Republic
<b>A. Residential Service Monthly Accounts</b>		
Basic Service	17,283	17,553
Senior Service	150	61
<b>Total Monthly Accounts</b>	<b>17,433</b>	<b>17,614</b>
<b>B. Commercial Service Monthly Cubic Yards</b>		
Solid Waste Collection	26,928.79	26,683.42
Recycling Collection	10,124.60	9,339.07
Green Waste/Organic Waste Collection	981.92	8,006.07
<b>Total Cubic Yards</b>	<b>38,035.32</b>	<b>44,028.56</b>
<b>C. Debris Box Service</b>		
<b>Annual Pulls</b>		
Debris Box	2,012	1,222
Compactors	654	668
<b>Total Pulls</b>	<b>2,666</b>	<b>1,890</b>
<b>Debris Box &amp; Compactor Annual Tonnage</b>		
Solid Waste Tons	0	8,037
Construction & Demolition Tons	10,936	1,872
<b>Total Tons</b>	<b>10,936</b>	<b>9,909</b>
<b>D. Temporary Clean-Up Bins</b>	<b>59</b>	<b>0</b>

# Exhibit 2 Tables

Exhibit 2 - Table B: Normalized Assumptions - Overview of Negotiated Rate Revenue Proposals

	Recology	Republic	Difference	% Difference
A. Residential Service Rate Revenue	\$6,106,419	\$6,359,056	(\$252,637)	(4.1%)
B. Commercial Service Rate Revenue	\$6,571,689	\$5,731,631	\$840,058	12.8%
C. Total Debris Box Rate Revenue	\$1,707,386	\$2,767,473	(\$1,060,088)	(62.1%)
D. Temporary Clean-Up Bin Rate Service	\$10,915	\$9,674	\$1,241	11.4%
E. Total 1 <sup>st</sup> -Year Rate Revenue	\$14,396,408	\$14,867,835	(\$471,427)	(3.3%)
F. Total City Fees	(\$1,583,605)	(\$1,635,462)	\$51,857	(3.3%)
G. Total 1 <sup>st</sup> -Year Revenue Less City Fees	\$12,812,803	\$13,232,373	(\$419,570)	(3.3%)



# Exhibit 2 Tables

Exhibit 2 - Table C: Normalized Assumptions - Detailed Rate Revenue Comparison

	Recology	Republic	Difference	% Difference
<b>A. Residential Service Rate Revenue</b>	<b>\$6,106,419</b>	<b>\$6,359,056</b>	<b>(\$252,637)</b>	<b>(4.1%)</b>
<b>B. Commercial Service Rate Revenue</b>				
Solid Waste Collection	\$5,061,584	\$4,691,507	\$370,077	7.3%
Recycling Collection	\$1,178,957	\$785,751	\$393,206	33.4%
Green Waste/Organic Waste Collection	\$331,148	\$254,373	\$76,775	23.2%
<b>Total Commercial Rate Revenue</b>	<b>\$6,571,689</b>	<b>\$5,731,631</b>	<b>\$840,058</b>	<b>12.8%</b>
<b>C. Debris Box &amp; On-Call Rate Revenue</b>				
<b>Pull Revenue</b>				
Debris Box	\$603,600	\$669,996	(\$66,396)	(11.0%)
Compactors	\$228,900	\$943,722	(\$714,822)	(312.3%)
<b>Subtotal Rate Revenue</b>	<b>\$832,500</b>	<b>\$1,613,718</b>	<b>(\$781,218)</b>	<b>(93.8%)</b>
<b>Tonnage Based Revenue</b>				
Solid Waste Tonnage	\$0	\$0	\$0	
Construction & Demolition Tonnage	\$874,886	\$1,153,755	(\$278,870)	(31.9%)
<b>Subtotal Rate Revenue</b>	<b>\$874,886</b>	<b>\$1,153,755</b>	<b>(\$278,870)</b>	<b>(31.9%)</b>
<b>Total Debris Box Rate Revenue</b>	<b>\$1,707,386</b>	<b>\$2,767,473</b>	<b>(\$1,060,088)</b>	<b>(62.1%)</b>
<b>D. Temp Bin Service</b>	<b>\$10,915</b>	<b>\$9,674</b>	<b>\$1,241</b>	<b>11.4%</b>
<b>E. Total 1<sup>st</sup>-Year Rate Revenue</b>	<b>\$14,396,408</b>	<b>\$14,867,835</b>	<b>(\$471,427)</b>	<b>(3.3%)</b>
<b>F. City Fees</b>				
Franchise Fees (10%)	(\$1,439,641)	(\$1,486,783)	\$47,143	(3.3%)
Road Maintenance Fees (1%)	(\$143,964)	(\$148,678)	\$4,714	(3.3%)
<b>Total City Fees</b>	<b>(\$1,583,605)</b>	<b>(\$1,635,462)</b>	<b>\$51,857</b>	<b>(3.3%)</b>
<b>G. Total 1<sup>st</sup>-Year Revenue Less City Fees</b>	<b>\$12,812,803</b>	<b>\$13,232,373</b>	<b>(\$419,570)</b>	<b>(3.3%)</b>