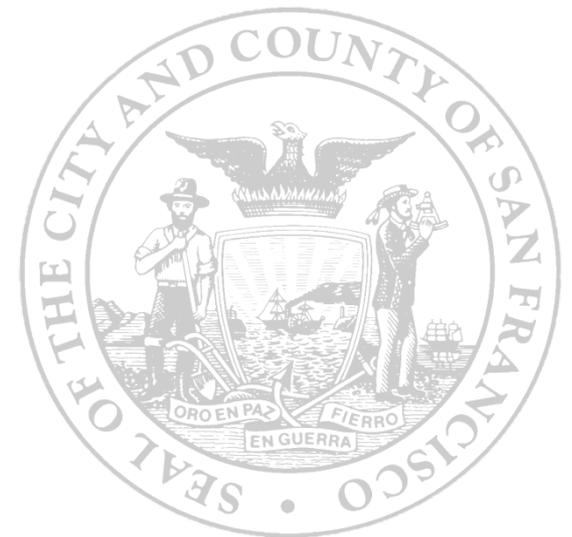


Office of Contract Administration

TC 83150 Refuse Collection Services





Agenda

1. Contract Background
2. Rate Structure
3. Spend Analysis
4. Rate Structure Analysis
5. Rate Structure Example
6. Zero Waste Program



Contract Background

	Current	New
Contract Name	MOU 149	TC 83150
Contractor	Recology	Recology
Scope of Work	The collection and processing of refuse generated by City Depts.	No change to scope of work.
Original NTE Amount	\$40 Million	\$62.5 Million
Amendment #1	\$ 8 Million	N/A
NTE Amount	\$48 Million	\$62.5 Million
Contract Duration	6 years (expires 11/30/20)	6 Years (start date 12/01/20)



Rate Structure

	Current	New
Uniform Commercial Rates Rates process by SF Public Works and subject to appeal by Rate Board, Typically increases every July 1 st .	✓	✓
Recovery Discount Discount for the diversion of recyclables and compostables	✓	✓
Composting Credit Credit given for the processing compostables onsite using City owned facilities and resources. Thus using fewer bins.	✗	✓
Service Fee Cap Monthly limit to the total amount of fees	✓	✗
New Accounts Charge Charge for new City Department locations	✓	✗



Spend Analysis

Date	Current Contract*	New Contract***
FY 14-15 (12/1/14 - 6/30/15)	\$3,327,250	
FY 15-16	\$6,087,192	
FY 16-17	\$6,962,833	
FY 17-18	\$7,851,186	
FY 18-19	\$9,076,298	
FY 19-20	\$10,504,033	
FY 20-21 (7/1/20 - 9/30/20)	\$2,576,503	
FY 20-21 (12/1/20 - 6/30/21)	\$6,087,886**	\$5,550,504
FY 21-22		\$9,800,604
FY 22-23		\$10,094,622
FY 23-24		\$10,397,461
FY 24-25		\$10,709,385
FY 25-26		\$11,030,666
FY 26-27 (6/1/26 - 11/30/26)		\$4,733,994
Total	\$46,385,295	\$62,317,236

* Pending invoices for October and November 2020.

** Hypothetical spend included for comparison purposes. Current contract does not have option to extend.

***New Contract projected spend includes 3% annual COLA increase and assumes City locations are at full capacity.



New vs Old Rate Structure

Term	Projected Charges under Old Rate Structure	Projected Charges under New Rate Structure	Projected Savings
FY 2020-21 12/1/20 – 6/30/21	\$6,087,886	\$5,550,504	\$537,382
FY 2021-22	\$10,749,467	\$9,800,604	\$948,863
FY 2022-23	\$11,071,951	\$10,094,622	\$977,329
FY 2023-24	\$11,404,110	\$10,397,461	\$1,006,649
FY 2024-25	\$11,746,233	\$10,709,385	\$1,036,848
FY 2025-26	\$12,098,620	\$11,030,666	\$1,067,954
FY 2026-27 6/1/26 – 11/30/26	\$5,192,324	\$4,733,994	\$458,330
Total	\$68,350,591	\$62,317,236	\$6,033,355



Rate Structure Comparison

Example: Monthly Invoice*

Rate Structure	Current	New
Gross Invoice Charges	\$1,132,756.09	\$1,132,756.09
Recovery Discount	-\$268,444.67	-\$440,287.64
Charges after Discount	\$864,311.42	\$692,468.45
Monthly Cap	\$869,698.00	N/A
New Account Charge**	\$12,769.50	N/A
Total Charges	\$877,080.92	\$692,468.45

* Analysis based on June 2020 invoice

** New Account Charges not included in discount



Committed to Getting to Zero





Zero Waste



COMMITMENT #1

Reduce generation by 15% by 2030
(reduce consumption)

COMMITMENT #2

Reduce disposal by 50% by 2030
(reduce what we send to landfill)