



**TOWN OF MILLIKEN
TOWN BOARD
AGENDA MEMORANDUM**

To: Mayor Tokunaga and Board of Trustees	Meeting Date:
From: Patrick Murphy, Treasurer, Director of Finance & Accounting	Wednesday, January 28, 2014
Via: Kent Brown, Town Administrator	

Agenda Item #	Action: X	Discussion:	Information:
Agenda Title: Contract Extension for Waste Management			
Attachments: Solid Waste Collection Services Agreement Notice of Rate Increase			

PURPOSE

The purpose is to extend the current contract with Waste Management for the third of up to five (5) additional one-year terms, in accordance with the contract signed January 25, 2012.

BACKGROUND

The Town entered into a Solid Waste Collection Services Agreement (“Agreement”) with Waste Management of Colorado, Inc. on January 25, 2012, as the result of seeking proposals through a formal bid process. The term of the Agreement was for one year, commencing March 1, 2012 and ending February 28, 2013. The Agreement provides for an extension of up to five (5) additional one-year terms, based on the consent of both parties. The Agreement also provides for a potential annual increase in rates of 2.75% per year if the Agreement is extended and provided Waste Management gives the Town sixty (60) days notice of its proposed rate adjustment.

Waste Management sent notice to the Town on December 11, 2014, of its intent and desire to continue with the Agreement and its request for a rate adjustment of 2.75%, in accordance with the Agreement. Staff has reviewed the Agreement and the request, and determined that the relationship warrants renewal of the Agreement for 2014.

BUDGET IMPLICATIONS

The rate adjustment proposed by Waste Management will increase the Town's cost of services, however, through separate Resolution, Staff has recommended increasing rates to our customers to offset this increase. If adopted, the rate increase to our customers will eliminate any negative effects to the Town's Budget.

STAFF RECOMMENDATION

Staff recommends that the Board approve the contract extension with Waste Management for an additional year, through February 28, 2016.

POSSIBLE MOTION

"I move that the Town agree to extend the Solid Waste Collection Services Agreement with Waste Management of Colorado, Inc., for one additional year, from March 1, 2015, through February 28, 2016, and accept the requested rate adjustment of 2.75% in accordance with the Agreement."

Solid Waste Collection Services Agreement

This Agreement, made and entered into by and between, the **Town of Milliken**, a Colorado municipal corporation, hereinafter called the **Town** and **Waste Management of Colorado, Inc.**, hereinafter called **Waste Management**.

WITNESSETH:

WHEREAS, Waste Management has submitted a proposal to provide the Town with residential solid waste removal and a residential recycling program; and,

WHEREAS, the Town, after review of said proposal submitted, has determined it is in the best interest of this Town to enter into a contract with Waste Management for the collection and removal of residential solid waste and recycling; and,

WHEREAS, The Town has adopted an ordinance providing for the service to all residential dwelling units within the corporate limits of the Town, and allowing single family and multifamily residential dwellings to be billed with the Town's utility billing system.

NOW, THEREFORE, in consideration for the mutual promises and undertakings set forth herein, Waste Management and the Town Agree as follows:

Waste Management shall collect and remove solid waste & recyclables from residents located in the Town upon the terms and conditions set forth herein and contained within the **Bid Proposal, Town of Milliken Solid Waste and Recycling Collection Services**

1. Waste Management shall be paid for this service at the rates specified in this agreement. Each residential dwelling shall have the opportunity to participate in Waste Management's curbside recycling program.
2. Waste Management is obligated to collect and remove solid waste and recyclable materials subject to the following conditions:
 - A. Waste Management shall collect and remove solid waste from each service address at least once each calendar week, and recyclable materials from each service address no less than biweekly.
 - B. The owner or occupant of each service address shall place solid waste in a Waste Management provided wheeled poly cart(s). Polycarts are available in either a 96-gallon or a 64-gallon size. The 64-gallon containers are intended to be used by households consisting of two or less persons. Residents are only allowed to change container size once each calendar year.

- C. Refuse set out for collection outside the provided poly cart(s) shall be collected at a payable rate by the resident of **\$1.75 per 32 Gallon bag/container**. Waste Management shall be responsible for the billing and collection of these additional collection costs.
- D. Solid waste shall not include tree limbs in excess of 6 inches in diameter, hot ashes, explosive or radioactive materials and similar types of hazardous materials, and dead animals. Bulky item pickup is available at a standard rate of \$25.00 item, excluding household hazardous waste and appliances containing Freon. Said service must be scheduled in advance and require prepaid by the resident. Waste Management shall be responsible for the billing and collection of these additional collection costs. No more than 10 bags of yard waste and four small bundles of branches (less than 6 inches in diameter) will be included during the contract term.
- E. Upon request of Resident Waste Management will provide each residential customer, a minimum of one (1) 64 gallon or (1) 96 gallon container for recyclable materials. Residential customers shall request recycling services and containers from Waste Management.
- F. Residents shall have the opportunity to rent additional poly carts from Waste Management. Rental costs shall be at a rate of **\$6.50 per month** for each additional cart. Waste Management shall bill each residential customer directly the monthly rental costs for additional poly carts.
- G. The owner or occupant at each service address shall place the aforesaid poly carts at the curb or other such designated location for collection by Waste Management.
- H. Waste Management shall provide, at no extra charge to the Town, eight (8) four-yard containers for Town facilities and parks as identified in the **Bid Proposal, Solid Waste and Recycling Collection Services**.
- I. Waste Management shall provide annually at no charge to the Town, a total of Four (4) each - 30 yard roll off containers and adequate personnel to accommodate the collection and disposal of solid waste during the Towns Annual Spring and Fall Cleanup days.

The Town will be charged \$275.00 per haul for any additional roll off trash containers hauled during the Town clean up programs. Solid waste restrictions shall be agreed upon by Waste Management and the Town.

- J. Waste Management shall provide suitable equipment to comply with the defined scope of services and meet the terms of this agreement. Waste Management shall comply with the scope of services and the terms of this

agreement so as to provide satisfactory collection services that shall maintain a sanitary condition within the Town. Waste Management shall operate in such a manner so as to comply with existing statutes, rules and regulations, and ordinances concerning refuse removal and transportation adopted or promulgated by the Federal Government, the State of Colorado, Weld County Health Department and the Town.

- K. The performance of this agreement by Waste Management shall not be required when performance is impossible due to war or national defense pre-emption, acts of God or similar causes beyond the control of Waste Management.
 - L. Waste Management shall provide annually at no charge to the Town, a total of Eight (8) each, Port-O-Lets for the Town's Special Events at times and locations as designated by the Town. The cost for each additional unit shall be \$45.00.
3. This agreement is a grant by the Town to Waste Management of exclusive rights to collect and remove residential solid waste within the Town. It shall not be construed to prohibit any solid waste collection services, including Waste Management from doing business pursuant to arrangements made directly with individual customers within the Town without reference to this agreement, or to prohibit the owners and occupants of businesses and residences within the Town from removing and disposing of their own solid waste and recyclables.
 4. The Town shall pay Waste Management the amount established in Item #5 of this agreement for each service address from which Waste Management collected solid waste during the previous month pursuant to this agreement. The Town maintains a 45 day billing cycle for payment of all invoices received. Payment shall be determined by individual water tap billings, except that where more than one (1) single family is living in a unit served by one (1) water tap, a separate and individual charge will be made for each single family unit. Each trailer or mobile unit not located in a mobile home park shall be classified as an individual single-family unit. Mobile home parks may deal directly with Waste Management on a commercial basis in connection with the rendering of said services. The Town shall not be responsible for collection of closed and delinquent accounts for which the Town billed and pursuant to this agreement. The Town shall not be responsible for the collection of any accounts, which Waste Management may have established within the Town by direct negotiations with any person(s).
 5. The payment for solid waste collection service rendered by Waste Management to the Town pursuant to this agreement shall be **Nine dollars and seventy five cents (\$9.75) per service address per month for**

customers with a 96 gallon container; eight dollars and twenty five cents (\$8.25) per service address per month for customers with a 64 gallon container; and two dollars and seventy five cents (\$2.75) per service address per month for recycling services for those who choose to participate in the recycling program.

6. All insurance for this contract shall be written by a company or companies acceptable to the Town, authorized to write casualty insurance in the State of Colorado and all policies or certificates shall be submitted to the Town for examination prior to commencement of operations by Waste Management. In the event any policy or certificate, the amount of insurance, or the company writing same are not satisfactory to the Town, Waste Management shall secure other policies or certificates in the form and amount and with a company satisfactory to the Town. Waste Management shall not permit policies to be changed, canceled, or to lapse and all policies shall include a clause to the effect that the policy shall not be subject to cancellation or a reduction in the limits of liability or amounts of insurance until notice has been sent by certified mail to the Town stating when, (not less than thirty (30) days thereafter) such cancellation or reduction shall be effective. All certificates of insurance shall be delivered to the Town and contain true transcripts for the policy or policies, authenticated by the proper officer of the insurer evidencing in particular those insured, the extent of the insurance, the location and operations to which the insurance applies, the expiration date and the above- mentioned notice of cancellation clause and including the Town as additional insured as to the operations involved.

If any part of the contract is assigned or subcontracted, but only pursuant to the Town's written authorization, similar insurance shall be provided by or in behalf of the subcontractors to cover their operations. Waste Management shall be charged with the responsibility for insurance protection for all his/her sub-contract operations and should Waste Management's policy not cover each and every sub-Contractor, certificates of insurance acceptable to the Town covering every subcontractor shall be filed with the Town prior to the commencement of sub-contract operations.

B. WORKERS' COMPENSATION:

Waste Management shall obtain workers' compensation insurance coverage for all its workers, employees and subcontractors either as a carrier-insured employer or a self-insured employer, as provided by the State of Colorado Statutes. Waste Management shall maintain workers' compensation insurance coverage for the duration of the contract.

In the event Waste Management's workers' compensation insurance coverage expires during the term of the contract, Waste Management shall renew said insurance, either as a carrier-insured employer or a self-insured employer, before

its expiration, and Waste Management shall provide the Town with further certificates of workers' compensation insurance renewals of said insurance coverage.

For the purpose of the Contract, Waste Management shall carry the following types of insurance in at least the limits specified below:

(1) Workers' Compensation insurance to cover obligations imposed by the Workers' Compensation Act of Colorado and any other applicable laws for any employee engaged in the performance of Work under this contract, and Employers' Liability insurance with minimum limits of FIVE HUNDRED THOUSAND DOLLARS (\$500,000) each accident, FIVE HUNDRED THOUSAND DOLLARS (\$500,000) disease - policy limit, and FIVE HUNDRED THOUSAND DOLLARS (\$500,000) disease - each employee.

(1) Comprehensive General Liability insurance with minimum combined single limits of ONE MILLION DOLLARS (\$1,000,000) each occurrence and TWO MILLION DOLLARS (\$2,000,000) aggregate. The policy shall be applicable to all premises and operations. The policy shall include coverage for bodily injury, broad form property damage (including completed operations), personal injury (including coverage for contractual and employee acts), blanket contractual, independent contractors, products, and completed operations. The policy shall include coverage for explosion, collapse, and underground hazards. The policy shall contain a severability of interest's provision.

(2) Comprehensive Automobile Liability insurance with minimum combined single limits for bodily injury and property damage of not less than ONE MILLION DOLLARS (\$1,000,000) each occurrence and ONE MILLION DOLLARS (\$1,000,000) aggregate with respect to each of Contractor's owned, hired and/or non-owned vehicles assigned to or used in performance of the services. The policy shall contain a severability of interest's provision.

7. This agreement shall be binding upon the parties hereto, their successors or assigns. Waste Management shall not assign this agreement without the prior written consent of the Town, which consent shall not be unreasonably withheld.
8. The term of this agreement shall be deemed effective as of March 1, 2012 and shall extend for a term from said date to February 28, 2013. The Town and Waste Management reserve the right to extend the agreement for services for up to five (5) additional one year terms, to be agreed upon prior to the expiration of existing contract term.
9. Waste Management agrees to defend and indemnify the Town, its officers and employees, against liability for injury or damage caused by any act of omission of Waste Management, its agents or employees, arising from their

negligent performance or non-performance of this agreement, and shall hold the Town or its officers and employees, harmless from any loss as a result of the negligent performance or non-performance of this agreement.

10. A rate adjustment per service address per month of 2.75% may be assessed the second and subsequent years of the contract for all services if the Town and Waste Management agree to extend this contract. Waste Management shall give sixty (60) days notice in writing of such proposed rate adjustment.
11. In addition to #10 above, Waste Management may with approval of the Town, adjust the charges anytime after sixty (60) days written notice to the Town on the basis of unusual changes in the cost of operations, such as revised laws, ordinances or regulations, and for other reasons, and further that Waste Management shall be entitled to "pass through" any taxes, fees or other impositions of any governmental or regulatory entity placed upon or charged against the business or activity of collection and disposal of solid waste to the extent Waste Management is affected or liable for them. During the term of this contract, the Town may cancel the same by giving thirty (30) days advance notice in writing if Waste Management should increase rates as outlined above which are considered by the Town to be unreasonable.

12.0 COMPLIANCE WITH C.R.S. §8-17.5-101, ET. SEQ.

In accordance with *Colorado Revised Statutes* (C.R.S.) §8-17.5-11, et. seq., the Contractor shall meet the following requirements prior to signing this Agreement and during the duration thereof:

- 12.1 The Contractor shall certify compliance with the Basic Pilot Program (created in Public Law 208, 104th Congress as amended, and expanded in Public Law 156, 108th Congress, as amended, that is administered by the United States Department of Homeland Security) on the attached certification.
- 12.2 The Contractor shall not knowingly employ or contract with an illegal alien to perform work under this contract for services.
- 12.3 The Contractor shall not enter into a contract with a subcontractor that fails to certify to the Contractor that the subcontractor shall not knowingly employ or contract with an illegal alien to perform work under this contract for services.
- 12.4 At the time of signing this Agreement (public contract for services), the Contractor has verified or attempted to verify through participation in the Basic Pilot Program (created in Public Law 208, 104th Congress as amended, and expanded in Public Law 156, 108th Congress, as amended, that is administered by the United States

Department of Homeland Security, registration available at <https://www/vis-dhs.com/employerregistration>), that the Contractor does not employ any illegal aliens and, if the Contractor was not accepted into the Basic Pilot Program prior to entering into this public contract for services, the Contractor shall apply to participate in the Basic Pilot Program every three months until the Contractor is accepted or this public contract for services has been completed, whichever is earlier. The provisions specified in this paragraph shall not be required or effective in this public contract for services if the Basic Pilot Program is discontinued.

- 12.5 The Contractor shall not use the Basic Pilot Program procedures to undertake pre-employment screening of job applicants while this public contract for services is being performed.
- 12.6 If Contractor obtains actual knowledge that a subcontractor performing work under this public contract for services knowingly employs or contracts with an illegal alien, the Contractor shall; notify the subcontractor and the Town within three days that the Contractor has actual knowledge that the subcontractor is employing or contracting with an illegal alien; and terminate the subcontract with the subcontractor if within three days of receiving the notice required pursuant to the previous paragraph, the subcontractor does not stop employing or contracting with the illegal alien; except that the Contractor shall not terminate the contract with the subcontractor if during such three days the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with an illegal alien.
- 12.7 Contractor shall comply with any reasonable requests by the department of Labor and Employment (the Department) made in the course of an investigation that the Department is undertaking pursuant to the authority established in C.R.S. §8-17.5-102(5).
- 12.8 If Contractor violates this section of this Agreement, the Town may terminate this Agreement for a breach of the contract. If the Agreement is so terminated, the Contractor shall be liable for actual and consequential damages to the Town.

13.0 SEVERABILITY

If any provision of this Agreement shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Agreement is invalid or unenforceable, but that by limiting such provision it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

This AGREEMENT was approved by the Board of Trustees of the Town of Milliken and Waste Management, the 25 Day of January, 2012

Waste Management of Colorado, Inc.

By: 

Title: VP

TOWN OF MILLIKEN

By: 

L. Jane Lichtfuss, Mayor Town of Milliken

ATTEST: 

Town Clerk, Town of Milliken



December 11, 2014

Mr. Pat Murphy, Finance Manager
Town of Milliken
1101 Broad Street
Milliken, CO 80543

Re: Rate Adjustment

Dear Mr. Murphy

Per the terms of our current Solid Waste Collection Services Agreement with the Town of Milliken, Waste Management of Colorado respectfully submits a request for a rate adjustment of 2.75% effective March 1, 2015.

The new monthly rates effective March 1, 2015 are as follows:

Service Level	2014 Current Rate	2015 New Rate
Residential 1- 96 gallon Container each	\$10.29	\$10.57
Extra 96 gallon Container	\$6.86	\$7.05
Residential 1- 64 gallon Container	\$8.71	\$8.95
Bi-Weekly Recycling 96 or 64 gallon Container	\$2.91	\$2.99
Costs per each additional 32 gallon bag/container	\$1.85	\$1.90
Additional Port-O-Let's per unit	\$46.48	\$47.76
Additional 30 yard Roll off containers	\$290.33	\$298.31
Bulky Item charge per item	\$26.40	\$27.12

As always, it is a pleasure serving your community. We have enjoyed and appreciate the outstanding working relationship with you and Town staff and look forward to continuing a long-term partnership and the unparalleled service we provide.

If you have any questions or need additional information, please call me at 720-384-7846.

Sincerely,

Mike Woodruff
Public Sector Services
Waste Management of Colorado, Inc.

cc: Jeff Stawicki, Jamie Mynhier