



Legislation Text

File #: ID 21-0147, **Version:** 1

Resolution Authorizing an Amendment of Service Contract 2016-10480 for a Five-Year Extension with an Annual Contract Amount of \$4,800,000 with Waste Management of Carolinas, Inc. for Municipal Solid Waste Disposal Services

Council Priority: Maintain Infrastructure and Provide Sustainable Growth Opportunities

Department: Field Operations
Council District: All

Public Hearing: N/A
Advertising Date/By: N/A

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PURPOSE:

The Field Operations department requests City Council approval to amend the contract for municipal solid waste (MSW) disposal services with Waste Management of Carolinas, Inc. for a period of five years beginning January 1, 2022. Approval of this resolution will solidify a MSW disposal site for the City of Greensboro through December 31, 2026.

BACKGROUND:

At the work session in December, 2020, Council received information from staff concerning the option of extending the current solid waste disposal agreement with Waste Management of Carolinas. After the work session, staff provided additional information to Council concerning the city legally entering into an extended solid waste agreement with its current provider, as well as a comparison of disposal rates. Both of these documents are attached to the agenda item.

Waste Management operates the Great Oak Landfill in Randolph County, NC. The Great Oak Landfill is located 40 miles from the city's transfer station, making it the closest landfill to Greensboro that is capable of receiving and disposing of Greensboro's 200,000+ tons of municipal solid waste at the current favorable disposal price of \$19.18 per ton.

At its September 6, 2016 meeting, City Council authorized the City Manager to enter into a contract with Waste Management of Carolinas, Inc. for municipal solid waste disposal services. The contract was to have an initial 3 year term with the option of two additional one-year extensions. In January of 2017, the City entered into a contract with Waste Management of Carolinas, Inc. to provide disposal services for municipal solid waste hauled from the City's Burnt Poplar Road transfer station to Waste Management's Great Oak Landfill in Randolph County, NC. The first of two 1-year extensions was executed in January 2020. In FY 2019-20, the cost to dispose of about 207,733 tons of municipal solid waste from the City's transfer station was about \$4,281,042. In November, 2020, Council approved the second of two 1-year extensions at an estimated annual

cost of \$4,800,000.

This five-year extension is the first amendment to Contract 2016-10480. This contract amendment contains an annual CPI increase which will take effect January 1, 2022. Planning for a 5% increase in waste tonnage and the CPI increase, the estimated annual cost of this extension is \$4,800,000, or about \$25,000,000 over 5 years.

A link to the contract can be found by clicking here:

<https://www.greensboro-nc.gov/home/showpublisheddocument?id=48069>.

BUDGET IMPACT:

The funds for this contract extension are available in the current approved and subsequent operating budget in account #551-4306-07.5429

RECOMMENDATION / ACTION REQUESTED:

The Field Operations department recommends and requests that City Council approve this amendment to Contract 2016-10480 for municipal solid waste disposal services with Waste Management of Carolinas, Inc., with an estimated annual cost of \$4,800,000.