



Submitted via email

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Jill McLewis, Vice Mayor, jmclewis@cityofsebastopol.gov  
Phil Carter, Councilmember, pcarter@cityofsebastopol.gov  
Neysa Hinton, Council Member, nhinton@cityofsebastopol.gov  
Sandra Maurer, Council Member, smaurer@cityofsebastopol.gov

**Re: Urgent information on solid waste and recycling contract cost analysis**

Dear Mayor Zollman, Vice Mayor McLewis, and Councilmembers Carter, Hinton, and Maurer,

On behalf of the employee-owners at Recology Sonoma Marin, I am writing to alert the City Council of significant issues in the December 31st staff report recommending SCRR's solid waste collection services for the City. The analysis is incomplete and results in a recommendation to award the contract to the higher priced proposal.

Unfortunately, the City's analysis takes into account only minor differences in garbage collection costs between Recology and SCRR's proposals. It ignores the **vast** difference in costs between state-mandated diversion services for recycling and compost.

Furthermore, the majority of residential customers would in fact have **higher** monthly bills for baseline service under SCRR compared to Recology, based on the most common service subscription levels.

When a more holistic rate analysis is conducted, we estimate that SCRR's proposal actually costs **\$786,000 more a year** when compared to Recology's proposal. We therefore believe the Council should delay Tuesday's vote so that this issue can be better explored and an informed decision made.

Below is a detailed explanation of the issues we have uncovered since the staff report was released on December 31:

**1. Cumulatively, SCRR's proposal will cost the City, its residents, and its businesses \$786,000 more in the first year alone.**

Based on a holistic analysis of the rates, which includes looking at all customers' current service levels and maintaining the City's commitment to recycling and composting, SCRR would net approximately \$5.18 million in Year One revenue, compared to Recology's \$4.39 million in Year One revenue.

The price analysis failed to take a full look at the contractor's total revenue based on customers' service levels. This calls into question how SCRR could be scored higher than Recology in price.

**2. SCRR’s proposal will cost more for the majority of residential customers.**

In the City of Sebastopol, more than half of residential customers have either a 32-gallon or 96-gallon bin. In fact, 32-gallon cart customers alone represent 52% of Sebastopol’s customers. Per the chart below, SCRR’s prices are lower on the 20-gallon and 64-gallon carts, but these represent less than half of the City’s population.

Bin Size	Recology Price	SCRR Price	% of customers
20 Gallon	\$28.90	\$20.20	29%
32 Gallon	\$34.00	\$35.30	52%
64 Gallon	\$68.00	\$64.43	17%
96 Gallon	\$102.00	\$107.53	2%

Furthermore, residential customers who wish to subscribe to more recycling and organics beyond the baseline 96-gallons included with services will face even higher bills with SCRR. Today, 110 residential customers have an extra organics cart and extra recycling cart.

Additional Residential Cart Size/Material	Recology Proposed	SCRR Proposed	\$ Difference Per Month	% Difference
96-Gallon Recycling	\$27.70	\$32.62	\$4.92	118%
96-Gallon Organics	\$30.00	\$38.50	\$8.50	128%

**3. Commercial customers will cumulatively pay \$68,000 more per month for SCRR’s services compared to Recology’s. Many local businesses will face bills that are thousands of dollars more per year for SCRR’s services than Recology’s.**

Commercial customers, who are still recovering from the impacts of the pandemic, would cumulatively pay \$68,000 more per month under SCRR's service structure.

Specifically, SCRR’s rates on page 133 of the report are never compared to Recology’s proposal. These rates are, in some cases, three times the cost of recycling and compost proposed by Recology.

**Recycling Cost Comparison**

Extra Recyc. Size	Recology 1/week	SCRR 1/week	% diff.	Recology 2/week	SCRR 2/week	% diff.	Recology 3/week	SCRR 3/week	% diff.
96-gal	\$27.70	\$66.19	139%	\$27.70	\$132.38	478%	\$55.40	\$198.56	358%
1 CY	\$29.14	\$123.28	423%	\$58.28	\$318.57	547%	\$87.42	\$477.90	547%
2 CY	\$87.42	\$268.22	307%	\$174.84	\$693.09	396%	\$262.26	\$1,004.18	383%
3 CY	\$145.70	\$434.87	298%	\$291.40	\$1,068.73	367%	\$437.10	\$1,527.74	350%
4 CY	\$203.98	\$601.48	295%	\$407.96	\$1,370.98	336%	\$611.94	\$1,966.70	321%
6 CY	\$320.54	\$804.64	251%	\$641.08	\$1,686.83	263%	\$961.62	\$2,510.90	261%

## Compost Cost Comparison

Extra Org. Size*	Recology 1/week	SCRR 1/week	% diff.	Recology 2/week	SCRR 2/week	% diff.	Recology 3/week	SCRR 3/week	% diff.
64-gal	\$18.46	\$76.69	415%	\$36.92	\$277.17	751%	\$55.38	\$415.77	751%
96-gal	\$36.93	\$107.42	291%	\$73.86	\$388.25	526%	\$110.79	\$582.39	526%
1 CY	\$98.08	\$174.34	178%	\$196.17	\$452.84	231%	\$294.25	\$679.27	231%
2 CY	\$214.63	\$328.72	153%	\$429.25	\$849.63	198%	\$643.88	\$1,274.44	198%
3 CY	\$331.17	\$458.29	138%	\$662.34	\$1,190.37	180%	\$993.51	\$1,785.53	180%

\*Food and green waste

The issue is that the pricing analysis only looked at solid waste rates with the minimum level of recycling and composting (96-gallon recycling and 32-gallon organics for commercial, and 96-gallon recycling for multi-family). Many Sebastopol businesses, including restaurants and grocery stores, need to subscribe to significantly more recycling and organics than those minimums.

We understand that the City's goal is to have customers to pay for the recycling and composting services they use. To support this, Recology included separate pricing for additional recycling and composting in its Best and Final Offer; however, we are able to charge for recycling and composting at rates that continue to support diversion **without** ballooning customer bills.

To see how this impacts local businesses, we have conducted a thorough analysis of all commercial customers, and almost every customer faces a higher monthly bill under SCRR. Below are a few stark examples among restaurants, businesses, and multi-family homes, which face the brunt of the impact due to their need for extra compost and recycling above base levels.

### Community Market: SCRR is \$2,999.79 more expensive per month than Recology

Bin Commodity	Bin Size	Quantity	Times per Week	Recology Cost per Month	SCRR Cost per Month	Difference to Recology
Garbage	4 Yard	1	3	\$2,647.32	\$2,489.49	\$157.83 less
Recycling	4 Yard	2	3	\$1,223.88	\$3,801.02	\$2,577.14 more
Compost	2 Yard	1	3	\$643.88	\$1,224.36	\$580.48 more
<b>Total Costs</b>				<b>\$4,515.08</b>	<b>\$7,514.87</b>	<b>\$2,999.79 more</b>

### Sebastopol Hardware: SCRR is \$2,509.63 more expensive per month than Recology

Bin Commodity	Bin Size	Quantity	Times per Week	Recology Cost per Month	SCRR Cost per Month	Difference to Recology
Garbage	4 Yard	1	2	\$1,764.88	\$1,735.42	\$29.46 less
Garbage	2 Yard	1	2	\$1,117.98	\$966.58	\$151.4 less
Recycling	4 Yard	3	2	\$1,223.88	\$3,914.37	\$2,690.49 more
<b>Total Costs</b>				<b>\$4,106.74</b>	<b>\$6,616.37</b>	<b>\$2,509.63 more</b>

**Handline Restaurant: SCRR is \$1,586.54 more expensive per month than Recology**

Bin Commodity	Bin Size	Quantity	Times per Week	Recology Cost per Month	SCRR Cost per Month	Difference to Recology
Garbage	64 gal	3	2	\$501.78	\$449.55	\$52.23 less
Recycling	4 Yard	1	2	\$407.96	\$1,304.79	\$896.83 more
Compost	3 Yard	1	3	\$993.51	\$1,735.45	\$741.94 more
<b>Total Costs</b>				<b>\$1,903.25</b>	<b>\$3,489.79</b>	<b>\$1,586.54 more</b>

**Burbank Heights: SCRR is \$1,138.40 more expensive per month than Recology**

Bin Commodity	Bin Size	Quantity	Times per Week	Recology Cost per Month	SCRR Cost per Month	Difference to Recology
Garbage	1.5 Yard	2	1	\$677.22	\$843.28	\$166.06 more
Garbage	3 Yard	2	1	\$1,558.76	\$1,396.62	\$162.14 less
Garbage	2 Yard	3	1	\$1,676.97	\$1,502.55	\$174.42 less
Garbage	96 gal	25	1	\$3,054.00	\$2,736.50	\$317.5 less
Recycling	3 Yard	1	1	\$145.70	\$268.22	\$122.52 more
Recycling	96 gal	23	1	\$-	\$-	No difference
Compost	96 gal	14	1	\$-	\$1,503.88	\$1,503.88 more
<b>Total Costs</b>				<b>\$7,112.65</b>	<b>\$8,251.05</b>	<b>\$1,138.40 more</b>

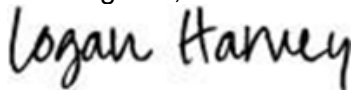
Although one could argue that these customers should just subscribe to less recycling and composting, that is misleading and against the City’s environmental goals. This material is being made by the community members who rely on these businesses, and therefore it needs to be responsibly managed. Facing ballooning bills, customers could theoretically subscribe to greater and greater garbage service, but this would still result in higher bills and be devastating to the City’s diversion rate.

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To reiterate, we recommend that the Council delays the vote at the Tuesday meeting, so that this issue can be better explored and an informed decision made. Since Recology’s proposal is so much less expensive when recycling and composting is included, a more holistic comparison needs to be made between the two proposals.

The Council is facing an important decision that will significantly impact residential, commercial, and multi-family customer bills, and which has grave implications for the City’s diversion rates. We hope that the Council will allow more time for deeper analysis and discussion to ensure a fully informed decision is made. Thank you for your review.

Kind regards,



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