



City of Grand Island
Tuesday, July 23, 2019
Council Session/Budget Work Session

Item G-12

**#2019-220 - Approving Amendment No. 1 for Transfer Station
Operations and Facility Improvement Study**

Staff Contact: John Collins PE - Public Works Director

Council Agenda Memo

From: Jeff Wattier, Solid Waste Superintendent

Meeting: July 23, 2019

Subject: Approving Amendment No. 1 for Transfer Station Operations and Facility Improvement Study

Presenter(s): John Collins PE, Public Works Director

Background

The current Solid Waste Transfer Station building, which is located at 5050 West Old Potash Highway, was constructed in 1981 and is no longer large enough to handle the current traffic and/or waste flows. This study is to look at traffic patterns, investigate potential improvement/expansion ideas to enhance operations and allow for present business as well as projected future conditions. An updated rate study is also part of this investigation.

Customer counts at the Transfer Station have increased by 173%, with a tonnage increase of 124% from FY 2000 to FY 2017.

- FY 2000 = 10,345 customers and 28,578 tons
- FY 2017 = 28,236 customers and 63,910 tons

On April 10, 2018, via Resolution No. 2018-94, City Council awarded an agreement to SCS Engineers of Omaha, Nebraska in the amount of \$60,130.00 for engineering consulting services related to a Transfer Station Operations and Facility Improvement Study for the Solid Waste Division.

Discussion

At this time an amendment is recommended to the original agreement with SCS Engineer to delve further into the Cost of Service & Fee Analysis, as well as a Fee Comparison within the overall regional solid waste marketplace, and a presentation of such results. Such services will be provided on a time and expense basis not to exceed \$20,890.00, resulting in a revised agreement amount of \$81,020.00.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

Recommendation

City Administration recommends that the Council approve Amendment No. 1 to the original agreement with SCS Engineers of Omaha, Nebraska, in the amount of \$20,890.00.

Sample Motion

Move to approve the resolution.

TRANSFER STATION OPERATIONS AND IMPROVEMENTS SCOPE OF WORK – CHANGE ORDER 1

TASK 7 – CITY COUNCIL PRESENTATION

Hours included for Client Project Manager and Technical Project Manager will be reduced by 8 hours and 4 hours, respectively.

TASK 8 – COST OF SERVICE ANALYSIS

We will look at the costs of facility operations and the costs of providing disposal of various types of waste to the City's residents by examining each line item in the solid waste budget. Where possible, items will be directly allocated. Where items cannot be directly allocated (e.g. loader at transfer station), they are indirectly allocated using various allocation factors such as number of invoices, staff time, or tonnage. If an item cannot be directly allocated and staff has specific information that is helpful in allocation of costs, we will base the allocation on staff input. Lastly, costs that are general or administrative overhead costs are allocated on a weighted basis. We will then **compare the costs for each function and waste type to the revenues generated by each respective function and waste type.** The outcome of this analysis then becomes the basis for determining the net revenue requirement used in the fee structure analysis. SCS will meet with City Staff to discuss costs allocated to locations and functional classes and make recommendations.

TASK 9 – FEE ANALYSIS

SCS will review the existing fees by location (transfer station, yard waste, and MSW landfill) and compare to the cost of service analysis.

To begin the fee analysis, we will **examine the City's current tipping fees and identify any structural adjustments to consider in developing the City's new fees.** We will obtain historical tonnage and invoice data and/or property data and analyze current billing practices. We will identify the test year revenue requirement based on the results of the revenue sufficiency analysis and use this revenue requirement and the results of the tonnage data analysis in the development of an updated fee structure. In developing this structure, we will consider the cost of the City's various services provided and whether the City desires to encourage reduction and diversion.

During an interactive meeting with staff, we will calculate tipping fees based on the recommended adjustments. We will discuss the basis of the recommendation and test the sensitivity of the rate changes to various customers and waste characteristics. **The goal is to develop a structure that will be easily understandable and accurately reflect the dynamics of your solid waste system while equitably distributing costs across your services provided.** Together, we will develop the schedule of recommended fees for presentation to the Council.

TASK 10 – FEE COMPARISON

This task focuses on how the current and revised fee schedules fit within the overall regional solid waste marketplace. SCS will identify the entities (i.e. Hastings landfill) for survey and will contact

these entities to discuss fees and import these results into a benchmark model. We will compare the City's current and proposed fees to these and other select benchmarked entities. SCS will present the results of this task to City Staff to discuss findings.

TASK 11 – PRESENTATION OF RESULTS

SCS will prepare a draft report for City Staff to review and will incorporate City comments into the report and adjust analysis as needed. We will prepare a presentation of City Council for City Staff to review. We will make edits and prepare a final presentation for Council. SCS will present to City Council.

PROPOSED FEE

SCS will complete the above tasks on a time and material basis for a not to exceed fee of \$20,890.

RESOLUTION 2019-220

WHEREAS, on April 10, 2018, via Resolution No. 2018-94, City Council awarded an agreement to SCS Engineers of Omaha, Nebraska in the amount of \$60,130.00 for engineering consulting services related to a Transfer Station Operations and Facility Improvement Study for the Solid Waste Division; and

WHEREAS, the original agreement is now being supplemented to delve further into the Cost of Service & Fee Analysis, as well as a Fee Comparison within the overall regional solid waste marketplace, and a presentation of such results; and

WHEREAS, such services will be provided on a time and expense basis not to exceed \$20,890.00, resulting in a revised agreement amount of \$81,020.00; and

WHEREAS, Amendment No. 1 to the original agreement with SCS Engineers is required to proceed with this project.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that Amendment No. 1 with SCS Engineers of Omaha, Nebraska in the amount of \$20,890.00 for engineering consulting services related to a Transfer Station Operations and Facility Improvement Study, is hereby approved.

BE IT FURTHER RESOLVED, that the Mayor is hereby authorized and directed to execute such agreement on behalf of the City of Grand Island.

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Adopted by the City Council of the City of Grand Island, Nebraska, July 23, 2019.

Roger G. Steele, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form	☐ _____
July 19, 2019	☐ City Attorney