

City Council Action Report

Date: January 5, 2005  
Subject: Landfill Services - 2005  
Strategic Council Goal: Nos. 2 & 5

**Recommended Action and Major Considerations:**

- Authorize the City Manager to Issue a Purchase Order to Republic Services of Colorado in the amount of \$200,476.25 for Landfill Services in 2005.
- Adequate funding for this project is available from the Sanitation Fund.
- This project meets Council's Objectives of Fiscally Responsible City Government and a Clean and Beautiful City.
- A Bid Summary and comparison analysis are attached to this Staff Report.

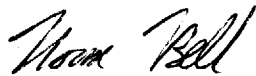
**Background and Other Information:**

- The City's previous contract with Denver Regional Landfill Expired on December 31, 2004. A one-month extension was issued to provide temporary landfill service through January 31, 2005.
- The City requested formal bids (2004 F/B -16) for Landfill Services. On October 27<sup>th</sup>, 2004 four companies submitted bids. Alternative pricing was requested for trash volume both by the ton and the cubic yard.
- BFI Waste Systems, Inc., of Commerce City had the lowest unit cost followed by Republic Services of Commerce City, Colorado.
- Two separate two-week trials were conducted to both BFI and Republic to fully analyze service, travel time, mileage and personnel costs.
- The trial results projected an overall savings of approximately \$6,400.00 and 652 man-hours by selecting Republic Services.

**Budget Information:**

- The adopted 2005 Sanitation Budget includes an appropriation of \$240,000 for this project.

Respectfully Submitted:




Norm Bell, M&O Expediter

Approved for Submittal:



Phil Nelson, City Manager

Funding Available:



Brent Worthington, Treasury Manager  
Bob Eichen, FISS Director  
Acting for

**COUNCIL ACTION TAKEN:**

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**CITY OF NORTHGLENN  
FORMAL BID SUMMARY**

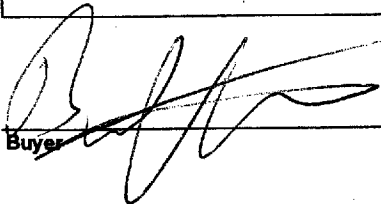
**BID NUMBER: FB-16**

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**BID NAME: Proposed 2005 Landfill Services**

**DEPARTMENT: Mainten:**

	Waste Management	Republic Services of Colorado	Waste Connections of Colorado	RFI Waste Systems Inc.	
<b>DATE DUE: 10/27/2004</b>	<b>BID RECEIVED:</b>	<b>BID RECEIVED:</b>	<b>BID RECEIVED:</b>	<b>BID RECEIVED:</b>	<b>BID RECEIVED:</b>
	<b>DATE: 10/19/04</b>	<b>DATE: 10/26/04</b>	<b>DATE: 10/27/04</b>	<b>DATE: 10/27/04</b>	<b>DATE:</b>
<b>TIME: 2:00 P.M.</b>	<b>TIME: 10:30 am</b>	<b>TIME: 12:14 pm</b>	<b>TIME: 9:30 am</b>	<b>TIME: 12:52 pm</b>	<b>TIME:</b>
Alternate "A" total	\$330,000 -	\$218,375 -	\$227,700 -	\$169,625 -	
Alternate "B" total	\$348,562 <sup>50</sup>	\$200,476 <sup>25</sup>	\$214,418 <sup>75</sup>	\$157,725 -	

  
Buyer

  
Aimee Baca  
City Clerk, Deputy

10/27/04  
Date

## MEMORANDUM

**To:** Phil Nelson, City Manager  
Bob Eichem, Chief Implementation Officer

**Fr:** Norm Bell, Maintenance and Operations Expediter

**Dt:** January 5, 2005

**Re:** 2005 Landfill Services Bid

On October 27<sup>th</sup>, 2004 the City received four bids (2004 F/B-16) for 2005 Landfill Services. Our existing contract with Denver Regional Landfill expired on December 31, 2004. Over the past five years the City had utilized Denver Regional at a per cubic yard price of \$3.94.

Bidders were requested to submit alternatives for pricing on both a cubic yard and ton basis. This was requested since staff felt that there was no accurate way to measure cubic yards unless the trucks are completely filled on every load. BFI Waste Systems located on tower Road near DIA was apparent low bidder with a price of \$2.95 per cubic yard or \$7.38 per ton. Republic Services of Colorado located in Erie was second with a price of \$3.80 per cubic yard and \$9.49 per ton.

On the surface, BFI appeared to be the lowest cost, but concerns were raised about the distance to the landfill and traffic along the available routes. Staff decided to conduct a two-week trial to each site and measure accessibility, tipping fees, travel time and mileage. Since cubic yards were difficult to estimate accurately, scale tickets with exact weights were used to perform the calculations.

The two-week trial to Republic averaged 8.5 tons per truck and the runs to BFI averaged 7.5 tons. To make an accurate assessment of actual costs, 8 tons was selected as a trial average. When all factors were considered, Republic came out \$3.23 per load cheaper and an additional saving of 652 man-hours was projected over a yearlong use. A summary of the trial runs is attached to this memo. Furthermore, there may be hidden savings in the reduced wear and tear on equipment.

Both vendors used 10 tons as the break-even point when pricing tons versus cubic yards. Loads weighing 10 tons or less indicated the tonnage option would be preferred. A brief review of last years weight tickets indicated our year round average would be less than 10 tons.

Based on this information, staff would recommend selecting Republic Services as the best overall value and use the per ton alternate as the preferred billing method. It is anticipated that 2005 landfill costs will actually be less than those of 2004 with no reduction in volume.

## LANDFILL COMPARISON DATA

**After 2 two-week trials at Republic Services landfill in Erie and BFI's landfill on Tower Road, the results are as follows:**

Total Number of trips:	141
Total Cu, Yds. hauled:	3,356 (estimate only)
Total tons hauled:	1,135
Average travel time – Republic	60 minutes
Average travel time – BFI	70 minutes
Average mileage r/t – Republic	24
Average mileage r/t – BFI	32
Average weight/trip – Republic	8.5 tons
Average weight/trip – BFI	7.5 tons
Average truck cost/mi.	\$1.43

**Total cost: (based off tickets.....no c.y. estimates from Republic)**

Republic (by the cubic yard)	\$7,125.00
Republic (by the ton)	\$6,308.04
BFI (by the cubic yard)	\$4,368.95
BFI (by the ton)	\$3,392.62

### **Cubic Yards vs. Tons:**

Both vendors break even point is 25 c.y. = 10 tons. Since our yearly average load is 10 tons or less, then we should pick the tonnage price.

**Summary – For accurate comparison purposes using an average load of 8 tons, the following results are as indicated:**

<b>Republic – Erie</b>		<b>BFI – Tower Rd.</b>	
Man-hour cost/trip	\$52.00	Man-hour cost/trip	\$60.67
Truck cost/trip	\$34.32	Truck cost/trip	\$45.76
Trash @ 8T	\$75.92	Trash @ 8T	\$59.04
Cost per load:	\$162.24	Cost per load:	\$165.47

Actual costs are very close. The true cost of utilizing Republic Services would result in a savings of approximately \$6,400.00 plus an additional savings of 652 m.h. (38 trips/wk x 52 wks x 20 man-minutes/trip) and the ultimate reduction in truck miles traveled.