

CITY OF VERONA

MINUTES

PUBLIC WORKS/SEWER & WATER COMMITTEE

MONDAY, AUGUST 30, 2021

1. The meeting was called to order by Mr. Touchett at 5:08pm.
2. Roll Call: Present: Evan Touchett, Chad Kemp. Also present: Theran Jacobson, Director of Public Works; Brian Peterson, Street Superintendent; Joe Spair, Pellitteri; Daniel Pellitteri, Pellitteri; Mike Schoenleber, Waste Management; Jim Leszcynski, LRS; Susan Malmanger, LRS.
3. MOVED by Touchett, seconded by Kemp, to approve the minutes of the July 26, 2021 meeting of the Public Works/Sewer and Water Committee. Motion carried 2-0.
4. DISCUSSION regarding refuse and recycling contract.

Jacobson opened the discussions with the following:

1. Waste Management is current under contract through 2021. Waste Management has been the refuse and recycling contractor for at least 10-years under the current contract.
2. Past discussion with the committee [May 10, 2021] resulted in no proposed changes to the scope of services for what is to be included for collection under the future contract.

Jacobson noted that City staff distributed a request for services on July 9th, 2021 with a response deadline of July 28th, 2021. City staff received three (3) responses to the request for services. The responses were from the following contractors:

1. Waste Management (WM)
2. Pellitteri Waste Systems (Pellitteri)
3. Badgerland Disposal an LRS Company (LRS)

Jacobson reviewed the schedule:

~~7/28/2021— Quotes back from contractors~~

~~8/3/2021— Staff review quotes from contractors~~

~~8/30/2021— Meeting with PW S&W Committee~~

9/tbd/2021 – Meeting with PW S&W Committee as necessary

10/11/2021 – Finalize contract with Contractor

10/11 or 10/25/2021 – PW S&W Committee to recommend council to approve contract

City staff [Theran Jacobson, Kimberly Marshall, Dave Walker, and Mari Freber] reviewed the responses from each contractor and Brian Peterson contacted references for Pellitteri and Badgerland Disposal an LRS Company.

Jacobson provided a summary of the responses that pertain to the following:

	Topic	Contractor		
		WM	Pellitteri	LRS

	General Review			
1	Price responses	Y	Y	Y
2	Provided municipal contacts for management team	Y	Y	Y
3	Compressed Natural Gas (CNG)	Y	Y & N	N
4	Adjacent communities within Dane County & size	Y	Y	N
5	Wisconsin clients of similar size	Y	Y	N
6	Clients with multi-day collection (that we found)	Y	Y	N
7	Local presence	Y	Y	limited
8	Response overview	Y	Y	Y
	Scope Items			
9	Acknowledgement of scope and bulk items	Y	Y	Y
10	Detailed response of scope for through understanding	N	Y	N
11	E-waste	Y	Y	Y
	Supplemental Information Provided			
12	Detailed hauler transition plan provided	Y	Y	Y
13	Testimonials from clients	N	Y	N
	Customer Service			
14	Local call center / no teleprompts	N	Y	Y
15	Call center (local ?)	N	Y	Y
16	Customized website on contractors page	N	Y	Y*
17	Reference checks positive	N/A	Y	varies
18	Provided examples of information crafted to residents / brochures	N/A	Y	N

Y = included information in the response

N = no information included in the response

N/A = not applicable

Topics to note for above items:

6 – LRS City of Waterloo (3,300) is largest listed in Wisconsin but is one-day collection. Village of Johnson Creek (3,000) is also one-day collection.

8 – LRS response seemed to be brochure / boiler plate type response. Pellitteri seemed to research the details of the draft contract and scope by proposing or clarifying certain items.

16 & 17 – Pellitteri reference had positive feedback, LRS reference checks had negative feedback on call centers.

Pellitteri received very positive reviews for the collection management, coordination with municipal staff, and customer service center.

LRS received varying reviews with complaints of the customer service center. Collection management and coordination with municipal staff was positive but they noted a one-day service for most of their community.

Jacobson noted that no references were checked for Waste Management as they are our current provider and we know the service and staff that we are currently working with. Waste Management has provided a great service to the City of Verona for many years; there have been some hurdles and complaints on the call center. The call center is the most noted complain we receive and occurs weekly. Jacobson noted we have worked with Waste Management on this and most complaints are due to the unique scope we have for bulk collection.

Jacobson presented the price differences between the three responses and the current 2021 rate. Pellitteri and LRS proposed 2022 rate is below the current 2021 rate with Waste Management. Waste Management proposed 2022 rate was the highest of the three responses.

Jacobson noted that staff requested prices for weekly recycling which Pellitteri and LRS provided a response to along with a 10-year overall contract price option.

Kemp asked how many residents have a second recycling cart?

Jacobson responded the last check was prior to the request for services and was greater than 20 but less than 40 [*post-note: actual is 22*]. Jacobson noted that the City has over 4,000 stops. Jacobson also noted that we at Public Works do not receive many inquiries for increased recycling or additional recycling carts. Jacobson said if the requests were significant in numbers and the second recycling cart numbers were high he would have brought this up to the committee for input. Jacobson reiterated that we discussed weekly recycling at the committee level in June 2019, and at that time there were only 16 stops with an additional recycling cart. The June 2019 discussion prompted the City to request the bulk cardboard dumpsters at the Public Works drop-off site for use by residents. Jacobson acknowledges that these dumpsters are highly utilized and could be aiding in the decrease in cardboard volume curbside in the carts. Touchett noted that collapsing cardboard curbside is a user issue that takes some self-discipline but frees up significant volume in recycling carts.

Jacobson did present that we are paying for a service not a product here and noted this is not like a road engineering design project that you can delay if you are not receiving the service (and quality) anticipated and agreed upon. The refuse and recycling service is a weekly task that needs to succeed from day one.

Jacobson suggested to Touchett to open up the discussion for a question and answer session between City staff and Contractors.

Jacobson noted that Pellitteri proposed scope changes as part of their response:

1. Pellitteri proposed collection Monday through Thursday as compared to Monday and Tuesday currently.

Touchett asked Jacobson if this is an issue. Jacobson noted staff discussed and the only challenge will be more carts throughout the City in differing locations that will be more obstacles throughout the week during leaf collection and snow removal. The number of carts will be same but spread out in the City longer with less density.

Jacobson noted whatever changes occur notifications will be made to the residents.

Kemp and Touchett both noted this was not an issue.

2. Pellitteri proposed to require bed mattresses and box springs be bagged.

Q – Kemp asked are large items to be bagged?

Leszczynski responded no for LRS.

Spair responded yes for Pellitteri but that is only box springs and mattresses. Spair noted this is to reduce the spread of germs such as bed bugs or others and to aid in the health of their staff.

Touchett asked Jacobson if this is something that could be available for purchase at Public Works? Jacobson noted we would provide resources for purchase options from retail vendors and potentially purchase at Public Works.

Schoenleber responded no for Waste Management.

Q - Touchett asked on the life expectancy of the fleet vehicles?

Spair responded that their fleet is on a 5-year replacement cycle.

Leszczynski responded that their fleet is on an 8-10-year replacement cycle.

Schoenleber responded that their fleet is on a 10-year replacement cycle and will be all compressed natural gas (CNG) by fall of 2021.

Q - Kemp asked of the fuel sources of the fleet vehicles?

Spair responded that their commercial fleet is CNG that would serve the municipal buildings for the front load dumpsters but all the curb-side collection fleet is diesel.

Leszczynski responded that their fleet in Wisconsin is diesel and they have purchased CNG for the fleet in Illinois.

Schoenleber responded again WM Wisconsin fleet will be all CNG by fall of 2021 with no fuel surcharges.

Q - Touchett asked what are the fuel surcharges?

Spair responded that this is an agreed upon rate change based upon market fuel prices set by the government.

Jacobson clarified that this would be written in the contract if necessary and is a table that if the price of diesel is between X and Y there is no changes to the rate, but if the price of diesel is less than X the City gets a credit, and if the price of diesel is greater than Y the unit price per stop is increased.

Q - Kemp asked what are the intentions for green energy?

Spair responded that their commercial fleet is CNG and that they take into consideration the future benchmark of trucks and go with CNG. Spair also noted this is the ownership group decision but Pellitteri is an environmentally conscious business and is conscious of the request for green energy.

Leszczynski responded that they have purchased CNG for the fleet in Illinois and is looking to continue that trend in Wisconsin and Illinois.

Schoenleber responded again WM Wisconsin fleet will be all CNG by fall of 2021 so they are a leader in the industry for green energy.

Q - Kemp asked how do we maintain the level of service with LRS that doesn't have clients the size of Verona and with limited Wisconsin presence?

Malmanger responded that they have a client in Illinois of similar size as shown in the response on page 12 and 13 in Skokie, IL and Highland Park IL. LRS has offices in Milton, WI, Monona, WI, and Deforest, WI. The fleet to serve the area is based out of Monona. Backup fleet if necessary is located in Milton, WI. LRS also noted they have websites for their existing clients in Illinois.

Malmanger noted that LRS is still co-branding as Badgerland due to the recent acquisition.

Spair also responded that Pellitteri desires the 4-day pickup to better serve the community based upon the current size and growth Verona is experiencing.

Jacobson noted that Pellitteri serves Waunakee with a 4-day pickup which also allows for weekday pickup during weeks a holiday occurs.

Touchett noted the following:

1. Concerns with LRS call center reference checks
2. Verona is four (4) times the size vs any other community LRS services in Wisconsin
3. Pellitteri has a bigger presence and more reliability
4. Not confident LRS can provide the reliability
5. \$80,000 is a price difference between LRS and Pellitteri

Kemp noted the following:

1. More torn
2. Comfortable with a contractor you know and see
3. Understand the cost difference that Pellitteri is greater than LRS
4. Concerns with
 - a. Call center, these can be worked out
 - b. New contractor in a new area / state
 - c. Larger municipality than any other served in Wisconsin
5. Negative concerns on LRS client size, this is a plus for Pellitteri
6. Worth to pay for security with accounts of the same size and service level
7. Less headaches

Kemp and Touchett continued open discussions with the following notes:

Touchett noted that Jacobson brought up a great point about service. We are getting a service.

Touchett noted whom do we want representing our City.

Pellitteri noted two adjacent and recent contracts were awarded to Pellitteri and they were not the low price. The communities were Fitchburg and Sun Prairie. Pellitteri continued to note that they market recycling and sustainability and have resources for their clients to utilize and distribute.

Touchett noted that Pellitteri has local presence. LRS has risk and is new to the area.

Touchett again noted this contractor represents our City.

Touchett ask if City staff could cold-call LRS call center. Jacobson noted this afternoon he called LRS and acted as a Johnson Creek resident and claimed his garbage was not collected. Jacobson noted there were no issues but he went through prompts to receive a person to coordinate with.

Kemp noted he is not worried about LRS call center as that can be addressed.

Kemp stated his greatest concern is the size of communities LRS is currently serving vs Pellitteri. LRS price is warm and fuzzy but we are getting a service. Kemp noted there is a cost difference but there is a reason.

Spair noted that Pellitteri sells on years of service and investing in the company not others. Such as investing in recycling of cardboard. Others come to us and we invest in all elements by donations and community involvement.

Q- Kemp asked of what staff starting pay ranges are?

Pellitteri responded that their roll-off drivers with Class A CDL start in range of \$22 to \$23 per hour and this is the lowest pay grade position.

Leszczynski responded \$24 per hour for route collection staff.

Pellitteri noted they are a family-owned business. They have different price structures for different levels of service. They know what the service levels are and what the expectations are for the local area.

Touchett is concerned with LRS acquisitions to create a presence in Wisconsin. LRS is big, doesn't feel they are Wisconsin.

Leszczynski stated drivers are local for LRS.

Touchett asked Jacobson what is needed from the committee. Jacobson responded with a need for direction on whether additional information is required, contract negotiation, and if a future meeting is needed for a recommendation.

Kemp stated he has heard enough information.

5. MOVED by Kemp, seconded by Touchett, to recommend awarding contract to Pellitteri Waste Systems for refuse and recycling services, subject to City Attorney and City Administration review. Motion carried 2-0.

Touchett noted he was on the fence but seconded the motion because he was more comfortable with Pellitteri and their experience with servicing communities of a similar size to Verona and their positive reference checks.

6. MOVED by Touchett, seconded by Kemp adjourn at 6:43pm. Motion carried 2-0.

Note: These minutes were prepared by Theran Jacobson, Director of Public Works. These minutes are based on the notes of the recorder and are subject to change at a subsequent meeting.

Base Cost Comparison - 5-year Contract

City of Verona - Refuse and Recycling

All quotes per stop per month

A = Weekly Refuse, Bi-weekly Recycling

B = Weekly Refuse & Recycling

Contractor: Days of Collection	A	B	A	B	A	B	A	B	A	B
	2022		2023		2024		2025		2026	
Pellitteri: M-Th	\$ 11.35	\$ 13.55	\$ 11.98	\$ 14.25	\$ 12.61	\$ 14.95	\$ 13.24	\$ 15.65	\$ 13.87	\$ 16.35
LRS: M&T	\$ 10.95	\$ 12.15	\$ 11.28	\$ 12.52	\$ 11.62	\$ 12.89	\$ 11.96	\$ 13.27	\$ 12.32	\$ 13.67
LRS: 5 day	\$ 9.70	\$ 10.90	\$ 9.99	\$ 11.23	\$ 10.29	\$ 11.56	\$ 10.60	\$ 11.91	\$ 10.92	\$ 12.27
WM: M&T *	\$ 15.49	no bid	*	no bid						
* WM annual cost escalators by CPI index										
2021 Current: Waste Management: M&T	\$ 12.48									

Cost difference as Compared to 2021 WM	\$ / month
Pellitteri: M-Th	\$ 1.13
LRS: M&T	\$ 1.53
LRS: 5 day	\$ 2.78

E-Waste

Contractor	\$ / lb				
	2022	2023	2024	2025	2026
Pellitteri					
TVs & Monitors	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25
Eligible Electronic Devices	\$ 0.20	\$ 0.20	\$ 0.20	\$ 0.20	\$ 0.20
Computers	\$ (0.05)	\$ (0.05)	\$ (0.05)	\$ (0.05)	\$ (0.05)
LRS					
TVs & Monitors	\$ 0.39	\$ 0.42	\$ 0.45	\$ 0.48	\$ 0.51
Eligible Electronic Devices	\$ 0.45	\$ 0.50	\$ 0.55	\$ 0.60	\$ 0.65
Computers	\$ 0.55	\$ 0.60	\$ 0.65	\$ 0.70	\$ 0.75

credit

2019 Totals (excluding free E- Waste Day) lbs	Cost Comparison; LRS vs Pellitteri using 2019 totals \$	
36,892	\$ 9,223.00	
5,868	\$ 1,173.60	
-	\$ -	\$ 10,396.60
36,892	\$ 14,387.88	
5,868	\$ 2,640.60	
-	\$ -	\$ 17,028.48
LRS vs Pellitteri		\$ 6,631.88