

CITY COUNCIL AGENDA TOPIC

Solid Waste Contract Procurement

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EXECUTIVE SUMMARY**DIRECTION**

The city will issue a competitive Request for Proposals (RFP) to procure its next solid waste services vendor, consistent with state law, city policy, and industry best practice. A solid waste services package will be developed to support the RFP and future vendor contract, focusing on four primary objectives: alignment with best practices; responsive to community needs; compliance with state law and local policy; and leverage technology and data, as well as maintain weekly collections for single-family residents and an embedded rate structure. Staff is requesting City Council feedback to develop the solid waste services package.

RECOMMENDATION

Consider directing staff to develop a solid waste services package based on the four recommended objectives as well as maintaining key contract elements, including weekly collection services for single-family residents and an embedded rate structure.

BACKGROUND/ANALYSIS**Background**

The City of Bellevue contracts citywide solid waste services to provide solid waste collection/processing, customer service, and billing for over 30,000 single-family households and nearly 2,000 multi-family and commercial properties. The current contract began in July 2014 and has an annual value of \$37 million. The sole contract extension was exercised in 2021. The contract will expire in June 2028.

To plan for services beyond June 2028, the Utilities Department (Utilities) is leading the development of the future contract, including gathering community input, benchmarking, and facilitating the competitive procurement process. Work has already started on developing the future solid waste contract to allow adequate lead time for procurement services package development, the RFP process, contract negotiation, and preparation for the service provider. Utilities has assembled a core team to lead this work, including a nationally recognized consultant firm, NewGen Strategies and Solutions, that supports solid waste procurement processes across the country.

Procurement Process

State law, the city's procurement policy, and industry best practice require the use of a competitive process for a contract of this type, value, and duration to ensure fairness and transparency as well to

allow the city to take advantage of innovations and most up to date best practices in service provisions and technology. Additionally, the Solid Waste Association of North America's policy on competitive procurement cites "where practically possible, local agencies should competitively procure contracts in order to secure the best possible service for the lowest price with the most advantageous contract administration and enforcement provisions."

Primary Objectives

Staff recommends four primary objectives to shape future solid waste services: alignment with best practices, responsive to community needs, compliance with state and local policy, and leverage technology and data.

1. Alignment with best practices

Over the last five years, numerous competitive processes have been completed regionally to procure local solid waste contracts, including Renton, Redmond, Kirkland, SeaTac, Maple Valley, Des Moines, North Bend, Issaquah, and Tukwila. The city anticipates leveraging the outcomes of these efforts to benefit from the latest developments in local service provisions. In addition to learning from our neighbors, we are also considering best practices on a national level. Expert consultant NewGen Strategies and Solutions will contribute lessons learned and perspectives from solid waste contracts across the country.

2. Responsive to community needs

Community input and perspectives were gathered to shape future solid waste services. Multiple methods have been used, including formal annual surveys, informal bi-monthly surveys, user experience research conducted by the University of Washington's Human Centered Design and Engineering program, community workshops, and listening sessions with community partners and organizations. Community engagement continues over the coming months, including on-going dialogue with the Bellevue Diversity Advisory Network. Community engagement has identified the following priority areas for future services:

- *Reliability* – solid waste pickups happen as scheduled.
- *Affordability* – rates are as low as possible, and there are opportunities to save money by recycling and composting.
- *User experience* – innovative tools, such as a self-service platform, provide a convenient, modern user experience. City departments also serve an important role in planning future services, with Utilities engaging subject matter experts from Community Development, Transportation, Development Services, Information Technology, and Parks & Community Services for input and guidance on service provisions relating to their respective operations.

3. Compliance with state laws and local policy

On a state level, the solid waste policy landscape has significantly evolved since 2013, with two major, transformative pieces of legislation recently passed into law:

- *Organics Management Laws (2022, 2024, 2025)* – aim to reduce organic waste in landfills by 75% by 2030, promoting food waste prevention, recovery, and composting. The laws will help residents and businesses divert food and yard waste from landfills to

reduce methane emissions and slow climate change.

- *Recycling Reform Act (2025)* – requires producers of residential packaging and paper products to be responsible for the end-of-life management of their products. The law also requires harmonized lists of recyclable materials to be accepted in programs throughout the state. In addition, facilities that sort and process collected recyclables must ensure materials go to responsible end markets.

Given the scope and complexities of these policies, it will be important for the future solid waste contract to comply with emerging statutory requirements, including ensuring broad access to compost collection service, harmonizing with the statewide recyclables list, providing standardized public education provisions, and fulfilling data/reporting requirements for both city and contractor.

In addition to overarching city policies, including the Bellevue 2044 Comprehensive Plan and the council's Strategic Target Areas and Objectives, two recent plan updates are especially relevant to planning future solid waste services:

- *Diversity Advantage Plan 2035* – a citywide strategic plan designed to embed diversity, equity and inclusion into every facet of Bellevue's operations, services and culture. Specifically, objective E5.9 is to provide reliable, high-quality and affordable utility services that improve public health and ensure equitable access for all residents.
- *Sustainable Bellevue Plan* – charts the next phase of the city's commitment to a healthy, resilient and thriving community for generations to come. The plan includes a Materials and Waste action area with a 50% recycling rate goal by 2030, and a long-term zero waste goal by 2050, as well as a strategy to leverage the solid waste contract to advance goals for zero waste and reducing greenhouse gas emissions. Efforts under this strategy could include exploring alternative fuel technologies and new educational approaches to improve access and participation in recycling and composting services, especially for multi-family residents and commercial businesses.

4. Leverage technology and data

Developments in industry standards and technology will inform the upcoming solid waste procurement package, with Utilities seeking opportunities to leverage innovation to enhance service delivery where feasible. For example, electric vehicle (EV) technology has advanced over the past decade, with EV options available for solid waste support vehicles as well as emerging options for collection vehicles.

The technology deployed in collection vehicles has also evolved, with software and hardware advances to seamlessly integrate operations and customer service, while providing a real-time, geospatial view of service delivery. There are opportunities to innovate data and reporting for a more advanced, real-time view of the contractor's performance.

The solid waste industry has also used Artificial Intelligence (AI) for many years, with a common area of deployment being recycling facilities to enhance material sorting. As the city considers advances in technology, it is not a question of whether AI will be used in solid waste services, but how. The scope and appropriateness of AI will be carefully evaluated, as it has potential to

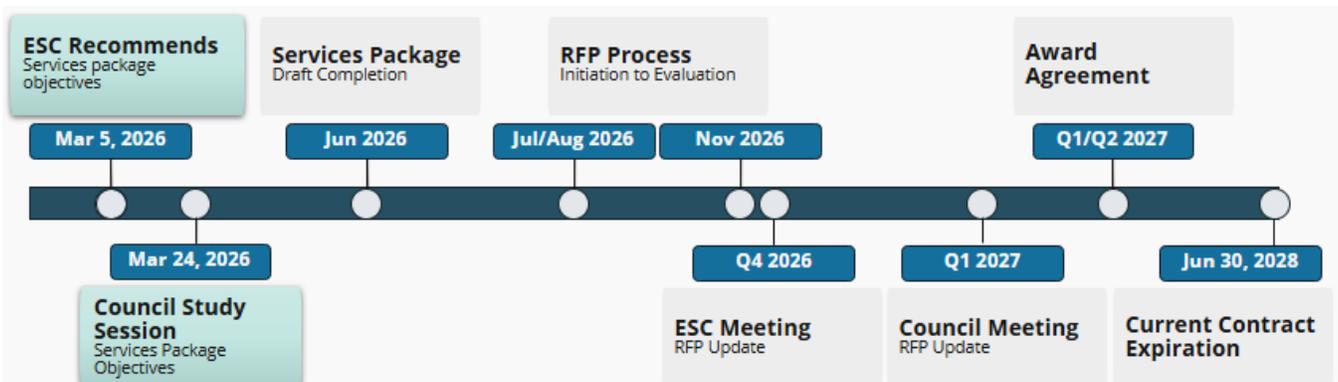
enhance customer service, billing, collections, and public education services in the next solid waste contract.

Beyond the four recommended objectives for developing the solid waste services package, Utilities recommends maintaining two existing contract elements in the new solid waste contract, weekly collections for single-family residents and an embedded rate structure.

- *Weekly Collections* – the current contract provides weekly collections of all material streams (garbage, recycling, compost) for single-family residents. While this service level is a common provision for solid waste services in our region and beyond, some jurisdictions have moved to every-other-week garbage collection to further motivate recycling and composting participation. When Utilities surveyed the community about this potential approach, most respondents ranked this provision very low in importance. Further, cities with this service level face challenges to swiftly resume collections across the service area following a service disruption such as inclement weather, often needing to suspend collections of another stream to catch up with garbage collection. With the current strong participation in recycling and compost at single-family residences and a community priority of reliable collection services, staff recommends continuing with a weekly collection schedule.
- *Embedded Rate Structure* – the current contract includes a billing structure based on the size of garbage service where the more thrown out to the landfill, the higher the billing rate for services. This approach incentivizes reducing waste and maximizing recycling and composting, as these services are embedded in the rate at no additional charge. Based on input received, the community prioritizes rates being as low as possible, with opportunities to save money by recycling and composting. Accordingly, staff recommends maintaining this billing structure in the future solid waste services contract.

Environmental Services Commission Recommendation and Procurement Timeline

On March 5, staff presented an overview of the solid waste contract procurement process to the Environmental Services Commission (ESC), including the timeline below. The ESC concurred with the staff-recommended objectives, including maintaining weekly collections for single-family residents and an embedded rate structure (Attachment A).



Next Steps

With the council's feedback on March 24, Utilities will develop the solid waste services package to support the competitive solicitation. The RFP process is anticipated to begin in the July/August time frame and will require several months to receive, evaluate, and score vendor submittals. By Q4 2026, staff anticipate returning to the ESC to provide an update on the RFP process followed by seeking the council's direction on an apparent successful vendor in Q1 2027. The new solid waste services agreement is expected to be awarded in Q1/Q2 2027, which ensures sufficient time to prepare for future services before the current contract expires in mid-2028.

POLICY & FISCAL IMPACTS**Policy Impact**

As previously noted, compliance with state law and local policy is a key objective in developing the solid waste services package. Relevant policies include the Washington State Organics Management Law, the Recycling Reform Act, the Diversity Advantage Plan 2035, and Sustainable Bellevue Plan.

Fiscal Impact

There is no fiscal impact associated with this direction.

OPTIONS

1. Direct staff to develop a solid waste services package based on the four recommended objectives as well as maintaining key contract elements, including weekly collection services for single-family residents and an embedded rate structure.
2. Direct staff to develop a solid waste services package based on alternative and/or modified objectives.

ATTACHMENTS

- A. Environmental Services Commission Recommendation on Solid Waste Services Package Objectives

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N/A