



City of Omaha
Jean Stothert, Mayor

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April 25, 2019

President Gray and City Council Members:

After reviewing Tuesday's testimony and your comments regarding our recommended solid waste contract, we have asked HDR's Solid Waste Management Division to provide an independent review of the bid submitted by West Central Sanitation. We are recommending a layover of further action to complete the review and give all of us the opportunity to evaluate HDR's conclusions.

It appears from the Tuesday discussion there are several points of view regarding the levels of services we should provide.

We appreciate your answers to these questions so we can move forward together on a solid waste contract and begin the successful transition to the new collection system before our 12/31/2020 deadline.

Do you want 96-gallon carts with the 48-gallon cart option?

Do you want to offer a choice in cart size prior to the start of the new service, rather than the planned 90-day trial of a 96-gallon cart followed by the opportunity to exchange for a smaller size?

- This change would be considered a "substantial and material change" to the RFB which could require rebidding.
- The cost estimate to provide this option is \$1 million-plus.
- The telephone survey of participating households following our pilot test showed the overwhelming majority (82%) of the participants favored the carted, automation system after the six-month test. Pilot households received two 96-gallon carts, one for combined solid waste and yard waste, the second for recycling. Smaller carts were not offered. The test also included an option for a third cart for combined trash and yard waste; only 16% of the 2,500 households requested the third cart. These neighborhoods were selected by Waste Management for the pilot as representative of most neighborhoods that will have fully automated collection. Neighborhoods that will require semi-automated collection, largely east of 72nd Street were not tested in this full-automation pilot.

- Pilot neighborhoods:

96th to 108th Harrison to Jefferson
 114th to 120th Arbor to Pacific
 90th to 98th Pacific to W. Dodge
 78th to 88th Maple to Boyd
 102nd to 106th Nebraska to Mary

Do you want to continue separate yard waste collection to produce OmaGro despite the known costs and revenue?

- Our current cost for separate yard waste collection is approximately \$4 million dollars annually. FCC's bid show the cost of separate collection will increase to \$6 million annually. Our costs to produce and bag OmaGro are estimated at \$800,000. Our revenue is less than \$100,000 a year.

Data provided by the Quality Control Division (see chart below) shows the amount of garbage and yard waste Waste Management delivers to the Pheasant Point landfill annually, collected from residential collection routes in Omaha. According to this data, the average household generates 38.4 lbs. of trash and yard waste each week. This fits easily into a 96-gallon cart. Do you have data that suggests the need for greater capacity, for the average household? If you do, please provide that information to us.

	2014	2015	2016	2017	2018	5 Yr Average
Garbage	115,545	134,825	145,844	132,890	139,471	133,715
Yardwaste	16,493	5,662	-	12,285	6,051	8,098
Total	132,038	140,486	145,844	145,176	145,522	141,813
Weekly Average (Tons)	2,539	2,702	2,805	2,792	2,798	2,727
Weekly Average Pounds	5,078,389	5,403,326	5,609,375	5,583,679	5,596,983	5,454,350
Households	133,579	136,288	141,717	142,028	145,743	139,871
LBs per HH Weekly	38.02	39.65	39.58	39.31	38.40	38.99
*One bag of OmaGro is 40 LBS						

Will you propose a tax increase and/or cuts in other city services to generate the revenue we will need. If so, what are your specific recommendations?

- The 3-cart comingled collection option will require approximately \$3 million in additional revenue. The Finance Department calculates our levy would need to increase by .8 cents.
- The 3-cart separate collection option will require approximately \$6 million in additional revenue, a 1.6 cent levy increase.

- A levy increase would apply to every residential and commercial property in Omaha. Commercial businesses would also pay higher taxes even though they do not receive residential solid waste collection service. Homeowners that do not have yard waste would also pay a higher tax.

Just as we have provided responses to your questions throughout this lengthy process, your responses are necessary to provide clarification on these important questions.

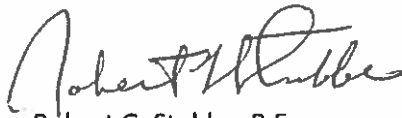
A final, yet important note-we must also consider the possible legislative actions that could have a devastating impact on our budget, and we may not know the impacts until early June.

We look forward to your responses.

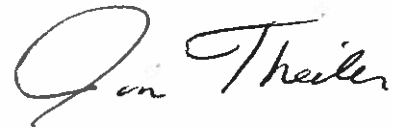
Sincerely,



Jean Stothert
Mayor, City of Omaha



Robert G. Stubbe, P.E.
Director, Public Works



Jim Theiler, P.E.
Assistant Director, Public Works
Environmental Services