CRR Contract renewal

August 15, 2023 – CRR proposed a renewal to their contract which ends June 30, 2026. It is not unusual for a trash company to start talks to renew their contract 2-3 years prior to the end date. At this proposal, CRR provide 3 options.

Option 1 – 5-year option to renew as written in the Contract with these additional benefits.

1. Replace all existing trash cans to comply with state law SB 1388
2. Implement a Host Fee. Providing additional revenue to the city of Approximately 100K per year.
3. Paper Shredding Service
4. In Home Sharps program, in addition to the already Sharp location at the Community Centers
5. $250K one time mitigation fee.

Options 2 – 5-year renewal with another 5-year option to extend.

1. All of the option 1, Plus
2. Site improvements – build a new facility building, which will bring additional revenue to the city through building permits, property taxes, and improved services to the city.
3. Freeze residential rate in 2023. (8.7% increase)
4. $250K one time mitigation fee to renew and another $250K for the option to extend in year 6.

Option 3 – 10-year renewal

1. All of option 2, Plus
2. $500K mitigation fee at start of contract.

At this time, this was a discussion item only. I was in favor of a 5 year and 5-year option. The Council, on a 3-2 vote, directed the city manager to bring it back as an agenda item to vote on. The 2 votes wanted to go out to an RFP and get proposals from other trash haulers.

September 19, 2023 – CRR provided an updated proposal and added 2 additional benefits.

1. Option 1 remained the same.
2. Option 2 added a License Plate reader (recommended by CM Echevarria) which assists law enforcement in locating vehicles they are looking for, mostly due to criminal activities.
3. Option 3 added a .5 percent freeze on the residential rate increase in 2024. (Recommended by CM Chastain).

At this meeting. 2 members continued to promote an RFP process to get quotes from other trash haulers. 2 members, of which I was one, leaned towards a 5 + 5-year renewal, but wanted more time and discussion. 1 member wanted to leave the contract as is and wait until the contract ended to start discussions again. Through my experience and leadership, I requested we schedule a workshop to sit down with CRR and let them know what we believe is in the best interest for the city, but more importantly, the best interest of our residents. I believed that we could take this opportunity to give CRR a list of what we needed, as I stated “ Let’s ask them for the Sky, the Moon, and the Stars, and see what they can deliver, If they can deliver something that is acceptable, we should consider it, If not, we let the contract expire and go though the process of putting it though a competitive process. I was happy to receive the support of 2 other members ( Echevarria and Chastain) to go through a workshop.

November 1, 2024 – Workshop

For this workshop, and as the Leader who got us to this point, I wanted to educate myself and see what other cities were getting and who their trash haulers were. I wanted to know for myself what a consultant would have brought to us, and more specifically, what other trash haulers could bid to get our business. I compared 15 surrounding cities. I found out, of the 15 surrounding cities, CRR serviced 2 Cities, Burrtec serviced 8, and the other 5 were either serviced by their City, or a small local or contracted hauler (not a major hauler like CRR or Burrtec). What I found, looking at the Contracts of all these cities, was with CRR, the City of Colton rates were higher than 6 other cites and less than 9, however the Commercial businesses were the lowest of all Cities. I looked at all the benefits all the other cities had over and above what we had and listed them all. I brought this list forward to this workshop and recommended CRR bring back a final proposal with the additional benefits. 2 other members supported my list while 2 others were still adamant about going through an RFP process, spending 30-40 thousand dollars to get the same information I just provided. One of the RFP members did recommend a benefit of allowing residents to dispose of tires, as well as several other items, however, CRR was already providing the service, or was something out of the realm any trash hauler does, such as repairing potholes and Clean city entrances. It was clear from the requests for services already received that this person did not do his due diligence and research. At this point, with a 3-2 vote again, CRR was directed to look at the additional items brought forward and come back with a final proposal.

February 20, 2024

CRR provided a proposal to staff and added it to the agenda to review, discuss, and vote. The final proposal basically provided **ALL** the items I had requested, including one item from another member for tire disposal, another request from another CM to pay for a City employee position, and a rate freeze over and above than what was requested.

The new and final proposal

Option 1 - 5-year extension already an option in the contract

1. All items from original proposal
2. Adding annual 10K Community Contribution for the City to decide how to spend.
3. Adding 8 Curbside Bulky Item pick up from 4
4. Adding Low-cost disposal at the transfer station is currently $43 for 500lbs. Now $25 for 1000lbs
5. Adding a 10% senior discount
6. Adding performance reviews language to hold CRR accountable for any complaints and issues.
7. Additional language to address Graffiti.
8. Fully fund a position within the city to coordinate with City and CRR to better serve the community. (Recommended by CM Echevaria)

Option 2 – 5-year renewal and optional 5-year extension

1. All items from the original proposal, plus the additions in option 1.

Option 3 – 10-year renewal

1. All items from the original proposal, plus the additions in option 2
2. Freeze Residential rates until June 30, 2026. Residents will not see a rate increase in 2023,24,25.
3. Freeze Commercial rates, already the lowest, same at residential.

With the same 3-2 vote. The City Council approved a 10-year contract extension.

Please note that from the original proposal, the benefits ONLY benefited the city with a residential benefit of freezing the rates in 2023. My list of benefits added multiple benefits to the residents. Members of the Council sometimes get stuck in doing what is best for the city, which residents pay for, with this, the residents get multiple benefits, with 3 years of cost savings.

I truly believe that researching the other city contracts, knowing what everyone else had, and asking for the same, and receiving it, makes the City of Colton the City others will look at and want to be compared to. I believe we saved Thousands of dollars by not going to a RFP, by doing the work they would have done and getting the same deal or less. We basically asked for everything we could think of and received it. In fact, the rate freeze was originally proposed until 2024 in the 10-year contract and was changed to 2026. In today’s world, with prices going up on every single thing, we will not have to worry about the trash rates going up for the next 2 years and have last year’s increase waived as well.

Next step is for the City Manager, the City Attorney, and CRR staff and attorneys to get together to put the contract language together and bring it back to the City Council to approve. The estimated time to complete this task is 2-4 months. So, if it takes the most time, we should see this back in June. The process will have taken 10 months to complete.