

RESOLUTION 22-98

**A RESOLUTION TO APPROVE CONTRACT WITH WASTE MANAGEMENT
FOR CITY RECYCLING AND SANITATION SERVICES**

WHEREAS, the Board of Mayor and Aldermen recognizes sanitation and recycling services are essential and needed to serve the residents and businesses of the City of Spring Hill; and

WHEREAS, due to the current volatile market conditions, City staff and Waste Management have agreed to an amended contract extension of the current contract for a period of three years and one month in lieu of advertising for new proposals; and

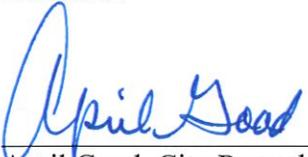
WHEREAS, the amended contract extension is shown in Exhibit A, attached hereto.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Mayor and Aldermen of the City of Spring Hill approves the amended attached contract with Waste Management for a term beginning April 1, 2022 and ending May 31, 2025.

Passed and adopted by the Board of Mayor and Aldermen of the City of Spring Hill, Tennessee on this 16th day of May, 2022.


Jim Hagaman, Mayor

ATTEST:



April Goad, City Recorder

LEGAL FORM APPROVED:



Patrick Carter, City Attorney

FIRST AMENDMENT TO THE CONTRACT FOR SERVICES

THIS FIRST AMENDMENT TO THE CONTRACT FOR SERVICES (herein "Amendment") is made and entered into this the ~~1st~~ day of April, 2022 by and between the CITY OF SPRING HILL, TENNESSEE, a Tennessee municipal corporation (herein the "CITY") and Waste Management, Inc. of Tennessee (herein the "CONTRACTOR").

WITNESSETH:

WHEREAS, the CITY and Contractor desire to modify and renew the Contract for Services entered into on May 1, 2019 and approved by Resolution 19-60 by the City ("Contract") and later extended for one (1) month by the parties pursuant to Resolution 22-73 under which the Contractor shall exclusively furnish all labor, tools, equipment and materials, supplies and services to perform all work and services necessary to satisfactorily collect and transport Garbage, Waste, and Recyclable Materials from designated residential locations and Public Facilities and Garbage and Waste from Commercial and Industrial businesses within the City of Spring Hill, Tennessee, or which come within the corporate limits of Spring Hill by reason of annexation during the term of this Contract, transport same to the designated disposal location, or recycling location, and perform all other work or services incidental to Garbage, Waste, and Recyclable Materials collection and transportation services in strict accordance with the terms and provisions of this Contract. In performance of this Contract, the CONTRACTOR binds himself to the CITY to comply fully with all provisions, undertakings, and obligations hereinafter set forth (**herein the "Contract Items"**), and

WHEREAS, the CONTRACTOR has the requisite experience, abilities and resources to perform and/or furnish the foregoing, and

WHEREAS, the CONTRACTOR desires to enter into this Contract as an independent Contractor and is ready, willing and able to provide the services and/or furnish the equipment in accordance with the terms of and subject to the conditions in this Amendment and the Contract, and

WHEREAS, the CITY and CONTRACTOR agree to extend the Contract term and make other modifications to the Contract as more particularly set forth below.

NOW, THEREFORE, for good and valuable consideration, received or to be received, the sufficiency of which the parties acknowledge, the parties agree as follows:

1. Section 1, entitled "Scope of Contract" is hereby modified as followed:

The parties agree that the scope of the Contract shall be modified as expressly set forth in this Amendment.

2. The following new definitions are hereby added to Section 2, entitled "Definitions" in the Contract:

Light Commercial Unit - A retail or light commercial type of business, which generates no more than one (1) cubic yard of Waste per week, excluding Unacceptable Waste, and uses a Waste Cart for the deposit of Waste which is collected once per week by Contractor.

Polycart or Cart - A rubber-wheeled receptacle to be provided by Contractor to Residential Units for the deposit of Residential Waste with a maximum capacity of 90 to 96 gallons constructed of plastic, metal and/or fiberglass, designed for automated or semi-automated collection, and having a tight-fitting lid capable of preventing entrance into the container by small animals. The weight of a Polycart and its contents shall not exceed 175 lbs.

Customer – The owner or tenant of a Residential Unit located within the City and identified by the City as being eligible for and in need of the services provided by Contractor hereunder.

3. Section 4, Term of Contract, is hereby modified as follows:

Effective April 1, 2022, the term of the Contract is hereby extended for three years and one month through May 31, 2025. This Contract may be further extended only upon mutual agreement of the CITY and CONTRACTOR upon the same terms or as otherwise mutually agreed in writing for one (1) additional two-year term or as otherwise agreed to by the parties in writing.

The City acknowledges that the Contractor is expending capital to purchase new Waste Polycarts that the Contractor will deliver to all Residential Units for the deposit and collection of Residential Unit Waste under this Amendment. If the City terminates the Contract, for any reason, before May 31, 2027 or if the Contract is not extended by the parties through at least May 31, 2027, then the City, at its sole discretion, agrees to compensate Contractor in one of the following ways:

- (a) A Waste Cart removal fee in the amount of \$7.50 per Residential Unit for Contractor to remove all Waste Carts purchased by Contractor and delivered to Residential Units during the term of this Amendment and any future renewals, or
- (b) Using a ten-year straight line depreciation method, the value of all the Waste Carts purchased and delivered by Contractor to the Residential Units under this Amendment or any future renewals on the date of Contract termination or non-renewal. Under this option (b), ownership of all such Waste Carts shall be transferred to the City and Contractor shall have no obligation to remove any of the Waste Carts from Residential Units.

For the purpose of clarity, if the Contract is not terminated and continues to run through at least May 31, 2027, then neither (a) nor (b) above applies and the City has no obligation to compensate Contractor for removing the Waste Carts or to purchase the Waste Carts upon the termination of the Contract.

4. Section 5.01, Residential Collection, is hereby superseded and replaced by the following language:

5.01 Residential Waste Collection: Contractor agrees to provide a Waste Polycart to all Residential Units once Contractor has received the Polycarts from the manufacturer.

- (a) Until all Residential Units have received a Contractor delivered Waste Polycart, Contractor shall continue to collect Residential Waste generated at a Residential Unit and placed in that Residential Unit's Container or Bag once per week.

(b) Once all Residential Units have received a Waste Polycart from Contractor, the Residential Waste collection services shall be modified as follows: Contractor shall collect Residential Waste generated at a Residential Unit and placed in that Residential Unit's Waste Polycart one time per week. Contractor shall not be obligated or required to collect any Waste not properly contained in the Residential Unit's Waste Polycart. Residents shall no longer place Bags or Containers containing any Waste curbside for collection and Contractor has no obligation to collect Bags or Containers containing Waste.

(i) Contractor shall provide one (1) Waste Polycart to each Residential Unit for the deposit of Waste. On collection day, each Residential Unit Customer shall place its Waste Polycart in a location that is readily accessible to Contractor and its collection equipment, not to exceed three (3) feet from the curb or edge of the travelled portion of the street, road or alley, and not to be located in a manner that will block the driveway or mailbox or otherwise inhibit proper servicing. The City shall aid Contractor in resolving problems of Polycart location or improper placement or deposit of Waste by the Customer. Customers shall not overload the Waste Polycarts, and the Polycarts shall be loaded by Customers such that the lids shall close securely.

(ii) Contractor shall not be required to collect (i) any Residential Waste that is not placed in a Waste Polycart, (ii) any Residential Waste from a Polycart that is overloaded or whose lid cannot fully close, or (iii) a Polycart that is not properly and timely placed curbside.

(iii) During the term of this Contract, the Waste Polycarts shall remain at the location of the Residential Unit where delivered by Contractor. If a Polycart is damaged beyond repair, the Contractor will provide a replacement Polycart to the Residential Unit location at no charge. Any Polycart removed from, lost or missing from a Customer location shall be deemed lost, and Contractor agrees to provide a replacement Cart at its cost with no markup to the City.

(iv) If a Residential Unit Customer requests an additional (more than one) Waste container, the Contractor will provide additional Polycarts at the rates set forth in **Exhibit B-1** attached hereto, as adjusted per the terms of the Contract.

(v) The City logo shall not appear on the Waste Polycarts.

5. The second to last sentence of Section 6.11 is hereby modified as follows:

If roads are impassable, as reasonably determined by the parties, the routes will be completed as soon as possible after road clearing and in the normal fashion starting with the routes that were not completed due to the impassable roads.

6. The second to last sentence of Section 6.13 is hereby modified as follows:

The written log maintained by the Contractor shall be provided to the City Administrator quarterly in electronic form.

7. Section 6.14, Routes of Collection, is hereby modified as follows:

Collection routes and the general timing of said routes shall be established by the Contractor and reasonably approved by the City. City shall provide Contractor with maps of the City containing sufficient detail for Contractor to design collection routes. Contractor shall in good faith attempt to consistently adhere to said routes and the general timing of same.

8. Section 7.04 of the Contract is hereby superseded and replaced with the following language:

7.04 Every vehicle used by Contractor in the performance of the Contract shall be equipped with real-time GPS vehicle tracking equipment to allow Contractor and the City to monitor the progress of the vehicles and ensure compliance with routes and schedules. Once Contractor receives the automated side load residential collection vehicles ("ASL Vehicles") that it will order after both parties' execution of this Amendment, Contractor will then install the SmartTruck™ system technology in these ASL Vehicles, which includes vehicle cameras and software to help verify the Contractor's performance of services, Customer complaints, and the Residential Waste Customers' timely and proper placement of Polycarts, among other things, to support the City and Contractor's enforcement of the Contract terms.

9. The following language is hereby added to Section 7.06 of the Contract regarding liquidated damages:

The City agrees not to assess or impose any liquidated damages/administrative charges against Contractor during the first 45 consecutive day period after Waste Carts have been provided by Contractor to all Residential Units to allow the Residential Unit Customers sufficient time to begin using Waste Polycarts only for the placement of Waste, to discontinue placement of Waste Containers and Bags curbside for collection, and other factors associated with the change from Contractor collecting Customer-owned Containers or Bags placed curbside to the use and collection of Waste Polycarts only.

10. The table in section 7.06 of the Contract that sets forth the Act/Omissions and the Administrative Charges associated therewith is hereby replaced by the following:

Act/Omission	Administrative Charge Amount
Failure to collect Residential Waste that was timely and properly set out and verified by Contractor as missed within one business day (excluding Saturday and Sunday) from Contractor's receipt of the customer complaint.	\$100.00 each incident to a maximum of \$250.00 per truck per day.

Failure to clean up spillage of Residential Waste or Recyclables caused during Contractor's collection of properly loaded and placed Residential Waste Polycarts or Residential Recyclables Containers. No Administrative Charge may be assessed due to spillage resulting from overloaded or overfilled Waste Polycarts or Recyclables Containers.	\$125.00 per incident up to a maximum of \$250.00 per truck per day.
Hydraulic Spill Clean-up	\$300.00 per incident
Failure to collect a verified Commercial Waste Missed Pick Up within one business day (excluding Sunday) of Contractor's receipt of the Customer's complaint	\$100.00 per incident

For repeated violations of the acts or omissions set forth in the above table, the City may assess a maximum charge of \$1,500.00 per month.

11. Section 8.02 entitled "Annual Increases" is hereby superseded and replaced by the following language:

8.02 Annual Increases. The parties agree that beginning on April 1, 2023 and on each April 1 thereafter, the Base Rates will be adjusted by the percentage increase equal to the annual percentage change in the average Consumer Price Index, US City Average for All Urban Consumers, Water, Sewer Trash, Not Seasonally Adjusted, (published by the United States Bureau of Labor Statistics, Consumer Price Index (the "CPI") over the 12 most recently published months compared to the average CPI for the previous 12-month period. The CPI published on the first Monday prior to the end of the month (or the first business day thereafter if such Monday is a Federal Holiday) shall be used to determine the monthly change. The annual percentage change shall be calculated by subtracting the average CPI value for the previous 12-months from the average CPI value for the most recent 12-month period, the result of which shall be divided by the prior 12-month period average. An example of the CPI annual increase calculation follows:

January 2020 through December 2020 compared to January 2020 to December 2021

Index	2020 12-Month Average	2021 12-Month Average	Change	Applied Percentage Change
CPI – Water Sewer Trash	252.46	264.47	9.01	3.6% (9.01/252.46)

The calculated change shall be carried to three places to the right of the decimal and rounded to the nearest thousandths. The percentage adjustment will be applied to the then current rates for services reflected in **Exhibit B-1** attached to this Amendment, as adjusted hereunder. In the event the U.S. Department of Labor, Bureau of Labor Statistics ceases to publish the CPI, the parties hereto agree to substitute another equally authoritative measure of change in the purchasing power of the U.S. dollar as may be then available so as to carry out the intent of this provision.

12. Section 9.03 of the Contract is hereby modified as follows:

9.03 Subject to adjustments as provided in this Contract, monthly billings for Residential Services will be an amount equal to the applicable monthly unit prices multiplied by the Count as defined herein and determined pursuant to section 9.04. The City reserves the right to partially pay any billing submitted by the CONTRACTOR for failure to complete collection routes or for failure to complete all collection services required during the collection route schedules as prescribed in Section 7.06. No interest will be charged on a properly withheld amount and the properly withheld amount will not be considered a late payment.

13. Subsections a. and b. to Section 9.04, entitled Residential Unit Count, are hereby modified as follows:

a. CITY's payment to CONTRACTOR for Residential Unit services will be based on the Residential Unit count (the "Count") that will include all single-family households receiving sanitation services as indicated in the City's utility billing system. The City will be responsible for determining and providing the Counts to the CONTRACTOR on a quarterly basis. Such Count will include single-family residential dwellings and certain high-density dwellings such as townhouses, duplexes, and condominiums. Excluded from the Count will be certain multi-family dwellings such as apartments, residences under construction and commercial establishments and some vacant homes. CONTRACTOR has no responsibility for any incorrect Counts provided by the CITY; but CONTRACTOR has the right to verify the Count information provided by the CITY by doing a physical count. Any errors or mistakes in the residential Count shall be corrected within one year of the date such Count is provided to the CONTRACTOR or the mistake is waived and released by both parties.

b. A new Count will be determined and established by the City as of April 1, 2022 for the three-month period of April 1, 2022 through June 30, 2022. Thereafter, a revised Count shall be determined by the City at the beginning of every three months during the term of this Contract to establish the Count to be used for all monthly billings during that same 3-month period. The CITY shall provide the count information to Contractor no later than the last day of the month before the beginning of the quarter.

14. Section 10.03 of the Contract is hereby revised as follows:

10.03 CONTRACTOR agrees to provide Waste collection equipment and services to the City owned and/or operated facilities identified in **Exhibit C** to this Amendment.

15. The Base Rates for CONTRACTOR's services, equipment and labor effective April 1, 2022 are set forth in the attached Exhibit B-1, the Rate Schedule, which is adopted and incorporated fully herein.

16. Capital words used in this Amendment shall have the meaning defined in this Amendment or in the Contract. In the event of a conflict between the terms of the Contract and this Amendment, the terms of this Amendment shall control.

IN WITNESS WHEREOF, this Amendment has been executed as of the date first set forth above.

**CITY OF SPRING HILL,
TENNESSEE**

**WASTE MANAGEMENT INC. OF
TENNESSEE**

By: 
Jim Hagamin, Mayor

By: 

Its: Area VP

ATTEST:

CONTRACTOR's Mailing Address:

By: April Good
City Clerk/Recorder

EMM-MS
Area VP

APPROVED AS TO FORM AND CONTENT:

CONTRACTOR'S Telephone Number:
931-698-2386

Patrick Carter
Patrick Carter, City Attorney

CONTRACTOR'S Email:
speter15@wm.com

EXHIBIT A
SERVICE STOPS FOR CITY BUILDINGS
Garbage & Recyclables:

City Hall – 199 Town Center Parkway

One dumpster emptied weekly/recyclables emptied bi-weekly (8-yard)

Winchester Building – 563 Maury Hill Street

Residential type cans emptied weekly / no recycling

Sewer Treatment Plant – 3893 Mahlon Moore Road

One trash dumpster picked up weekly (8 yard)

One dumpster emptied two times a week (4 yard)

One dumpster emptied one time per week (2 yard)

Police Department – 3636A Royal Park Blvd

One dumpster emptied weekly / recyclables emptied bi-weekly (8 yard)

Water Plant – 4151 Kedron Road

One dumpster emptied weekly / recyclables emptied bi-weekly (4 yard)

Evans Park – 575 Maury Hill Street

Two dumpsters emptied weekly (4 yard and 8 yard)

Parks and Recreation – 4237 Port Royal Road

One dumpster emptied two times per week (4 yard)

Fire Station #1 – 440 Beechcroft Road

One dumpster emptied biweekly (4 yard)

Fire Station #2 – 4273 Port Royal Road

One dumpster emptied every other Friday

Fire Station #3 – 4000 Campbell Station Parkway

One dumpster emptied biweekly (4 yard)

Library – 144 Kedron Road

One dumpster emptied weekly (4 yard)

EXHIBIT B-1
Rate Schedule Effective April 1, 2022

Residential Collection Rates

One Residential Waste Cart serviced one time per week and
 One Recycling Container serviced every other week \$15.52 per Residential Unit/month

Each additional Waste Cart or Recycling Container \$ 7.76 per Cart/Container per month

Light Commercial Unit Rates

One Waste Cart serviced one time per week \$15.52 per month
 One Recycling Container serviced every other week \$ 7.00 per month

Maximum of one additional Waste Cart \$ 7.76 per Cart per month
 Maximum of one additional Recycling Container \$ 7.00 per Container per month

Commercial and Industrial Unit Customer Rates

Bin Size	1XWK service	2XWK service	3XWK service	4XWK service	5XWK service	6XWK service	Every Other Week	EXTRA Pick up
One Bin								
2 Yard		\$156.82	\$221.11		\$416.80	\$0.00	\$56.22	
4 Yard	\$108.31							\$105.06
	\$136.62	\$263.49						\$132.54
	\$173.06					\$1,258.82		\$167.87
Two Bins								
	\$156.66	\$266.60						
	\$184.12							\$105.06
	\$232.27	\$447.92			\$1,228.75			\$132.54
	\$294.21			\$1,113.03	\$1,646.16	\$2,140.01		\$167.87
Three Bins								
	\$243.70	\$425.60						\$105.06
	\$307.42			\$1,121.57	\$1,626.27			\$132.54
	\$389.38	\$767.49		\$1,473.13	\$2,178.73			\$167.87