



City of Killeen

Legislation Text

File #: RS-23-150, **Version:** 1

Consider a memorandum/resolution authorizing the agreement with Comal Transportation, LLC for transportation of the City's municipal solid waste.

DATE: September 19, 2023

TO: Kent Cagle, City Manager

FROM: Jeffery Reynolds, Executive Director of Public Works

SUBJECT: Approval of Agreement with Comal Transportation, LLC for the Transportation of the City's Municipal Solid Waste

BACKGROUND AND FINDINGS:

The City of Killeen Transfer Station processes over 130,000 tons of municipal solid waste (MSW) annually. On October 8, 2008, the City of Killeen entered into an agreement for transportation services for the City's MSW with Comal Transportation, LLC (Comal). The agreement with Comal provides for the transport of the City's MSW from the Killeen Transfer Station to the Temple landfill, the primary destination, or to the Williamson County landfill, the secondary destination.

After the expiration of the original agreement, another agreement was executed for an initial term of five (5) years beginning on October 8, 2015 and ending on October 7, 2020. This initial term could be extended for two (2) additional three (3) year terms. On September 1, 2020, City Council approved Amendment #2, executing the first extended term of the transportation agreement that is set to expire on October 7, 2023.

Since the initiation of the agreement in 2015, there has been a significant rise in operating costs. Therefore, the Solid Waste Division reached out to nine (9) transportation companies with a set of specifications required for the transportation of our MSW, ensuring we are receiving the best value for the city. Two (2) companies responded, only one has the necessary equipment and staff required to maintain our Texas Commission on Environmental Quality permit, Comal Transportation, LLC.

The proposed agreement for transportation to the Temple landfill is \$315.00 per trailer load, which is approximately 21.5 tons of waste. The staging fee is proposed to be increased to \$1.35 per ton from the \$1.07 that it has been for eight (8) years. The base transportation fee is subject to a fuel surcharge adjustment of 2% for every ten cent (\$0.10) increase in the price of fuel above \$4.40 per gallon, or a 2% credit for every ten cents (\$0.10) below \$3.25. The diesel fuel price shall be determined on a weekly basis by reference to the Energy Information Administration of the U.S. Department of Energy (EIA/DOE) Weekly Retail on Highway Diesel Prices for the Gulf Coast.

After the first twelve (12) months of this agreement, and subsequently for each following twelve (12) month period for the duration of this agreement, a CPI increase can be assessed based on the Consumer Price Index

(Dallas/Fort Worth regions for All Urban Consumers, less energy) as published by the U.S. Department of Labor, Bureau of Labor Statics as measured from May of the previous year to April of the then current year. Any such CPI increase will be clearly itemized on the weekly invoice and shall be submitted to the city no later than June 1st of any given year prior to the addition of the CPI line item of the CPI percentage.

THE ALTERNATIVES CONSIDERED:

1. Do not authorize a transportation agreement with Comal Transportation, LLC.
2. Authorize a transportation agreement with Comal Transportation LLC, allowing the City to continue utilizing their services for the duration of five (5) years.

Which alternative is recommended? Why?

Alternative two is recommended in order to ensure transportation services for the city's municipal solid waste at a set cost each year and the ability to maintain standards established by the Texas Commission on Environmental Quality.

CONFORMITY TO CITY POLICY:

Texas Local Government Code (LGC) section 252.022(a)(2) exempts contracts for the preservation of Public Health or Safety from the competitive bidding requirement.

FINANCIAL IMPACT:

What is the amount of the expenditure in the current fiscal year? For future years?

Projected expenses for the proposed agreement in FY 2024 for MSW Transportation is \$2,342,693. Future years would have a CPI increase applied along with changes based on usage.

Is this a one-time or recurring expenditure?

Recurring annually

Is this expenditure budgeted?

Yes, funding is available in the Solid Waste Fund in the Transfer Station account 540-3475-439.50-35.

If not, where will the money come from?

N/A

Is there a sufficient amount in the budgeted line-item for this expenditure?

Yes

RECOMMENDATION:

That the City Council authorize the City Manager, or his designee, to execute the transportation agreement

with Comal Transportation, LLC for the transportation of the city's municipal solid waste for the duration of five (5) years.

DEPARTMENTAL CLEARANCES:

Public Works
Purchasing
Finance
City Attorney

ATTACHED SUPPORTING DOCUMENTS:

Agreement
Certificate of Interested Parties
Contract Verification
Quote