



## **AGENDA MEMORANDUM**

Future Item for the City Council Meeting of November 15, 2016  
Action Item for the City Council Meeting of December 13, 2016

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**DATE:** October 26, 2016

**TO:** Margie C. Rose, City Manager

**FROM:** Lawrence Mikolajczyk, Director of Solid Waste Operations  
[LawM@cctexas.com](mailto:LawM@cctexas.com)  
(361) 826-1972

Establish waste acceptance contract with Killian Calderon Disposal LLC
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### **CAPTION:**

Motion authorizing the City Manager or designee to execute an 11-year contract with Killian Calderon Disposal, LLC, guaranteeing the delivery of specific tonnage of acceptable waste collected within the boundaries of the Coastal Bend Council of Governments region to the City's Cefe Valenzuela Municipal Landfill, with a termination date of November 12, 2027.

### **PURPOSE**

The agreement assures that the Killian Calderon Disposal will dispose of 80% of waste collected from inside the City limits at the Cefe Valenzuela Landfill, with a minimum of 2,000 tons per year. Killian Calderon Disposal will receive a 25% discount off of the published disposal fee. If the minimum of 2,000 tons is exceeded by 33% (660 tons), then an additional 15% discount will be applied on disposal fees for waste in excess of 2,660 tons in each contract year. The agreement will have an effective date of November 12, 2016, and will end November 12, 2027, to align with the termination dates of similar active contracts with Corpus Christi Disposal, Dawson Recycling, Captain Hook, BFI, Coastal Trailer Trash, Absolute Waste Acquisitions, and the Bag Lady.

### **BACKGROUND AND FINDINGS:**

The efficient operation of the Cefe Valenzuela Landfill is dependent upon consistent volumes of solid waste. Competition from area landfills increases the importance to be competitive in price and service.

The City has previously entered into "put or pay" disposal agreements with local commercial waste haulers, as well as Aransas County, offering discounts from the published disposal rate of 25% if the hauler agrees to deliver 80% of their waste to the City and 28% if the hauler agrees to deliver 100% of their waste to the City.

Both Killian Calderon Disposal and the City of Corpus Christi will realize cost and efficiency benefits through the execution of this agreement. William Killian, a principal partner with Killian Calderon Disposal, has approved the execution of this agreement.

**CONFORMITY TO CITY POLICY:**

This agreement is consistent with the terms offered to other major waste haulers agreement and does not conflict with City policy.

**EMERGENCY / NON-EMERGENCY:**

Non-emergency.

**DEPARTMENTAL CLEARANCES:**

City Attorney.

**FINANCIAL IMPACT:**

☐ Operating      ☒ Revenue      ☐ Capital      ☐ Not applicable

<b>Fiscal Year: 2016-2017</b>	<b>Current Year</b>	<b>Future Years</b>	<b>TOTALS</b>
Line Item Budget			
Encumbered / Expended Amount			
This item	\$53,420	\$534,200	\$587,620
BALANCE	\$53,420	\$534,200	\$587,620

Fund(s): General Fund

**Comments:** The revenue stated above assumes 10.5 months of disposal activity at the discounted rate of \$26.71 per ton in FY 2017, and 10 future years' revenue at the same discounted rate.

**RECOMMENDATION:**

Staff recommends the approval of this contract.

**LIST OF SUPPORTING DOCUMENTS:**

Hauler Agreement  
Exhibit A