



City of Greensboro

Melvin Municipal
Office Building
300 W. Washington Street
Greensboro, NC 27401

Agenda Report

File Number: 2022-739

Agenda Item# I.1.

Agenda Date: 7/19/2022. **Department:** Field Operations

Meeting Type: Council Meeting **Category:** General Business Agenda

Title: 2022 – 739 Resolution Authorizing Change Order with Hilco Transport, Inc. in Amount of \$1,425,000 for MSW Hauling

Council Priority: Place an 'x' in the box.

- ☒ Create an Environment to Promote Economic Development Opportunities and Job Creation
- ☒ Maintain Infrastructure and Provide Sustainable Growth Opportunities
- ☐ Promote Public Safety & Reduce Crime
- ☐ Exceptional Customer Service and a Diverse City Government Workforce
- ☒ Ensure Fiscal Stewardship, Transparency, & Accountability

Council District: 5

Public Hearing: No

Advertising Date/By: N/A

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Contact 2 and Phone: Chris Marriott, 336-373-7612

PURPOSE:

The purpose of this agenda item is to have City Council authorize a change order (#1) to provide continued services for hauling municipal solid waste brought to the Greensboro Transfer Station. The current contract #2019-5318 does not have enough authorized funding to pay for the services through the end of the contract period in October 2022. This will add \$1,425,000 of funding to the contract. The existing contract can be viewed here: <https://www.greensboro-nc.gov/home/showdocument?id=53285>

BACKGROUND:

Since 2006, the City of Greensboro has contracted to provide municipal solid waste hauling services from the City's Burnt Poplar Road transfer station to a private landfill for disposal. Since 2017, the disposal landfill has been the Great Oak Landfill in Randolph County, NC.

The Field Operations Department signed a contract with Hilco Transport, Inc in 2019 after completing a Request for Proposals process. Hilco Transport was the lowest responsive bidder

and had subcontracted with and MBE firm, R&R Transportation, Inc (R&R) for a 10% utilization goal.

Hilco Transport has executed this service for this City with very little incidents and has met most service standards 100% of the time. Hilco was able to provide R&R Transport with 10% of the hauling business from the contract initiation through March 2021. In March 2021 R&R Transport notified Hilco Transport that they no longer wanted to be a subcontractor on this project as the economy and industry had changed and they could make much more revenue on other hauling contracts being bid. Hilco Transport allowed R&R out of the subcontractor contract and was able to pick up the extra work with in-house staffing and equipment. Hilco Transport notified the Field Operations Department and the City MWBE office of this in March 2021. Hilco received certified MBE and WBE haulers from the MWBE office in March 2021 and in March 2022 completing outreach both times. Each time they were un-successful in finding a subcontractor that would be willing to provide service at the 2019 contracted rate.

Due to higher than expected volumes of municipal solid waste received at the transfer station with the onset of COVID-19 and the recovery from, costs have been higher than originally expected.

The contracted costs for hauling municipal solid waste in FY19 was \$144,708 monthly. The current budget was set up to spend \$195,833 monthly as averaged for 3 years. This budgeted amount expected a 2-3% increase in volume/tonnage and a 2-3% increase in annual CPI and fuel costs. The fuel costs are adjusted each month based on the regional index and have been higher than projected in recent months. The current fiscal year month costs have averaged \$249,300. However, the most recent three months has seen an increase to \$282,700 monthly. These increases were not projected when the initial contract was approved.

BUDGET IMPACT:

The original cost approved by City Council was an estimated cost of \$2,300,000 per year. The estimated cost for the remainder of the contract is \$1,425,000 due to recent increase cost of business. Funding will be available in the Solid Waste Management fund budget.

ACCOUNT NUMBER:

551-4306-07.5429

RECOMMENDATION / ACTION REQUESTED:

It is recommended that City Council approve this change order in the increased amount \$1,425,000 for MSW hauling on contract 2019-5318 with Hilco Transport, Inc.