



CITY OF ARANSAS PASS

AGENDA MEMORANDUM

City Council Special Meeting of June 15, 2021

Date: June 11, 2021

To: Mayor and City Council

From: Gary Edwards, City Manager
gedwards@aptx.gov

Title: Solid Waste Collection and Disposal Services CPI Rate Increase

PURPOSE:

Consider and Act on approving the increase in solid waste collection and disposal rates per the contract with Absolute Waste Collection and Disposal Services.

BACKGROUND AND FINDINGS:

On May 1, 2017, the City entered into a contract with Absolute Waste for its Solid Waste Collection and Disposal Services. The contract calls for a review of CPI for Urban Wage Earners and Clerical Workers (All Items) and the CPI for Urban Wage Earners and Clerical Workers, Expenditure Category "Transportation" both as published by the U.S. Department of Labor, Bureau of Labor Statistics. The fees shall increase or decrease for the ensuing 12 month period in a percentage amount equal to 100% of the net percentage change of the All Items Index (the "Composite Percentage Change").

The calculation of these CPIs totals a 4.70% increase which translates to a \$1.17 increase before taxes to the customer. The staff has negotiated with William Davis, the Absolute Waste Collection and Disposal Services owner, a reduced CPI increase of 3.50%, which translates to an increase of \$0.87 before taxes to the customer. Along with the reduced CPI increase, Mr. Davis has agreed to immediately pick up bulky and brush on vacant lots at no additional cost to the City and offer these services to commercial customers at a minimal cost.

The lower CIP increase and the additional services are contingent on Council's approval to renew the contract for an additional five (5) years.

ALTERNATIVES:

Not approving the rate increase.

RECOMMENDATION:

Staff recommends approving the increase as a pass-through an increase to its customers at the reduced negotiated percentage.