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| DATE:   | 02-24-26 |
| DEPT:   | PW       |

## COUNCIL ACTION FORM

**SUBJECT: RESIDENTIAL CURBSIDE RECYCLING PROGRAM CONTRACT**

### BACKGROUND:

The City plans to transition away from waste-to-energy and into the Resource Recovery and Recycling Campus (R3C) in early 2027. Because a significant part of the community's landfill avoidance goals are currently met through waste-to-energy, greater opportunities for recycling will be necessary to achieve meaningful landfill avoidance once waste-to-energy concludes. In addition to being better for the environment, the cost to dispose of recycling is less on a per-ton basis compared to landfilling the same amount of material. Therefore, recycling is an important tool in order to keep overall solid waste disposal costs low.

On August 12, 2025, staff presented a report to the City Council outlining these issues and describing the need for a residential curbside recycling program in Ames ([click here for the August 12, 2025 report](#)). Following that discussion, on November 8, 2025, the City Council received the results of a community survey regarding recycling ([click here for the November 8, 2025 report](#)). At that time, the City Council directed staff to initiate a request for proposal (RFP) for a residential curbside recycling collection contractor.

### SCOPE OF SERVICES:

The scope of the RFP was to provide curbside recycling collection service for 13,731 residences. The included residences are all the single-family homes and multi-family properties in Ames containing up to four units. The vendor was asked to furnish 96-gallon carts to each residence in June 2026, with each residence being serviced on an every-other-week basis starting July 1. Materials collected include mixed paper, corrugated cardboard, glass (food and beverage containers), #1 and #2 plastic, and metals.

The selected hauler would transport the materials to a facility designated by the City (a recycling facility in Des Moines for the first year, then the R3C once it becomes operational). The City would be responsible for the costs of disposal of the recyclable materials.

The RFP requires that collection vehicles be outfitted with vehicle location systems and cameras to document collection issues. A preference was expressed for alternative fuels to be used by collection vehicles.

The costs for the collection contract will be billed to the City. The collection, disposal, and other program costs will then be billed to individual customers on their monthly City utility bills. Although the target customer base for this service is residential customers, the RFP requested that the vendors allow commercial customers to sign up for service through the City at the same pricing if they can also be serviced with a 96-gallon cart. Additionally, the RFP contained a list of City facilities that would be provided service at no additional charge.

In order to assist Resource Recovery System (RRS) partners in exploring their options for

recycling service, the RFP requested pricing for each vendor to provide similar services to each individual RRS community. Each RRS community may choose to enter into a contract with the selected hauler at the pricing that was quoted through this RFP. However, there is no obligation for any of the communities to do so, and they are free to issue their own RFP or implement their own recycling initiatives.

Pricing was requested for a five-year initial contract term, with a base rate proposed by each vendor for each year of the contract. The base rate is eligible to be adjusted up or down on a monthly basis using an industry standard fuel index.

At the conclusion of the five-year contract, the 96-gallon carts become the property of the City. The carts have been specified to meet ANSI standards, so they can be utilized by automated collection equipment that is standard in the industry in the event that the City chooses to contract with another provider at the conclusion of the initial contract term. The carts will not be branded with the hauler details, but instead will contain logos and information specific to Ames' curbside recycling program.

### **PROPOSAL EVALUATION:**

The RFP was issued on December 11, 2025. On January 16, 2026, responses were received from five vendors. A team consisting of representatives of the Public Works Department and City Manager's Office evaluated the proposals. In addition to their written responses, each firm furnished one or more carts for evaluation by City staff. Proposals were evaluated on the basis of:

1. Qualifications and experience with recyclable waste collection and disposal. Customer service provided to past and current customers and references.
2. Adequacy of the proposed materials, equipment, timeline, and services to meet the City's needs.
3. Compliance with the draft Contract provided in the RFP
4. Organization, clarity, completeness, and responsiveness to the RFP.
5. Proposed fees (only City of Ames fees were considered in the evaluation).

Scores from the initial evaluation were as follows:

| <b>Firm</b>                                                           | <b>Proposal Merits</b> | <b>Proposal Cost</b> | <b>Initial Evaluation<br/>TOTAL</b> |
|-----------------------------------------------------------------------|------------------------|----------------------|-------------------------------------|
| Ankeny Sanitation, Inc.<br>Ankeny, IA                                 | 1170                   | 655                  | <b>1825</b>                         |
| Aspen Waste Systems of<br>Iowa, Inc.<br>Ames, IA                      | 1250                   | 875                  | <b>2125</b>                         |
| LJP Waste Solutions (d/b/a<br>The Trash Man, LLC)<br>Webster City, IA | 935                    | 640                  | <b>1575</b>                         |
| Pratt Sanitation, Inc.<br>Nevada, IA                                  | 870                    | 445                  | <b>1315</b>                         |

|                                                  |      |     |             |
|--------------------------------------------------|------|-----|-------------|
| Waste Management of Iowa, Inc.<br>Des Moines, IA | 1230 | 560 | <b>1790</b> |
|--------------------------------------------------|------|-----|-------------|

Following the initial evaluation, the three top-scoring firms were invited to participate in an interview to further discuss their proposals. Interviews were scored on the basis of:

1. Adequacy of the implementation process
2. Approach to customer service
3. Use of technology, equipment, and communications to minimize contamination
4. Willingness to collaborate to meet the City's program goals.

The combination of the initial evaluation (including the merits and pricing points) and the interview scores resulted in the following total scores:

| <b>Firm</b>                                      | <b>Initial Evaluation TOTAL</b> | <b>Interview TOTAL</b> | <b>COMBINED TOTAL SCORE</b> |
|--------------------------------------------------|---------------------------------|------------------------|-----------------------------|
| Ankeny Sanitation, Inc.<br>Ankeny, IA            | 1825                            | 1870                   | <b>3695</b>                 |
| Aspen Waste Systems of Iowa, Inc.<br>Ames, IA    | 2125                            | 1770                   | <b>3895</b>                 |
| Waste Management of Iowa, Inc.<br>Des Moines, IA | 1790                            | 1980                   | <b>3770</b>                 |

**Based on the results of the interviews, staff is recommending that the City enter into a five-year agreement with Aspen Waste Systems of Iowa, Inc., of Ames, Iowa.** Aspen emphasized its willingness to work with customers to address issues that may arise, such as material that is incorrectly set out for collection. Aspen will prepare a dedicated portion of its website for Ames recycling customers. Additionally, Aspen will utilize its existing Ames customer contact list to distribute information about the transition to a city-wide recycling program, and is willing to send city-wide mailings to supplement the planned City-paid mailings about the transition to the single curbside hauler.

**Among the responding vendors, Aspen is the only one that would base its operations out of Ames.** This provides the opportunity for any collection issues to be remedied within a few hours rather than the next day. Additionally, Aspen has offered to provide house-side service for any customers with mobility issues who would have difficulty bringing their cart to the curb for collection. The driver will walk up to the house, take the cart to the truck, empty it, and return the cart house-side. This service would be provided for customers who require it at no additional charge.

**Aspen provided a unique alternative proposal for the other communities in Story County: in addition to offering curbside collection pricing, Aspen provided pricing to fabricate custom centralized drop-off boxes for each community and charge on a per-haul basis rather than monthly.**

**Finally, Aspen's proposed monthly per-customer fee is the lowest among the responding firms, and remains consistently the lowest throughout the five-year duration of the contract.**

Aspen has indicated that for its existing recycling service customers in Ames (approximately 1,000), their carts will be collected and their recycling service will cease shortly before the start of the City's new recycling service on July 1. These customers will then receive new, City-branded recycling carts and will be picked up by the City's billing for curbside recycling.

#### **PROPOSED MONTHLY PRICING:**

The fee that would be charged to each eligible customer for curbside recycling consists of a combination of three main components:

1. The collection contract cost (includes the hauler's cost to provide carts and collection, which is roughly half of the total cost of providing the service)
2. Disposal costs (fees charged by the endpoint recycler plus the City's facility expenses and transportation from the R3C to the endpoint recycler in later years of the contract), and
3. Administrative costs (such as billing/customer service staff time, promotion/education, and a buffer to absorb some short-term fuel cost fluctuations).

Aspen provided per-household pricing for a five-year contract term. The first year pricing reflects hauling the collected materials to a facility in Des Moines or to the R3C (if open before July 1, 2027). The second and subsequent years include pricing for hauling to the R3C only. The first-year calculated collection contract cost with Aspen is \$659,088.

**Staff performed financial modeling to project the necessary fee to operate the curbside recycling service. It must be emphasized that modeling is not a guarantee of the future conditions. There are several variables outside the City's control that could affect the fee that is needed to provide the service in the future. These include changes in fuel costs, recyclable commodity prices, the construction bids for the R3C and their impact on debt service expenses, and operating costs for the R3C.**

**In order to adequately pay for the program expenses and reduce the risk of larger increases to the recycling fee being necessary, City staff is recommending that the per-customer fee for recycling services be set at \$7.75 per month (or \$3.88 per collection), effective July 1, 2027.** Staff will evaluate the program during the budget preparation process each fall and make a recommendation regarding the appropriate fee for each subsequent year. Disposal fees charged in other Iowa communities are provided in the attachment as a reference.

**It is important to note that the collection contract requires that Aspen receive its collection fee for all eligible customers, not just the participating ones. Otherwise, it would be extremely challenging to estimate for the potential number of customers who would opt out, and that risk would translate to higher prices for the customers who choose to participate.**

Similarly, a substantial amount of the expenses the City will incur for recycling are fixed costs and will not decrease if fewer households participate. Therefore, if an eligible customer is allowed to opt out of the curbside service, the City would still need to continue to charge that customer the monthly recycling services fee.

#### **DELAY OF CONTRACT AWARD:**

At the January 27, 2026 meeting, staff discussed the timing of the approval of the recycling program contract in relationship to the ordinance establishing the residential curbside program and adopting the fee. **In order to provide an opportunity to consider the program details and proposed fee, staff is recommending that the City Council receive this report and delay the award of the recycling hauling contract to the March 10, 2026 City Council meeting.**

#### **ALTERNATIVES:**

1. Accept the report and direct that the award of a residential curbside recycling collection contract be placed on the March 10, 2026 City Council agenda for final approval.
2. Refer this item back to staff for further information.
3. Accept the report and award a 5-year contract to Aspen Waste Systems of Iowa, Inc., of Ames, Iowa, for Residential Curbside Recycling Collection services beginning July 1, 2026.
4. Accept the report and award a 5-year contract to one of the other two finalists.

#### **CITY MANAGER'S RECOMMENDED ACTION:**

The RFP process for residential curbside recycling collection yielded several competitive proposals. After evaluation and interviews, staff believes that a contract with Aspen Waste Systems would represent the best value and service for the community's needs. Aspen's customer service approach, use of technology, unique offerings for the other communities in the Resource Recovery System, and pricing all meet or exceed the City's desired service level.

**While the staff is recommending that a contract be awarded to Aspen Waste Systems, staff recognizes that this is a significant change in how recycling is conducted in the community. Therefore, staff believes it is important to provide the community an opportunity to understand the details of this proposed contract before the City Council approves it.**

**Delaying the award of contract until the March 10, 2026 City Council meeting will provide that opportunity while allowing the project to remain on schedule for July implementation.** Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1, as described above.

#### **ATTACHMENT(S):**

[Trash and Recycling Fees in Iowa.pdf](#)