



RESOLUTION NO. 41522

1 A RESOLUTION amending Resolution No. 39787, relating to solid waste disposal;
2 authorizing an increase to the contract amount with Pierce County
3 Recycling, Composting and Disposal, LLC, d.b.a. LRI, by \$90,000,000.00,
4 for a cumulative total of \$237,290,930.15, budgeted from the Solid Waste
5 Fund, to cover increased contract costs associated with contractual price
6 adjustments and increased average tonnage disposed of through February
7 2030.

8 WHEREAS solid waste in the City is collected by the City's Environmental
9 Services, Solid Waste Division ("Solid Waste") or brought to the Recovery and
10 Transfer Center by customers, and
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12 WHEREAS although the City no longer operates a landfill disposal facility,
13 there is still a continued need to efficiently collect and dispose of solid wastes, and
14 this service must be contracted to a third party, and
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16 WHEREAS the City has contracted these services with Pierce County
17 Recycling, Composting and Disposal, LLC, d.b.a. LRI ("LRI") since 1989, and
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19 WHEREAS the City's current contract with LRI was entered into in 2000
20 for a 20-year term under a tiered fee structure based on disposal tonnage
21 pursuant to Resolution No. 34662, and although it was not reflected as an explicit
22 contract provision, City Council authorized a total contract amount of
23 \$71,567,702.15 for municipal solid waste ("MSW") disposal, and
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25 WHEREAS in August 2017, the City authorized Amendment No. 1
26 pursuant to Resolution No. 39787 to extend the contract through February 2030,
27 revise the fee structure and other requirements and again, although not reflected
28 as an explicit contract provision, increased the total contract amount for MSW
29 disposal by \$75,723,228.00, for a cumulative total of \$147,290,930.15, and



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WHEREAS pursuant to Amendment No. 1 and beginning in 2020, the fee structure updated from a tiered fee structure based on disposal tonnage to a base rate per tonnage adjusted annually to track the consumer price index (“CPI”), and

WHEREAS subsequently, the annual CPI adjustments have increased the rate for MSW disposal by 20 percent, from \$39.00 per ton in 2020 to \$46.69 per ton in 2024, and

WHEREAS the increase to the total contract value approved by Resolution No. 39787 in 2017 was based on an assumed 180,000 tons of disposed MSW annually, but the actual amount of MSW disposed by Solid Waste between 2020 and 2023 has averaged over 205,000 tons, and

WHEREAS due to the annual CPI adjustments and the increase in the average tonnage disposed of, Solid Waste is requesting approval to increase the total contract amount by \$90,000,000.00 for a cumulative total of \$237,290,930.15, to continue to provide efficient disposal of MSW collected from our customers through 2030, and

WHEREAS while Solid Waste is the predominant user of the contract, other City departments such as Public Works, Tacoma Water, and Tacoma Rail also use the contract periodically to dispose of materials such as demolition waste, contaminated soil, and non-biologic sewer debris, which is budgeted from and charged to their respective departmental funds and the recommended increase of \$90,000,000.00 considers this periodic use of the contract, and



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WHEREAS due to the nature of compensation structure included in the contract, the increase to the total contract amount does not require a contract amendment, but City Council approval is required consistent with Tacoma Municipal Code 1.06.269.E; Now, Therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TACOMA:

That the proper officers of the City are hereby authorized to increase expenditures under the contract with Pierce County Recycling, Composting and Disposal, LLC, d.b.a. LRI ("LRI"), in the amount of \$90,000,000.00, for a cumulative total contract amount of \$237,290,930.15, budgeted from the Solid Waste Fund, for disposal of municipal solid waste, through February 2030, as more specifically set forth in the documents on file in the office of the City Clerk.

Adopted _____

Mayor

Attest:

City Clerk

Approved as to form:

Deputy City Attorney