

NOTICE OF SANITATION RATE INCREASE



In July 2022, the City of Fayetteville initiated a discussion with our solid waste provider, GFL, to address ongoing service inconsistencies. The City gave a 30-day notice to GFL of the issues and the need for corrections to be made. GFL informed the City of some internal challenges they faced due to staffing shortages and trucks out of service due to parts. GFL did provide a plan of action to the City to address those issues.

During this period, the City moved forward with a process to solicit proposals from other service companies should GFL not be able to make the needed improvements. The City evaluated the proposals received and interviewed three of the vendors that participated. During this process, staff learned that many of the service challenges that GFL experienced were common throughout the industry during this period. It was also obvious, by the costs proposed, that expenses for all services had increased to address the staffing shortages in the industry, rising disposal costs, and higher truck maintenance costs.

As staff evaluated its options, GFL was demonstrating significant progress in addressing the service issues the City had outlined. GFL purchased new trucks and rented trucks to fill in until repairs could be made to out-of-service vehicles. Progress had also been made to increase staffing levels, both on the collection side and in customer service.

Based on all of these factors, the City decided to renegotiate with GFL based on the existing contract. The City was able to negotiate a rate which was lower than the proposals that were received while ensuring the rate would realistically sustain GFL's operations with functional trucks and a consistent workforce.

The new rate, which will be applied to all households, is \$17.50 per container. Additional containers will be an additional \$17.50 per month. A senior rate is no longer applied for solid waste services but will continue to apply to water and sewer.

Although this is a significant increase, we are pleased that we were able to keep our rate quite low compared to the current market. GFL has committed to work more responsively with our customers and our staff to address any service issues that may arise. The City will continue to work closely with GFL to monitor performance and ensure it meets the City's expectations.