



**VILLAGE OF ELBURN
COMMITTEE OF THE WHOLE MEETING
MONDAY, MAY 1, 2023
IMMEDIATELY FOLLOWING THE VILLAGE BOARD MEETING
ADJOURNMENT, OR 7:15 pm, WHICHEVER IS LATER**

1. Call to Order
2. Roll Call
3. Public Comment
4. Discuss:
 - a. Lakeshore (LRS) Contract Renewal Proposal
5. Other Business
6. Adjournment



MEMO

To: Village Board
 From: John Nevenhoven, Village Administrator
 Subject: LRS Proposed Contract Renewal
 Date: April 27, 2023
 Strategic Action Plan: Routine

The five-year contract with LRS for garbage, recycling, and yard waste disposal end on September 30, 2023. This contract is for single-family homes and multi-family units that do not use dumpsters.

LRS has performed very well with few complaints about service. They have been responsive to complaints and special requests – spills on Rt 47, cardboard trash cans, dumpsters for Elburn Days, etc.

The current contract has price increases of 4 percent per year. The proposed five-year contract has price increases of 4.5 percent each year.

9/30/23	10/1/23	10/1/24	10/1/25	10/1/26	10/1/27
\$19.60	\$20.48	\$21.40	\$22.36	\$23.36	\$24.42

Optional yard waste cart fees would increase from \$3.00 to \$3.15 per month for the 65-gallon cart and \$5.00 to \$5.50 per month for the 96-gallon cart for the life of the contract.

LRS is proposing to eliminate the sticker requirement for e-waste and offer a free annual pick-up to include a box of small items and up to two TVs. Residents may also drop off e-waste at the LRS waste transfer station at 1N138 Linlar Drive.

LRS has also proposed a fuel surcharge if diesel prices exceed a certain threshold.

Staff has had preliminary discussions about moving the billing in-house by adding it to the water/sewer bills. This would lower the monthly cost by approximately \$1.00 per month. The Village could keep the dollar for administrative costs.

Requested Action: Direction on how to proceed with a waste-hauling contract. Continue negotiations or go bid for a new contract?



VILLAGE OF ELBURN

301 E. NORTH STREET, ELBURN, IL 60119

RESIDENTIAL REFUSE, RECYCLING AND YARD WASTE PROGRAM

ATTENTION:

JOHN NEVENHOVEN, VILLAGE OF ELBURN ADMINISTRATOR

SUBMITTED BY:

KATIE NEARY, MUNICIPAL MANAGER

ON BEHALF OF

LAKESHORE RECYCLING SYSTEMS, LLC

5500 PEARL STREET, SUITE 300

ROSEMONT, IL 60018



February 7, 2023

Mr. John Nevenhoven
Village Administrator
Village of Elburn
301 E North Street
Elburn, IL 60119

Dear Administrator Nevenhoven,

On behalf of our entire staff at LRS, we are truly honored to be the service provider for the citizens of the and look forward to servicing the Village for many years to come. Thank you, the Village Staff and Board for allowing me the opportunity to present improvements to the existing program for the Elburn community in conjunction with renewed agreement. I am pleased to present the following proposal for the Village and look forward to seeing these improvements come to fruition.

Our new proposal includes the existing contractual terms and conditions to include the Agreement for the Waste Hauling between the Village of Elburn and Lakeshore Recycling Systems made on August 20th, 2018. Any new services, terms and conditions are identified in the proceeding proposal and should the Village determine to accept the proposal, will be incorporated as part of the new agreement, effective October 1, 2023 through September 30, 2028.

The following proposal includes a brief overview of LRS and our services, in addition to new services we're offering to the Village. Please contact me should you have any questions or need further clarification on our proposal for the Village of Elburn.

Sincerely,

Katie Neary

Katie Neary
Government Affairs and Municipal Services Manager
LRS
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Rosemont, IL 60018
Direct: 815.901-2130
E-Mail: KNeary@LRSrecycles.com



I. EXECUTIVE SUMMARY

Overview of Lakeshore Recycling Systems

Over 20 years ago, three Chicagoland recycling and waste industry veterans partnered to lay the foundation for Lakeshore Recycling Systems (LRS) from the original headquarters in Morton Grove, IL. At the start, LRS owned a largely utilized Chicagoland Material Recovery Facility (recycle processing facility) and a local waste hauling company known as Lakeshore *Waste Services* which provided hauling and collection services for local businesses. Today, LRS is the largest independent waste company in Illinois and one of the largest in the country with a footprint over 12 states. LRS owns and operates many recycle facilities throughout the Midwest, including a state of the art single-stream MRF, being the first waste company in the country to implement robotics using artificial intelligence. LRS owns several hauling companies throughout the Midwest, providing millions of homes waste collection services each week. In 2019, LRS acquired a landfill in northern Illinois allowing LRS to control disposal costs more efficiently as compared to any other independent service provider in Illinois. This is critical as the big waste corporations have major control over disposal putting many private companies out of business.

LRS has strategically acquired and partnered with companies that align with core sustainability principles, in turn, offering greater potential in the areas of environmental stewardship, efficiency, convenience, customer service, and technology. Over the past several years, the LRS companies have been newly awarded and transitioned more municipal contracted services than any other waste service provider throughout greater Chicagoland. LRS is the honored recipient of a surfeit of highly regarded awards, such as the Illinois Sustainability Award, being the only waste company to receive this award and for two consecutive years.

The Village of Elburn has benefited from many of our services to include; donated or discounted portable restrooms and street sweeping for events and emergencies, as well as electronic recycling, roll-offs for public works projects and the food scrap organics program. LRS offers municipalities sustainable and convenient services, along with a competitive rate structure and flexible capabilities. We continue to look for the most sustainable outlet or reuse for the materials we collect, with attention to the total environmental impact while promoting a circular economy. Many of our municipal partners have also recognized an increase in recycling in addition to lower costs for both the citizens and the municipal operations. LRS offers the following services throughout northern Illinois, all of which are available to our municipal partners:

- Residential Subscription Cart Program
- Residential Volume Based Sticker Program
- Residential RFID Volume Based Cart Program
- Residential Organics/Food Scrap Program
- Household Hazardous & Electronic Waste Home Collection
- Street Sweeping (Preferred Municipal Partner)
- Portable Restrooms, Sinks and Sanitizing Stations
- Portable Storage Units
- Semi-dump Trailer Services
- Commercial & Construction Recycling & Waste Services



II. PROPOSAL FOR VILLAGE OF ELBURN *FOR* RESIDENTIAL REFUSE, RECYCLING AND YARD WASTE PROGRAM

LRS is offering new service improvements for the Village of Elburn's residential refuse, recycling and yard waste program. All other terms and conditions from the agreement between Lakeshore Recycling Systems, LLC (LRS), and the Village of Elburn set to expire September 30, 2023, will remain in place with the new services agreed upon by the Village of Elburn and LRS as described herein. The new service descriptions for white good appliances and electronic waste will supersede service descriptions from the original contract expiring September 30, 2023. Other changes and provisions may be presented by the Village or LRS (Contractor) who may mutually agree upon other changes and provisions at any time during the new proposed contract term. The new proposed contract term incorporating the terms and conditions of the agreement expiring September 30, 2023 and the terms and conditions herein is effective October 1, 2023 and expiring at midnight on September 30, 2028. Any mutually agreed upon changes will be done so with a fully executed amendment by both the Village and the Contractor (LRS) prior to execution of the changes or provisions. The following proposed service improvements and provisions will take effect with the new term effective October 1, 2023 as agreed upon by the Village and LRS.

Proposed Service Improvements and Provisions

A. White Good Appliances

Residents will be allowed to place one white good appliance out as part of the weekly bulk item allowance for no charge. The current agreement requires advance notification and pre-payment for white good appliance collection. Appliances require a special collection and are usually brought to a facility where components, such as Freon, are properly evacuated and managed prior to dismantling and recycling; therefore, LRS will require residents to contact LRS customer service by phone, e-mail or online chat to submit a pick up request. LRS will make arrangements to collect the appliance with the resident.

B. Electronic Waste (E-Waste) Home Collection Program

The LRS waste hauling agreement with the Village of Elburn which expires September 30, 2023 includes a sticker-based Electronic Waste program model for landfill banned electronics. This program model requires residents to pre-purchase E-Waste Stickers and apply them to the item(s) for collection.

Comprehensive E-Waste Recycle Program for Elburn Residents

LRS has developed a robust E-Waste Home Collection program model eliminating the requirement for pre-purchased stickers. LRS is offering the Village a comprehensive E-Waste solution that entails three options for residents to include; an annual free home collection, a new E-Waste Recycle Center located in Elburn and special pick up, as needed. These three options will be well-received by residents!

B.1 Annual Home Collection – Free

LRS is offering Village homes an annual collection of E-Waste for **no charge, eliminating stickers** or pre-payments. Our E-Waste Home Collection program operates under the provisions of the Consumer Electronic Recycling Act of Illinois, in conjunction with the Manufacturer’s Association, the Illinois Environmental Protection Agency and Kane County. LRS is held to the most stringent environmental, safety and security standards in the industry today. Elburn residents can be confident any E-Waste item placed out for collection is managed using the highest level of industry standards.

How much will LRS collect on the annual E-Waste Collection date?

Each home collection will allow residents to place up to seven items out for collection; however, LRS is flexible on small boxes of E-Waste that may include smaller sized e-waste items such as cell phones, computer mice and keyboards. There is a stricter item limit of two (total) TV’s and/or computer monitors per collection which are included in the seven item limit. For example, we may collect an entire small box of E-Waste items, in addition to two TV’s or a TV and a computer monitor.

Are there any limits on weight and dimensions of the E-Waste?

Most often, LRS crews are capable of managing any E-Waste item placed out for collection. TV’s or computer monitors that are built into large wood or metal consoles requiring special equipment and labor (in addition to the standard special equipment and labor provided on the annual e-waste collection day) may require a special pickup. This only applies to excessively heavy units or dimensions that do not fit into the equipment we use to collect E-Waste. This is very rare; however, if it were to come up, LRS will notify the resident using a special notification tag to contact LRS and we’ll schedule a special pick-up at that time. LRS may provide an estimate for special pick-ups where items require special pickup.



How will residents learn about the free E-Waste Home Collection?

LRS will provide either a (one-time) standard brochure to include comprehensive program information or an annual postcard to describe what is accepted, when the event will take place and how to properly place them out for collection. We can include the event information in the standard brochure so long as we determine the dates in advance with Village staff which is also recommended.

LRS will also post the dates on the LRS-Village of Elburn Program Webpage, along with a downloadable version of the brochure or postcards. This will be visible to the public and useful for the Village staff who often receive calls from residents.

B.2 LRS Elburn E-Waste Recycle Center

In 2020, LRS became the owner of the waste transfer station located at **1N138 Linlar Drive, Elburn, IL 60119**, off Keslinger Rd. LRS is offering all Elburn residents, including those residing in multi-family units who are not covered under the provisions of the residential program agreement, the opportunity to use this facility for landfill banned electronics. More information can be found online at <https://www.lrsrecycles.com/ewasterecyclecenter/>. Citizens are allowed to bring up to seven items per day. There is a nominal charge for TV's and computer monitors only and any other landfill banned E-Waste item may be brought to be recycled for no charge. TV's and computer monitors often require additional handling for the hazardous components.

B.3 LRS E-Waste Special Pickup

LRS is offering a special pickup of electronics for residents who have more of an urgent need or are unable to get to the Elburn E-Waste Recycle Center to drop them off. We already provide this service if the need comes about but for clarification, if a resident is only able to place the item curbside, they can contact LRS and we will make a special arrangement to come pick up the E-Waste. LRS will provide an estimate based on transportation and handling and work with the resident to ensure they are picked up and properly handled.



C. Late Payment Provisions

Standard Late Payment Notification Process

The following provisions are standard company policies used by LRS to help communicate with customers and also recover costs associated with operations and administrative resources as a result of late payments and service suspensions. LRS is asking to include this in our new agreement language to ensure the Village understands our approach and for clarification on our process pertaining to late payments. To ensure customers are informed, in addition to a late payment and possible service interruption notification on each applicable invoice, LRS often sends a letter and e-mail (if available) notification to residents with unpaid invoices exceeding 30 days past the due date. In addition to written notifications, service crews also place a tag on the cart to notify residents we need them to contact our office to avoid service disruption. LRS is requesting to incorporate the following language into our agreement:

C.1 Late Payment Fee

Late payment fees are intended to help LRS recover its costs incurred for invoices left unpaid 30 days past the due date. LRS reserves the right to charge late fees for invoices left unpaid for a minimum of 30 days past the due date of the invoice. Late payment fees will not exceed the greater of \$5 or up to 10% of the applicable charges, subject to applicable law.

C.2 Service Interruption Charge

The service interruption charge is intended to mitigate some of the costs and revenue loss with various assets used such as containers in the customers' possession, administrative and labor costs associated with stopping and restarting service, removing and delivering containers. LRS reserves the right to charge a service interruption fee which is applicable when LRS is forced to suspend service for non-payment. LRS first notifies customers using the methods described above if service interruption and fees are possible. Service interruption fees are charged at the time of service interruption for however; in no case, shall the service interruption fee exceed \$35.00 during the contract term.



D. Fuel

Fuel costs are a significant portion of waste collection costs. Traditionally, LRS has not sought to recover costs associated with inflated fuel rates and we do not intend on placing any unreasonable burden on the communities we service going forward. To this point, unlike most waste collection companies, LRS has not requested to increase costs due to fuel costs or a commodity loss. LRS is asking to include language in our agreement to allow a discussion in the case of excessive fuel inflation. As such, LRS is asking to incorporate the following schedule to accommodate this discussion between the Village and LRS. This includes a base rate and a potential increase.

In the event the annual average diesel fuel exceeds \$6.50 per gallon (strike price) as reported by the American Automobile Association (AAA) on its Daily Fuel Gauge Report for Illinois Chicago Metro during any quarter during the term of this Agreement, LRS (Contractor) may adjust the monthly service charge to the customer to reflect the additional cost increase or decrease of said fuel pursuant to the following conditions:

- I. The cost, as reported by the AAA, must exceed \$6.50 and be verified by LRS (Contractor) with a current print out of the most current AAA data.
- II. It is the responsibility of the Contractor to verify and the price for fuel to the Village at the beginning of each quarter and at the end of each quarter during the strike price period.
- III. The service rate per month for each customer may be adjusted up to 0.5% for each full \$0.10 of incremental increase in fuel costs thereafter.
- IV. Should the cost of diesel fuel recede back to \$6.00 or less per gallon, as reported by the AAA, and verified with a current print out of the most current AAA data after an upward fuel cost adjustment, such adjustment shall be repealed on the next invoice. (Example: If diesel fuel prices were to decline from \$6.50 per gallon to \$6.30 per gallon, the reduction to a customer, based on the previously approved increase, would be 1.0%



APPENDIX 2

APPENDIX 2 - RATE SCHEDULE					
EFFECTIVE OCTOBER 1, 2023 THROUGH SEPTEMBER 30, 2028					
MONTHLY SERVICE - BASE RATE					
Base Rate Expiring 9/30/2023	10/1/2023	10/1/2024	10/1/2025	10/1/2026	10/1/2027
\$19.60	\$20.48	\$21.40	\$22.36	\$23.36	\$24.42
Optional Yard Waste Cart Use Fee					
65 Gallon Yard Waste	\$3.15	\$3.15	\$3.15	\$3.15	\$3.15
95 Gallon Yard Waste	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50



Agreement

On this day of _____ in the month of _____, 2023, the Village of Elburn President and Board of Trustees agree with the terms and conditions as set forth in this proposal.

Additional terms and conditions may be further negotiated as mutually agreed upon by the Village and LRS, LLC at any time during the contract duration to include a contract renewal or extension beyond the term ending date of September 30, 2028.

The signatures below represent this agreement by individuals legally authorized to represent both the Village of Elburn and Lakeshore Recycling Systems, LLC.

Authorized Representative Signature from the Village of Elburn

Printed Name: _____

Title: _____

Date: _____

Authorized Representative Signature from Lakeshore Recycling Systems, LLC (LRS)

Printed Name: _____

Title: _____

Date: _____

Witness

Printed Name: _____

Title: _____

Date: _____