

Attachment 2: Cost Comparison for Full Diesel Fleet

To enable a consistent, comparison across all options, a standardized set of assumptions was applied throughout the analysis. Considering contractors utilize diesel litter vacuums City staff reviewed those costs over a five (5) year period (2027 to 2031) to compare contracted costs with in-house costs. It should be noted that the actual lifecycle of the litter vacuums is six (6) years. The assumptions for the comparison included utilizing all diesel litter vacuums and providing service levels the same as are the current contracted service provision.

Table 1: Costs for Utilizing a Full Diesel Fleet Over Five (5) Year Term (2027 to 2031)
New contract cost escalation based on an initial 3% CPI adjustment.

Option	Operating Costs	Fleet Purchase Capital Cost ¹	Infrastructure Capital Cost ¹	Total 2027-2031
Option 1: East In-house, West Contracted Out	\$26.497M	\$1.962M	\$0.015M	\$28.474M
Option 2: West In-house, East Contracted Out	\$25.009M	\$2.747M	\$0.277M	\$28.033M
Option 3: East & West In-house	\$22.851M	\$4.789M	\$0.292M	\$27.932M
Option 4: East & West Contracted Out	\$29.712M	-	-	\$29.712M
Additional Costs Related to Managed Competition ²	\$1.865M	-	-	\$1.865M

¹ Fleet capital and infrastructure estimated capital costs in the Table are based on debt issuance in 2026. Alternatively, consideration can also be given to utilization of the Waste Management Reserve Fund for fleet purchase and/or capital infrastructure improvements.

² Managed Competition represents the additional cost of managing in-house contract that should be added to any of the in-house options. The cost represents managing both the East and West. There will be a one time preparatory and pre-award cost of \$0.489 million dollars incurred in 2026. If either the East or West is chosen, the additional cost would be approximately 50% of the total managed competition cost.

Table 2: Costs for Utilizing a Full Diesel Fleet Over Five (5) Year Term (2027 to 2031)
New contract cost escalation of 12.7%, an average price increase based on 15-year (2010-2025) experience from previous litter vac contracts.

Option	Operating Costs	Fleet Purchase Capital Cost ¹	Infrastructure Capital Cost ¹	Total 2027-2031
Option 1: East In-house, West Contracted Out	\$28.049M	\$1.962M	\$0.015M	\$30.026M
Option 2: West In-house, East Contracted Out	\$26.134M	\$2.747M	\$0.277M	\$29.158M
Option 3: East & West In-house	\$22.851M	\$4.789M	\$0.292M	\$27.932M
Option 4: East & West Contracted Out	\$32.388M	-	-	\$32.388M
Additional Costs Related to Managed Competition ²	\$1.865M	-	-	\$1.865M

Table 3: Costs for Utilizing a Full Diesel Fleet Over Five (5) Year Term (2027 to 2031)
New contract cost escalation of 27.0%, an average price increase based on the last 5-year (2020-2025) experience from previous litter vac contracts.

Option	Operating Costs	Fleet Purchase Capital Cost ¹	Infrastructure Capital Cost ¹	Total 2027-2031
Option 1: East In-house, West Contracted Out	\$30.338M	\$1.962M	\$0.015M	\$32.315M
Option 2: West In-house, East Contracted Out	\$27.789M	\$2.747M	\$0.277M	\$30.813M
Option 3: East & West In-house	\$22.851M	\$4.789M	\$0.292M	\$27.932M
Option 4: East & West Contracted Out	\$36.333M	-	-	\$36.333M
Additional Costs Related to Managed Competition ²	\$1.865M	-	-	\$1.865M

¹ Fleet capital and infrastructure estimated capital costs in the Table are based on debt issuance in 2026. Alternatively, consideration can also be given to utilization of the Waste Management Reserve Fund for fleet purchase and/or capital infrastructure improvements.

² Managed Competition represents the additional cost of managing in-house contract that should be added to any of the in-house options. The cost represents managing both the East and West. There will be a one time preparatory and pre-award cost of \$0.489 million dollars incurred in 2026. If either the East or West is chosen, the additional cost would be approximately 50% of the total managed competition cost.