

City of ROCHESTER HILLS

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Building

Permits/Plan Review:
State Construction Code
(Res. & Commercial)
Residential Zoning
Review
Residential Grade Review

Inspections:

Building
Electrical
(signs, fire alarm)
Plumbing
Mechanical
(heat, air conditioning,
fire suppression)

Ordinance Enforcement

Addressing
Zoning Compliance
Signs
Weed Control

Construction / Fire
Board of Appeals

City Hall
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Frequently Asked Questions

About the Proposed City of Rochester Hills Single Hauler System

GENERAL QUESTIONS

What happens if the single hauler has a strike?

This is unlikely to happen. About 2 out of every 3 communities in Oakland County, and many more in SE Michigan, contract with a hauler system for solid waste, yard waste and curbside recycling collection. None of these communities reported problems with striking when surveyed for this project. Should a strike occur, however, the contractor would have many ways to meet their contracted obligation to provide the full service each day. The contracted hauler for Rochester Hills could bring workers in from other parts of the state and country where they have thousands of other drivers/collectors. They could also subcontract some of the collection to area small haulers. They also have managers of their various contracts who came up the ranks as drivers/collectors and could serve in that role again. The contract is quite clear - this work will be done each day - and the contractor's job is to figure out how to do it regardless of the obstacle.

The city has a virtual guarantee based on the contract, which allows for liquidated damages of \$100 for each failure to complete routine pickups by 6:00 p.m. on the schedule day. With approximately 23,000 customers in Rochester Hills, this would amount to 2.3 million dollars per week.

Will there be any additional staff required?

Every effort has been made to place all responsibilities on the hauler and/or other service providers. Complaints, for example, will be handled by the hauler who will have to visit the City's offices twice each day, take the complaint log and close out the complaints by end of day at best and no later than 24 hours at worst. Some contract management will be required to hold the hauler accountable. At a minimum this is expected to amount to 1,000 hours of time each year, which can either 1) be contracted out; 2) be combined with other responsibilities in an existing but unfilled position within the building department; or 3) be assigned to a new position with the costs covered by the program funding. Most area communities use some combination of the second or third approach.

www.rochesterhills.org

*Rec'd at the 5/14/03
City Council Workshop
(copy for file)*

Can the money from a solid waste millage be used for other projects?

The money from the solid waste millage can be used for solid waste management services within the City, including trash collection, recycling, yard waste collection, household hazardous waste services along with costs incurred to coordinate those services.

How long is the contract with the vendor?

The contract with the vendor is three years, with two one (1) year renewal options.

What will happen to the existing contracts that residents have with other haulers?

The single hauler system will require that the City adopt an ordinance that prevents other haulers from providing residential solid waste collection services in the City. Any hauler that attempted to continue to provide services would be in violation of this ordinance. Haulers are very familiar with this system since it is widely used in Oakland County and SE Michigan. Haulers will be informed well in advance of the effective date for the service. The City will need to be ready to enforce the ordinance should this occur but full cooperation by area haulers is expected either immediately or after an initial warning letter to the hauler.

What if we are not satisfied with the service

One of the major benefits of a single hauler system reported by other communities that use this approach is high levels of satisfaction with both the range of services (trash, bulky items, curb-side recycling, yard waste collection, etc.) and the cost (much lower than subscription). A third area of benefit is the quick response by the contracted hauler to any complaint, with City oversight of that complaint until it is fixed. Any dissatisfaction will be addressed by both the hauler and the City within 24 hours.

Failure to resolve a complaint within 24 hours after notification would constitute a breach of contract and could result in the following liquidated damages:

1. Failure to clean up spilled refuse: \$25.00 for each instance
2. Failure to complete all routine pickups by 6:00 p.m. on the scheduled day: \$100.00 for each failure
3. Failure to maintain vehicle in operable condition and acceptable appearance after inspection and notice by city: \$500.00 for each instance

What is the Michigan Compiled Law # for Public Act 238?

The enabling act for solid waste millage authorization is actually Public Act 298, adopted in 1917 (MCL 123.261; MSA 5.2681) which authorizes a 3 mill tax for garbage services and provides that the tax "shall be in addition to the amount authorized to be levied for general purposes by the general law or special charter under which the city or village is incorporated."

Will this single hauler system form a monopoly and eliminate competition?

There are over 10 solid waste management haulers providing single hauler services under contract to municipalities in SE Michigan. As the City of Rochester Hills gets into the final year of its first contract for a single hauler program the City will want to undertake another purchasing process, just as it did to select this vendor. At that time it is expected that at least three and as many as six to ten haulers will be bidding for that contract. This level of competition has been shown to produce quality services at very affordable prices.

Will we have problems getting haulers to bid on a new contract after a 3-year contract expires?

Single hauler contracts with municipalities are considered to be the best business that a residential solid waste hauler can find. It provides predictable cash flow, predictable service costs, highly organized routes and schedules, and a limited number of customer contacts that are funneled through the City's contract manager. These types of contracts always get a lot of interest from haulers. No problem is expected getting haulers to bid on a new contract after a 3-year contract expires.

Why don't we just split up the city and assign one hauler to each area? That way the City would not have to be involved at all.

There is no enabling Michigan law that allows a City to split itself up and award exclusive waste management zones to different haulers who would then handle all services, including billing, with no involvement from the City. If the City were to attempt to do this there would be no way for the City to prevent any other haulers from coming in and providing services, undercutting the contractors who have been awarded the zones. In other states this type of law is known as a solid waste franchise law (e.g. Florida and California). Michigan has no such law, so this approach is not an option for Rochester Hills at this time.

You are taking away our right to chose the hauler we want.

The primary objective in evaluating this program is to provide the best-cost savings to the greatest number of people along with enhancing the quality of life in our community by:

- increasing services
- improving quality control for city/residents
- reduce wear and tear in roads
- improve public safety for children
- reduced ordinance enforcement
- being environmentally responsible