

Should City be involved

Reasons to do it

- Save Residents Money
 - 25-50% Savings/yr
 - Increase competition with scale
- Reduce Wear and Tear on Road System
 - Question on level of effect
- Improved Quality Of Service for City/Residents
 - Handle complaints
 - Lack of city control of contractors
- Increased Services Including HHW Collection
 - Have it in NOHAZ
- Improve Public Safety
- Long Term Goals for City
 - Environmental Responsibility
 - Prepare/ Plan for Imminent Decrease in Landfills and Increase in Disposal Costs
 - Assist Oakland County / MDEQ with Solid Waste Planning
- Eliminate unsightly trash out every day of week in community
- Utilize existing staff
 - Is this possible
- Reduced Ordinance Enforcement
 - City checks licensed hauler trucks
- State considers essential service
- Recycling
- Difficulty changing haulers for residents

Reasons to say no

- No new taxes concerns
- Philosophy
 - Socialistic
 - Unamerican
 - "Nanny state"
 - Freedom
 - Desire for resident control
 - Choice of hauler
 - Eliminating competition
- Impact on Government Size
 - Streamline govt
 - Impact of big government
 - Creating bureaucracy in city
 - Billing
- Provision to opt out
 - Snowbirds
 - Completely opt out
 - Choosing options rather than high end plan
- What about current contracts
- Some People don't want it
 - Question on number
 - Not allowing voters to decide
 - Not quality of life issue
- How do we protect people on fixed income
- Capability of contractors to handle city
- Teaser contract rates
- Other communities have trouble
 - Northville Township
 - Fixed with new contractor
- Government authority
 - Could it be legally challenged

Goals for funding mechanism

- Lowest start-up costs
- Least on-going administrative burden
- Easy to implement
- Easy to administer
- Least complicated to maintain

- Description
 - Permits cities to levy up to 3 mills tax
 - Primary funding method in area
 - Eg. Troy, Birmingham, Pontiac
 - Approx 60% of local communities
- Pro
 - Lowers cost to most residents
 - Tax deductible
 - Very low cost to collect
 - Spreads cost across all parcels
 - Action by City Council only

Decisions to make

If yes

How should it be funded

Public Act 298 - Millage

Non-pays become lien on property

Con

- Not most equitable
 - Business subsidizes residential
 - Condos/multi family
 - High value homes pay more
- Vote of residents not required
- Snowbirds pay all year
 - Total cost about same

Issues

- Business pays – often not served
- Multi-family pays – service options?

Description

- Essentially a "user fee"
- Ordinance used to limit to one hauler
- Some examples of this approach in area
 - Bloomfield Township
 - 6% of communities use

Pro

- Fees match level of service
- All pay same fees
- Parcel must benefit from the service
 - Vacant lot does not pay
- Higher value parcels pay same

Fee for Service - Traditional

Con

- No incentive to reduce/recycle
- Need collection process for no-pays
- Fee collection more costly than millage
- Charges full cost to residential sector

Issue

- Possible voluntary – self haul
- Snow birds
- Businesses/multi-family don't pay
- Fee variation – see PAYT
- How should billing be addressed
 - Hauler
 - City Vendor (Water)
 - New Vendor

Fee for Service - Pay-As-You-Throw (PAYT)

Description

- Residents pay for level of service used
- Variation of Fee for Service
 - Imprinted Bags
 - Stickers
 - Carts
- May combine flat fee w/ unit based fee

Pro

- Equitable system
- Encourages recycling
- Low generators pay less
- High generators pay more

Con

- Major change in trash collection process for residents
- Complicated to administer
- Only tagged items are collected
- Revenue more difficult to forecast
- Need collection process for no-pays
- Higher collection costs than millage

Issues

- How should billing be addressed
 - Hauler
 - City Vendor (Water)
 - New Vendor

Fee for Service - Hauler Franchise

Description

- Variation of fee-for-service
- Hauler is licensed to operate in City
- May license more than one hauler to operate in "franchise districts" in City
- Not used much in Michigan Cities

Pro

- Hauler bills residents
- Single Hauler in each "zone"

Con

- Hauler establishes own fees
- No clear source of savings for residents

 **Single Hauler Solid Waste Workshop**

Observations

- Lowest cost for community
- Do nothing is most expensive
 - Constant rate increases
 - Subs have bargaining power
 - Being reduced by fuel surcharges etc
 - Large variation in cost to resident
- If there were just a single hauler
 - City objectives would be met
 - For single hauler to work city must be involved to keep cost down

- Issues
- Limited ability to restrict other haulers
 - Legal basis not established
 - "market participant" issue for City
 - No clear Michigan legislative authority

Previous Council Presentations

- March 27, 2003
- Jan 28, 2004
- July 21, 2004
 - 1
 - 2

Anti Single Hauler Flyers/RH Response

- Flyer 1
- Flyer 2
- RH Response
- Single Hauler FAQ

RFP Scope

- Collection
 - Residential
 - Weekly Curbside Solid Waste
 - Weekly Curbside Recycling
 - Weekly Curbside Yard Waste (April through November)
 - Fall Leaf (Bagged)
 - Bulky Waste/White Goods
 - Christmas Trees
 - Handicap/Senior "Back Door" Service
 - Household Hazardous Waste (via NO-HAZ)
 - Education and Complaints (Joint between Hauler and City)
 - Curb-Cart Optional (Same as current)
 - Municipal
 - Municipal On Call Services
 - Municipal Dumpsters
- Facilities
 - Landfill Disposal
 - Regular Solid Waste
 - Bulky Waste - Non Recyclable
 - Recycling Processing
 - Two Stream (Commingled Paper/Commingled Bottles/Cans)
 - Single Stream Alternate
 - Yard Waste
 - Green Waste (April 1 to November 30)
 - Fall Leaf
 - Christmas Trees
- Administrative
 - Billing
 - Quarterly billing to residents
 - Handle receivables
 - Project Management
 - Handle phone system/ complaints
 - Develop education outreach materials
 - Work with waste hauler/ residents/ city on an on-going basis

Procurement Strategy

- Specify collection services similar to what waste haulers currently provide
- Increase competition in collection by taking separate bids for disposal and processing
- Allow bundled proposals as alternate (single contract with disposal and collection)
- Three year contract with 2 one year options (consistent with City Procurement Policy)
- Examine out-sourcing of tasks normally handled by city staff

Evaluation Criteria

- Organizational 25%
- Technical 25%
- Financial 50%

Background

Prior Proposal Implementation

Proposal Evaluation Process

Review Process

- Reviewers read technical proposals
- References were contacted
- Each reviewer scored independently
- Technical scores were averaged
- Financial analysis scores added

Disposal

- Waste Management (WMI)
- Allied/Great Lakes

Recycling Processing

- Waste Management (WMI)

Compost Processing

- Waste Management (WMI) with Indian Summer

Collection

- Waste Management (WMI)
- Allied/Great Lakes
- Five Star

Companies Responding to RFPs

Billing

- LaserTech, Inc.
- LPD and Associates, P.L.C.
- 360 Services, Inc.
- Wolverine Mail, Inc.
- MP Billing-Plus

Bulk Leaf Collection

- E.R. Exteriors, Inc.

Project Management

- Shaw-EMCON/ OWT, Inc.

Program Management Option

One Vendor Proposal Received

- One Time Set-up Fees of \$28,610
- Annual Personnel Fees of \$70,200
- Provides 1,124 Hours of Service/Year

In-House Option Priced Out

- One Time Setup Fees of \$20,000
- Annual Personnel Cost of \$60,000
- Provides Full Time Employee
- Same Model as Troy Uses

Additional Costs for Printing/Supplies

Billing Option

Five Vendor Proposal Received

- One Time Set-up Fees of \$5,000
- Annual Fees of \$124,000
- Covers all Printing/Mailing/Processing Fees

In-House Option Priced Out

- One Time Setup Fees of \$20,000
- Annual Personnel Cost of \$60,000
- Builds on Current Utility Billing System

WMI Billing Proposal

- One Time Set-up Fees of \$5,000
- Annual Fees of \$63,000

Bulk Leaf Collection Option

- Loose/Bulk Pickup Adds Cost
- Out-Sourced - over \$1 million/yr
- In-House - \$1,400,000 (first year)
- \$1,300,000 (second year)
- Curbside Vendor Provides Alternative
- Already Included in Cost Proposal
- Will Require Bagging
- Residents Already Bag/Or Contract Out
- Same Model as Troy Uses

System Cost to City

Current Rates

Senate Bill No. 561

New legislation affecting solid waste collection costs

Beginning January 1, 2004 and until October 1, 2007 landfill owners are required to pay a surcharge each quarter to the State Treasurer

The landfill owner may pass through and collect this surcharge from any person who generated the solid waste

This surcharge has resulted in a twenty-four cent increase per year for each household

No control of purse strings

