

VILLAGE OF DOWNERS GROVE
REPORT FOR THE VILLAGE COUNCIL WORKSHOP
FEBRUARY 2, 2010 AGENDA

SUBJECT:	TYPE:	SUBMITTED BY:
Solid Waste Collection and Disposal Services	Resolution Ordinance Motion ✓ Discussion Only	Dave Fieldman Village Manager

SYNOPSIS

Discussion is requested regarding the scope of services to be offered in the Village’s next solid waste collection and disposal services contract, which will take effect on April 1, 2011. Staff has identified four options for the Village Council to consider during this process, which are as follows:

- The Village could retain the services of the current solid waste vendor and negotiate a contract that maintains the current volume-based (sticker) program
- The Village could retain the services of the current solid waste vendor and negotiate a contract that implements an alternative solid waste program, such as the automated cart collection program
- The Village could engage in a competitive request for proposal (RFP) process to select a vendor for a volume-based program
- The Village could engage in a competitive RFP process to select a vendor for an alternative solid waste program, such as the automated cart collection program

STRATEGIC PLAN ALIGNMENT

The 2010 Strategic Plan identifies *Solid Waste Contract Renewal* as an action agenda item for FY10.

FISCAL IMPACT

N/A.

RECOMMENDATION

Discussion only.

BACKGROUND

Staff is requesting Village Council direction in order to help determine the scope of services to be included in the Village’s next solid waste contract. The Village is currently under a three-year contract with Republic Services, Inc. (also known as ARC Disposal and Recycling, Inc.) for collection and disposal of refuse, recycling and yard waste, collectively known as solid waste. The existing contract will expire on March 31, 2011.

The Village’s current program has been in place since the early 1990’s and presently serves approximately 14,550 single-family collection units. The contract provides for a volume-based program, meaning that residents pay per bag of refuse with stickers costing \$2.98 each (\$3.08 per sticker effective April 1, 2010). In addition, the contract offers the option of disposing of refuse in a vendor-issued 64 or 96-gallon cart for which the resident is billed directly. The 64-gallon bins cost \$16.39 per month, and the 96-gallon carts cost \$21.31 per month. Yard waste is collected between April and December and also requires one refuse disposal sticker per bag. Recycling is provided with costs built into the sticker and cart charges to provide an incentive for residents to recycle. The current contract also includes one annual Amnesty Day collection, which allows residents to dispose of an unlimited amount of refuse by affixing three garbage

stickers. Amnesty Day takes place during one regular collection week per year and all associated costs are built into the price of the sticker and cart.

The Village's current volume-based program offers a variety of distinct advantages when compared to other refuse collection models.

- Lower disposal costs for most residents
- Encourages waste minimization and recycling
- More freedom and flexibility for residents when their individual service requirements change
- No billing system is required

In reviewing the Village's current solid waste contract, staff also identified several disadvantages related to the volume-based program which should be addressed prior to implementing the next solid waste contract, including the following:

- *Complexity of the current program* – The Village's current solid waste program offers residents a variety of service options. These multiple service options have resulted in an increasingly complex program which can be a source of confusion, especially for new residents.
- *Incentives for non-compliance with sticker program* – In a volume-based waste program, residents may avoid the cost of garbage stickers utilizing alternative disposal methods (disposing of garbage in business dumpsters, illegal dumping, etc.)
- *Lack of adequate recycling opportunities* – The Village's current solid waste program offers residents the opportunity to recycle utilizing an 18-gallon bin. Residents have commented these 18-gallon recycling bins are too small for their recycling disposal needs, and most households use more than one recycling bin. In addition, the 18-gallon containers do not have lids, resulting in an increased amount of litter on the street.
- *Confusion regarding the disposal of bulk items* – Regarding the disposal of bulk items (furniture, etc.), the Village's current solid waste vendor requires residents to affix one refuse sticker for every 50 pounds of weight. Residents often have difficulty estimating the weight of large items, which has led to confusion regarding the number of stickers required to dispose of bulk items and inconsistency in removal by the solid waste vendor.
- *Problems associated with Amnesty Day* – Each year, residents have the opportunity to dispose of an unlimited amount of garbage by affixing only three refuse stickers. This has resulted in residents retaining large amounts of garbage for an extended period prior to amnesty day. Additionally, staff has received several complaints from residents regarding the appearance of the Village during this amnesty day period.
- *Increasing sticker prices* – The costs associated with providing refuse collection and disposal services are likely to increase at a more rapid rate than alternative collection programs, unless the Village assumes a greater share of the uncertainty and risk. As a result, solid waste vendors are raising the prices for garbage stickers and requiring that municipalities meet minimum garbage sticker sales targets to maintain current sticker prices. Additionally, many communities charge residents a monthly garbage fee in addition to the price of stickers to maintain sticker prices.
- *Allows residents to avoid fixed costs associated with weekly service delivery* – If a resident does not dispose of solid waste that requires a sticker, they do not pay anything for the service for that particular week. However, costs are still being incurred for the basic operation of the vehicle that, arguably, should be spread across all potential users of the system.

In contrast with the Village's current volume-based program, many refuse collection vendors offer an automated cart collection program. As part of this program, garbage and recycling would be placed in vendor-supplied carts, available in various sizes depending on individual household needs. Yard waste disposal would require the use of stickers, similar to the current volume-based program. Residents would be billed for this service. This program structure offers several service delivery enhancements, such as:

- Convenience - no sticker required, containers hold larger volumes
- No weight restrictions - currently 50 pounds per sticker
- Cost control - more predictable costs
- Reports from other municipalities that have shifted to this type of program of fewer complaints from residents compared with volume-based programs (after implementation has occurred)
- Residents less likely to store refuse for amnesty day
- Fewer injuries (and workers compensation costs) due to reduced lifting of heavy containers by workers
- Less litter on streets, as refuse, recycling and yard waste containers are covered
- Simplified bulk item disposal – contract could be structured to allow to dispose of one bulk item per week, which may also allow for the elimination of Amnesty Day.

This alternative does offer several economic and environmental benefits and there has been a shift toward such programs within the solid waste industry. However, the program would require a more substantial change from the current program and, in the near-term, would likely increase the overall costs for solid waste collection and disposal services more than a continuation of the current program. Moreover, if the Village elects to change solid waste vendors in 2011, there will be indirect costs associated with the transition (responses to customer questions, collecting and issuing new carts, public education, etc.). It should be noted there are variants of the automated cart collection program, such as the modified cart program in which residents utilize a cart and may dispose of additional items by affixing a sticker. Staff could solicit proposals for variations of both the cart and volume-based programs as part of the RFP process if directed by the Village Council, although this would likely complicate the process of evaluating and reporting on the responses.

A summary comparison of the solid waste programs which are provided in other nearby communities is provided in the table below:

Municipality	Cart Program	Sticker Program	Unlimited Flat Rate	Recycling	Bulk Item Disposal	Notes
Lombard	X			No Additional Fee	Sticker Required	Residents are charged monthly for carts. Additional refuse requires stickers.
Glen Ellyn	X			No Additional Fee	Sticker Required	Residents are charged monthly for carts. Additional refuse requires stickers.
Wheaton		X		No Additional Fee	Sticker Required	Residents buy garbage stickers to place on the respective containers for pickup.
Elmhurst	X			No Additional Fee	1 sticker for first item, 2 for each additional one	Residents are billed monthly to dispose of items in one 33-gallon container per week. Additional refuse requires a garbage sticker.
Carol Stream	X			No Additional Fee	Sticker Required	Residents pay a monthly fee for 65-gallon garbage totes.
Naperville			X	No Additional Fee	Included in regular pickup	Unlimited garbage pickup. Refuse must be placed in 32-gallon or smaller containers (unless larger carts are purchased from the city). Residents pay for garbage program via property taxes.

ATTACHMENTS

N/A