



3rd Midwest Urban Recycling Forum Ann Arbor, MI

Presentation Titled:

Is One Contract Better Than Twelve?

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SOCRRA before 1989: Burn all trash & recycle nothing



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SOCRRA's Rochester Hills MI Yard Waste Compost Site Opened 1990



SOLID WASTE
MANAGEMENT
CONSULTANTS

3



SOCRRA MRF Opens 1992



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Other SOCRRA Services

- Operated a Special Household Waste Disposal Program for its residents since 1991
- Used Electronic Equipment Program was implemented in April 2001

SOCRRA – a case of here today ...possibly gone tomorrow??

- Key Premise: In the Natural World - Nothing is Forever!
- SOCRRA was originally established in 1951
- However under the old adage: What have you done for me lately? --- the 12 current Membership Agreements with the Authority were all set to terminate on June 30, 2007!

Who's Collecting SOCRRA Communities Now?

- Berkley.....Waste Mgt.....6/30/07 (5 yrs)
- Beverly Hills.....Great Lakes.....6/30/05 (3 yrs)
- BirminghamCar Trucking.....6/30/07 (4 yrs)
- Clawson.....Waste Mgt.....6/30/07 (5 yrs)
- FerndaleGreat Lakes.....6/30/05 (3 yrs)
- Hazel ParkTringali.....7/01/07 (6 yrs)
- Huntington Woods...Great Lakes.....6/30/05 (5 yrs)
- Lathrup Village.....Tringali.....6/30/07 (4 yrs)
- Oak Park.....Waste Mgt.....6/30/07 (5 yrs)
- Pleasant Ridge.....Great Lakes.....6/30/05 (5 yrs)
- Royal Oak.....Waste Mgt.....6/30/07 (5 yrs)
- Troy.....Tringali.....6/30/07 (5 yrs)

Now: WM = 4; GL= 4; Tringali = 3; Car Trucking = 1

SOCRRA

- 12 Member Municipalities
- Est. 280,000 population (100,000 households)
- Area Covered: Approx. 75 sq. miles
- Refuse (T&D managed)- 146,000 tpy
- Recyclables (SOCRRA MRF)- 17,000 tpy
- Yard Waste (RH Compost Site)- 33,000 tpy into 13,000 CY of finished compost
- HHW- 6,000 Appointments/Year
- Other: Electronics - 75 tons per year

The Beginnings....

- GBB hired by SOCRRA to conduct a Strategic Planning Workshop (Oct. 29, 2003)
 - *Suggested Issues to Address include --*
 - Future Planning Process Issues
 - Collection Services to each Municipality
 - Direct Haul vs. Transfer Stations
 - Least Costs vs. Overall Value of Services

PPT Slide from Oct. 29, 2003 Workshop Titled

”Issues Pertaining to Collection”

- Term of Current Agreements
- Economy of Scale Factors
- New Route Optimization Software
- Private Haulers (e.g., Waste Management’s thoughts)...see note!
- Border Control & Route Termination vs. Haul Cost Efficiency

Note: WMI has the T&D Contract through 6/31/2007 plus potential for a five-year extension

GBB Initiative to Help Preserve SOCRRA

In March 2004, four months after the workshop and a full year before the initiation of this Project, GBB wrote a letter to SOCRRA entitled “Comments on Potential for Future Cost Savings”

- The letter highlighted an issue that I thought should be attractive to SOCRRA Members – i.e. “monetary savings associated with volume purchasing and the ability to dictate terms and conditions if the communities are associated with a unified buying group”
- I wrote: “GBB is of the opinion that an average 7.5% savings might be achievable (relative to MSW collection/disposal) under such a full-membership, SOCRRA-sponsored full service collection/disposal option solicitation”.

SOCRRA Takes The Initiative

The Basis of Going Forward w/ New 20-year Municipal Agreements

Long-term service needs:

- Without regard to municipal boundaries,
- Without individual community load and weight needs, and
- Without current day of service provisions (i.e. propose the most economical solution deemed to have merit)

Request for Proposals

- Proposer's can select whatever communities (Members) they wanted to serve [all, one or a cluster(s)]
- Proposer's can propose on collection, transfer & disposal (T&D) or all (collection, T&D)
- Potentially a 20-year contract (SOCRRA secures landfill capacity; Proposer secures length needed to finance any new investments)
- Goal: 10% reduction from the actual 2006/2007 costs that were in budgets

SOCRRA Takes The Initiative

- Seven Proposals Received on 9/1/2005:
 - (WMI, Allied Waste, Republic, Tringali, Car Trucking, Rizzo, Onyx)
- Detailed review of proposals and extensive negotiations completed during Fall 2005 with Proposer's to obtain complete and reasonably priced service coverage to all twelve SOCRRA Members
- By Dec. 2005 the evaluation was completed & recommendations were made to the SOCRRA Board of Directors

Results of the RFP Process

- Long-term agreements yielded expected long-term savings exceeding 16% on the whole (at least a 10% savings by each municipal member) when the proposed 2007/2008 costs were compared to the 2006/2007 costs of service
- Assured Landfill disposal capacity; and
- Provided the ability to expand recycling efforts

Effects on Recycling...

- No limit on number of recycling bins residents can set out at curb
- “White goods” collection expands to Bulky Scrap Metal collection (washers, dryers, refrigerators, bbq grills, lawn mowers, bicycles, ladders, screen doors, wheelbarrows, fencing, plumbing pipe, file cabinets, playground equipment, aluminum siding, hot water tanks, stoves, air conditioners, etc. etc.
- Large appliance cardboard box collection
- Curb carts and dumpsters to be used for multi-family and business recycling

Hauling Contracts for the 12 Members (Refuse, Recyclables & Yard Waste)

- Start date of new collection: July 1, 2007
- Ten-year base contract term w/ two 5-year extensions at the sole election of SOCRRA
- Tringali Sanitation, Rizzo Services and Car Trucking were the selected collection contractors
 - Refuse to the Troy Transfer Station (TTS)
 - Recyclables to SOCRRA MRF next to the TTS
 - Yard Waste direct hauled to SOCRRA's Compost Site in Rochester Hills
- Onyx Waste Services contracted to provide the transportation and disposal of Refuse from the Troy Transfer Station

SOCRRA Option to Implement Computer Assisted Route Optimization System and Share Savings with Contractor:

SOCRRA and Contractor acknowledge that, sometime over the Term of this Contract, it may be mutually advantageous to implement computer-assisted route optimization techniques to fine-tune collection routes to reduce miles driven, increase equipment/labor productivity, and reduce costs.

If SOCRRA funds a review, the Contractor will cooperate to help define the variables needed for such an evaluation.

If SOCRRA agrees to up-front the costs of such a review, Contractor agrees that if:

- a) the evaluation demonstrates a clear and effective alternative method to route the collection vehicles to provide services at a lower cost; and if
- b) the Contractor and SOCRRA agree to change the collection routing based on these findings, then SOCRRA and the Contractor will equally share in the savings in a manner agreed on before such route changes are allowed to be implemented.

...And then there was "Brush"?

- Proposals received – Dec. 20, 2006
- MOU signed Feb. 14, 2007
- Contract was entered into with W&D Landscaping & Snowplowing, Inc. as of March 14, 2007
- Initial term to July 1, 2007 to June 30, 2010 (3-Years); plus two 1-year renewals at the sole discretion of SOCRRA
- Eight Members have signed up for the service
- Transition Plan required by May 31, 2007

Basis of Brush Charging

- 5 of the 8 participating Members are on a flat weekly service charge different for each member; times the weeks per year serviced (six are 52 weeks; one 41 weeks)
- Three members charged at rate of \$45 per 15 minutes of chipping at the residential unit location
- Six Members signed up for annual Christmas Tree Collection & Chipping Services

Advantages for SOCRRA Members

- Maintaining one of the two current transfer Stations (Troy) for future use with the ability of SOCRRA to grow its cash business customers
- Maintaining Madison Heights TS for emergency back-up; while eliminating the O&M costs of that TS
- Entering contractual relationships with vendors that are eager to perform work for SOCRRA
- Obtaining very competitive unit rates for commercial establishments that could promote organized collection in key areas
- Securing contractor's agreements to explore reducing the setout day's of members to reduce trash days "at the curb"
- Locking in pricing, as well as disposal capacity, for a 20 year timeframe

Projected Savings... What Percent?

<u>Member</u>	<u>Projected Decrease</u>
• Berkley.....	15.6%
• Beverly Hills.....	13.5%
• Birmingham	15.8%
• Clawson.....	22.8%
• Ferndale	10.3%
• Hazel Park	15.0%
• Huntington Woods....	14.3%
• Lathrup Village.....	17.1%
• Oak Park.....	17.2%
• Pleasant Ridge.....	24.3%
• Royal Oak.....	14.8%
• Troy.....	16.2%

The End – Open Discussion!

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