



Solid Waste Recycling Services

Brief with the City Council

January 4, 2021

Purpose: *To discuss, recommend and receive direction from City Council for bi-weekly recycling services for the City of Fayetteville.*

Council Direction Needed:

- Continue with current Waste Management's contract for final year,
- Accept Waste Management's proposal for bi-weekly recycling collection, or
- Collect biweekly recycling using the staff of the Solid Waste Division of Public Services.

Goal: Deliver exceptional, financially and environmentally responsive/responsible solid waste services that promote a safe, affordable, healthy, and resilient community.



Waste
Management

Solid Waste



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Existing recycling volume per cart is unknown.

They estimate about ~10-20% of our residents have the 96 gallon carts.

30 % by total volume being delivered to Pratt is contaminated - this is not by resident but by total volume.

WM's current contract with CoF is not by size of cart (i.e. disposal) but by cart number serviced.

Background



We have asked Waste Management for preliminary options on:

- Pricing for every other week collection, in return for extension of existing contract (ends June 2022).
- Discuss their operations regarding a bi-weekly schedule.



Other options to be considered by Solid Waste Staff:

- SW can provide cost of City staff collecting bi-weekly recycling curbside.
- SW can execute a RFP during the spring of 2021, on biweekly recycling by an outside vendor to start on July 22.

WM Current Contract

Type of Collection

- Contractor shall provide once a week curbside collection service for the collection of Recyclable Materials for each unit in the City, in accordance with the existing City schedule for household refuse collection.

Rates

- The City shall pay Contractor the sum of \$3.08 per residential unit and small business unit located in the City limits, per month, for the services described herein, as adjusted pursuant to Section herein.
- **Current Rate is now at \$3.39 per pickup location.**

Term

- The initial term of the Contract will be for Sixty (60) months; the period from July 4, 2017 through June 30, 2022.
- After the initial term the Agreement may be extended for up to two additional two (2) year terms upon the mutual agreement.

WM Bi-Weekly Proposal

Type of Collection

- Contractor shall provide every other week, curbside collections in the City's larger, new 95- gallon carts.

Rates.

- The City shall pay Contractor the sum of \$2.35 per residential unit and small business unit located in the City limits.

Term

- The initial term of the Contract will be for a minimum of a two (2) year contract, and suggest a four (4) year minimum extension for our recycling services.
- Our current contract is through 06/2022, and we request to extend through 06/2026.
- As currently contracted, Waste Management would maintain our current WST (CPI) index for annual price adjustments.

WM's Current Contract/Proposal Comparison

Projected Comparison of Current Weekly Recycling to Transition to BiWeekly Recycling Eff. 7/1/21

	FY21 Current	FY22 7/1/21 to 6/30/22	FY23 7/1/22 to 6/30/23	FY24 7/1/23 to 6/30/24	FY25 7/1/24 to 6/30/25	FY26 7/1/25 to 6/30/26
Weekly Contracted Collection						
Current Contract Cost per HH per Month	\$3.39	\$3.46	\$3.53	\$3.60	\$3.67	\$3.74
# Households		61,501	61,501	61,501	61,501	61,501
Total Projected Annual Impact		\$2,553,521.52	\$2,605,182.36	\$2,656,843.20	\$2,708,504.04	\$2,760,164.88

BiWeekly Contracted Collection

Proposed Contract Cost per HH per Month		\$2.35	\$2.40	\$2.45	\$2.50	\$2.55
# Households		61,501	61,501	61,501	61,501	61,501
Calculated Contract Cost		\$1,734,328.20	\$1,771,228.80	\$1,808,129.40	\$1,845,030.00	\$1,881,930.60
Financing Costs for Larger Cart Purchases	\$3.3M to purchase 64,000 Carts, delivery at each service point and collect old carts	\$867,208.50	\$867,208.50	\$867,208.50	\$867,208.50	\$0.00
Total Projected Annual Impact		\$2,601,536.70	\$2,638,437.30	\$2,675,337.90	\$2,712,238.50	\$1,881,930.60
A. Annual Financial Impact Differential - Biweekly Contracted to Weekly Contracted		\$48,015.18	\$33,254.94	\$18,494.70	\$3,734.46	(\$878,234.28)
Total Five Year Cost Differential						(\$774,735.00)

SW's Staff Bi-Weekly Cost Projection

		FY22	FY23	FY24	FY25	FY26
		7/1/21 to 6/30/22	7/1/22 to 6/30/23	7/1/23 to 6/30/24	7/1/24 to 6/30/25	7/1/25 to 6/30/26
BiWeekly City Staff Collection						
Estimated Personnel Costs	13 staff members (includes 10 drivers, 1 collector and 2 supervisors)	\$810,869.42	\$835,195.50	\$860,251.36	\$886,058.90	\$912,640.67
Estimated Operating Costs	Fuel, Maintenance, Uniforms, Equipment and Data Plans, etc.	\$695,323.80	\$709,230.28	\$723,414.88	\$737,883.18	\$752,640.84
Financing Costs for Larger Cart Purchases	\$3.3M to purchase 64,000 Carts, delivery at each service point and collect old carts	\$867,208.50	\$867,208.50	\$867,208.50	\$867,208.50	\$0.00
Financing Costs for Vehicles	\$3.1M to purchase 10 collection trucks and 2 supervisor vehicles	\$819,832.43	\$819,832.43	\$819,832.43	\$819,832.43	\$0.00
Total Projected Annual Impact		\$3,193,234.15	\$3,231,466.70	\$3,270,707.17	\$3,310,983.01	\$1,665,281.51

SW/WM Comparison

	FY22 7/1/21 to 6/30/22	FY23 7/1/22 to 6/30/23	FY24 7/1/23 to 6/30/24	FY25 7/1/24 to 6/30/25	FY26 7/1/25 to 6/30/26
BiWeekly City Staff Collection					
Total Projected Annual Impact	\$3,193,234.15	\$3,231,466.70	\$3,270,707.17	\$3,310,983.01	\$1,665,281.51
A. Annual Financial Impact Differential -Biweekly Staff Collections to Weekly Contracted					
	\$639,712.63	\$626,284.34	\$613,863.97	\$602,478.97	(\$1,094,883.37)
Total Five Year Cost Variance					\$1,387,456.55
B. Annual Financial Impact Differential -Biweekly Staff Collections to Biweekly Contracted					
	\$591,697.45	\$593,029.40	\$595,369.27	\$598,744.51	(\$216,649.09)
Total Five Year Cost Variance					\$2,162,191.55

Pratt's Projected Cost

Expect a fee for processing recyclables.

Pratt contract ends June 30, 2022 the same time as WM contract ends.

WM will likely not extend our contract under the existing cost and will seek to recoup the tipping fees of approximately \$60 a ton that will be newly upon them starting July 1, 2022.

STARTING JULY 1, 2022 SOLID WASTE EXPECTS TO RECEIVE A TIPPING FEE FOR RECYCLING MATERIALS DELIVERED TO PRATT.

ESTIMATED COST FOR NEW TIPPING FEE FOR RECYCLED MATERIAL IS APPROX. ~\$60 A TON – \$600,660 A YEAR. This tipping fee will decrease savings received by moving to bi-weekly recycling.

Pratt's projected cost will apply to any recycling collection, weekly, biweekly, or city staff collected.

Pratt Contamination Cost

Contamination cost
will decrease
potential savings.

- July 1, 2022 SW may possibly have to pay for recycle contaminated loads brought to Pratt.
- SW is estimating a 25% contamination rate for recycling. At 25% that possibly could cost an additional \$162,000 a year.
- Contamination cost can be reduced by an aggressive recycling education program and enforcement.

Contamination cost are estimates.

Summary Staff Recommendations Waste Management/Solid Waste

Waste Management	Solid Waste	Recommendation
<ul style="list-style-type: none">• Requires purchase of 96 gallon carts which can be financed over four years• Collection Costs reduced from projected \$3.46 to \$2.35 per month per pickup location• Requires contract extension at least to FY24, suggested FY26• Recycling collection saving is only for WM services and does not include future tipping fees or contamination fees	<ul style="list-style-type: none">• Requires purchase of 96 gallon carts which can be financed over four years• Significant ongoing investments for vehicles offset operating cost savings vs. contract• Financial impact is higher using SW to collect recyclables. There are no immediate savings.• The higher financial impact includes future tipping fees or contamination fees	<ul style="list-style-type: none">• Move forward with purchase and financing of 96 gallon carts in current fiscal year• Accept the Waste Management's proposal for biweekly recycling• Start Biweekly recycling July 1, 2021• Start a vigorous recycling education program to combat recycling contamination

THERE WILL BE A POSSIBLE FINANCIAL IMPACT OF TIPPING FEES AND CONTAMINATION FEES FOR ANY RECYCLING OPTION BEGINNING IN FY23

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THANK YOU

Be Safe



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