

Upper Merion Township

Residential Trash & Recyclables Removal Services Evaluation



**Board of Supervisor's Workshop
Meeting**

December 2, 2013

7:30 p.m.

Purpose of Presentation

In November 2012 our EAC, at a Board of Supervisor's Workshop Meeting, made a PowerPoint presentation to the Board that discussed trash removal issues and alternatives to the present Open Market System being utilized by our Township residents. This presentation is to further explore the options presented by our EAC and provide the Board of Supervisors with additional information on the subject to assist them with their ability to take action in this area if they deem practical.

Trash Removal Services Evaluation

- Why Consider Waste Collection System Alternatives?
 - Fluctuating Private Subscription Collection Costs
 - Multiple Hauler System Impacts the Public Health, Environment, and Road System.
 - Hauler & Residential Waste & Recycling Compliance – Act 101
- What Alternatives Are Being Evaluated In This Presentation?
 - Open Market Service
 - Single Hauler Service
 - Municipal (Township) Service

What is Act 101 ???

- Act 101 mandates recycling in PA's larger municipalities.
- Requires counties to develop municipal waste management plans.
- Provides for grants to offset expenses.

Waste and Recycling Collection Structure

- Once per week curbside trash collection.
- Establish a curbside trash set out limit via ordinance: a limit per week on bags / cans. Set weight limits for trash bags and/or containers (e.g. 35 pounds per bag).
- Once per week recyclables collection (preferably on the same day as trash collection).

Waste and Recycling Collection Structure

- Single-stream recyclables collection format: one recycling container for all recyclables.
- New recycling containers should be provided to all households at the start of the program.
- A 96-gallon recycling container is recommended, but 35- and 64-gallon contain options could be made available if deemed necessary.

Waste and Recycling Collection Structure

- Collection of the following recyclables:
 - Mixed paper (junk mail, newspapers, etc.)
 - Cardboard
 - Plastics
 - Glass bottles
 - Steel/bi-metallic or tin cans
 - Aluminum cans
- The Township could take ownership of recyclables to receive revenue for recyclables.

Waste and Recycling Collection Structure

- Tracking procedures for waste/recyclables volumes and costs should be implemented.
- The Township pursues Act 101, Section 904 Performance Grant funds based on tonnage of recyclables that are recovered and documented. Other Act 101 Recycling Grants are pursued to fund recycling programs.

Trash Removal Services Evaluation

- Open Market Service
 - Present method of trash removal utilized by residents.
 - Residents independently subscribe / contract with one of several local haulers for trash & recycling collection.
 - Trash & recycling collection days and routes vary among haulers.

Trash Removal Services Evaluation

- Open Market Service Pros and Cons

- Pros

- Township not required to commit to long-term investment in expensive trash collection equipment and support facilities.
 - Fosters private sector competition.
 - Allows small hauler entry into the market.
 - Service rates in an open market system are determined by competition, and are dependent upon many factors including geographical region, number of customers in a particular area, population density, etc.

Trash Removal Services Evaluation

- Open Market Service Pros and Cons
 - Pros continued
 - Residents may have the choice of selecting another waste hauler if they are not satisfied with their current service.
 - The only administrative costs associated with an open market system are the costs of enforcing Township licensing (because no administrative costs are associated with contract or franchise agreement enforcement, this is the least expensive system to administer).

Trash Removal Services Evaluation

- Open Market Service Pros and Cons
 - Cons
 - Efficiency may be low because the routes and schedules are determined by many waste haulers and many overlapping collection routes exist.
 - Township does not set collection routes.

Trash Removal Services Evaluation

- Open Market Service Pros and Cons
 - Cons continued
 - Township generally unable to establish service rates for customers.
 - Waste diversion and disposal quantities may be more difficult to track when dealing with many waste haulers.
 - Township must deal with many waste haulers.

Trash Removal Services Evaluation

- Open Market Service Pros and Cons
 - Cons continued
 - A lack of an effective enforcement mechanism to ensure compliance with reporting requirements may hinder the Township's Act 101 reporting.

Trash Removal Services Evaluation

- Open Market Service Pros and Cons

- Cons continued

- Customers may not know of an alternative waste hauler that will provide better services at a reasonable rate.
- Amount of enforcement ability that the Township has is dependent on the provisions of the Township's Code but is typically less in comparison to a system with a written contract, franchise, or agreement.

Trash Removal Services Evaluation

- Sampling of Open Market Haulers Registered in Upper Merion Township Which Provide Trash & Recycling Pickup Service.
 - Waste Management, Inc.
 - Republic Waste Services
 - J. P. Mascaro, Inc.
 - Interstate Waste Services
 - G & C Waste Services

Trash Removal Services Evaluation

Annual Price & Service Comparison

Registered Hauler	No. of Pickups / Week	Quarterly Service Charge	Annual Cost Per Year
Interstate Waste Services	1	\$66.00	\$264.00
Republic Waste Services	2	\$75.00	\$300.00
G & C Waste Services	1	\$84.00	\$336.00
Waste Management, Inc.	2	\$112.00	\$448.00
J. P. Mascaro, Inc.	1	\$123.00	\$492.00
	AVERAGES	\$92.00	\$368.00

Note - Prices may fluctuate according to fuel costs. Same day commingled recyclables and 1 bulk pickup per month included. Yard waste is collected weekly all year.

Trash Removal Services Evaluation

- Single Hauler Service – Generally Accepted Assumptions for Implementation
 - Reduces per household costs by 20-30%.
 - Competition
 - Efficiency
 - Reduces collection truck traffic.
 - Reduces street surface wear and related maintenance. (One tri-axle is equal to approximately 1,400 cars). Reduces exhaust emissions and related environmental and health harms.
 - Reduces the occurrence of collection related noise.

Trash Removal Services Evaluation

- Single Hauler Service – Generally Accepted Assumptions for Implementation - continued
 - Limits the protracted eyesore created by scattered collection schedules.
 - Facilitates recycling.
 - Allows for varying degrees of municipal involvement. Facilitates municipal oversight of this public health service.
 - Supports the goals of the Montgomery County Greenprint Plan.
(Lower driving miles mean lower Greenhouse Gas Emissions)

Trash Removal Services Evaluation

- Single Hauler Service Pros and Cons

- Pros

- Efficiency is high because the routes and schedules are organized, and overlapping collection routes are minimized.
 - Township has the ability to set collection routes.
 - Township is not required to commit to long-term investment in expensive trash collection equipment and support facilities.

Trash Removal Services Evaluation

- Single Hauler Service Pros and Cons

- Pros continued

- Reduced Truck Traffic Nuisances: Noise, Traffic & Safety, Emissions, Road Damage.
 - Improved Collection Service: Fewer Missed Stops, Consistent Collection Schedules.
 - Improved Compliance with the Township Waste & Recycling Ordinance.
 - Proper Handling, Processing & Documentation by Hauler.

Trash Removal Services Evaluation

- Single Hauler Service Pros and Cons
 - Pros continued
 - Haulers have an established number of customers and an established service area so they are able to make long-term investments in equipment.
 - Economic benefits due to high efficiency and competitive bidding process.

Trash Removal Services Evaluation

- Single Hauler Service Pros and Cons

- Pros continued

- Township has authority to require collection of data, review the hauler's books, and require reports to be submitted to the Township / PA DEP at regular intervals.
 - Township has a high level of authority to require waste haulers to provide minimum customer service programs for each service area/zone by specifying these conditions within the written agreement between the Township and waste hauler(s).

Trash Removal Services Evaluation

- Single Hauler Service Pros and Cons
 - Pros continued
 - Rates are generally reasonable because the system is efficient.
 - Township has a high level of authority, through written agreements, to require waste haulers to implement and revise programs to comply with Act 101.

Trash Removal Services Evaluation

- Single Hauler Service Pros and Cons

- Pros continued

- Township has a greater level of enforcement when compared to an open market system (enforcement clauses that meet the needs of the Township can be included within the written agreements).
 - Township has the ability to specifically detail the procedure(s) to resolve disputes in the language of the written agreement.

Trash Removal Services Evaluation

- Single Hauler Service Pros and Cons

- Pros continued

- Township does not have to deal with many waste haulers.
 - The cost of administration for agreements can be recovered by charging waste haulers a franchise fee that is usually a portion of the hauler's gross revenues.
 - The main cost of implementing is the development of the franchise/agreement; therefore, implementation cost is low.

Trash Removal Services Evaluation

- Single Hauler Service Pros and Cons

- Cons

- Reduces competition among haulers.
 - Limits small hauler entry into the market (will depend on the size of the Township; under most circumstances, it essentially keeps small haulers from participating in the bidding due to the significant resources needed to service a township of Upper Merion's size).
 - Customers usually have only one choice for waste handling services.

Trash Removal Services Evaluation

- Single Hauler Service Pros and Cons
 - Cons continued
 - Township must employ staff to enforce contract.
 - Requires the Township to issue advance notice to residents prior to implementing this system.

Trash Removal Services Evaluation

Single Hauler Annual Price & Service Comparison

Municipality	Contracted Hauler	No. of Pickups / Week	Quarterly Service Charge	Annual Cost Per Year
Norristown Borough	J.P. Mascaro	1	\$70.75	\$283.00
Lower Moreland Twp.	Allied Waste	2	\$72.50	\$290.00
Bridgeport Borough	J.P. Mascaro	2	\$73.00	\$292.00
Ambler Borough	J.P. Mascaro	1	\$75.00	\$300.00
Lower Providence Twp.	J.P. Mascaro	2	\$105.05	\$400.20
		AVERAGES	\$78.26	\$313.04

Note - Prices may fluctuate according to fuel costs. Same day commingled recyclables and 1 bulk pickup per month included. Yard waste is collected weekly all year.

Trash Removal Services Evaluation

- Municipal (Township) Service Pros and Cons

- Pros

- Efficiency is high because the routes and schedules are organized, and overlapping collection routes are minimized.
 - Township is able to set collection routes.
 - Township has the ability to establish service rates for customers.
 - Township has full control over implementing and revising programs to comply with Act 101.

Trash Removal Services Evaluation

- Municipal (Township) Service Pros and Cons
 - Pros continued
 - Township can collect its own data and be assured of its accuracy and know how much solid waste is being disposed/recycled.
 - Township has full control over customer service and service programs because it is responsible for providing these services (level of service provided is usually higher and more responsive to customer needs).

Trash Removal Services Evaluation

- Municipal (Township) Service Pros and Cons
 - Pros continued
 - Township has full enforcement control (all enforcement is internal within the Township's government).
 - Dispute resolutions much easier due to no need for a third party involvement.
 - Township does not have to deal with any waste haulers.

Trash Removal Services Evaluation

- Municipal (Township) Service Pros and Cons
 - Pros continued
 - The cost of administration can be included as part of the service fee and collected by direct billing of customers or included as a surcharge on tax bills (eliminating the need for a separate mailing of bills).

Trash Removal Services Evaluation

- Municipal (Township) Service Pros and Cons
 - Cons
 - Eliminates private sector competition.
 - Services rates may be higher in comparison to those offered by a private waste hauler specializing in waste handling services.

Trash Removal Services Evaluation

- Municipal (Township) Service Pros and Cons
 - Cons Continued
 - Residents cannot choose another waste hauler if they are unsatisfied because the Township provides all services.
 - Township must provide the administration, management, operations, and costs in maintenance staff to provide the service. This is an expensive alternative since the Township would incur the cost of providing solid waste handling services as well as administrative costs.

Trash Removal Services Evaluation

- Municipal (Township) Service Pros and Cons
 - Cons Continued
 - Requires the Township to acquire expensive trash collection equipment, facilities for storage and equipment maintenance, hire personnel, and provide for service operations (expensive alternative for the Township).
 - Higher rate of workman's comp. claims due to high frequency of injury to field personnel.

Trash Removal Services Evaluation

Annual Price & Service Comparison

Municipality	No. of Pickups / Week	Quarterly Service Charge	Annual Cost Per Year
Upper Moreland Twp.	1	\$47.25	\$189.00
Hatboro Borough	1	\$60.00	\$240.00
Abington Township	1	\$60.75	\$243.00
Cheltenham Township	1	\$71.50	\$286.00
Upper Dublin Township	1	\$71.50	\$286.00
Plymouth Township	2	\$72.00	\$288.00
Lower Merion Township	1	\$80.50	\$322.00.*

* Multiple service plans to choose from. Figure shown is for 2 containers (32gal. ea.) curb service only.

Trash Removal Services Evaluation

What Would It Take for Upper Merion Township To Provide Municipal Pickup Service?

- For Starters.....
 - Approximately 12,000 individual residential units to be served. (Estimate includes developments with HOAs.)
 - Anticipate a 4 day, Monday through Thursday pickup schedule.
 - Approximately 3,000 homes per day to be collected.
 - Friday collection for bulk / holiday / weather related collection issues.

Trash Removal Services Evaluation

- Estimated Capital Equipment Needed to Provide Municipal Service
 - Start-up List of Capital Items Required
 - Capital Equipment
 - Purchase 9 Refuse / Recycling Vehicles - 7 Side Loaders & 2 Rear Loaders.
 - Building / Storage Facility for Additional Fleet.
 - Retrofit Vehicle Maintenance Facilities to Safely Perform Routine Equipment Maintenance Activities. – 2 Hydraulic Lifts
 - Construction of CNG Fueling Station.
 - Initial Purchase of Trash & Recycle Toters.

Trash Removal Services Evaluation

- Estimated Capital Cost Needed to Provide Municipal Service

- Summary of Capital Items Required

Start-Up Capital Expenses Anticipated	No. Needed	Price per Unit	Estimated Cost
CNG Side Loader w/RH Steer Purchase	7	\$ 264,103	\$ 1,848,721
CNG Rear Loader W/ Tipper Purchase	2	225,243	450,486
Toters (96 gals.) - 2 Per Household	24,000	53.43	1,282,320
Building for Employees & Vehicle Storage	1		1,000,000
Vehicle Maint. - Upgrade 2 Hydraulic Lifts	2	50,000	100,000
Construct CNG Fueling Station	1		500,000
			<u>\$ 5,181,527</u>

Trash Removal Services Evaluation

- Estimated 1st Year Operating Costs to Provide Municipal Service

- Summary of Operating Categories Required

<u>ESTIMATED OPERATING COSTS</u>		
<u>Item No.</u>	<u>Category</u>	<u>1st Year Estimate</u>
1	Personnel Services	\$1,500,000
2	Operating Supplies	250,000
3	Professional Services	350,000
4	Miscellaneous	100,000
		<u>\$2,200,000</u>

Trash Removal Services Evaluation

-Summary of Capital & Operating Expenses to Get Program Started

- Initial Capital Costs	- \$ 5,181,527.00
- <u>1st Year Operating Expenses</u>	- <u>2,200,000.00</u>
<u>Total Estimate</u>	<u>\$ 7,381,527.00</u>

Estimated 1st Year Resident Cost

Total Estimated Program Cost	\$ 7,381,527.00
Number of Households Served	12,000
<u>1st Year Cost / Quarterly Cost</u>	<u>\$615.13 / \$153.78</u>

Trash Removal Services Evaluation

- Comparison of Alternatives – 1st Year Cost per Household Served

Hauling & Disposal Method	Average Quarterly Cost / Household	Average Annual Cost / Household
Single Hauler	\$78.26	\$313.04
Open Market (Present System)	\$92.00	\$368.00
Upper Merion Township PWD Service	\$153.78	\$615.13

Trash Removal Services Evaluation

-Possible Next Steps

- o Obtain Input From Residents.
- o Prepare Bid Specifications For Single Hauler Service.