



Contracting Solid Waste Services CO SWANA Annual Meeting October 8, 2004

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Background Information

- City owned and operated vehicles = 16 trucks (14 routes)
- Dual stream (two, 18 gallon bins)
- Materials sorted by a private facility – currently Recycle America Alliance



Changes

We needed to:

- Improve efficiencies
- Reduce injuries
- Increase type and quantity of materials collected
- Increase customer satisfaction
- Continue to maintain a fiscally responsible service

Research

It is all about asking the right questions

- What are other Cities doing?
- What are all the options?
- What would be the best fit?
- What are the concerns about the best fit?
- What do we need to make this happen?
- What are the politics?

Current System
 Every-other-week (bi-weekly) collection
 A & B week assignments
 Dual Stream- 18 gal. bins
 1-Newspaper and 2-Mixed Containers

Scenario 1

Dual Collection (\$, \$\$\$, ♦)
 Every-other-week (bi-weekly)
 Maintain A & B Week
 64 or 48 & 32 gal. carts
 Collected same day
 (1) News 7 & (2) Mixed containers

- Pros:**
- ? setouts and volume
 - ? worker's comp
 - ? efficiency
 - Consistent education message
 - Material quality sustained
- Cons:**
- Container cost
 - Min. route consolidation

Scenario 2

Single Stream Collection (*, \$\$\$, ♦)
 Every-other-week (bi-weekly)
 Maintain A & B Week
 96 or 64 gal. carts
 News 7 & containers/no glass

- Pros:**
- ? setouts and volume/revenue
 - Simplified sorting message
 - Ease in collection
 - Route efficiency
- Cons:**
- Material value?/cross contamination
 - Ideal glass collected separately (20% current volume)

Scenario 3

Dual Collection (##)
 Every-other-week (bi-weekly)
 2 carts (Scenario 1)
 1 week - News 7 (fiber)
 2 week - Mixed containers

- Pros:**
- ? setouts and volume/revenue
 - ? worker's comp
 - ? route efficiency/consolidation
 - Consistent education message
 - Material quality sustained
- Cons:**
- Education confusion

Scenario 4

Dual Collection (##, *)
 Monthly same day
 Carts 96 & 64 gal.
 News 7 Fiber & Containers

- Pros:**
- ? setouts and volume
 - ? worker's comp
 - ? route efficiency/consolidation
 - Consistent education message
 - Material quality sustained
- Cons:**
- Education confusion
 - Possible capacity issues

Scenario 5

Manual Collection (¢)
 Every-other-week (bi-weekly)
 Maintain A & B Week
 3rd bin delivered
 (2) bins-News 7
 (1) bin-Mixed containers

- Pros:**
- Lower cost to implement
 - ? volume/revenue
 - Relatively easy education msg.
 - Material quality sustained
- Cons:**
- No add'l convenience for residents
 - No collection efficiency gained
 - Lifting issues/worker's comp ?

Scenario 6

Manual Collection (###, ?)
 Weekly
 Dual or Single Stream
 18 gallon bins

- Pros:**
- Ease in public ed.
 - ? volume/revenue
 - Quality sustained
 - Lower worker comp. to current
- Cons:**
- ? Labor
 - ? truck costs

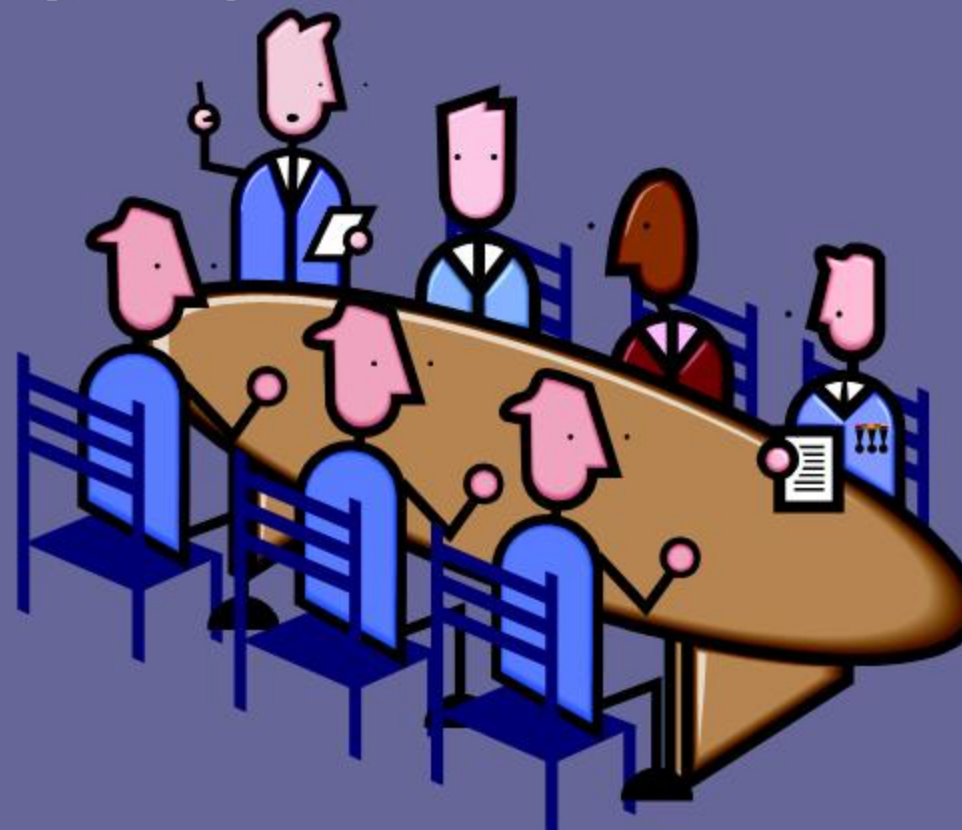
Key:
 \$ - Best revenue option
 \$\$\$ - Most expensive option (carts) ? - Easiest public education message
 ## - Mid-priced option (carts, but gained scheduled efficiency)
 ¢ - Least expensive (bins only - manual collection)
 * - Significant collection efficiency/consolidation

The Steps

- Communicate
- Communicate
- Communicate some more
- It's still about asking the right questions

External Communication

- Processors
 - Can you retrofit/build a facility?
 - Do you have concerns about what we want?
 - If you were in our shoes what would you prioritize?
 - What would you put in the contract?



External Communication

- **Other Cities**

- How did you do it?
- What were your results?
- What would you do differently?
- Can you share your contract?



Internal Communication

- **Purchasing**
 - Can we have a 10 year contract?
 - Is this a bid or an RFP?
 - What do we need to do?
- **Consultants**
 - Are we crazy?
 - Please help
- **Staff**
 - How do we create competition?
 - Do we agree?
 - How do we get there?
 - What is more important?

Prioritize

- The Important Stuff
 - Revenue generation
 - Convenient facility location
 - Vendor Experience
 - An enclosed facility
 - Support with education
 - Contract length

Prioritize

- Vendor Priorities
 - Put yourself in their shoes
 - Have we been reasonable?
 - What can we live without, so the vendor will be able to give us what we need?

The RFP

- Write it
- Review and edit
- Release
- Give vendors time



Evaluation

- A critical step to getting what you need
- Vendors respond based on evaluation
- Denver
 - 85% revenue (73% base value, 12% up market)
 - 15% proposal
- Put together a credible evaluation team

Results

- We got what we wanted. 😊
- Three proposals
 - Range in price = \$10
 - One clearly higher
 - Relatively close on proposal offers
 - All met scoop of work

Important Things to Remember

- Decide what you want and need
- Research and learn
- Plan
- Allow time for the process
- Communicate
- Get what you need and want



DENVER
THE MILE HIGH CITY



DENVER RECYCLES
 CITY AND COUNTY OF DENVER

Up Market

“Base Market Value (BMV)” means the market value of an established mix of processed Recyclables calculated by applying the percentages indicated below to the average market values reported for the Chicago area (paper commodities except ONP7) and Midwest region (container commodities) as reported in the first March 2004 issue of the *Yellow Sheet Official Board Markets* (paper) and *Mill Trade Journal's Recycling Markets*.

The BMV for this contract is set at: \$80.70.

Mix of Recyclables for Calculating BMV:

- 34% ONP8
- 34% ONP7
- 10% OCC
- 2% Aluminum
- 20% Glass

BMV calculation for March 2004 is \$80.70/ton, based on:

- ONP8 $\$87.5/\text{ton} \times 0.34 = \$29.75/\text{ton}$
- ONP7 $(\$87.50/\text{ton} - \$7.50/\text{ton}) \times 0.34 = \$27.20/\text{ton}$
- OCC $\$82.50/\text{ton} \times 0.10 = \$8.25/\text{ton}$
- Aluminum $\$650.00/\text{ton} \times 0.02 = \$13.00/\text{ton}$
- Amber Glass $\$12.50/\text{ton} \times 0.20 = \$2.50/\text{ton}$
- $\$29.75 + \$27.20 + \$8.25 + \$13.00 + \$2.50 = \80.70