



TO: Thomas R. Kneeland
Members of Council
City Attorney

FROM: Dottie A. Franey
City Administrator

DATE: September 25, 2018

SUBJECT: Report to Council, October 8, 2018

Solid Waste Collection and Disposal:

As a reminder, Gahanna is a part of a refuse consortium that is facilitated by the Solid Waste Authority of Central Ohio (SWACO) with ten communities as members. The goal of the consortium is to be a resource conscience steward of the public's money and assets. The best way for the consortium to be successful is to strive toward increased competition in the refuse industry and extend the life of the Franklin County landfill.

The solid waste collection and disposal process is made up of the following four components. I will discuss each component separately and where we stand contractually.

1. Solid Waste Collection Process
2. Landfill Tipping Fees
3. Recycling Tipping/Processing Fees
4. Household Collection Containers

ITEM 1: SOLID WASTE COLLECTION PROCESS –

In an effort to increase competition for the 2019-2023 solid waste collection bid, the refuse consortium made some changes this year and certain communities were combined for bidding purposes. Gahanna was combined with Reynoldsburg and collection bids were opened on July 25, 2018.

Bids were received from Rumpke and Local Waste. The bid results include a number of complex options and I've attached the documents in case you want to review all of the options.

The administration has evaluated all of the options and are respectfully requesting legislation authorizing the Mayor to enter into contract with Rumpke Waste & Recycling Services for solid waste collection services as described in *Alternate Bid*

#2: *Gahanna, Status Quo Service, 3 Year Term* instead of a 5-year term. The following are the proposed rates per month, per household:

| 2019 | 2020 | 2021 |
|---------|---------|---------|
| \$16.71 | \$17.88 | \$19.13 |

As a comparison, we have one more year (2019) that we can renew our current contract and the base rate would also be \$16.71.

We are respectfully requesting authorization for the Mayor to enter into contract with Rumpke for solid waste collection services.

Requested Legislation and Funding

- **Legislation Needed:** Ordinance
- **Emergency/Waiver:** N/A
- **Name & Address:** Rumpke Waste & Recycling Services, 1191 Fields Avenue, Columbus, OH 43201
- **Already Appropriated (Amounts & Accounts):** There will be sufficient funds in the 2019 appropriations to cover this contract.
- **Supplemental/Transfer (Amounts & Accounts):** N/A

ITEM 2: LANDFILL TIPPING FEES –

The landfill tipping fee is currently \$39.75 per ton (plus up to an additional \$13.00 per ton if the hauler uses a transfer station). Landfill and transfer station tipping fees are paid directly by the collection hauler and are a part of the hauler's contractual monthly charge. (For example: In 2019, the hauler will pay the landfill tipping fees out of the \$16.71 that they charge per month per household.)

ITEM 3(A): RECYCLING TIPPING/PROCESSING FEES 2019 –

As a reminder, Rumpke has the largest recycling facility, which can create an unfair advantage in the solid waste bidding process unless we separate recycling tipping fees/processing services from the hauling contract. Our current recycling contract is with Rumpke and has a one-year extension left for 2019 with zero cost to the municipality.

We are respectfully requesting authorization for the Mayor to accept Rumpke's 2019 renewal rate of \$0.00 per ton for recycling tipping fee/processing services.

Requested Legislation and Funding

- **Legislation Needed:** Ordinance
- **Emergency/Waiver:** N/A
- **Name & Address:** Rumpke Waste & Recycling Services, 1191 Fields Avenue, Columbus, OH 43201
- **Already Appropriated (Amounts & Accounts):** N/A
- **Supplemental/Transfer (Amounts & Accounts):** N/A

ITEM 3(B): RECYCLING TIPPING/PROCESSING FEES 2020 –

Since the consortium was bidding solid waste collection in 2018 for years 2019-2023, we chose to also bid recycling processing for 2020 with three 1-year renewals. Recycling Processing bids were opened May 17, 2018. Only one bid was received and it was from Rumpke (bid document attached). The per ton tipping/processing price beginning 2020 will be \$35/per ton.

Municipalities will be paying the recycling processing fees separately in an effort to keep this part of the process out of the collection bids so that collection bids stay as competitive as possible. Based upon 2017 recycling tonnage plus a possible 30% recycling increase by 2020, Gahanna will need to add a monthly fee of approximately \$1 to the resident's solid waste collection charge to cover this fee. This contract also includes a revenue sharing clause that will allow the municipality to receive 50% of revenue realized beyond processing expenses. This revenue share is capped at \$20 per ton.

We are respectfully requesting authorization for the Mayor to enter into contract with Rumpke for recycling tipping fee/processing services in 2020 with three one-year extensions.

Requested Legislation and Funding

- **Legislation Needed:** Ordinance
- **Emergency/Waiver:** N/A
- **Name & Address:** Rumpke Waste & Recycling Services, 1191 Fields Avenue, Columbus, OH 43201
- **Already Appropriated (Amounts & Accounts):** There will be sufficient funds requested in the 2020 appropriations to cover this contract.
- **Supplemental/Transfer (Amounts & Accounts):** N/A

ITEM 4: HOUSEHOLD COLLECTION CONTAINERS –

Currently, single family residents provide their own trash container that is placed at the curb on collection day and the collection contractor provides 18 gallon recycle bins for recyclable items.

The City of Gahanna participates in the Mid-Ohio Regional Planning Commission's (MORPC's) Sustainable2050 program. The third objective in the Natural Resources section of that program calls for municipalities to: "Reduce the amount of municipal solid waste per capita disposed in the landfill."

Additionally SWACO's mission statement is "*To improve the community's solid waste stream through effective reduction, recycling and disposal.*" One of their Short-Term Goals in line with that mission is to increase their district's diversion rate from 46.5% to 50% by 2020.

The City of Gahanna's recycling goals align with the goals of MORPC and SWACO and recycling carts are the best way to encourage higher recycling volumes. Recycling carts also stop the litter that is caused when recyclables blow out of the 18-gallon red bins, which has been an ongoing challenge for the City.

With all of this in mind, the refuse consortium's solid waste collection bid included an option for the hauler to supply recycling carts. The bid prices received for waste collection and supply of a 64 gallon recycle cart ranged from \$18.90 - \$25.71 per month, which makes this an unattractive option.

Seeing this, SWACO stepped up in three ways.

- 1) SWACO successfully applied for a grant through Recycling Partnership which is a national nonprofit group who raise money and reinvest it into community programs.
- 2) SWACO is offering a grant to cities that want to change from 18-gallon bins to 64 gallon recycling carts.
- 3) SWACO is offering to front the matching dollars owed by the cities and allow a three year payback of those funds with a nominal processing fee.

| Grants Offered | |
|---------------------------------------|-----------------------|
| Base Toter Cart Price ea. | \$46.52 |
| SWACO Grant | - 22.50 |
| Recycling Partners Grant | - 7.00 |
| Remaining Cart Price Owed by the City | <u>\$17.02</u> |

Gahanna would need approximately 10,007 recycling carts for our residents and approximately 100 extra carts to have on-hand. The following table displays the cost:

| Description | Toter Cart |
|-----------------------------------|------------------|
| Net Cart Price (\$17.02 x 10,007) | \$170,320 |
| Full Cart Price (\$46.52 x 100) | \$4,652 |
| Total City Matching Cost: | \$174,972 |

SWACO is offering to front the matching cost of the initial cart roll-out so that all carts could be purchased at once and allow the City to pay their portion of the 10,007 carts back to SWACO over a three-year period. The following would be the annual commitment for three years:

| Description | 3-Year Annual Payback |
|---|--|
| 3-Year Annual Payback to SWACO (\$170,320 ÷ 3) | \$56,774 (Plus a ~\$500 per year processing fee. Final amount of fee not yet determined.) |
| Description | Payment at Time of Purchase |
| Payment to SWACO at Time of Purchase of Extra Carts (\$46.52 x 100) | \$4,652 |

It is the administration's recommendation that the City take advantage of the current grant offerings and purchase recycle carts for Gahanna's single family homes. If Council is in agreement, we will bring forward the necessary document for legislation.

UPDATE

Master Fee Schedule – In July, Council requested that the City investigate implementation of a Master Fee Schedule. I would like to give an update on that project in Committee Meeting.