



# CONSOLIDATED COLLECTION EVALUATION & RECOMMENDATION

Public Works Commission  
June 16, 2021

Study of Franchise Model: Conducted by our consultant Gershman, Brickner, and Bratton Inc. (GBB) on behalf of the City of Burlington, and South Burlington.

Study of Municipal Model: Conducted by DPW staff evaluating the creation of a municipally-operated consolidated collection program.

# BACKGROUND



- ▶ There are many ways communities coordinate the collection of trash, recyclables and food scraps
- ▶ In Burlington, individual residential property owners subscribe with a local hauler for solid waste services or bring their trash to one of the Chittenden Solid Waste District (CSWD) Drop-Off Centers
- ▶ According to a survey of 461 communities nationwide, this subscription arrangement occurs only in approximately 11% of communities (Source GBB)
- ▶ Consolidated collection (CC), on the other hand, is the much more common approach with 83% of the communities having the municipality either collecting waste streams itself or contracting with private haulers (Source GBB)



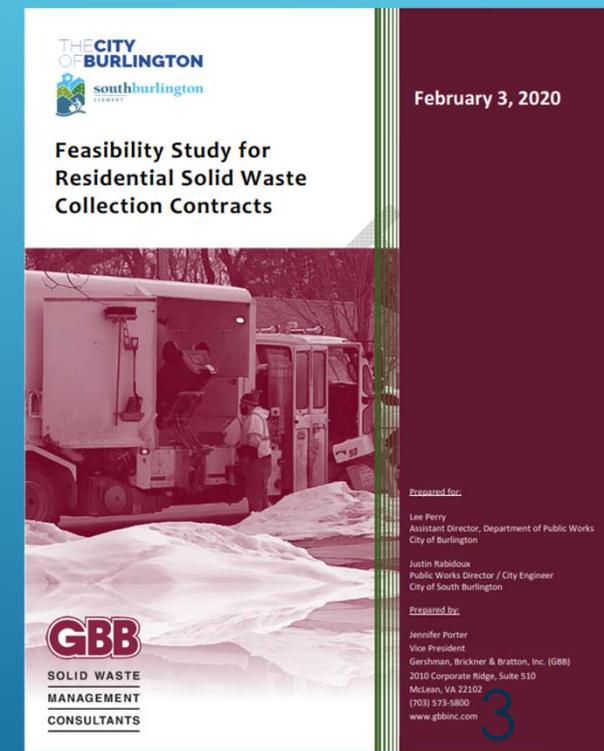
# BACKGROUND



Consolidated collection has been explored in our region for decades including:

- ▶ 2000-2001: DPW evaluation initiated by an October 2000 City Council resolution
- ▶ 2009-2015: Chittenden Solid Waste District (CSWD) county-wide evaluation
- ▶ 2018-2020: DPW franchise model evaluation in collaboration with CSWD and South Burlington initiated by an April 2018 City Council resolution
- ▶ 2021: DPW municipal model evaluation initiated by a August 2020 City Council Transportation, Energy & Utilities Committee request

[www.burlingtonvt.gov/dpw/Maintenance/Consolidated](http://www.burlingtonvt.gov/dpw/Maintenance/Consolidated)



# PROBLEM STATEMENT



Burlington residents are experiencing:

- ▶ More costly collection service due to multiple trash and compost haulers servicing the same streets. There are currently four main trash haulers and additional compost haulers servicing City residential properties.
- ▶ More truck traffic, emissions and impact to City infrastructure from multiple haulers servicing the same streets.
- ▶ Confusing pick-up schedules with households managing pick-ups of the various waste streams two or three different days of the week.
- ▶ Occasional late or missed recycling pick-ups as current City Recycling Program is under-resourced which has put burden on existing Recycling staff and the overall Street Maintenance team.



# CONSOLIDATED COLLECTION BENEFITS



The various consolidated collection studies have indicated a wide range of benefits:

- ▶ Reduced costs to residents through more efficient collection routes
- ▶ Reduced environmental impacts due to consolidation of routes (projected two thirds reduction in greenhouse gasses from residential collection)
- ▶ Increased safety, reduced impacts on City infrastructure and reduced noise in neighborhoods by reducing excess truck traffic.
- ▶ Increased diversion by using consolidated collection as the most cost-effective mechanism to broadly add collection of food scraps.
- ▶ If desired, program could allow residents to “opt out” and self-haul to a drop off center. The “opt out” allowance could be capped.

For these reasons, staff is recommending a fully consolidated collection system

# PUBLIC OUTREACH & FEEDBACK



We've engaged the public through surveys, meetings and various outreach

- ▶ GBB conducted a phone survey in 2019 and reached 261 Burlington residents. Respondents were asked their support for a franchised consolidated collection system:
  - ▶ 39% expressed support
  - ▶ 23% expressed opposition
  - ▶ 20% said they didn't have enough information
  - ▶ 18% didn't know
- ▶ Of those who responded in writing and spoke at meetings, more residents expressed support for consolidated collection (in either a franchised or municipally operated model), over the current subscription model. Proponents cite environmental, safety, cost, noise impacts, and interest in a municipal option.
- ▶ Residents who oppose consolidated collection cite needing flexibility in their trash pick-up schedules and the opportunity to choose their hauler.
- ▶ Written comments are attached to the DPW memo and are posted on the DPW website.

# FOUR OPERATING MODELS EXPLORED

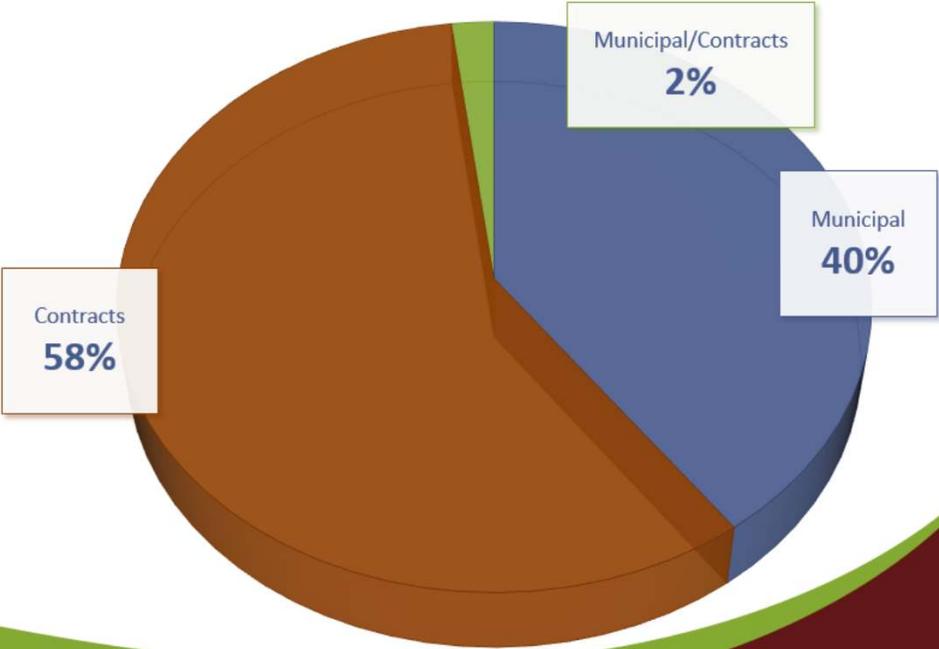


1. Franchise Model – Franchised consolidated collection is where a municipality contracts with one or more private haulers to collect curbside trash, recycling, and compost. This model was studied by consultant GBB for Burlington and South Burlington in 2019 and 2020.
2. Franchise Model with City Bid – This model is similar to the franchised model, except the municipality retains the right to bid on districts against private haulers to collect trash, recycling and compost.
3. Municipal Operation Model – This model is where the municipality itself, provides all aspects of trash, recycling, and compost collection, including oversight, customer service, scheduling, and billing.
4. Hybrid Municipal / Franchise Model – Under this scenario, the collection of different waste streams would be consolidated separately. For Burlington, this option would have recycling remain a municipally-collected service and trash and compost services would be franchised to private haulers.

# PREVALENCE OF EACH MODEL



**Breakdown of the 83%: Cities through municipality / private haulers under contract**



Source: GBB

# PROJECTED COSTS FOR ALL 3 STREAMS



Municipal and Franchising models similar in cost, depends on what is included in model

Options (weekly service scenario)	Municipal Model Flynn Ave 0% Opt Out	Municipal Model 339 Pine St 15% Opt Out	Municipal Model 339 Pine St 25% Opt Out	Franchise Model 0% Opt Out	Franchise Model 15% Opt Out	Franchise Model 25% Opt Out
Households Served	13,005	11,054	9,754	13,005	11,054	9,754
Resident Annual Cost	\$413.63	\$456.46	\$494.01	\$410.03	\$422.98	\$465.55
Resident Monthly Cost	\$34.47	\$38.04	\$41.17	\$34.17	\$35.25	\$38.80

GBB's Franchise model estimate does not include additional City costs for overseeing the performance of the private haulers. Franchise model costs have been updated with current tip fees. Municipal estimate includes debt service projections for new building, fleet vehicles, carts. Municipal option scenarios projected to be more expensive at Flynn Avenue site due to land acquisition costs.

Criterion	OPTION 1: Franchise	OPTION 2: Franchise with City Bid	OPTION 3: Municipal Operation	OPTION 4: Hybrid Operation
Customer Choice	City-selected haulers or CSWD DOC. Some choice but less than subscription service. (2)	City-selected haulers or CSWD DOC. Some choice but less than subscription service.	City service or CSWD DOC. Some choice but less than subscription service. (2)	City/haulers service or CSWD DOC. Some choice but less than subscription service. (2)
Customer Cost	Prices set through bidding process. Haulers gain efficiency through consolidation. Service projected to be cheaper than subscription service. (3)	Prices set through bidding process including the City as a bidder. Service projected to be cheaper than subscription service.	City gains economy of scale through consolidation. Service projected to be cheaper than subscription service. (3)	Prices set through bidding process and City recycling budget. Service projected to be cheaper than subscription service. (3)
Customer Convenience	High. Residential customers would have one hauler efficiently picking up all waste streams on same day. (3)	High. Residential customers would have one hauler efficiently picking up all waste streams on same day.	High. Residential customers would have one hauler efficiently picking up all waste streams on same day. (3)	High. Residential customers would have one hauler efficiently picking up trash and compost, while the City picks up recycling. Pickups coordinated for same day. (3)
Environmental Benefits	High. Consolidated collection would reduce miles traveled by an estimated two-thirds. (3)	High. Consolidated collection would reduce miles traveled by an estimated two-thirds.	High. Consolidated collection would reduce miles traveled by an estimated two-thirds. (3)	High. Consolidated collection would reduce miles traveled by an estimated two-thirds. (3)
Truck Traffic / Road Impact Benefits	High. Reduction of trucks from 3 or 4 haulers to 1 hauler on many residential streets. (3)	High. Reduction of trucks from 3 or 4 haulers to 1 hauler on many residential streets.	High. Reduction of trucks from 3 or 4 haulers to 1 hauler on many residential streets. (3)	High. Reduction of trucks from 3 or 4 haulers to one hauler and City on many residential streets. (3)

Criterion	OPTION 1: Franchise	OPTION 2: Franchise with City Bid	OPTION 3: Municipal Operation	OPTION 4: Hybrid Operation
Ability for City to Control Service and Quality	Contract language with private haulers would include performance criteria. Any mid-contract changes would need to be negotiated. (1)	Depends on which option wins the bid. (not scored)	Most City control. City could choose to adjust service levels and offerings when desired. Offers more direct operational oversight as employees and services are managed directly by City. (3)	City maintains direct oversight of recycling. Contract language with private haulers would include performance criteria. Any mid-contract changes would need to be negotiated. (2)
Union Labor & Pay/Benefits	No change in Union positions. City would plan to redeploy 3 current Recycling positions. Franchisee contract would require livable wages and could require more. (1)	Depends whether private haulers or the City wins the bid. (not scored)	Projected increase in Unionized City positions by an estimated 9-12 staffers. (3)	Projected increase in Unionized City positions by an estimated 3 staffers. Franchisee contract would require livable wages and could require more. (2)
Overall City Effort to Launch	Medium. Carefully structuring bid requirements and bid processes essential to ensuring level of service and performance thresholds. (2)	High. Have to develop bid process, have City develop its own bid, and if City bid successful, go through all the steps listed under municipal operation. (not scored)	High. Need to stand up a new enterprise, get voter approval for Charter Change and for borrowing, construct building, hire up to 14 staffers. Significant use of DPW innovation capacity. (1)	Medium. Carefully structuring bid requirements and bid processes essential to ensuring level of service and performance thresholds. Recycling program would add 3-4 staffers. (2)
Upfront Capital Costs	Low. Bid requirements would require haulers to supply trucks and any backend facilities. City could provide carts - up to \$1.2M. (3)	Depends whether private haulers or the City wins the bid. (not scored)	High. City would need to construct new building, buy additional vehicles and acquire carts - up to \$6.7M. (1)	Low. City has recycling vehicles. City could decide to provide carts - up to \$1.2M. (3)

Criterion	OPTION 1: Franchise	OPTION 2: Franchise with City Bid	OPTION 3: Municipal Operation	OPTION 4: Hybrid Operation
Require VT Legislative approval?	No. (3)	Depends. Yes, if City wins bid and City seeks Charter Change to establish enterprise fund. (not scored)	Yes for Charter Change to establish enterprise fund. (1)	No. (3)
Risk to City Government	Medium. Non-performance of private haulers. Potential legal challenges from haulers. (2)	Largely depends on whether haulers or City wins the bid. Additional risk if City won only some of the districts and therefore had to set up the collection infrastructure for significantly fewer customers. (not scored)	High. Additional complexity to manage \$5M/year enterprise fund. Managing costs to design, permit, construct new building. Voters could decide not support Charter Change or revenue bond. Potential legal challenges from haulers. (1)	Medium. Non-performance of private haulers. Potential legal challenges from haulers. (2)
Timeline to Launch	Estimated 2-3 years. (3)	Estimated 2-5 years. Depends on whether private haulers or City won bid. (not scored)	Estimated 3-5 years. (2)	Estimated 2-3 years. (3)
Future Flexibility	Can rebid near end of each contract term or bring in-house. (3)	Depends on whether private haulers or City won bid. If haulers, can rebid near end of each contract term or bring in-house. (not scored)	Once initiated, municipal operation can be tweaked, but it will be politically challenging to fundamentally revisit. (2)	Can rebid near end of each contract term or bring in-house. (3)
<b>Total</b>	<b>32</b>	<b>N/A</b>	<b>28</b>	<b>34</b>

# DPW RECOMMENDATION – HYBRID OPTION



- ✓ Achieves the goals of a fully consolidated collection system with a significantly smaller upfront resource investment (both financial and human capital).
- ✓ Builds off the structure and capacity the City has already built for the Recycling Program.
- ✓ Can be accommodated at 645 Pine Street because it doesn't expand City's heavy commercial vehicle fleet and only increases staff modestly – avoids constructing and then maintaining another municipal facility.
- ✓ Creates 3 additional Union positions that can support other City maintenance needs such as additional snow fighting support for the Maintenance Division.
- ✓ Can fund the additional Recycling Program positions through a straightforward adjustment to the City's Solid Waste Generation Tax rate -- approximately \$2.00/month increase per residential dwelling unit.

# DPW RECOMMENDATION – HYBRID OPTION



- ✓ Can be launched more quickly and with less risk without Charter Change, voter approvals, a new enterprise fund.
- ✓ Does not require our customer service teams to establish and manage a billing system for collection services.
- ✓ Provides future flexibility to expand municipal operation of collection system should there be interest in an entirely municipally-operated model.
- ✓ Maintains a role for the private haulers while improving the efficiency and cost effectiveness of the collection system for residents.
- ✓ Gives clarity on the consolidated collection direction in the short term that may help resolve long-standing issues with Chittenden Solid Waste District regarding the Burlington Drop-Off Center at 339 Pine Street and the future of 195-201 Flynn Avenue where CSWD and the City have considered a future Drop-Off Center.

# REQUIREMENTS FOR SUCCESS



- Public engagement on key components of consolidated collection during the coming year that will drive the development of the program including:
  - Service levels (weekly or biweekly collection for each collection stream)
  - Opt out option (ability for residential properties opt out of some or all of the service)
  - Participating residential properties (1-4 unit properties or possibly more)
  - Other service options (container sizes, back door service, seasonal service, etc.)
- Council support to utilize consulting project manager to drive program development during the initiation phase so staff can continue to focus on day to day operations (\$50K is budgeted in the FY'22 Recycling Program budget)
- Council understanding of the estimated 2-3 year development period to allow for an orderly development and transition
- Council understanding of the need to set Solid Waste Generation Tax rates sufficient to safely and efficiently operate the municipally-run Recycling Program and the oversight of the private hauler franchisees into the future

# CONCEPTUAL TIMELINE



- ❑ 6/16/21 – DPW Commission meeting – requested recommendation
- ❑ 6/22/21 – Transportation, Energy & Utilities Committee – requested recommendation
- ❑ 7/12/21 – City Council presentation with GBB
- ❑ 8/9/21 – City Council vote on preferred consolidated collection model
- ❑ January – March 2022 – Complete public engagement on service levels, residential unit limit, opt out options, district sizes, etc. and finalize model framework
- ❑ March 2022 – Complete negotiations with CSWD for recycling and organics tip fees and Casella for trash tip fee
- ❑ June 2022 – Complete bid documents for trash and organics services and issue invitation to bid
- ❑ Fall 2022 – Select vendors
- ❑ Winter 2022/2023 – Execute contracts
- ❑ January 1, 2024 – Initiate hybrid consolidated collection service

# RECOMMENDED MOTION



We suggest the Public Works Commission move to recommend the City Council approve a resolution that:

1. Advances implementation of a fully consolidated collection system for at least 1 to 4 unit residential properties in Burlington; and
2. Proposes implementation of a hybrid consolidated collection model where the City continues to collect recycling and franchised private haulers collect trash and organics; and
3. Requests City staff initiate a resident engagement process to determine the specific service levels and options that will be initially offered, and return to the City Council by March 2022 with the service level recommendations and an updated timeline.

# THANK YOU & INPUT WELCOMED



## Comments:

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## Questions:

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## More information:

[www.burlingtonvt.gov/dpw/Maintenance/Consolidated](http://www.burlingtonvt.gov/dpw/Maintenance/Consolidated)