Dublin City Council
PUBLIC SERVICES COMMITTEE
Monday, June 23, 2014
Council Chambers – 5:30 p.m.

Minutes of Meeting

Ms. Salay, Chair called the meeting to order at 5:40 p.m.
Committee Members present: Ms. Salay, Chair; Mr. Reiner and Mr. Lecklider.
Staff members: Ms. Grigsby, Ms. O'Callaghan, Ms. Lozier.

Options for Solid Waste Contract Bids

Ms. O'Callaghan noted that this is a critical city service that touches each member of the community on a weekly basis. It is very visible and has a big impact on each resident and the environment.

Background on Solid Waste Services

Ms. O'Callaghan stated that since 2003, Dublin has been a member of the Solid Waste Consortium. This is a partnership of Central Ohio communities to bid solid waste services jointly in an effort to obtain quality services at competitive prices. Currently, the Consortium consists of 10 members, as listed in the staff report. The concept of the Consortium is volume-based bidding – the higher the volume or demand, the lower the price. Dublin accounts for 13,228 resident households of the 55,800 residential households in the Consortium
Ms. Salay asked if Dublin has the largest number of households in the Consortium.
Ms. O'Callaghan responded that Dublin is the largest; Westerville is second.
Currently, Dublin is in the final year of the five-year contract with Rumpke of Ohio. This contract is for collection and disposal or processing of refuse, recyclable materials and yard waste. The services are provided to residential units, municipal facilities, and special events. The current method through which these services are provided is the manual method – not automated. The existing contract expires at the end of the year – December 31, 2014.

Summary of Services Provided

1. Refuse collection services. These are provided to Dublin residents on Wednesdays of each week. The residents provide the collection containers.
2. Recycling services. Recyclable materials are collected by Rumpke every Wednesday of each week. Dublin provides and maintains these containers. The City must replace the containers as needed and must also maintain them as needed.

Mr. Reiner asked if there would be an economy of scale with a uniform container for the City versus residents purchasing various types of containers. Is there any interest on the part of the provider for the City to have a more uniform container?

Ms. O'Callaghan responded that the provider is interested in having uniform containers, which is part of the bids.
Mr. Lecklider asked if the City paid for the recycling bins at the outset of the program through a grant or did Rumpke provide these.
Ms. O'Callaghan responded that at the outset of the program, a grant funded the recycling containers.
Ms. Lozier stated that 3,000 recycling containers were provided under this grant.
Ms. O'Callaghan stated that the City has been replacing those containers as needed. In the Consortium discussions, staff learned that the other cities that participated in that grant program no longer have those containers and the cities don't maintain them. Dublin is the only Consortium member that still has those containers and continues to maintain them.
Ms. Grigsby added that there was a three-year phase in for the containers.
Ms. Salay asked how much the City invested in the recycling containers.
Ms. Lozier stated that there were 3,000 containers provided to the City at the outset, but they were not very durable. The City purchased the other containers needed to service the residential households, at a cost of $48.00/each. The City has invested about $45,000 in containers every year since the initial rollout of red containers from SWACO.
Ms. Salay stated that if the City were to choose a Rumpke option, would the City be able to get money back for the containers, or could the City use the existing containers until they are worn out?
Ms. Lozier responded that the City would likely put the current containers on the market for resale. Currently, the City receives a value for recycling the broken containers. The City could use Govdeals to sell the current containers, if necessary.
Ms. Salay stated it would be useful to have information about the funds the City could get back versus how much has been spent on the containers.
Ms. O'Callaghan commented that it is noteworthy that many of the containers are reaching the end of their useful life, which is about seven years.
Ms. Lozier agreed, noting that some of the containers are over 10 years old.
Ms. O'Callaghan summarized that in the future, the City will have to make a larger investment in containers than in the past, due to their age.
Mr. Lecklider asked if the bids being reviewed will include the cost of the containers or will that be an extra cost.
Ms. O'Callaghan responded that the bids to be discussed include providing each residential household with a container, so it will not be a fee over and above the bid price.

3. Bulk services. These services are provided unlimited for items too large to fit in containers. These services are provided each Wednesday.
4. Yard waste. Collected on Mondays. Historically, Dublin's yard waste had been picked up on Mondays. When the bid process was done in 2004, the bid that was accepted changed the yard waste collection to Wednesdays. Soon after that

change, the residents provided feedback about their desire to have yard waste pick-up soon after the weekend when yard work is done. In order to change the yard waste day to Monday, the City negotiated with Rumpke and the City ended up paying more for that change -- $30,000 to make that day change for yard waste.

5. Rumpke currently utilizes diesel trucks in servicing the City.
6. In 2003, Dublin initiated a pilot program in conjunction with SWACO and Rumpke intended to pilot automated service. The manual service consists of a driver manually lifting the container and dumping the waste into the trucks. The automated process utilizes different trucks. The trucks have an "arm" that can pick up the container and dump the contents into the truck. The automated process is preferred by service providers, as it is easier on their workforce and therefore a cost savings for them.

Mr. Reiner asked if this automation allows Rumpke to change from two-person crew to one.

Ms. O'Callaghan responded she believes that is correct.

In this 2003 pilot program, residents were provided wheeled carts with attached lids for both refuse and recycling. The majority of the carts were 64-gallon, although residents had a choice of sizes. The pilot area was just north of City Hall – west of Coffman, south of Brand, along Earlington/Dublinshire, north of Brand, Coventry Woods and Brandonway. The pilot areas consisted of two routes of 600 households each; and utilized automated trucks. The program was initially planned for one year and was extended another year. The feedback from a resident survey was very positive, with 91 percent in favor of continuing those services. The recycling was shown to increase with this pilot program. The residents who participated in that pilot continue to have those containers today. Therefore, a small portion of the City is currently using the automated containers.

7. Currently, the residents use either a blue refuse container – a wheeled cart with a lid that was used in the pilot program -- or a resident-provided container in various sizes, shapes and colors.
8. The current cost of the Rumpke contract to the City per household is $15.89 base; a fuel surcharge, senior discount and landfill fees are computed, bringing the cost to $17.03 per household per month. That has increased over the years, based on the price of fuel increases. The total bill for the City of Dublin for 2013 was $2,689,080.
9. The City maintains and replaces the City-provided recycling containers. It appears that on average, the City incurs a cost of $69,000 per year – including staff time -- to handle requests for services each week.

Consortium's 2014 Bid Process

1. The Consortium has met monthly since January. They decided to bid the collection and delivery separate from the recyclables processing. The goal was to isolate the cost components of the different services to gain a better understanding of the costs. The goal was also to obtain the lowest possible cost for collection and the highest possible price for the recyclable processing.
2. The recycling services bid opening was on March 18; collection services bid opening was on May 20. The goal was to announce the approved successful bidder by June 26; this date is sliding a bit because of the various communities' Council schedules and evaluation processes underway. Staff's plan is to bring a resolution forward for collection and recyclables processing on the July 1 Council agenda.
3. There were three options set up for the bidding – the bidders could bid one option or all three.
    - The first option is the status quo. Each of the service providers was to bid each of the communities to provide the exact same service specifications in place today. Each of the communities wanted to explore new options, but also wanted the safeguard of being able to continue the same services as exist today.
    - The second option is automated collection.
    - The third option is the contractor-designed program, which could be submitted and evaluated as part of the bid process.

Bid Results

1. For recycling processing, one bid was received and it was from Rumpke of Ohio. Their bid was $0 per ton processing of recyclables plus a monetary revenue sharing incentive for all recyclables when newspaper#8 reaches a certain price point in the resale marketplace. Based on the current prices being seen, it is very unlikely that this threshold will be reached during this contract timeframe. Therefore, this factor will not come into play.
2. Nine bids were received for collection services. Those bids were received from four different bidders. Bids were received from Republic Services, Inland Waste Solutions, Rumpke of Ohio and Local Waste Services. The Consortium determined that Rumpke's bids were the lowest for each of the options and therefore Rumpke's bids will be the ones discussed in more detail tonight. She added that very good bids were received, and all options will result in a savings to the City over the current contract.

Analysis

1. The four bids received from Rumpke included the status quo, the automated option, and two different contractor-designed bids options referred to as "A" and "B."
2. Rumpke's contractor-designed bid "B" was the lowest of all nine bids received, but this bid would only provide recycling collection every other week to residential households. Staff has therefore determined this is an unacceptable reduced level of service and recommends eliminating this option from consideration.
3. Rumpke's automated bid is identical to their contractor-designed bid Option "A" – except their option has two features that are attractive and make option A better than the plain automated bid. The first feature is the slightly lower price of $.05 per household per month over the automated bid. The second feature is that it provides for a rebate for increased recycling. Therefore, bid "A" is more attractive than Rumpke's automated option, and staff recommends removing the automated option of Rumpke from consideration.
4. Staff prepared a side-by-side comparison of the status quo bids and the contractor-designed bid "A." Focusing on contractor-designed bid "A," this is automated services and the refuse collection day proposed by Rumpke was Wednesday. After discussion among the Consortium, it was determined that Rumpke had a proposed schedule for each of the communities and they assigned a day of the week to each. It is staff's determination that this is merely a proposal. In discussion with the other communities, it was determined that different days of the week could be considered and the Consortium believes Rumpke will be agreeable to that – so long as all of the communities do not select the same day. Based on discussions with other communities and historical practices in Dublin, staff believes that the preferred date for collection would be Monday. The other primary feature of Rumpke's bid is that the bid is based on all three services being provided to a particular community on the same day as opposed to yard waste on Monday and refuse/recycling on Wednesday – which is the current set-up in Dublin. Staff believes that if the City accepted the contractor-designed bid "A" with the language of "so long as Dublin's service day is Monday" – it will work out. Staff recommends that Dublin accept the bid from Rumpke for contractor-designed bid "A" so long as Dublin's service day is on Monday.
5. The refuse containers would be provided by Rumpke and the residents will have a choice of three sizes of containers. The price per household is based upon the size of refuse container chosen, as a goal of the bid is to encourage recycling and divert more recyclable materials from the landfill.
6. Recycling collection day is proposed as Wednesday, but Dublin would accept Monday.

7. Rumpke will provide wheeled recycling containers with attached lids. Samples of the various sizes are in Council Chambers.
8. The yard waste collection day is proposed as Wednesday, but Dublin would accept Monday.
9. Bulk collection day is proposed as Wednesday, and Dublin would accept Monday.
10. Currently, Rumpke is using diesel trucks throughout the City. Their bid proposes that if Dublin moves to the automated service, Rumpke would utilize CNG vehicles, which is positive for the environment.
11. Rumpke's three-year bid price is $14.42 to $15.96 per household, which results in a total citywide price of $2.3 million. The price per household is based on the size of the refuse container. The $14.42 would be based on the 35-gallon container and the $15.96 price is for the largest container.
12. The five-year bid price works out to be higher, so staff is recommending a three-year contract term.
13. Rumpke also offers a recycling rebate of between $2-4 per ton, based on a sliding scale. They included a calculation table in their bid, based on the individual community.

Mr. Reiner asked if there is an estimate on the total rebate available.
Ms. Lozier estimated it would be between $11-20,000 per year. Based on the volume Dublin produces, it would be difficult to reach anything above the $2 per ton rebate.

Ms. O'Callaghan pointed out the wheeled refuse containers and recycling containers on display tonight. The new recycling containers would be green as opposed to the current blue. She shared photos of the 64-gallon containers housed in a resident garage. She shared other photos of the containers out on collection days adding that they will look similar to the areas where the pilot programs have taken place.

Ms. Salay asked if guidelines are given about placing recycling containers on one side of the driveway and refuse on the other side, or does this make a difference.
Ms. Lozier responded that if the containers are set too close together, the automated arm cannot reach around them. In the original education campaign for the pilot program, it was suggested the containers be placed on opposite sides of the driveway and away from mailboxes and street trees to accommodate the lift on the automated truck.
Ms. O'Callaghan stated that the containers need to be separated enough for the automated arm, but it is not necessary to separate refuse from recycling containers.
Ms. Lozier added that after the collection, containers are set down and can block the driveways if not on the sides.
Mr. Reiner asked what distance is required for separation of the containers to accommodate the automated arm.

Ms. Lozier responded approximately five feet, depending upon the manufacturer of the automated equipment.
Ms. O'Callaghan summarized that the prior education focused on separating containers on either side of the driveway in order that the driveway is not blocked after collection is completed.

She shared photos provided by Rumpke of the automated trucks.

Recommendation

Staff recommends that the Rumpke contractor-designed bid "A" be accepted for a term of three years based on the following:

1. The price is lower than the status quo bid, bringing $91,000 per year in savings and would eliminate Dublin's costs to maintain and replace recycling carts provided in the past by the City at a cost of $69,000 per year.
2. There is a rebate for increased recycling, based on a sliding scale.
3. There is a choice of three different sizes of refuse and recycling containers. They are wheeled carts with attached lids.
4. All three collection services would be performed on the same day – Monday.
5. Staff believes having trucks on City streets one day per week is preferable to two days per week.
6. Rumpke would utilize CNG trucks.

She noted that the contract would not go into effect until January 1, 2015. All residents would have two new containers and this would require significant coordination with Rumpke. The current blue recycling containers could be sold. Services would be performed on a different day of the week – Monday – so there would be an extensive educational effort needed about this as well as the automated collection requirements. It would be in the City's best interest to encourage more recycling, as a smaller refuse container selected by the resident impacts the price paid per household and the citywide costs for these services would therefore decrease.

Ms. O'Callaghan added that, should it be determined that the changes discussed associated with the contractor-designed bid "A" would be undesirable, then the status quo bid remains a viable option. It would maintain the exact same services under the same specifications as today and would provide for a nine percent decrease from the current contract price.

Discussion

Mr. Reiner asked if each resident would select the size of their refuse and recycling containers.
Ms. O'Callaghan responded that Rumpke's bid is set up in this way, but the City could modify this if desired.

Ms. Lozier stated that the City has statistics on the current recycling containers distributed to the various households. Some have 96 gallon and some later requested a smaller container.

Mr. Lecklider asked if the CNG factor makes the contractor-designed option "A" less costly than the status quo option.
Ms. O'Callaghan responded that the factors involved are that all three services would be performed on the same day in each community; they would move to automated trucks, which would reduce injuries to workers and require less manpower; and use of CNG would be a savings factor as well.
Mr. Lecklider stated that he is pleased with the lower cost and supports the Monday collection for all services as recommended by staff.

Mr. Reiner agreed.
Ms. Salay agreed as well. The only caveat is if it would be to the City's advantage to provide the smallest refuse container in lieu of providing a larger one at the outset and provide the current size recycling container the resident uses. The education campaign could provide information about the savings to the City. This would encourage more recycling.
Mr. Lecklider stated that he would be concerned that the smallest refuse container would not be adequate for many households.
Ms. Salay asked what occurs if a resident has overflow items for collection after a party or gathering. Currently, the excess is placed next to the refuse container and it is collected.
Ms. Lozier responded that overflow will not be treated as bulk collection. Forty-two percent of the population will likely request a 32-gallon refuse container and education of the residents about the cost incentives and recycling may encourage more people to use the smaller container.
Mr. Lecklider stated that the motivation for most households would be to have more room in the garage by using a smaller refuse container.
Ms. Salay stated that all refuse must be placed inside the container for collection and any excess bags will not be picked up, based on what staff has reported.
Ms. Lozier stated that is correct.

Mr. Reiner asked if there is a study that provides guidance on the size of the family and amount of trash generated.
Ms. Lozier responded she has not seen any formal statistics, but the habits of the household in terms of recycling is a factor.
Ms. O'Callaghan stated that if the decision is to implement contractor-designed option "A" – more research will be done about sizes of containers needed for households. Up until now, the analysis has been based upon the actual containers used by the residents.

Mr. Reiner stated that it would be helpful for the consumer to know how many bags of trash would fit into the various sizes of containers. He supports Ms. Salay's suggestion of providing the smallest size refuse containers to encourage recycling.
Ms. O'Callaghan noted that Dublin is situated differently than the majority of the Consortium members, where the residents are billed by Rumpke for the services they use – versus a city like Dublin paying for the services.
Ms. Lozier added that for recycling, the requirement was to have a 64-gallon container. Once the residents were encouraged to keep the larger container, after 30 days they found they liked them. At the outset, the residents would have chosen a smaller container.
Ms. Salay agreed that this would encourage recycling.
Mr. Lecklider asked about the statistics referenced by Ms. Lozier about 42 percent wanting the smallest refuse container.
Ms. Lozier clarified that she projected this number. The recycling containers for most residents are 64-gallon. However, empty nesters and single households generally don't need the large containers. She agrees that the 42 percent is an aggressive projection.
Mr. Lecklider asked how many bags of refuse will fit into the smallest container.
Ms. Lozier estimated two to three – but some research would be needed.

Ms. Salay stated that another positive factor with the sturdy refuse containers with lids is it will reduce the amount of trash that is blown around on a windy day.

Ms. Salay summarized that the consensus of the Committee is to recommend to Council the contractor-designed bid "A" – which is the recommendation of staff.

Mr. Reiner thanked staff for the very thorough report.
Ms. Salay suggested that the containers be moved to the lobby in case other Council members want to view them tonight.

Ms. Salay adjourned the meeting at 6:30 p.m.

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Clerk of Council