



# ORGANIZED COLLECTION OPTIONS COMMITTEE (OCOC)

Third Meeting  
Monday, March 2, 2015

# PRESENTATION:

- Organics collection options
- Billing options
- Customer service options
- Pricing worksheets
- Variable rate pricing
- Recyclables revenue sharing

# ORGANICS COLLECTION OPTIONS:

## 1. **“Alone”**

*(Separate truck/route; New, dedicated organics carts)*

## 2. **“With Yard Waste”**

- Co-collected with yard waste (YW) **in** a compostable bag for household organics; or
- Commingled within YW **without** a compostable bag for household organics

## 3. **“Next to Recyclables”**

*(In a separate cart, but collected weekly on the same split-body truck on the same day, same stop as recyclables)*

## 4. **“With Trash”**

*(For example, in a Blue Bag™)*

(To be continued next meeting)

# ORGANICS COLLECTION OPTIONS - RESOURCES FOR MORE INFORMATION:

- Hennepin County “Residential Organics” web page:  
<http://www.hennepin.us/residents/recycling-hazardous-waste/organics-recycling>
- Minneapolis “organics” web page:  
<http://www.minneapolismn.gov/solid-waste/organics/>
- St. Louis Park “organics” web page:  
<http://www.stlouispark.org/organic-waste.html>
- Eureka Recycling Report, Zero-Waste Composting:  
[http://makedirtnotwaste.org/sites/default/files/eureka\\_zw\\_composting\\_report\\_full\\_1.pdf](http://makedirtnotwaste.org/sites/default/files/eureka_zw_composting_report_full_1.pdf)
- Wayzata Blue Bag Organics Composting System web page:  
<http://www.wayzata.org/189/Wayzata-Organics-Program>
- Blue Bag Organics™ web page:  
<http://www.organixsolutions.com/blue-bag-organics/blue-bag-organics-program>

## **BILLING OPTIONS:**

- Contract hauler(s) do the billing
- City does the billing

**Does OCOC have a preference?**

# DIRECT BILLING BY CONTRACT HAULER(S):

## o Advantages:

- Similar to current system, less change
- Collection service costs are not part of municipal budget
- Lower municipal administrative needs

## o Disadvantages:

- Hauler Contractor(s) need to follow bad debt collection procedures before submitting to City for assessment
- Less municipal control and direct resident customer service
- City will need additional staff effort to assure Contract compliance

# BILLING THROUGH CITY UTILITY BILLS:

## o **Advantages:**

- Existing utility billing system in place; Residents already paying
- Easier to standardize formatting of City utility bill
- Bad debt easier to administer

## o **Disadvantages:**

- Requires a change
- Start-up costs are an added one-time expense
- Not clear City billing / customer service will cost less than Hauler billing
- Added ongoing City costs of customer service due to additional phone calls and other resident contacts

# CUSTOMER SERVICE OPTIONS:

- Contract hauler(s) do customer service  
City provides oversight
- City does some customer service:  
Contract haulers(s) would still be point of first contact on day-to-day service orders/changes.
- City does most of the customer service  
City would become the point of first contact, even on day-to-day service orders/changes.

**Does OCOC have a preference?**

# CONTRACT REMEDIES:

- Clear standards of Contractor performance  
(including standardized measurement and reporting)
- Liquidated damages
- Communication protocols well established
- Breach of Contract leading to termination
- Term of Contract
- Extensions of Contract
- Reference checks to verify eligibility
- Examples of other ideas:
  - Use of City survey to determine customer satisfaction
  - Recycling participation studies

# PRICING WORKSHEETS IN RFP:

- Provide clear, defined unit pricing for:  
trash, recycling, yard waste and bulky items  
(Explained in RFP)
- Pricing “alternates” may be specified  
(e.g., Weekly recycling)
- Base scenario required

# PUBLIC EDUCATION:

- Hauler Contractor(s) share in public education & outreach responsibilities. Examples:
  - Bloomington – specific web page
  - Annual calendar / instructions; Brochures
  - Phone, text, email and other electronic media
  - School presentations
  
- City provides details of overall public education plan, including itemized list of tools, messages, and schedules. Examples:
  - Annual public education plan
  - Web page
  - Cart stickers / hang-tags for Contract roll-out
  - School presentations
  - County resources
  - *Briefing* Newsletter and other earned media

# VARIABLE RATE PRICING:

- Pay As You Throw (PAYT)
- Increased rates for trash cart sizes:
  - Small (30-gallon)
  - Medium (60-gallon)
  - Large (90-gallon)
- Minimum increments required by MN Statute [115A.9301](#)

# VARIABLE RATE PRICING: (CONTINUED)

UNITS: (\$ PER HOUSEHOLD PER MONTH)

## ○ Current open hauling rates:

(Trash + related charges only, after taxes):

- Small = \$16.76
- Medium = \$17.24 (*3% increase over small*)
- Large = \$18.73 (*9% increase over medium*)

# VARIABLE RATE PRICING: (CONTINUED)

UNITS: (\$ PER HOUSEHOLD PER MONTH)

- Trash rates proposed by Haulers  
(As of 2-5-15; Trash only, after taxes)
  - Small = \$10.10
  - Medium = \$12.62 *(25% increase over small)*
  - Large = \$15.09 *(20% increase over medium)*

**Retain option in RFP and Contract, but delay implementation until year three or later.**

## RECYCLABLES REVENUE SHARING:

- Can be structured to share in risk and benefits of recycling market swings
- No two contract formulae are the same
- Usually a base “processing fee” (\$/ton) plus a “percent revenue share of net value”
- Best to index end market prices (not use “actual” prices)

# REVENUE SHARING ELEMENTS

## o Proposed Recyclables Processing Fee

**Units:** \$ / ton (average of all commodities under RFP-specified revenue share) = \$ \_\_\_\_ . \_\_\_\_ per ton

## o Proposed Recyclables Revenue Share Percent

**Units:** Percent of net Contractor revenue to be credited to the City (On all commodities under RFP-specified revenue share) = \_\_\_\_\_ %

## **NEXT MEETING:**

- “Contract Zones”
- Organics
- Further discussion of pricing methods