



Village President and Board of Trustees Study Session

Tuesday, June 20, 2006
Community Room 101

6:30 pm – 7:30 pm

The President and Board of Trustees welcome you. This is a working session of the Village Board and no public comment will be taken.

Agenda

Anticipated 6:30pm-7:30pm

1. Consolidated Commercial Waste Contract Direction

Anticipated 7:30pm-9:30pm

2. Review and Selection of RFP for North Boulevard – Continued from June 8 Study Session

Adjourn

Village of Oak Park
Department of Public Works
Solid Waste Division

MEMORANDUM

June 12, 2006

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TO: President Pope and Board of Trustees

CC: M. Ray Wiggins, Interim Village Manager
John P. Wielebnicki, Director of Public Works

FROM: Karen Rozmus, Waste Reduction Manager

RE: Consolidated Waste Hauling Discussion

Attached are several slides prepared to provide history on the issue of developing a consolidated waste hauling program for commercial and multi-unit properties. Also included are slides reviewing activities that have been conducted to date and an outline of the RFP process that would be required for a project of this nature.

The final slide is presenting four options and a request for direction from the Village Board. Staff will be present at the Board Study Session scheduled for June 20 to make a full presentation and further discuss this issue.

Also attached is a brief report issued by the Solid Waste Association of North America on the implementation of this type of program in the Village of Skokie.

**Village Board Study Session
Tuesday June 20, 2006
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Board Review and Direction
Regarding Potential for
Consolidated Commercial
Waste Contract

History

- 2000 – Board requested staff to prepare background information (Aesthetics, alley congestion)
- 2001 – Staff met with BOMA to begin discussion on feasibility
 - Survey of building owners
 - Presentation to BOMA general membership
- 2002 – Presentation to BOMA Steering Committee
- 2004 – Presentation to BOMA Steering Committee
- 2004 – Began gathering data on Commercial Services

History (continued)

- 2004 – Began discussion with Loretta Daly on presenting concept to Business leaders
- 2005 – Board approved EEAC work plan included going forward with the project
- 2005 – Presentation to Business Association Council
- 2006 – Discussion to develop pilot program in DTOP and the Avenue districts

Current Process

- Nine licensed haulers for all commercial and multi-family locations
- Private Contracts
- Limited recycling
- Village inspection/response on complaint basis only

Potential Process

- Single hauler would provide broader scope of services including recycling
- Consolidated Route supervision
- New Educational materials
- Statistical reports to Village
- Cost savings to users

Informational Meetings held to date

- BOMA Steering Committee & general membership (2001)
- BOMA Steering Committee (May 2002 & May 2004)
- Business Association Council (April 2005)
- DTOP and Avenue Assns (Jan 2006)
- Chamber of Commerce
- Commercial Property Owners
- Multi-Unit Property Owners
- Condo Associations
- Oak Park Residence Corporation
- Board of Health

Summary of Comments from Outreach Meetings

- What would the length of the contract be?
A. Long-term preferable (for better rates)
- What about current haulers?
A. Oversight committee or transition team perhaps
- Would there be additional VOP staffing required?
A. Probably, however owners would still be able to maintain control of their contract. The Village would have more leverage to manage the overall program as needed and need to respond to inquiries or complaints.
- Would participation be mandatory?
A. Anything less may defeat goals of program

Summary of Comments from Outreach Meetings

- If a business was unhappy, could they opt out?
A. To be determined during proposal process
- Comparable communities?
A. Lombard, Westmont, Skokie, Wheeling, Buffalo Grove
- How many vendors could bid?
A. Hopefully 3 or 4 – possibly more (give small hauler chance to grow)
- Is there recourse for service issues?
A. Performance standards, fines

Summary of Comments from Outreach Meetings

- What is the satisfaction level of residents?
A. Survey reports this level relatively high
- Could multi-unit buildings be included in residential contract?
A. Possibly could be offered now
- Would the district (DTOP & Avonue) have the ability to determine their own contract?
A. Could be done currently, but may present administrative burdens for district staff
- Would a short-term contract keep hauler on a tighter leash?
A. Cost would be affected, competition might be narrowed

Summary of Benefits Identified

- Reduction of potential friction with residents
- Reduction of wear and tear on alleys
- Fewer trucks; less congestion in alleys
- Cost savings would be attractive
- Potential for managed waste removal; adequate containers

PROPOSED TIMELINE (RFP)

- Months 1 & 2: More outreach/stakeholders' meetings
- Month 2: RFP prepared
- Month 3: Reviewed by Legal, EEAC and Stakeholders
- Month 4: Issue RFP & Pre-proposal meeting
- Month 4 ½: Proposals due
- Month 5: Proposals analyzed
- Month 6: Recommendations (Staff, EEAC, Stakeholders)
- Month 6 ½: Board Resolution

PROPOSED TIMELINE (Transition)

- Month 1: Refuse Code Amendments
- Month 1: Develop timeline with chosen hauler
 - Determine routes and equipment deliveries
- Month 1: Determine billing options
- Month 2: Letter to users
- Month 2: Prepare educational materials
- Month 3: Meet with business owners to confirm needs
- Month 4: Begin transitioning

OPTIONS (Board Direction Requested)

- 1 Make no changes to present system
- 2 Continue broader outreach and gather information
 - Return to Board at later date to review feedback
- 3 Develop pilot program in DTOP & Avenue
 - Return to Board with draft
 - Intend to expand program in future
- 4 Implement Program as outlined
 - Send RFP
 - Return to Board with responses

OPTIONS (Board Direction Requested) Continued

- **Option 3: Establish Pilot Program**
Pro: Intended as example (2-3 years) to alleviate potential concerns of greater business community
Con: Cost savings will not be as great due to smaller area; original program intent & outcomes not achieved
- **Option 4: Begin Full Program/Send RFP**
Pro: Original intention of Board to address concerns
Con: More time required for greater coordination, education & notification to get implemented; more intense

Recommendation

- **Option 4: Begin Full Program/Send RFP**

Although this approach is a comprehensive, large-scale project, that will require a significant amount of time, it is the only option that implements the program as intended. Doing only a pilot program would be 3-5 year project is a good idea, however it would delay the full implementation for a few years at least.

Local Government Environmental Assistance Network (LGEAN)

Hot Topic

Franchising Commercial Solid Waste Collection

Issue Summary

Solid waste collection franchising can be defined as:

“The right or license granted to one or more companies or organizations to provide waste collection services to specified waste generators – such as residences or businesses - in a defined geographic area.”

Solid waste collection franchises have long been used as an effective means of delivering cost-effective solid waste collection franchises to residential customers. In fact, it is likely that most residential solid waste collection services are provided through franchise agreements.

With the appearance of the flow control issue, local governments are now beginning to explore the benefits associated with commercial waste collection franchises.

Through the establishment of commercial solid waste collection franchises, significant cost reductions can be achieved, often while improving service levels. Importantly, local governments can legally direct the franchise waste haulers, through the franchise agreements, to take the collected waste to a particular waste processing or disposal facility.

What's New

The Village of Skokie, IL, franchised commercial waste collection services in 1997-1998.

Following the establishment of the exclusive franchise, 88% of the approximately 2,200 businesses paid an average of 44% less for waste collection services, while 12% of the businesses paid an amount equal to their historical service costs.

In both cases, service levels were increased to include collection of commercial recyclables. In aggregate, the new franchise program saved Skokie businesses over \$1 million per year.

Publications

Beal, C. Brooke, “Development of a Municipal Commercial Waste Collection Franchise,” SWANA's 10th Annual Waste Reduction, Recycling, and Composting Symposium and 3rd Annual Collection Symposium, Seattle, WA, January 11-15, 1999.

Vasuki, N.C., “Franchising Solid Waste Collection and Disposal,” SWANA's 32nd Annual Solid Waste Exposition, San Antonio, TX, August 1-4, 1994.

Legislative/Regulatory Updates and Activities

Other Websites

1. Solid Waste Association of North America (SWANA): <http://www.swana.org/default.asp>
2. US EPA Office of Solid Waste: <http://www.epa.gov/osw/>
3. City of San Jose, CA Recommendations of Franchise Agreements: http://www.ci.sanjose.ca.us/cty_clk/5_29_01/docs/7.1.htm
4. Central Contra Costa Solid Waste Authority: <http://wastediversion.org/commer.htm>

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Jim Budrick is in process of completing the References per Board Direction on June 8th.

This information will be delivered on Thursday, June 15th.