



CHARLOTTE
SOLID WASTE SERVICES

Service Reorganization of Solid Waste Collection Services

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- Solid Waste Services was divided into four separate collection zones
 - East and West zones operate under managed competition business model
 - North and South zones are optimized
- Recycling service is offered in all collection zones
 - Recycling service was collected manually at the curb using a dual-stream process

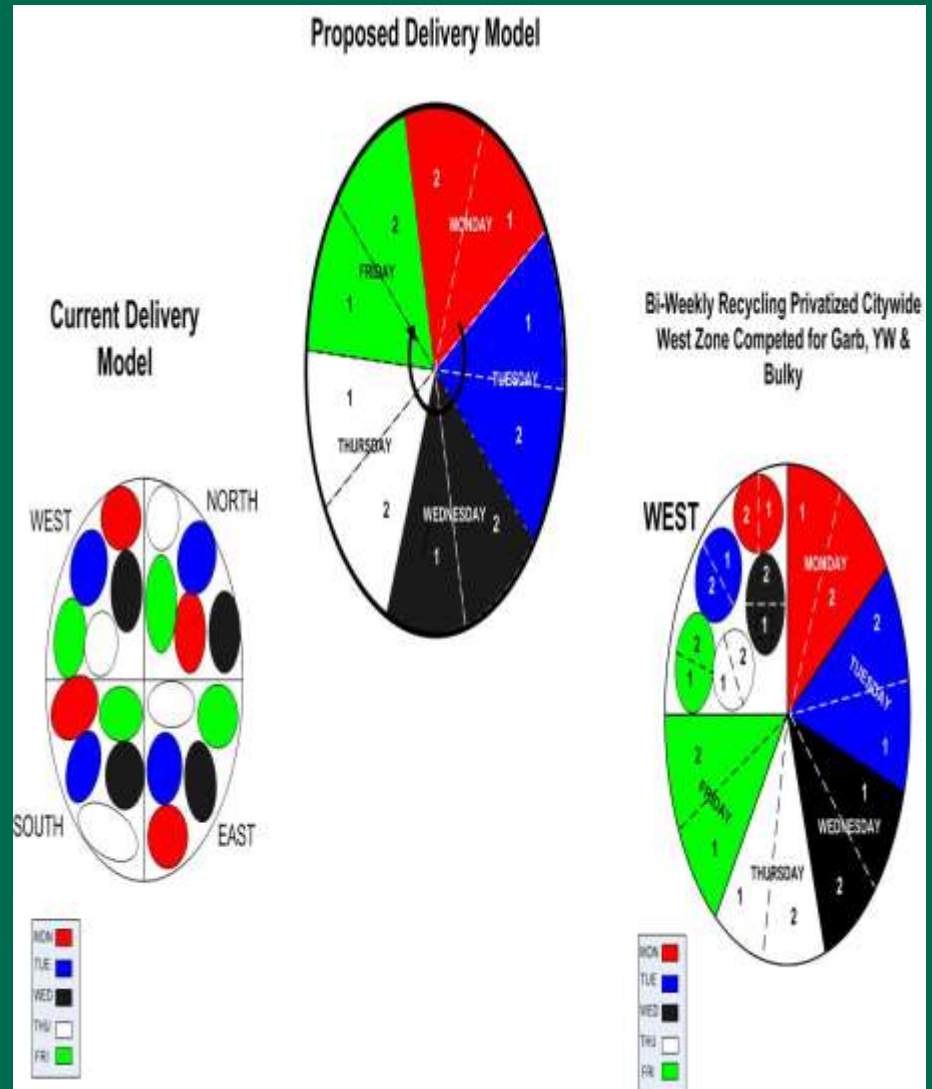


- Convergence of several major factors prompted a large-scale analysis of Solid Waste's service strategy:
 - **West Contract Expiration** – Contract with Inland Services expired on July 1, 2010.
 - **Single-Stream Start-up** – City was obligated under its Inter-local Agreement with the County to start single-stream recycling on July 1, 2010.
 - **RFP Processing Time** – RFP process was time consuming and required ample time for all phases to be appropriately processed.
 - **Budget Preparations** – Citywide budget preparations were well underway. Proposed service changes have major budget implications.

- After considerable analysis the following reorganization strategy was proposed and implemented:
 - Convert recycling collection into a bi-weekly, automated/semi-automated, single-stream program using 96-gallon rollout carts
 - Recycling collection would be citywide and privatized through a bid process to the private sector
 - Consolidate garbage, yard waste and bulky-item collection programs into separate, optimized citywide service categories
 - Discontinue gain sharing

Reorganization Changes

- Service zones were eliminated, collection organized by service type: garbage, yard waste, bulky, recyclable
- Collection zone model replaced by five day, Monday-Friday collection model where routes could be configured to make more efficient use of staff and equipment.
- Recycling Collection Service privatized. West Zone absorbed back in to the city collection services
- Proposed Single Stream Recycling Collection Model



- Purchase of 96 gallon carts at a price of \$36.42 each, financed over 5 years at 2.76% interest with a one time cost of \$3.00 per cart delivery fee
- Annual maintenance on carts projected at \$2.04 per cart for Yr 1
- Landfill tipping fee savings is based on a 25% increase in recycling tonnage or approx 6,300 tons at \$27.28 per ton
- Private Hauler contract fee for monthly recycling collection service for 207,614 active households

Projected 10-Year Cost

	Manual Dual Stream Collection	Single Stream Collection
Collection Costs – City Crews	\$63.3M	\$0
Collection Costs – Private Hauler	\$17.4M	\$38.2M
Cart/Bin Purchase	\$1.3M	\$8.7M
Cart Delivery	\$0	\$.6M
Cart Maintenance	\$0	\$5.0M
Diversion Savings & County Rebate	\$0	(\$15.1M)
Public Education	\$0	\$1.1M
Cost of Contamination	\$0	\$.6M
Revenue from Sale of City Trucks	\$0	(\$.5M)
Overheads	\$10.3M	\$10.3M
Total Projected Costs	\$92.3M	\$48.9M

- Establish benchmarks
- Measure annually (Raleigh, Durham, Greensboro, Nashville, San Jose)
- Audited quarterly
- Report to the City Manager and PCAC
- Adjust accordingly

- Institute of Government Benchmarking Studies
- ICMA Benchmarking Studies
- Inter-City Surveys
- Outside Consultant Evaluations
- Internal Audit Evaluations

- Common Service for All Citizens
- Easier Customer Education
- Improved Customer Response Time
- Code Enforcement Efficiencies
- Improved Bulky Item Scheduling

- Solid Waste Services Efficiencies
 - Economies of Scale
 - \$468 K Annual Savings from Reorganization
 - Routing Design
 - Removal of Artificial Barriers
 - Reserve and Bulky-item Fleet Reduction
 - Fuel Savings
 - Reduction of Greenhouse Gas Emissions
 - Manpower Reduction
 - Insurance, Automated Vehicle Locator Cost Reduction
- Citywide Efficiencies
 - Competitive Process Savings
 - Audit Cost Savings
 - Equipment Maintenance Cost Avoidance

- Broad changes in organizational design and service strategy provided:
 - Substantial combination of cost savings and cost containment as well as service quality improvements
 - Savings of:
 - \$15.06 million over 5 years resulting from conversion to bi-weekly, automated single-stream collection
 - \$2.34 million over 5 years realized through concurrent consolidation of garbage, yard waste and bulky item collection programs
 - Cost avoidance in other support areas (contract administration, auditing and equipment maintenance) between 0.05% to 1.0%



Questions