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Municipal Recycling News

May 2014

Moving Ahead Joint City/County Recycling Facility

In August 2013, Waukesha County and the City of Milwaukee released a joint request for proposals (RFP) for the private sector to process and market single sort recyclables (see below) for both Responsible Units. Previous studies strongly recommended switching to a single sort system and demonstrated that combining the recyclable tonnages of the City and County would vastly improve the economics of any processing plan. The RFP allowed companies to propose processing at an existing or new privately-owned Material Recovery Facility (MRF) or to upgrade the existing Milwaukee MRF to handle the combined tonnage.

Financial modeling showed that the top 8 proposals received involved processing at the Milwaukee MRF. In December, a committee of County and City representatives announced that ReCommunity was unanimously selected as the top vendor, which began contract negotiations.

By April 2014, both the County and City approved final contracts for ReCommunity to design, build, and operate a single sort MRF in Milwaukee's Menomonee Valley. The County and City also executed an inter-governmental agreement to oversee and fund the private operation.

While the City owns the existing MRF building, the County and City will jointly own the new processing equipment, which ReCommunity will install and operate. The estimated startup is January 2015.

We are confident this public/private partnership will increase recycling rates while continuing to provide tax relief for our 25 partner



Sorters pulling plastics off the paper line at a single stream recovery facility

communities well beyond the 10-15 year contract term with ReCommunity. No County tax levy is used to support the MRF. It is funded by the sale of recyclables and state grants.

For more background information, see *Fact Sheet #1 – Single Sort Recycling* and *Fact Sheet #2 – Joint City/County MRF*, as well as copies of the various MRF related studies and presentations posted on the County web site at: www.waukeshacounty.gov/mrfstudies



Mechanical arm picking up and tipping recyclables into collection vehicle

Transitioning to Single Sort

As noted above, ReCommunity has estimated the new Joint City/County MRF will be fully operational in January 2015. This coincides with the expiration of municipal collection contracts covering approximately 75% of households in the County recycling program. Therefore, new municipal recyclable collection contracts can take advantage of the conveniences of a single sort recycling collection system, which allows paper, cardboard, glass, plastic and metal cans to be mixed together in a larger container. No more bagging or bundling paper and cardboard. Collection of this type of recycling may also be automated, usually by using large, wheeled carts and a mechanical arm extending from the collection truck (see photo). This may translate to a cost savings for the municipality by switching to *every-other-week* recyclables collection. Single sort is estimated to increase recycling rates by 25%, which will improve the revenue stream for the new MRF and help sustain annual community dividend payments.

Coordinating Collection Contracts Request for Proposals (RFP)

On behalf of 20 municipal recycling partners, the County is funding and coordinating a collection contract RFP entitled: *Residential and Municipal Refuse, Recycling, and Yard Waste Collection*. The goals for this RFP are to improve municipal collection contract pricing, ensure quality of service and record keeping, improve recycling rates, and simplify annual fee adjustments. The RFP will also obtain separate pricing for landfill disposal, containers, direct hauling to the Milwaukee MRF, and single sort transition planning. All 25 recycling program partners were invited to participate, and 20 communities joined through passage of a resolution.

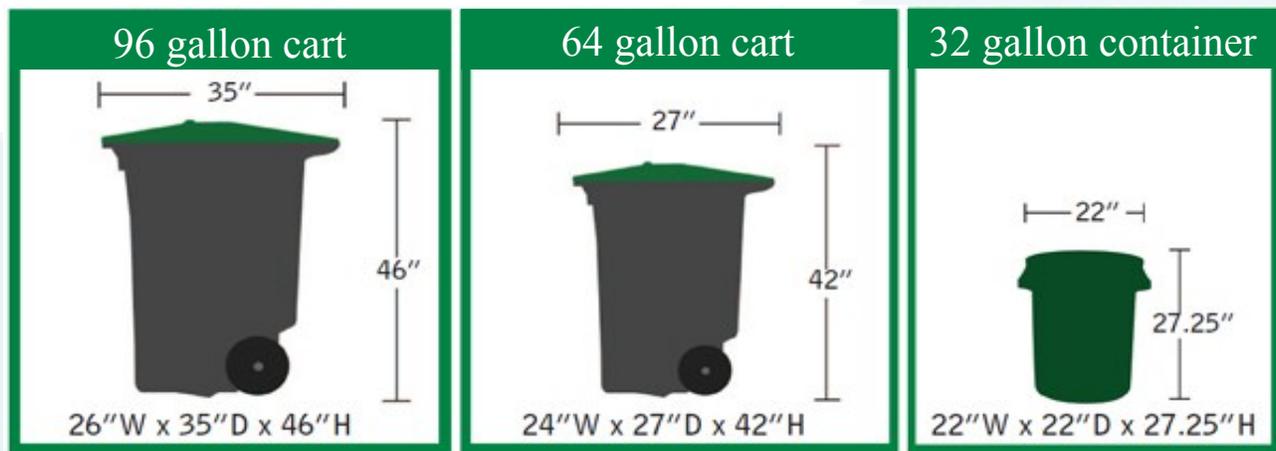
The County has contracted with SCS Consultants to lead the RFP process, working through an advisory committee of local municipal representatives. The collection contract RFP was released on April 7, 2014 and proposals are due on May 29. The committee will then conduct contractor interviews, review financial mod-

eling of proposed pricing, and rank proposals based on specified technical criteria (30%) and costs projected over a 7-year contract term (70%). The plan is to provide each community with final award recommendations by the end of June, based on the highest ranked proposals for their prescribed services, including curbside and up-the-drive collection. Each community is responsible for negotiating and executing their own collection contracts, but County staff will be available to present the award recommendations upon request.

Ten municipalities that are participating in the RFP have existing collection contracts that expire on December 31, 2014, covering the majority of households in the County program. Seven communities have collection contracts that expire in 2015 or 2016. Depending on their selection of contractors and services, these communities could execute new contracts with later start dates or negotiate for an earlier conversion to

single sort recycling. Three communities do not currently have municipal collection contracts, but are considering it as a cost savings measure for their residents, depending on the results of the RFP. Residents in those three communities currently obtain refuse and recyclable collection by individually subscribing for the services directly with a hauling company, which local data shows is much more expensive.

The City of Waukesha is administering a similar collection contract RFP and timeline independent of the County RFP. The four municipalities that are in the County recycling program, but did not participate in the collection RFP (Town of Lisbon and Villages of Eagle, Big Bend, and Lac LaBelle) may need to negotiate current collection contracts to transition to single sort recycling after the new Joint City/County MRF is operational in early 2015.



Considering the Recycling Containers

Studies show the larger the recycling container, the better the recycling rates. This is due to the convenience of large wheeled carts and single sort recycling to the resident. Therefore, municipalities that contract for automated collection services are expected to see the largest increase in recycling rates and reduced trash disposal costs.

With the larger capacity of the carts, a community may switch to *every-other-week* recyclable collection service, which as noted earlier, saves money. Generally, refuse collection will remain a weekly service. Communities that contract for automated curbside collection are expected to see the largest cost savings since this

type of service has proven to be most efficient for haulers.

For automated collection, the consultant has recommended using 64 gallon carts for refuse and 96 gallon carts for recycling. Studies also show smaller refuse containers improve recycling rates and reduce refuse disposal costs.

Municipalities that contract for manual pickup may need to use smaller 32 gallon recycling containers due to weight limits for lifting, and will generally need to maintain weekly recyclable pick-up service. The biggest limitation for automated pickup may be up-the-drive service.

The County originally discussed purchasing recycling containers for each household, but

many municipalities expressed little interest in owning and maintaining the containers. Therefore, the collection RFP is requesting proposers to provide costs for lease and lease-to-own containers, with maintenance and retrieval costs included in the collection contracts.

The County will compile and analyze the costs for each option, work with the advisory committee to develop the most feasible container plan, and include that information in the award recommendations to each community. The County will also use this information to plan the level of financial assistance that may be offered to offset the costs of the recycling containers.

Transporting Recyclables

The new joint City/County recycling facility (Joint MRF) will be located at 1313 W. Mt Vernon Ave. in the City of Milwaukee, which is approximately 18 miles east of the current Waukesha MRF. There will obviously be additional costs involved in transporting recyclables to Milwaukee. Through the collection contract RFP noted earlier, the County is obtaining costs for haulers to deliver recyclables directly to the Joint MRF compared with delivering the material to the Waukesha MRF site, as currently done. If the Waukesha site is used, it would be converted to a transfer station, where recyclables are compacted into large semitrailers and then trucked to Milwaukee for processing.

A previous transportation study showed that directly hauling recyclables to Milwaukee was the most cost-effective option, but the collection RFP offers the chance to compare actual proposal costs. The conversion of the Waukesha MRF to a transfer station and its full time operation would be a costly endeavor, based on recent proposals received. The transportation costs obtained in this RFP process will help the County

decide on a long term transportation plan. If it proves to be less costly to direct haul, the County will consider providing financial assistance to communities to support that option instead of investing in a transfer station.

The Waukesha County recycling program is a business, made possible by excellent intergovernmental cooperation and competitive pricing from the private sector. This public/private partnership has helped communities recover up to 1/3 of publically funded recyclable collection costs through annual dividend payments from the County. This translates to significant tax relief for our 25 partner communities.

Hauling recyclables to Milwaukee is just another part of the recycling "system" costs, and were considered in the business model of the selected Joint MRF project. These costs will have a significant impact on the cash flow of the County recycling program, and ultimately, on future dividend payments to our partner communities. Selecting the least costly alternative is what a business does, and what our partners expect.

Yard Waste Composting

On October 31, 2013, the ten-year County yard waste composting permit expired. Through a very competitive Request for Proposals process, a new operator and composting site were selected, which reduced the processing fee from \$13.55/ton to \$12/ton. The new operator, Purple Cow Organics, operates at Genesee Aggregate in the Town of Genesee.

The Recycling Efficiency Incentive grants funded the composting program with an average of \$180,000 each year from 2003-2009 before being eliminated from the State Budget in 2010. The County had re-

served this grant funding for yard waste composting and had a balance of \$350,000 at the end of 2013. With these reserved funds, the County will continue to pay 100% of municipal costs for yard waste composting in 2014. After that, a 9-year phase-in of local cost-sharing begins through agreements with participating communities.

Since 2004, this County program processed 65,884 tons of yard waste, creating over 47,000 cubic yards of finished compost that is being used as a top-soil substitute to reclaim a County-owned gravel pit in Genesee.

2014 Dividends

Villages	2014
Big Bend	\$7,225
Chenequa	\$4,579
Dousman	\$10,913
Eagle	\$9,089
Elm Grove	\$41,833
Hartland	\$45,743
Lac La Belle	\$2,737
Merton	\$17,654
Nashotah	\$6,325
Oconomowoc Lake	\$4,392
Pewaukee	\$31,412
Summit	\$28,076
Wales	\$12,556
Towns	
Brookfield	\$28,066
Delafield	\$43,341
Lisbon	\$49,383
Merton*	\$12,917
Oconomowoc*	\$13,426
Waukesha	\$48,718
Cities	
Brookfield	\$212,634
Delafield	\$26,370
New Berlin*	\$108,342
Oconomowoc	\$90,031
Pewaukee	\$63,864
Waukesha	\$297,518
Total	\$1,217,141

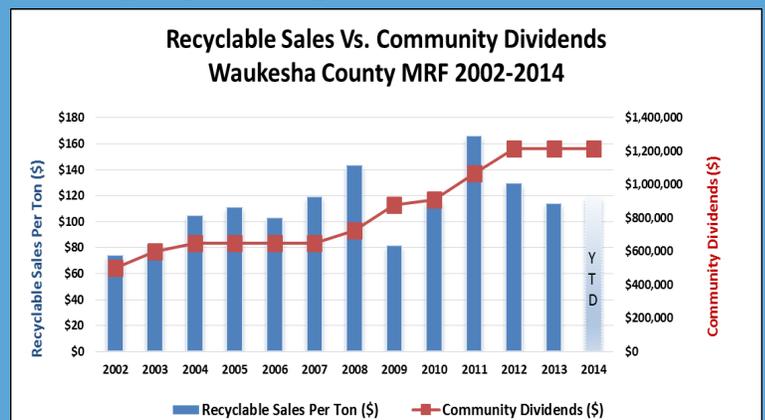
* No Municipal Contract

Recycling Dividend Payments = Tax Relief

The continuing success of the County's recycling program has enabled the distribution of annual dividends to each of the 25 municipalities in the program. In 2014, the County distributed \$1,217,141 in recycling dividends, as shown in the table above. These dividend payments are intended to provide tax relief by helping to offset their residential recycling collection costs. The participating municipalities have received over \$12 million in recycling dividends, which were implemented in 2001.

In addition to the recycling dividends that help stabilize local budgets and reduce property taxes; the public/private partnership at the County MRF has allowed the County to provide a number of recycling services to our 25 partner communities for over two decades at no fee, including the processing of recyclables, education programs, drop-off boxes, and recycle bins. The chart to the right shows how the County was able to sustain or even increase community dividend payments even when recyclable markets declined, such as in 2009.

Over \$3.6 million in local tax dollars are paid each year to private haulers to collect recyclables from residents in our partner communities. The recycling dividend payments have allowed communities to recover about 1/3 of these costs. This cost recovery is the measure the County uses to evaluate all recycling program investments.





Household Hazardous Waste

In 2013, there were 5,820 residents that dropped off 216,238 pounds of hazardous materials for safe disposal at either a permanent or satellite (temporary) collection site. There were also 426 residents that took advantage of the Product Exchange Program, which reduces disposal costs by allowing partially used HHW materials to be dropped off for utilization by other County residents.

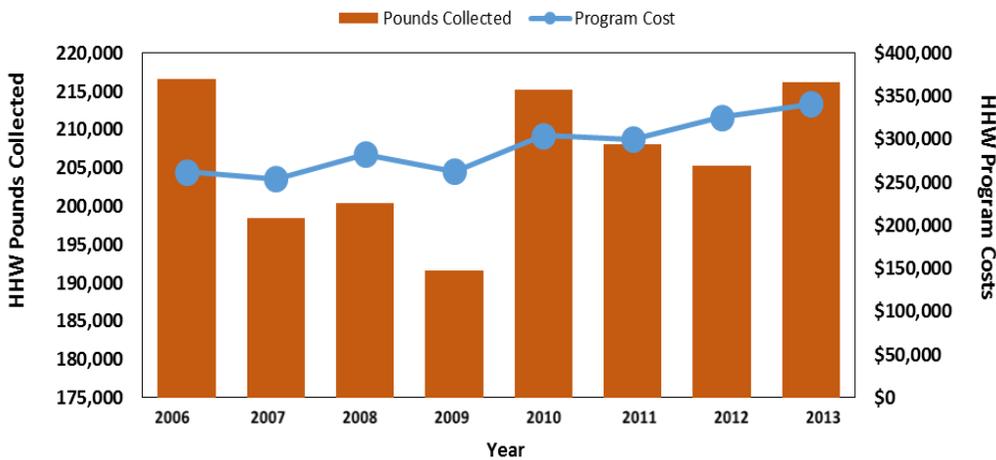
Since 2002, the Waukesha County HHW Program has safely disposed 2.3 million pounds of hazardous waste from 58,072 residents, but

costs to operate the HHW Program continue to rise. In 2013, program costs amounted to \$340,891, a 4.9% increase over 2012 and a 13.6% increase over 2011. Since 2006, program costs have increased by \$78,694, a 30% increase in program costs over seven years.

In 2012, Department staff prepared a detailed report regarding the HHW program performance outlining several cost saving strategies. Since releasing that report, the County has been working with the Emerald Park Landfill Standing Committee and Veolia Environmental Solutions, the service contractor, to define cost effective program changes that maintain efficiency and convenience.

As of May 2014, hours reductions were implemented at two sites, Waukesha and Franklin, which is proposed to generate cost savings of approximately \$14,000. In addition to the reduction in operating hours, sites will no longer accept motor oil, oil filters, or antifreeze. Residents will be directed to the municipal disposal sites that are free and open to all County residents. More cost saving measures are likely in future years to stay within budget limitations.

HHW Pounds Collected and Program Cost, 2006-2013



Electronics Recycling



Since the passage of Wisconsin's electronics recycling law in 2009, E-Cycle Wisconsin under Wisconsin Act 50, Waukesha County has been the lead jurisdiction, for Electronics Recycling, acting on behalf of participating members of V.A.L.U.E. in Local Government. The County has facilitated, in cooperation with participating agencies, bids for electronics recycling contracts for government facilities, residents (through municipalities), and public schools.

These contracts have been competitive over the past three years and allowed participating municipalities to provide residential electronics

recycling at the municipal drop off sites for no additional costs. The current contract with Universal Recycling Technologies (URT) will not be renewed and expires on June 30, 2014. Therefore, Waukesha County has released another bid on behalf of 11 local units of government and one school district. The bid will be reviewed and awarded in early June.

The passage of Act 50 along with the strong recycling program in the County, has increased electronics recycling over 14% since 2011.

For More Information

For more information, please contact the Waukesha County Department of Parks & Land Use at 896-8300 or online at

www.waukeshacounty.gov/recycling