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MEMORANDUM

TO: Environmental Concerns Committee

THROUGH: Carl S. Goldsmith, Director of Public Works *CJ*

FROM: David P. Gorman, PE, Asst. Director of Public Works *DPI*

SUBJECT: Review of the Solid Waste Contract

DATE: January 18, 2010

The ECC requested a review of the existing Solid Waste Contract. The contract is attached and this memo highlights certain sections of importance.

Contract Period:

The Contract period is April 1, 2006 to March 31, 2011. It may be extended to March 31, 2013 provided that the Village notifies Waste Management (WM) of this intent by December 31, 2010.

Administration:

The Contract is administered by the Asst. Director of Public Works (Dave Gorman) and the Municipal Marketing Manager (Jim Karls). In addition, customer service issues are also handled by the Administrative Coordinator (Susan Cermak), the Administrative Secretary (Patty Lindstrom), the Commercial Route Manager (Jack Vos) and the Residential Route Manager (Doug Ray). Customers are instructed to call WM directly for billing and service issues and to call the Village if issues have not been resolved to their satisfaction or if they have a question about the Contract requirements. Village staff receives on average one complaint per month, which is discussed with WM and quickly addressed. Village staff fields many other calls regarding dates and conditions for yard waste and Christmas tree collections, service rates and hours, and cancellation requests.

Meet and Compete Clause:

The Contract contains a unique clause in Section 8A(13) that requires WM to lower their service fee if a commercial property owner provides a competitive quote for comparable service that is lower. Village staff points this out to customers a few times each year and they have always received a good response from WM, as evidenced by the fact that the customers have not called the Village back for mediation, which is always offered in that first call. An issue for WM is that Lombard, being a "franchise" community, has caused the service for public facilities and events to be included as "overhead" in the customer billing rates. As such, the commercial rates for Lombard are always higher than in most other communities. It is estimated that there are fewer than a dozen "franchise" communities throughout Chicagoland.

Services Provided with no Direct Billing:

The Contract provides for the following at no cost (i.e. "overhead", as discussed above):

- The Village Municipal Complex, the two Fire Houses, the Library, the Peck House, the Museum and the public receptacles for the downtown & the two bike paths;
- Leaf, brush and Christmas trees collections during designated periods;
- Refuse for the Taste of Lombard and Port-O-Lets for the Lilac Parade; and
- Recycling for the Park District, DuPage County Health Facility, the COD Learning Center and the public schools.

Cancellation and Hold Requests:

WM typically places services on hold for extended leaves at the request of residents. This is not done per a requirement of the Contract but for customer service. WM will only cancel services when the Village confirms that the building is not occupied, which is evidenced by having the water shut off.

Containers:

The standard 64-gallon refuse and recycling totes are owned by WM. The refuse totes were provided at no cost to the residents and the recycling totes were provided at a \$1/month implementation fee that will terminate on March 31, 2011. In addition, 90-gallon and 35-gallon refuse totes are also available – the latter only for seniors and residents in townhomes. Additional refuse may be placed in cans no larger than 45 gallons and additional recyclables may be placed in any container labeled as “recycling”. Yard waste may be placed in a can provided that a sticker is attached.

Natural Disaster Clean-Up:

Following natural disasters (e.g. windstorm, flooding, or ice storm) with widespread damages, WM cooperates with the Village to remove fallen branches and debris (water-damaged furniture, appliances, carpeting, and spoiled food). The Contract specifies an hourly rate for manpower and equipment. However, due to the extended time needed for such cleanup, the Village has opted to purchase refuse stickers for effected residents and, on occasion, to place a community dumpster. WM has been flexible with the requirements for containers and branch sizes/bundling and they have also donated stickers.

Village Service Fee:

WM includes the Village’s Service Fee in their billing. It is currently \$0.10/month for multi-family accounts and \$3.00/month for business accounts. The following expenses totaling \$161,600 (FY 2010 budget) are supported by this fee:

- Staff Costs (\$33,200),
- Recycling Extravaganza costs (\$24,000 – will reduce to \$9,000 for FY 2011 request),
- Replacement of totes damaged by snow plows (\$400),
- Residential brush collection (\$75,000), and
- Grants (\$16K for Educational, \$3K for Multi-Family, \$5K for Rain Barrels and \$5K for Compost Bins – will be same request for FY 2011).

Next Contract Period:

Certain ECC meetings through 2010 will include discussions regarding the next contract period. It is anticipated that the ECC will discuss the forthcoming contract term at the meeting scheduled for February 23rd. As such, WM’s representative will be asked to excuse himself from that meeting, as well as any other meetings as warranted.

CG/DG:dg H:\PW\Environmental\Refuse & Recycling\ECC Contract Review.doc

attachment: Solid Waste Contract