

A large, light-colored watermark logo consisting of the letters 'E' and 'S' intertwined. A five-pointed star is positioned in the center where the two letters meet.

# Recycling Program Options

Environmental Services

May 14, 2019

# Overview

## March 5: Workshop Presentation

- Staff approached by Walmart in 2018
- Redevelopment along Briarcrest
- The scope of this project included the Recycling Center
- Construction to begin this year
- Considered relocations sites (Walmart/Target Center) and discussed preliminary recycling alternatives
- Staff directed to look into alternative recycling programs and continuing the partnership with Junction 505 (Tire Program)

# Recycling Program Options

- Option 1: Recycling Credit Program
- Option 2: RFP for Recycling Provider
- Option 3: Open Market



# Option 1: Recycling Credit Program

## Overview

- The resident would sign up for recycling service through a permitted waste hauler
  - Commercial properties and apartment complexes would not qualify
  - Consideration may be given to residential accounts who do not utilize a 90 gallon containers
- The City would offer to pay for a portion (up to 50%) of the monthly recycling service
- Monthly credit would be issued through their BTU account
- The waste hauler would send a monthly list of active and inactive (removed) customers to the City
- Staff would check active/inactive accounts in the field and submit info to BTU for credit
- The program would continue at the City discretion

# Option 1: Recycling Credit Program

## Example

- Recycling Service Rate: \$10/month
- The city would apply a credit of \$2/month to the customers BTU account, based on customer list provided
- Currently we have ~1,200 residents participating in this service
  - ~5% of the residential customer count (25,808)
  - \$2,580/month or \$30,960/yr
- Projected costs based on participation:
  - 20%: \$10,324/month or \$123,888/yr
  - 50%: \$25,808/month or \$309,696/yr
- Recycling Budget FY19: \$425K
  - Potential savings at current 5% participation rate: \$394K

# Option 1: Recycling Credit Program

## Pros

- Allows the City to monitor recycling activities
- Expands upon an existing program/idea (annual recycling credit)
- BTU is able to create a recycling credit field and monitoring reports through Cayenta
- Services may be offered by more than one service provider
- Potential savings (based on participation rate)

## Cons

- Multiple recycling vendors and customer reports
- Accuracy and timeliness of the customer list provided by the waste hauler
- Credits will be delayed one month
- Administrative costs for staff to credit and verify accounts
- Potential to spend more than the current Recycling budget

# Option 2: RFP for Recycling Provider

## Overview

- Create an RFP that would:
  - Seek a 5 year contract with a provider to secure a low cost option for curbside recycling
  - Create a single recycling provider for all citizens
  - Include an option for a reduced rates once a certain amount of residents sign up
  - Require monthly report of active/inactive customers to the City
  - Utilizes the City's resources to market, advertise, and promote on their behalf
- Residential customers responsible for signing up and paying the monthly service fee to the service provider
  - Commercial properties and apartment complexes would not qualify
  - Consideration may be given to residential accounts who do not utilize a 90 gallon containers

# Option 2: RFP for Recycling Provider

## Example

- The city would secure a single vendor through the RFP process
- Qualified residents who wish to sign up can take advantage of low cost option
- Services would be billed directly to the residents by the provider
- The City would monitor the program through the monthly customer reports



# Option 2: RFP for Recycling Provider

## Pros

- Allows the City to monitor recycling activities
- Budget savings, no additional costs to the City
- City is not the middle man between the recycler and customer
- Services would be offered by only one service provider
- Minor administrative work

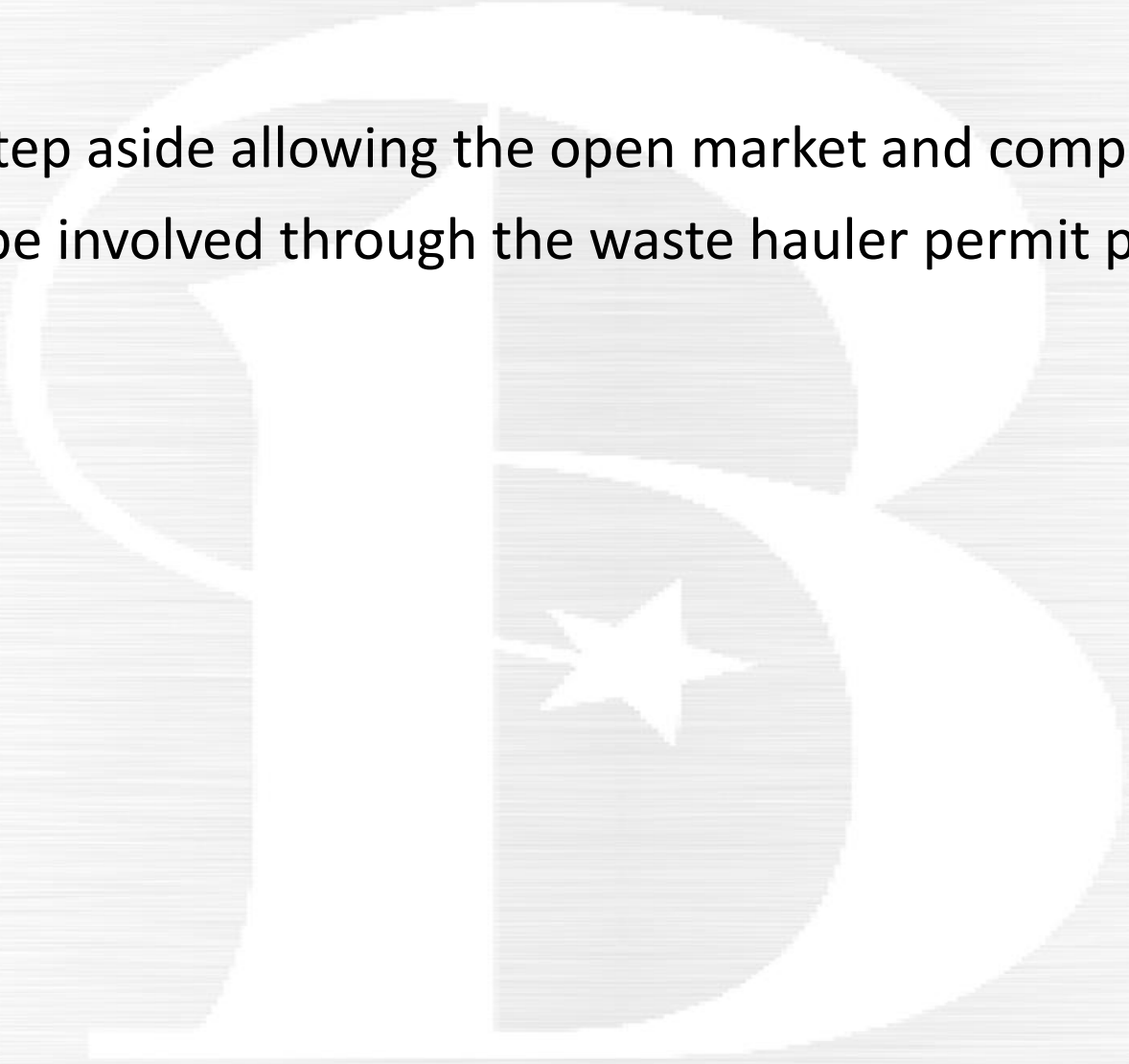
## Cons

- May not have the ability to maintain low service rates once the initial contract expires
- Accuracy and timeliness of the customer list provided by the contractor
- Customer does not see the advantage to recycle Option #1
- Potential need to permit a new waste hauler

# Option 3: Open Market

## Overview

- The City would step aside allowing the open market and competition dictate costs
- City would only be involved through the waste hauler permit process



# Option 3: Open Market

## Pros

- Budget savings
- Recycling is provided by private haulers
- No administrative work

## Cons

- No longer involved in recycling efforts
- Lack of control over price and service quality
- Multiple service providers and programs (containers and trucks)
- Increase in Code issues

# Summary of Programs

	Program Cost	Tire Recycling	Current Budget	Potential Savings
Option 1: Recycling Credit (\$2/month @ 5% participation)	\$30,960	+ \$215,000	-\$425,000	= \$179,040
Option 2: RFP	\$0	+ \$215,000	-\$425,000	= \$210,000
Option 3: Open Market	\$0	+ \$215,000	-\$425,000	= \$210,000

# Staff Recommendation

- Staff would recommend Option #3 or a hybrid of Option #1: Recycling Credit Program combined with Option #2: RFP for Recycling Provider
- Impacts to consider
  - Creating a RFP
  - Service costs after the contract expires
  - Recycling credit rate
  - Code enforcement
  - Administrative costs for staff to verify accounts and submit monthly credit

	Program Cost		Tire Recycling		Current Budget		Potential Savings
Option 3	\$0	+	\$215,000	-	\$425,000	=	\$210,000
Option 1 & Option 2 (\$2/month @ 5% participation)	\$30,960	+	\$215,000	-	\$425,000	=	\$179,040
Option 1 & Option 2 (\$2/month @ 25% participation)	\$154,800	+	\$215,000	-	\$425,000	=	\$55,200

# Questions/Direction



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