



# OVERVIEW OF COMMERCIAL SOLID WASTE FRANCHISE

## City of Ann Arbor

### Commercial Recycling Committee of the Environmental Commission

The proposed Commercial Solid Waste Franchise would have many benefits, including:

- Reduced costs for collection – benefiting from competition for long term contract
- Reduced costs for disposal – benefiting from city's low landfill disposal rate
- Recycling friendly terms – easy to reduce frequency, container size and cost by recycling
- Simple to arrange - services and pricing all available in city's published contract schedule
- Advocate for service issues – city has ability to enforce contract specifications
- Nuisance issues – contract specifications require clean site around dumpster
- Noise issues – contract assures timing of collection complies with ordinance
- Enforcement – contract includes liquidated damages for failure to perform
- Coverage of liabilities – city franchise contract provides protection and guarantees
- Price protection – contract limits/prevents unexpected additional charges
- Consolidated routing – means fewer trucks going to down alleys, behind stores, etc.
- Consolidated dumpsters – easier to set-up more efficient shared dumpsters w/key cards
- Leverage technology – compacting units and latest key card technology can save money
- Set dates/times for pickups – can specify days of service and time of service
- Container management – franchisee responsible for all containers
- Container standards – specifications cover container signage, painting, locations, breakdowns
- Clean community image/branding – consistent approach throughout alleyways, etc.
- On call services – variety of special services available in published contract schedule
- Service partner for city – builds capacity of city and merchant associations to get things done
- Performance tracking – reporting and accountability built into franchise contract
- Franchise fee – helps cover costs of administration and commercial recycling program

The recommendations propose moving forward on a commercial solid waste franchise requests for proposals (RFP) earlier rather than later in order to validate program assumptions and enable "market informed decision making" on many of the implementation details. There are at least four major national contractors that would welcome the opportunity to bid on the franchise. The franchise RFP would include all required specifications along with a draft franchise contract – all of which would clearly spell out the requirements that secure the benefits outlined above. The RFP would also include pricing options covering different types of services to determine which should be included in the franchise and what additional value added services the franchisee could offer (e.g. capitalization and maintenance of recycling dumpsters as well as trash dumpsters). The pricing will also assist in the city's final adoption steps in the franchise process (e.g. ordinance revisions).