



MULTI-TENANT/GENERAL COMMERCIAL RECYCLING RECOMMENDATION

City of Ann Arbor Commercial Recycling Committee of the Environmental Commission

Program Description

The city would provide commercial recycling services throughout the city. An Ordinance would require building owners, managers and tenants to have a recycling program, either through the city or through other methods (e.g. businesses contracting for confidential document shredding) as long as they were in compliance with the ordinance recycling plan and reporting requirements

Program Evolution from Current System

- This approach would expand on and enhance the existing base of recycling services provided by the city including services to businesses that use curbside and curb-cart programs provided by the city's contractor, Recycle Ann Arbor, and downtown recycling and dumpster cardboard service provided by city crews.

Program Description – City Role as Recycling Service Provider

- The service would be automatically set up for users, with containers distributed based on property tax database and initial field contact during roll-out. Technical assistance and support would be provided for developing in-building system (e.g. sample of containers described, how to order, templates for signage, flyers, notices). On-line web tools would be available for setting up/modifying service and maintaining compliance with commercial recycling ordinance (see below) and for participating in web based incentive/reward system when they become available.
- An email based information system would reach out periodically to designated contacts in each business with reminders, performance information and any required non-compliance tracking, eventually serving as the prompt for linking to the web based incentive/reward service. Measurement and reporting would be handled automatically by the city for all participants, eventually tracked with latest in GPS, RFID and on-board scale technology for use in reporting/tracking and eventually for incentive/reward system.
- Program branding would be strongly presented in all outreach and informational channels including recycling containers placed outside of buildings, and container/technical assistance materials provided for in-building recycling - with all materials placing emphasis on benefits to the community, to the environment and to businesses.
- All materials would be taken to the MRF, and would qualify as "city tons", helping provide revenue sharing to the city from the recycling program to off-set program costs and provide for an incentive system in collaboration with the city's MRF operator, FCR and their partner, RecycleBank, when that service is available commercially in this region.

Program Description – Recycling Ordinance Role

- Ordinance and rules would describe commercial recycling requirements for owners, managers and tenants of all commercial buildings types. The main requirement would be to recover materials collected in city provided recycling services (e.g. paper, bottles/cans, cardboard).
- Use of the city provided program would be tracked automatically including reporting back to users. Documentation of compliance with the ordinance would be automatically provided by the city for generators using the city system.



- Should a generator need to use an alternate recycling service provider to comply with the ordinance they would have to meet requirements to prepare a recycling plan to either recover 50% of their waste stream or to recover the top two materials in their waste stream, whichever is greater. The recycling plan would need to identify the recycling service provider (if other than the city) that would make the recycling possible. A requirement would also be to submit an annual report documenting the continued operation of the recycling program. Note that for users of the city provided services these requirements would automatically be taken care of.
- Rules/regulations would include a phased approach for compliance that starts with 2 years of program development with an education/technical assistance approach and informational notices for non-compliance, followed by 1 year of warning notices for non-compliance before moving forward with full enforcement including penalties/fines for non-compliance. Expected compliance prior to that stage is 95% or higher.
- Exceptions to requirements would be rare. Exceptions to use of city provided services would be provided to those that had special requirements (e.g. confidential document handling), special materials or national/corporate recycling contracts as long as they were in compliance with the ordinance plan and reporting requirements.

Program Description – Commercial Solid Waste Franchise Role

- The city would franchise commercial solid waste collection to one or more haulers under a long-term franchise contract. A request for proposal process would be initiated early in the implementation process to specify service options, seek pricing and use the franchisee selection process (and their quoted pricing) to make decisions on how to structure the franchise. The most important decisions will be on the scope of the franchise with Level 1 covering just those that already pay a private hauler for trash service, Level 2 adding those that currently receive the City's subsidized dumpster service and Level 3 adding the downtown curbside services, with payment for Level 2 and 3 to the franchisee still covered as part of the solid waste millage funding – the status quo base level of commercial solid waste services currently being offered
- Specifications for the franchise would describe all details of how solid waste services would be provided, including time of day that service is allowed in different sectors of the City, container location/screen/labeling requirements, special container needs, service frequencies for difficult to service areas like DDA and strip malls, as well as procedures for resolving service issues and complaints and more.
- An important feature of the specifications is the requirement that reductions in waste service (frequency or size of containers) and thus cost of service would be accommodated as recycling increases – a recycling friendly feature that is not very common in conventional individually contracted commercial service.
- One to three haulers would be selected and awarded the franchise for a ten-year period with review windows and options for five-year extensions with agreement by both parties.
- The franchise would direct waste to the city's Transfer Station operated by FCR.
- Franchisee would be responsible for billing all accounts, following "not to exceed" fee structure in their proposal – with a possible City payment to franchisee for base level waste collection services following city's current policies.
- Franchisee would report all account activity to city using city-provided web based reporting system that uses the data from the City commercial property tax database.
- Franchisee would pay a franchise fee to the City each year based on the account activity – with the fee used by the City to off-set the cost of the commercial recycling operation.
- Ordinance would require use of franchise hauler(s) with few exceptions, including national/corporate recycling contracts as long as they were in compliance with the ordinance.



User Experience of Program

- Commercial establishment would receive notice of program at time of container set-outs (in-person visit, email, mail notice, flyer, etc.) and would be able to immediately sign up for program (at time of on-site visit), receive bins, etc.
- Outreach materials (hard copy, email pdfs and web) would provide information on how to set up in-building system, assign a single point of contact recycling champion, order in-building containers, flyers, posters, etc. and establish internal procedures for staff or custodial contractor.
- Continued email support would be provided through automated outreach/support/technical reminders, with linkage to web based support system.
- Web page based information systems would provide user information including reporting on recycling volumes, converting that to environmental "footprint" and "green business" information (e.g. tons of carbon emissions reduced, trees saved, etc.) and potential for linking to coupon type incentive/reward systems to support participation in program and reward high levels of diversion.

User Experience of Program Costs

- Program perceived as "free" for basic level of service
- Basic level of solid waste service would continue as is (e.g. continue 96 gallon cart service, etc.)
- Container cost for in-building material handling (e.g. 10 containers @ \$10/each)
- Technical assistance materials will help with figuring that out and ordering containers
- Custodial service (if used) may or may not increase fees
- Technical assistance materials will help them modify custodial arrangements.
- Additional services can be secured from either other recyclers or City/RAA
- Could be cost for additional service/could be revenue share – depends on recyclables

City Incurred Recycling Costs

- The City would incur costs for collection of recyclables, including the processing fees at the MRF and for any waste collection costs that are retained – consistent with the current city base level of service policy. The City would also incur costs for contractor management, outreach and technical assistance, program performance tracking and enforcement.
- These costs would be covered through a combination of city millage funds, revenue share from the recyclables that are sold by the MRF, lower transfer/disposal costs negotiated with the City's transfer station operator due to higher volume, franchise fees paid by the franchised waste hauler(s) and potential DDA payment in lieu of diverted refuse millage tax revenue from the DDA's tax increment financing authority (TIFA).

Additional Savings to Businesses

- Franchise Hauler arrangements are expected to save 10% to 30% for most businesses on their current solid waste costs with net savings depending on how City handles franchise fees, billing, education/training and payments to Franchisee for base level services per current policy.

Proposed Phasing

- 2007-08 Fiscal Year: After ordinance adoption and system design/startup, Phase I target roll-out begins with 4,000 recycling curb-carts and one, five day a week recycling dumpster (cardboard/mixed paper) route along with one, five day a week DDA recycling route. Concurrently, the waste franchising process would be completed with final decision making on program details.
- 2008-09 Fiscal Year: Phase II would target 4,000 additional recycling curb-carts and one additional five day a week recycling dumpster route, while the waste franchise is implemented.
- 2009-10 Fiscal Year: Continued expansion of program to all remaining accounts. Long-term refinement evaluated in context of Solid Waste Plan Update.



How Recommendations Fit to Overall Goals

- Improve overall waste handling services – assuring a "clean community": Significant progress made through combination of city provided commercial recycling services and franchising of commercial waste services.
- Expand recycling and landfill diversion: The recommended program would match residential diversion of 50% and more than double the tonnage of recyclables diverted by city programs.
- Lower overall costs for the community: Businesses will be able to lower costs for solid waste when recycling reduces the number of waste dumpster lifts or the size of dumpster containers thus eliminating costs for those businesses that pay for trash service. Those same businesses will get lower costs for the same service they have now through the commercial waste franchise. Technical assistance will also promote waste reduction/pollution prevention, helping businesses further reduce costs.
- Enhance quality of life and business opportunities for our community: Improved waste management and recycling services will result in a "cleaner community" that is also a "green" community – an increasingly attractive selling point for businesses that have pressures to demonstrate their environmental responsibility. Recycling results in far more jobs than sending the same amount of material as waste to the landfill, with those jobs being created by companies that have responded to these new business opportunities.