



**AGENDA - SHOREWOOD BOARD OF TRUSTEES
6:00 P.M. – Monday, August 8, 2016
Shorewood Village Hall, 3930 North Murray Avenue
Shorewood, Wisconsin 53211**

1. Call to Order
2. Roll Call
3. Discussion on Refuse Collection Bids
4. Adjournment

DATED at Shorewood, Wisconsin this 5th day of August, 2016.

VILLAGE OF SHOREWOOD
Tanya O'Malley, WCPC, Village Clerk/Treasurer

Should you have any questions or comments regarding any items on this agenda,
contact the Manager's Office at 847-2702.

It is possible that members of and possibly a quorum of members of other governmental bodies of the municipality may be in attendance at the above stated meeting to gather information; no action will be taken by any governmental body at the above stated meeting other than the governmental body specifically referred to above in this notice.

Upon reasonable notice, efforts will be made to accommodate the needs of disabled individuals.

MEMORANDUM

August 4, 2016

To: Trustee Davida Amenta, Chairperson
Public Works Committee



From: Leeann Butschlick, Director of Public Works

Copy: Village Board
Chris Swartz, Village Manager

Re: collections proposals evaluation

Your August 8 special meeting of the Village Board includes discussion of the responses to the recent collections RFP.

Current Conditions

As you know, Department of Public Works staff currently provides weekly refuse collection to approximately 4,000 Shorewood one, two and three-family housing units. These properties are also serviced weekly and monthly for yard waste and curbside brush collection, respectively, in season (April – November) and weekly for bulk leaf collection in the fall. Curbside recycling, containers in the DPW yard recycling center, street and park recycling cans, municipal and school refuse and recycling containers, and the transfer station hauling are handled under contract with Waste Management; that contract expires December 31, 2016.

The table on the following page summarizes the current services.

Please recall from recent budget discussions that each of the Village's four packer trucks (three front-line and one back-up) is beyond its scheduled replacement date. These trucks are used on a daily basis for the collection of refuse (including street cans in the business districts and parks) and yard waste. Additionally, one of the two transfer station compactors (jointly owned with Whitefish Bay, but located in Shorewood's yard) has reached the end of its useful life and requires replacement.

The chart below summarizes the current costs of key collection services.

Service	Frequency	Annual Cost*
Curbside/Alley refuse collection	Weekly	\$318,848
Curbside recycling	Bi-weekly	\$117,312
<u>Other recycling</u>	Varies	<u>\$68,830</u>
Subtotal		\$504,990
Curbside yard waste	Weekly	\$79,042
Curbside brush collection	Monthly	\$36,090
Curbside leaf collection	Weekly in season	\$172,800
TOTAL		\$792,922

*Annual Cost includes wages, benefits, equipment and fuel.

TABLE 1 CURRENT CONDITION

	Refuse	Recycling	Yard Waste		
			Bagged	Brush	Leaves
Service provider	Village	Contractor	Village	Village	Village
Dwellings serviced	3 family and under	3 family and under	all	all	all
Type of collection	semi-automated	mix: full automation and manual	mix: semi-automated and manual	manual feed	manual vacuum
Frequency of collection	weekly	bi-weekly	weekly in season	monthly in season	weekly in season
Location of collection	curbside or alley	curbside only	curbside only	curbside only	curbside only
Number of routes	3	6	3	3	5
Containers required	yes	yes	yes	no	no
Containers provided	yes	once	no		
Items outside kart	up to 3 bags §455-2 C(b)	if properly prepared			
Equipment	packer truck (3)		packer truck (3)	truck with box and chipper (1)	truck with leaf body and vacuum (3)
Employee(s)	3		3	1-2	6+
Man hours per week	45		0-27	24-36	240

Review and Evaluation of Services

Staff began analysis of the Village's collections services in early 2014. In April of 2015, the Village contracted with RW Management Group to complete a comprehensive evaluation of the department's collections operating procedures including a review of the financial impacts for each of the identified service delivery alternatives.

The results of this report were presented to the Village Board on August 21, 2015. The primary recommendation was that both refuse and recycling be fully automated. No position was taken as to whether the services should be provided in-house or contracted, only that both refuse and recycling should be collected either entirely by the Village or entirely by a private contractor. It was further recommended that the services should be bid with the DPW submitting a proposal.

At that time, staff suggested that additional discussion was necessary to adequately address a number of the challenges to full automation, particularly issues related to alley collection. A review and discussion of the service level considerations occurred at the Village Board's meeting of January 25, 2106. Additional discussion occurred at the February 16 meeting and at the March 7 Village Board meeting a list of specific service items was approved for a Request for Proposals.

An RFP was issued in late March and included two base scenarios. Under Base Option 1 a contractor would provide all collection services (refuse, yard waste and recycling); Base Option 2 included a mixed provision of services with the Village continuing to provide refuse and yard waste services while contracting recycling and transfer station hauling services (current scenario).

It should be noted that each of the two base options included multiple service alternatives at the request of the Village Board. As such, over three dozen possible combinations of alternative service scenarios exist.

RFP Responses

Proposals were received from Advanced Disposal, John's Disposal Services and Waste Management, the Village's current recycling contract provider.

In an attempt to guide a manageable review process, initial cost comparisons will consider only refuse and recycling services. Please note that the numbers are total costs for residential household services only; the addition of school/municipal building service and street/park cans will add to the total. This additional cost varies somewhat dependent upon the contractor but the variance will not change the total package low bidder.

The tables below highlight the three primary service levels: full automation, similar to current service, and enhanced alley service. In each of the tables below the least costly combination of alternatives is highlighted.

Full Automation – Karts required for refuse and recycling; both refuse and recycling collected from curb only, no alley service; no items outside karts.

		Base Option 1		Base Option 2	
Weekly Recycling	refuse	John's Disposal	\$312,039.00	Village	\$241,792.00
	recycling	John's Disposal	\$196,328.00	John's Disposal	\$196,328.00
Total			\$508,367.00	\$438,120.00	
Bi-Weekly Recycling	refuse	Advanced Disposal	\$304,012.80	Village	\$241,792.00
	recycling	Advanced Disposal	\$134,284.80	Advanced Disposal	\$104,333.00
Total			\$438,297.60	\$346,125.00	

Current Service Level – Refuse karts are collected from curb or alley; recycling is collected curbside only from karts or bins; no items outside kart/bins permitted.

		Base Option 1		Base Option 2	
Weekly Recycling	refuse	John's Disposal	\$366,093.00	Village	\$318,848.00
	recycling	John's Disposal	\$246,477.00	John's Disposal	\$246,477.00
Total			\$612,570.00	\$565,325.00	
Bi-Weekly Recycling	refuse	John's Disposal	\$366,093.00	Village	\$318,848.00
	recycling	John's Disposal	\$173,921.00	Waste Management	\$136,576.00
Total			\$540,014.00	\$455,424.00	

Enhanced Alley Service – Karts only; refuse AND recycling are collected from either the curb or alley service; no items outside the karts.

		Base Option 1		Base Option 2	
Weekly Recycling	refuse	John's Disposal	\$341,523.00	Village	\$280,794.00
	recycling	John's Disposal	\$212,333.00	John's Disposal	\$212,333.00
Total			\$553,856.00	\$493,127.00	
Bi-Weekly Recycling	refuse	John's Disposal	\$341,523.00	Village	\$280,794.00
	recycling	John's Disposal	\$181,390.00	Advanced Disposal	\$134,285.00*
Total			\$522,913.00	\$415,079.00	

*unverified cost; awaiting confirmation from vendor

As noted, the above alternative combinations are not exhaustive of the proposal options received. They do, however, provide a good starting point for discussion. Staff suggests that the evaluation process begin with the question of alley service both for refuse and recycling. A second key service level is weekly vs. bi-weekly recycling collection. A decision on these two key service level questions will direct the remainder of the discussion.

Yard waste considerations

The alternatives for yard waste were not as varied as those for refuse. Please recall from the RFP that yard waste would be provided by the contractor under Base Scenario 1 and by the Village under Base Scenario 2. As such, yard waste discussions become germane only if refuse is outsourced. There is no scenario where the combination of yard waste services makes the Base Option 1 less expensive than Base Option 2 in their respective alternative groupings.

No vendor responded to the request to provide bulk leaf collection and only two of the three gave a cost for brush collection (both were loose collection only, no chipping, likely limiting the size and volume of material which can be collected). If the Village Board wishes to continue to deliver the current level of yard waste services to residents, it appears likely they must be provided by Village staff. As such, the compactors, equipment and collections personnel cannot be entirely eliminated even if the refuse is contracted to an outside vendor.

Budget Impact

The budget impact will, of course, vary dependent upon the provider(s) and alternative selected compared to the current costs of \$504,990 from the table on page 1. It should also be noted that should the Village Board decide to outsource refuse collection entirely, the village will actually only save about 2/3 of the current refuse collections costs. The remaining 1/3, or about \$100,000 will be redistributed to other service areas due to the continuing equipment and staffing needs that will be necessary to perform other remaining ancillary collection services, and the reallocation of the administrative overhead costs that were currently being attributed to refuse collections services.

It should be noted that a reduction in Public Works positions beyond current staffing levels will impact emergency response, particularly for winter operations.

If you should have any questions in advance of the meeting, please do not hesitate to contact me at 847.2650.