

**SWANA RECYCLING
TECHNICAL ASSISTANCE STUDY**

FINAL REPORT

**LANSDALE BOROUGH
PRELIMINARY EVALUATION OF CONTRACTING
FOR MUNICIPAL WASTE AND RECYCLING
COLLECTION SERVICES**



Source: www.lansdale.org

GANNETT FLEMING, INC.



HARRISBURG, PENNSYLVANIA

MARCH 2006

**SWANA RECYCLING
TECHNICAL ASSISTANCE STUDY**

FINAL REPORT

**LANSDALE BOROUGH
PRELIMINARY EVALUATION OF CONTRACTING
FOR MUNICIPAL WASTE AND RECYCLING COLLECTION SERVICES**

Table Of Contents

	<u>Page</u>
EXECUTIVE SUMMARY.....	1
1.0 INTRODUCTION	2
1.1....Scope of Work	2
1.2....Pennsylvania Municipal Waste Planning, Recycling and Waste Reduction Act	3
2.0 BACKGROUND	3
2.1....Demographics	4
3.0 EXISTING LANSDALE BOROUGH WASTE AND RECYCLING COLLECTION SYSTEM.....	5
3.1....Estimated Lansdale Borough Municipal Waste Generation.....	6
3.2....Recycling	7
4.0 CONTRACTING FOR WASTE AND RECYCLABLES COLLECTION SERVICE.....	9
4.1....Barriers of Contracting for Municipal Waste and/or Recyclables Services	9
4.2....Waste Generation Fee at Montenay Energy	10
4.3....Selection of Recyclables for Contracted Curbside Collection.....	11
4.4....Alley Collection.....	11
5.0 GRANTS AND AVAILABLE REVENUE	12
5.1....Section 902. Grants for Development and Implementation of Municipal Recycling Programs	12
5.2....Section 904. Performance Grants for Municipal Recycling Programs	12
5.3....Section 701. Recycling Fee for Municipal Waste Landfills and Resource Recovery Facilities.....	13
6.0 CONCLUSIONS AND RECOMMENDATIONS	13

APPENDICES

Appendix A – Lansdale Borough Hauler List

SWANA RECYCLING TECHNICAL ASSISTANCE STUDY

EXECUTIVE SUMMARY

LANSDALE BOROUGH PRELIMINARY EVALUATION OF CONTRACTING FOR MUNICIPAL WASTE AND RECYCLING COLLECTION ALTERNATIVES

The goal of this project was to evaluate the existing recycling and waste collection methods within the Borough of Lansdale and provide recommendations for the development of a program to insure residential customers have a consistent curbside collection schedule for waste and recyclables. In particular, it was important to determine if recyclables and waste could be collected in a way that may minimize negative impacts from collection vehicles (e.g. damage to narrow alleys and streets). As part of this evaluation, collection options were considered, which included continuing the existing private subscription program or securing a single waste/recyclables hauler (via municipal contract).

Based on our evaluation, it appears favorable for the Borough to move forward with a more detailed analysis of a contracted waste and recyclable collection system. Securing a single hauler contract for waste and recyclables collection services is a potential solution to address Borough concerns related to minimizing future negative impacts from collection vehicle traffic. Based on the existing cost per household for collection services, it is expected contracted collection service will be cost-competitive.

The study has concluded that under a single hauler contract:

- The contracted services can reduce the number of waste trucks on the roads. One hauler collects all the waste instead of numerous haulers and vehicles servicing the same area or neighborhood. Reduced traffic from heavy collection vehicles won't repair existing damage to streets and alleys, but it will minimize the extent of future damage caused by vehicles.
- The Borough can stipulate and restrict the collection of waste from highly sensitive areas, for example school zones during early morning and mid-afternoon and roads that experience rush hour traffic.
- Enforcement is facilitated because one hauler will handle all customers on an identified collection day(s) using the same routes and collection procedures.
- The Borough can require under contract that the haulers maintain adequate insurance and bonding that covers both the Borough and its residents.
- The Borough can require the contractor to collect (or include) types of waste that are typically not collected under private subscription services. Collection of a limited number of bulky items, for example, can help reduce both litter and illegal dumping.
- The Borough can specify the number of collection days allowed for pickup for trash and recyclables

SWANA RECYCLING TECHNICAL ASSISTANCE STUDY

FINAL REPORT

LANSDALE BOROUGH PRELIMINARY EVALUATION OF CONTRACTING FOR MUNICIPAL WASTE AND RECYCLING COLLECTION ALTERNATIVES

1.0 INTRODUCTION

Through the partnership with the Solid Waste Authority of North America (SWANA), the Pennsylvania State Association of Township Supervisors, and the Pennsylvania Department of Environmental Protection (PADEP), Lansdale Borough (Borough) was awarded \$7,500 in technical assistance that was provided by Gannett Fleming, Inc. (GF). Through this technical assistance, the Borough requested GF to assist with a preliminary evaluation of current curbside municipal waste and recyclables collection practices. The evaluation includes recommendations for the development of a program to insure residential customers have a consistent curbside collection schedule for waste and recyclables. It is believed by the Borough that a more consistent collection system for recyclables and waste may minimize negative impacts from collection vehicles (e.g. damage to narrow alleyways and streets). In addition, the Borough needs assistance to identify its collection options, which may include continuing the existing private subscription program or securing a single waste/recyclables hauler (via municipal contract).

1.1 Scope of Work

The following project tasks were developed and confirmed by GF and Lansdale Borough:

- Task #1** GF staff will collect information about existing program and subscription service details such as the locations of existing recyclables drop-off centers, number of haulers, number of residents and businesses served, materials collected, collection frequencies, collection routes and rates. GF will determine the number of residents and business to be serviced and will consider planned growth.
- Task #2** GF will review current collection schedules and desired services. This investigation will identify any restrictions that may apply to vehicles servicing specified locations/streets/alleys. GF will compile information relative to desired services such as materials to be collected by the curbside program. GF will evaluate possible implications to the Borough.
- Task #3** GF will prepare a summary report based on the findings along with recommendations for curbside collection of waste and recyclables. This task includes review of the report by the Pennsylvania Department of Environmental Protection (PADEP) and response to PADEP comments. An electronic file of the final report will be submitted to PADEP along with a MS Word Summary (as required) of the project conclusions and findings. Both an electronic and a hardcopy of the report will be provided to the Borough.

1.2 Pennsylvania Municipal Waste Planning, Recycling and Waste Reduction Act

Lansdale Borough is mandated to provide curbside recycling to its residents based on the Pennsylvania Municipal Waste Planning, Recycling and Waste Reduction Act of 1988, commonly called Act 101. Act 101 stipulates the responsibilities of municipalities for establishing residential, curbside recycling programs as follows:

Section 1501. Municipal implementation of recycling programs.

(b) Small population.-Within three years after the effective date of this act, each municipality other than a county that has a population of more than 5,000 people but less than 10,000 people, and which has a population density of more than 300 people per square mile, shall establish and implement a source-separation and collection program for recyclable materials in accordance with this section. Population shall be determined based on the most recent decennial census by the Bureau of the Census of the United States Department of Commerce.

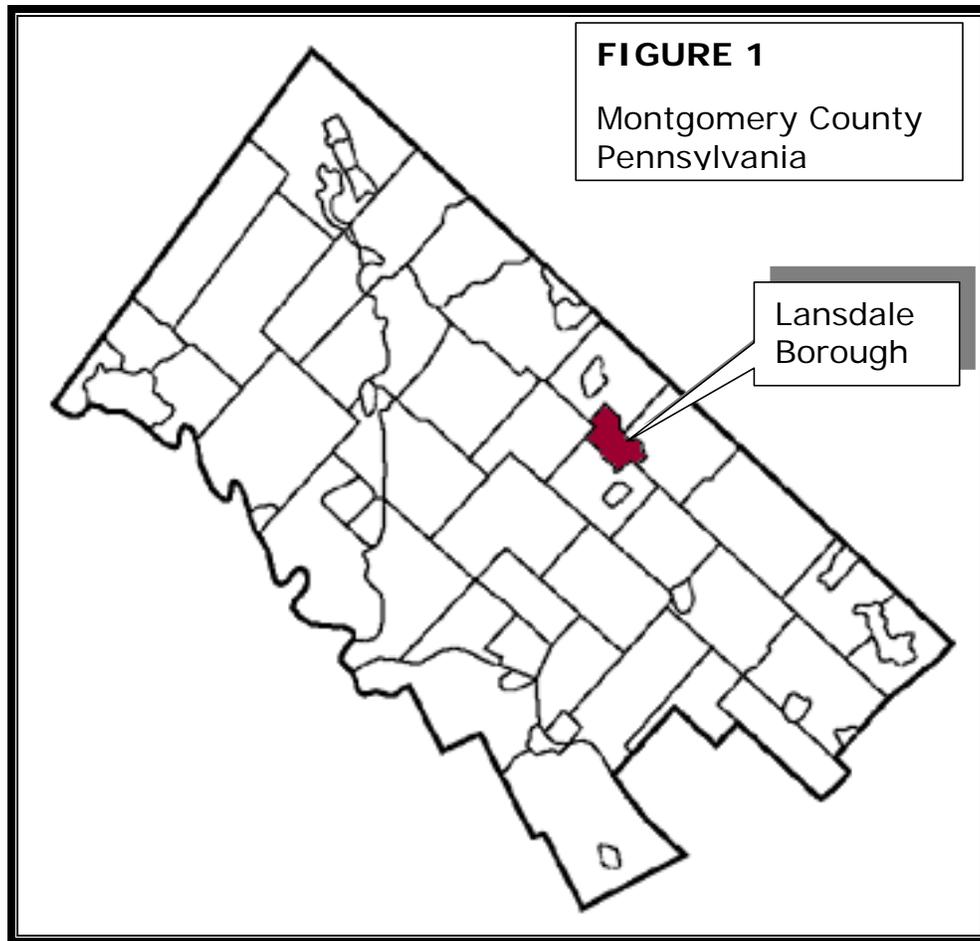
Act 101 does not require municipalities to provide curbside collection of waste for its residents. Specific to recycling, the Pennsylvania Department of Environmental Protection (PADEP) recognizes three basic systems that municipalities can use to provide curbside collection of recyclables:

- Collection of recyclables by the municipality and municipal workers (at this time, Lansdale is not interested in and/or positioned to procure waste collection vehicles and get into business as a waste collection entity)
- Collection of recyclables by one private collection company (in some cases more than one company) under a sole contract with the municipality
- Collection of recyclables by any number of private collection companies under private subscription with residents

The Borough's current private subscription system (the last option listed above), may require the least amount of municipal involvement of the curbside collection systems listed. In a private subscription system there usually is little municipal involvement or enforcement. Residents are primarily responsible for securing collection service. The Borough has chosen to research the feasibility of establishing the second option, contracting with a single hauler for both waste and recyclable collection services. Municipal experience throughout Pennsylvania strongly supports that lower per household pricing (including additional collection services like bulky item collection) may be secured through selecting a single hauler using a competitive bid process.

2.0 BACKGROUND

Lansdale Borough is home to approximately 16,000 residents. These residents live in an area just under three square miles. There are a variety of housing types, shops, businesses and industries, and a substantial number of rental units. The Borough is located near the east central border of Montgomery County (refer to Figure 1), and is about 30 miles north of center city Philadelphia.



2.1 Demographics

Determining whether the Borough should provide curbside solid waste & recycling collection services to its residents requires analyzing a number of factors and several key data indicators. Two categories are of specific importance: the geographic and demographic nature of the municipality, and the collection and handling services (e.g. markets) available in the area surrounding the municipality. Demographic characteristics along with waste disposal and recycling markets significantly influence the economic feasibility of the Borough contracting curbside waste and recycling collection services for its residents. Additionally, these same factors may create a heightened need for contracted collection services to help address public concern related to health and safety issues: reduced truck traffic; collection frequency and scheduling; street repairs, etc.

Based on readily available public information, we know the following about the Borough:

- Total area is 2.99 square miles
- Total of street distance is approximately 50 miles
- Total of alleyways is approximately 25 miles

Population by groups:

Age 0 – 19 = 24%
Age 20 – 34 = 22%
Age 35 – 64 = 38%
Age 65+ = 16%

Approximately 35% of the residents live in rental units.

Estimating Persons per Household (pph), includes owner occupied and rental units:

(2.66 pph)(3,805 housing units)= 10,120

(1.96 pph)(2,815 rental units) = 5,520

= 15,640 persons in residential household units

Total persons (15,640)/ Total household units (6,620) = 2.36 persons per household

There is an average of 2.36 persons per household (occupied and renter units) in the Borough, based on Year 2000 US Census data, which is comparable to the estimated 2005 population provided by the Borough (still about 16,000 residents – including nearly 450 persons residing in institutional establishments).

It is important to understand the number of rental units that are “multi-family dwellings” (i.e. four or more units). Although the specific number of rental units in Lansdale is not known, there is a relatively high proportion of rental units in Lansdale compared to many other Pennsylvania municipalities. Multi-family dwellings disposal services typically include dumpster service for trash, and if recycling is required, residents may share a common container to place recyclables or have individual bins.

3.0 EXISTING LANSDALE BOROUGH WASTE AND RECYCLING COLLECTION SYSTEM

Residents of Lansdale Borough privately subscribe with one of several local haulers that provide waste and recyclables collection services. Typically, five to seven different local haulers provide waste and/or recyclables collection services to commercial establishments within the Borough in any given year. A list of the current haulers operating in the Borough is included in **Appendix A**. The trash collection schedule and collection routes vary widely among these haulers. Each hauler acts independently with varied services, different customers located randomly throughout the Borough, and different rates for service. Based on a phone survey of the haulers conducted in May of 2005, the average cost per household is approximately **\$356** per year. Table 1 presents a summary of hauler services for the current haulers serving residential customers within the Borough.

**Table 1
Current Residential Waste and Recyclables Collection Rates**

Hauler Name	Collection Frequency	Recyclables Included (1)	Bulk Items Included at No Extra Charge	Collects in Alleys	Costs	
					Quarterly	Annual
ChesMont	1 / week	Yes	1 / month	Depends on location	\$72.00	\$288.00
WM Indian Valley	1 / week	Yes	1 / week	Depends on location	\$88.80	\$355.20
WM Indian Valley	2 / week	Yes	1 / week	Depends on location	\$97.35	\$389.40
BFI Waste System	2 / week	Yes	1 / week	Yes	\$97.98	\$391.92
<i>Average:</i>					\$89	\$356

Notes:

- (1) Recyclable materials are commingled and include aluminum, steel and bimetallic cans, plastics #1 and #2, clear and colored glass; also includes separately bound newspaper, magazines and phone books. BFI requests loose/office paper be bound separately from other paper types.
- (2) Yard wastes collected for disposal are generally limited to grass, small sticks, shrubbery, and prunings.

3.1 Estimated Lansdale Borough Municipal Waste Generation

Using the Borough’s population, the annual municipal waste generation can be calculated. The standard waste generation rate, as determined by the US Environmental Protection Agency (EPA), is 0.87 tons per person per year. Using this figure and the Borough’s current estimated population (rounded) of 16,000 (US Census), approximately **13,920 tons** of municipal waste is generated annually by Lansdale Borough. It can be assumed that the quantity of waste generation will not rise or decrease significantly over the next 5 years (through 2010), since the residential population of the Borough has been holding relatively steady in recent years.

In the bidding process for waste collection and/or recycling services, prospective bidders will use estimates of waste generation to establish their price structure for each year of the contract. Prices will be influenced by a number of factors; equipment needs, transportation costs (route distance and fuel), staffing needs, insurance, etc. Prospective bidders compete with an incentive to capture a sizeable piece of the local market (in this case approximately 14,000 tons of waste per year generated by approximately 6,600 households. These housing units are located within the Borough, and area less than three square miles. There is a dense distribution of housing and rental properties that is favorable for single hauler collection. Many units are nearly side by side, which reduces time and expense associated with collection when compared to unplanned routes or collection systems where multiple haulers service random units in a given area.

3.2 Recycling

Lansdale Borough is an Act 101 mandated recycling community required to provide curbside collection of recyclables in Pennsylvania. The existing private haulers and residents are required by Ordinance (1676) to separate the following from municipal waste:

- **Aluminum Cans**
- **Steel and Bimetallic Cans**
- **Clear and Colored Glass Bottles and Jars**
- **Plastics #1 (PET) & #2 (HDPE)**
- **Newspapers**
- **Leaf waste**

An undetermined number of commercial establishments privately subscribe for the collection of recyclable materials. The Ordinance requires **commercial establishments** to separate the following from municipal waste:

- **Aluminum Cans**
- **High grade office paper**
- **Corrugated paper**
- **Leaf waste**

3.2.1 Recyclables Drop-off Locations

There are currently no recyclables drop-off locations located in Lansdale Borough. However, residents may drop-off recyclables at the resource recovery facility and the two waste transfer stations at the following locations:

BFI Waste Systems
731 Reliance Road
Telford, PA 18969

Waste Management of Indian Valley
400 Progress Drive
Telford, PA 18969

Montenay Montgomery (Resource Recovery Facility)
1155 Conshohocken Rd
Conshohocken, Pa 19428

In addition, Mattero Brothers Company, a private business, offers a drop-off facility for aluminum and metals.

3.2.2 Leaf waste Collection

The Borough Ordinance requires every resident or entity to separate leaf waste from recyclable materials and other municipal waste. Typically, three leaf pickup periods are provided each year by the Borough's Public Works Department. Two pickups are usually provided in the fall and one

pickup is provided in the spring. Residents are asked to place leaves in kraft/ paper bags at the same location they place their trash during the scheduled pickup days.

Leaf collection is an important consideration when bidding for waste collection and recyclables collection services. The Borough may elect to include these services in the bid package or to continue to have the Public Works Department provide these services. In many municipalities, staff shortages and expenses associated with providing leaf collection, make contracting for these services a desirable option.

Including leaf collection services will increase the total price per household under the contract. However, the increased value can outweigh the price. In recent discussions with several Pennsylvania haulers, the haulers indicated adding monthly yard waste collection would add between \$.75 and \$1.75 per month per household. Some bid packages are developed/structured to solicit a price for leaf (or yard waste) collection, but with the understanding that if the pricing is not favorable, the proposer may elect to exclude this service.

3.2.2.1 Act 101 Requirements for Leaf waste

Act 101 and PADEP policies and guidelines require the following for leaf waste, as defined by Act 101, to include **leaves, garden residue, shrubbery and tree trimmings, and similar material (i.e. brush), but not including grass clippings.**

- 1. An ordinance prohibiting the burning of recycled materials collected within the Borough, including leaf waste**
- 2. Curbside collection of leaf waste**
 - a. At a minimum, leaves must be collected seasonally, at least twice per year
 - b. Garden residue, shrubbery, tree trimmings (or “brush”), and similar material must be collected separately at least twice per year (spring/fall).

3.2.3 Recycling Markets

When developing a curbside program, it is important to identify the best local recyclables outlets, understand recycling market trends, and when possible, take materials to the closest recycling markets that are being successfully used by other local municipal recycling programs. In other words, be consistent with what other programs are already doing. Many contracted curbside programs in Pennsylvania collect materials at the curbside commingled (mixed), which is easier for residents. Often there is still segregation of fiber/ paper materials, which may be bagged or bundled and then loaded into different areas/ compartments on the collection vehicle.

Blue Mountain Recycling in Montgomeryville is located on Route 309, and is approximately 10 minutes from Lansdale. This recycling facility is close to Lansdale and is a potential recycling outlet for prospective bidders responding to a competitive bid.

The pilot program in Philadelphia (RecycleBank) plans to involve 6,000 households when it is fully implemented. There may be an opportunity (commingled collection or single stream) for

Lansdale to share risks and revenues - considering Philadelphia has been consistently paid for its recyclables since the summer of 2002. Blue Mountain is a feasible option for a single hauler to take Borough recyclables directly to this market. It is noted that revenue from sale of recyclables alone should not be expected to offset the full cost of any recycling collection contract/program.

4.0 CONTRACTING FOR WASTE AND RECYCLABLES COLLECTION SERVICE

Initial conversations with the Borough revealed that a critical goal of this evaluation was to identify a collection program that can insure residential customers have a consistent curbside collection schedule for municipal waste and recyclables services. The current private subscription system has a variety of inherent program inconsistencies due to the number of haulers (refer to Appendix A). Some of the resultant inconsistencies are collection schedules (collection days and collection times), types of services offered, costs for services, and billing.

Based on background information attained during this project, and based on current demographic data for Lansdale Borough, it appears feasible for the Borough to seek contracted curbside municipal waste and recyclables collection services (from a single hauler) for its residents. Contracting with a single hauler, as demonstrated by other Pennsylvania municipalities, insures a consistent collection schedule (as specified in a bid package) and also can insure many other aspects of the program are operated in a consistent manner.

4.1 Barriers of Contracting for Municipal Waste and/or Recyclables Services

Even in cases where the advantages of executing a contractual arrangement with a single hauler clearly outweigh the disadvantages, many municipalities do not make it to the implementation stage. Some of the barriers that prevent municipalities from implementing municipal contract collection programs include:

- **Public Perception and Meetings** – During the development process, the public may learn of the municipality’s intentions to change to a new collection system. In some instances, inaccurate and incomplete information is distributed and it may be difficult to sway the initial public perception. Informing the public properly is important to the process. It is necessary to understand how the public as a WHOLE thinks, versus what the minority thinks. Some municipalities have successfully used residential surveys to obtain information on what resident’s think about changes to trash and recycling services.
- **Haulers** – in some cases, local private haulers that disapprove of a municipal contract will rally support from residents using letters and other methods to increase disapproval of a new collection system.
- **Council Members or Supervisors** – In deciding upon a waste collection system, Borough Council has to make a decision on behalf of the public. It is often difficult to make any change that affects the public, particularly when some residents express vehement and even emotional disapproval. It is common at this stage, during public meetings and during the final vote to move forward, where attempts to secure a contracted hauler are stalled - even when advantages are clearly evident.

4.2 Waste Generation Fee at Montenay Energy

The 2003 per ton “tipping fee” or Waste Generation Fee (WGF) for waste disposal at the Montenay Energy Resource Recovery Facility (RRF) is \$81.00. The WGF pays for cost of processing waste and generating electric power at the Resource Recovery Facility (RRF). The fee includes ash disposal costs, plant construction financing charges, and miscellaneous expenses related to the transportation of waste from the Authority's two transfer stations. The waste disposal portion of the waste bill is paid directly to the Authority.

Understanding disposal costs from nearby disposal facilities is an important consideration in the bidding process. In some contracting scenarios, the municipality may wish to negotiate with available disposal facilities so they can secure a lower and fixed disposal price. When this approach is taken, an incentive is preserved for the community and the municipality to reduce waste generation through recycling and other conservation methods. The reduction in waste generation/disposal equates to “avoided costs” through reduced tipping fees. These savings can be passed on to the residents and help the municipality continue to invest in a quality, fair-priced collection system for both the municipality and its residents.

It appears that the Montenay Resource Recovery Facility and Pioneer Crossing Landfill are disposal facilities that may be willing to accept Lansdale Borough municipal waste. Other disposal facilities in the region do not appear to be favorable disposal options when compared to these two facilities. The Pottstown Landfill, located on the northern border of Montgomery County, is anticipated to be closing in the near future, and the Conestoga Landfill, located in Berks County, is believed to be reserving disposal capacity until it gets approved for a permit modification.

Lansdale Borough is not required to direct its waste to the Montenay Resource Recovery Facility. Several Montgomery County municipalities that are part of the Waste System Authority of eastern Montgomery County are required to direct waste to Montenay.

The cost of providing residential municipal waste collection services usually includes the actual collection service cost plus the disposal cost of the waste (i.e. tip fee). The price for contracting curbside collection services will only be provided (by one or more prospective bidders) after the Borough enters, and has responses from, a competitive bid process for these services. Based on a review of costs and services in other Pennsylvania municipalities with municipal contract systems, lower per-household pricing coupled with a higher level of service is achievable through bidding.

The Borough does not need to move forward with a executing a collection contract until bids and pricing are reviewed and it is confirmed that a beneficial collection system will be provided by the proposer. The Borough can ensure its ability to “reject any and all bids” as long as the appropriate language is included in the bid documents. The Borough should rely on a solicitor to finalize bid specifications and contracts/agreements.

If a municipal contract is executed, the existing ordinance should be updated to correspond to the contracted municipal waste and/or recyclables collection services from the bid specifications/contract. Further, it is important the Borough’s ordinance is consistent with applicable Act 101 requirements.

4.3 Selection of Recyclables for Contracted Curbside Collection

At a minimum, the Borough's contracted curbside collection program must collect three of the following materials from residential establishments as designated by Act 101:

- Clear glass
- Colored glass
- Aluminum cans
- Steel and bi-metallic cans
- High-grade office paper
- Newsprint
- Corrugated paper
- Plastics
- Leaf waste

The quality of recyclable materials, specifically the percent of contamination mixed with the glass, paper, or plastic, significantly affects the price that the municipality or hauler can expect to receive for the materials. Although the Borough cannot affect the amount of recyclable material generated, it can minimize contamination and maximize its potential revenue by developing and implementing an effective education and outreach program in combination with well written bid specification and requirements that pertain to proper collection and handling methods.

Due to the associated costs of processing and transportation, some municipalities are excluding glass from curbside collection. In some cases, residential drop-off centers for glass are offered by municipalities as a supplemental recycling program to the curbside program (that has excluded glass collection). Removing glass from curbside collection can preserve the quality of more valuable paper products (and other materials) that may be collected curbside. The result can be an increase to the total potential revenue, as long as markets stay somewhat stable.

4.4 Alley Collection

Lansdale Borough has approximately twenty-five miles of alleys and various types of residential units. In older sections of town, housing is very dense and there are many narrow streets and alleys. In these dense areas, located primarily to the west of Line Street and to the east of Valley Forge Road, haulers typically provide alley collection for waste and recyclables. Pertaining to these areas of town in particular, public concern has been raised about the poor condition of the alleys and the ongoing damage that is caused by collection vehicles (and by other large vehicles). In many of the newer sections of town and in less dense areas of the Borough, haulers commonly request residents to place set-outs along the street/curbside (to avoid alley collection). The extent of existing and ongoing damage to alleys is less apparent in areas where alley waste collection is avoided.

The cost of a single hauler collection contract (via municipal bid) may be impacted (either increased or decreased) if the hauler is required to provide alley collection (only) or curbside/street collection (only). Further analysis, and ultimately the bid process, can help determine the most efficient and cost effective collection system. Provisions can be included in a single hauler contract to address elderly and disadvantaged residents (such as doorstep pick-up). Some municipalities include special needs requirements in their ordinances and/or in their contract for collection services. It is good to keep an up-to-date listing of the special needs residents in the municipality and provide this information to the hauler(s).

5.0 GRANTS AND AVAILABLE REVENUE

As the Borough moves forward with waste collection and recycling initiatives, it should be aware of the various sources of state grant funding. However, municipal waste and recycling programs should not rely on grant funding as the support mechanism for these programs. Act 101, Section 902 Recycling Grants are not guaranteed funding sources. Currently there is a high level of competition for and a limited availability of these funds.

GRANTS: Under Act 101, the Pennsylvania Department of Environmental Protection offers two different, but related, grant programs designed to assist municipalities in developing and implementing residential recycling programs. The following sections of Act 101 describe these two programs:

5.1 Section 902. Grants for Development and Implementation of Municipal Recycling Programs

- (a) *Authorization.*-The department shall award grants for development and implementation of municipal recycling programs, upon application from any municipality which meets the requirements of this section. The grant provided by this section may be used to identify markets, develop a public education campaign, purchase collection and storage equipment and do other things necessary to establish a municipal recycling program. The grant may be used to purchase collection equipment, only to the extent needed for collection of recyclable materials, and mechanical processing equipment, only to the extent that such equipment is not available to the program in the private sector. The application shall be made on a form prepared and furnished by the department. The application shall explain the structure and operation of the program and shall contain such other information as the department deems necessary to carry out the provisions and purposes of this act. The grant under this section to a municipality required by section 1501 to implement a recycling program shall be 90% of the approved cost of establishing a municipal recycling program. The grant under this section to a municipality not required by section 1501 to implement a recycling program shall be 90% of the approved cost of establishing a municipal recycling program.

5.2 Section 904. Performance Grants for Municipal Recycling Programs

- (a) *Authorization.*-The department shall award annual performance grants for municipal recycling programs, upon application from a municipality. The application shall be made on a form prepared and furnished by the department. The application shall contain such information as the department deems necessary to carry out the provisions and purposes of this act.
- (b) *Availability.*-The department shall award a grant under this section to a municipality based on the type and weight of source-separated recyclable materials identified in section 1501 that were recycled in the previous calendar year, and the population of the municipality.
- (c) *Amount.*-The amount of the grant shall be based on available funds under section 706 and shall be available to all municipalities which have a recycling program in existence or will initiate a program after the effective date of this act.

These two grant programs were designed to work in concert with each other. Section 902 grant money is intended to help municipalities purchase equipment and supplies needed to establish a residential recycling program. However, Section 902 money cannot be used for operational expenses of a recycling program. Section 904 grant money is intended to help municipalities operate their existing residential recycling programs and rewards municipalities based on their success and “performance.” Lansdale Borough would be eligible to apply for both of these grants, even though the Borough is not “mandated” to provide curbside recycling services under Act 101. However, PADEP typically establishes a priority of needs and awards the Section 902 grants based on this hierarchy. For example, assisting the municipalities that were mandated by Act 101 to establish recycling programs after the 2000 US Census was a previous priority need.

These two grant sources have been available to municipalities over the past fifteen years, since Act 101 was fully implemented. They are funded by a fee authorized in Chapter 7 of Act 101:

5.3 Section 701. Recycling Fee for Municipal Waste Landfills and Resource Recovery Facilities

(a) Imposition. - There is imposed a recycling fee of \$2 per ton for all solid waste processed at resource recovery facilities and for all solid waste except process residue and nonprocessable waste from a resource recovery facility that is disposed of at municipal waste landfills...

At this time, the continuation and viability of these grants is in question. Over the past five years, the funding source for these grants has been tapped for other programs. Also, as the recycling infrastructure has grown in Pennsylvania, so has the need for revenue to maintain and expand the existing recycling programs. In addition, the legislature is currently reviewing the overall practice of funding grant programs with a tipping fee applied to municipal waste. This debate is continuing and may affect the availability of both grants.

6.0 CONCLUSIONS AND RECOMMENDATIONS

Lansdale Borough continues the process of evaluating various waste and recyclables collection alternatives in order to determine if changes to the existing system will result in an overall improvement to the Borough’s waste management system. The Borough is concerned about the degrading condition of alleyways and streets and concerned about any health and safety issues related to the proper handling of municipal waste. Historically, problems related to improper waste handling are difficult to correct and enforce when residents have individual/private subscription service. The Borough is particularly interested in understanding if a municipal contract waste collection system can: reduce negative impacts from collection vehicle traffic, improve alleyway collection, create a more consistent and efficient collection schedule for Borough residents, and possibly offer a cost savings for waste and recycling services to residents.

The following conclusions and recommendations are based on GF’s review of background information related to Lansdale Borough municipal waste and recycling needs, understanding of the local recycling markets, understanding of the existing County municipal waste and recycling programs, and the demographic information reviewed in this report.

It appears favorable for the Borough to move forward with a more detailed analysis of a contracted waste and recyclable collection system. In a municipal contract system, the Borough enters into a contract/agreement with a hauler that is awarded the contract as the result of a competitive bid process. If the Borough's detailed analysis confirms the Borough should move forward with a contract collection system, it is recommended the Borough develop bid specifications and update its solid waste ordinance.

Based on our preliminary analysis in this Report, it is expected the contracted services will be both cost-competitive and cost-effective (when compared to existing private subscription service). Competition can be created and preserved through periodic re-bidding (usually on a three-year term). As a worst-case scenario, if the Borough dislikes the bid responses, the Borough can "reject all bids" provided this is clearly stated in the bid documents.

Case studies reveal a competitive bid for waste collection services (in municipalities with similar demographics) typically yield a cost savings (seen as a lower cost per household). These cost savings are achieved through bidding because there is a larger customer base, which attracts prospective bidders. Servicing a larger area with one hauler allows for better route planning and increased collection efficiency (lower operational cost). These factors can increase the level of service, improve oversight of waste collection and recycling services, reduce truck traffic, reduce disposal and recycling costs paid by residents, and ultimately improve the quality of life for Borough residents.

In a contract collection system for municipal waste:

- Contract services reduce the number of waste trucks on the roads as one hauler collects all the waste instead of numerous haulers and vehicles servicing each neighborhood. Reduced traffic from heavy collection vehicles won't repair existing damage to streets and alleys, but it will minimize the extent of future damage caused by vehicles.
- The Borough can stipulate and restrict the collection of waste from highly sensitive areas, for example school zones during early morning and mid-afternoon and roads that experience rush hour traffic.
- Enforcement is facilitated because one hauler will handle all customers on an identified collection day(s) using the same routes and collection procedures.
- The Borough can require under contract that the haulers maintain adequate insurance and bonding that covers both the Borough and its residents.
- The Borough can require the contractor to collect (or include) types of waste that are typically not collected under private subscription services. Collection of a limited number of bulky items, for example, can help reduce both litter and illegal dumping.
- The Borough can specify the number of collection days allowed for pickup for trash and recyclables

It is noted that concerns associated with improper disposal of waste may become more evident if the Borough continues to grow and new businesses are established in the municipality.

APPENDICES

Appendix A
Lansdale Borough Hauler List

List of Haulers Serving Lansdale Borough

Serving Residential and Commercial Customers

ChesMont Disposal

129B South Ship Road
Exton, PA 19341
(610) 524-3200 FAX (610)524-8100

BFI Waste Systems

731 Reliance Road
Telford, PA 18969
(215)723-0400 FAX (215) 723-3892

Waste Management of Indian Valley

400 Progress Drive
Telford, PA 18969
(215) 257-1142

J.P Mascaro & Sons

315 W Sixth Street
Bridgeport, PA 19405
(800) 432-1616 FAX (610) 272-5748

Serving Commercial Customers Only

Onyx Waste Services

300 West Washington Street
Norristown, PA 19404
(610) 272-2001 FAX (610)272-4518

J.P. Mascaro & Sons

315 W. Sixth Street
Bridgeport, PA 19405
(800) 432-1616 FAX (610) 272-5748

Horizon Waste Service, Inc.

700 Brook Road, P.O. Box 572
Conshohocken, PA 19428
(610) 397-1901 FAX (610)397-1903

George Leck & Son, Inc.

P. O. Box 2609
237 Jacksonville Rd
Warminster, PA 18974-2609
Contact: Jason Leck
Phone: 215-675-8000

Accurate Paper Recycling Corp

508 E Baltimore Ave
Lansdowne, PA 19050
(610) 623-7772

Rapid Recycling

5 Brower Ave
Oaks, PA 19456
(610) 650-0737

Note: Some haulers do provide dumpsters to residential customers for short term, large volume waste generation purposes such as home repair, remodeling, clean-up, etc.