

**SWANA RECYCLING
TECHNICAL ASSISTANCE STUDY**

FINAL REPORT

**DANVILLE BOROUGH
EVALUATION OF RECYCLING ALTERNATIVES AND
EXISTING RECYCLING CONTRACT**



GANNETT FLEMING, INC.



HARRISBURG, PENNSYLVANIA

JUNE 2006

**SWANA RECYCLING
TECHNICAL ASSISTANCE STUDY**

FINAL REPORT

**DANVILLE BOROUGH
EVALUATION OF RECYCLING ALTERNATIVES
AND EXISTING RECYCLING CONTRACT**

Table Of Contents

	<u>Page</u>
EXECUTIVE SUMMARY.....	1
1.0 INTRODUCTION	2
1.1....Scope of Work	2
2.0 BACKGROUND	3
3.0 EXISTING WASTE COLLECTION AND RECYCLING SYSTEM.....	3
3.1....Waste Collection.....	3
3.1.1 Estimated Municipal Waste Generation	4
3.2....Recyclables Collection.....	4
3.3....Summary of Collection System Costs	5
3.4....Recycling Markets	5
3.5....Borough Leaf Waste Collection.....	5
3.5.1 Considering Leaf Waste Collection as Part of a Competitive Bid.....	6
4.0 REVIEW OF EXISTING RECYCLING CONTRACT.....	7
4.1....Existing Recycling Contract Information and Terms	7
4.2....Recycling Contract Review Comments	8
4.3....Existing Contract Review Summary.....	10
5.0 RECYCLING ALTERNATIVES.....	10
5.1....Continue “Status Quo” Private Subscription Collection System & Recycling Contract.....	11
5.2....Developing a New or Revised Recycling Contract	11
5.3....Significant Ordinance Revisions	11
5.4....Unstaffed Recyclables Drop-off System.....	13
5.5....Staffed Recyclables Drop-Off System.....	13
5.6....Single-Hauler Contract for Waste and Recyclables Collection Service.....	14
6.0 GRANT ELIGIBILITY FOR DANVILLE BOROUGH.....	16
7.0 CONCLUSIONS AND RECOMMENDATIONS	16

APPENDICES

Appendix A – Listing of Local Private Haulers

FIGURES

Figure 1 –Residential Curbside Recycling

SWANA RECYCLING TECHNICAL ASSISTANCE STUDY

EXECUTIVE SUMMARY

DANVILLE BOROUGH EVALUATION OF RECYCLING ALTERNATIVES AND EXISTING RECYCLING CONTRACT

Although no longer “mandated” by the Municipal Waste Planning, Recycling and Waste Reduction Act of 1988 (Act 101) to provide curbside recycling, Danville Borough is supportive of continuing its curbside recycling program. The Borough is concerned about escalating costs for securing annual recycling services for its residents, multi-family units and businesses. During the next three-year period, while the existing recycling contract is in place, it is recommended Danville Borough continue to evaluate its recycling program options. Based on GF’s evaluation, changes to the existing program will be needed in order to reach the Borough’s goals of a more economically sustainable and improved recycling program. GF reviewed the following recycling alternatives as part of this study:

- **Continue “Status Quo” Private Subscription Collection System & Recycling Contract**
- **Developing a New or Revised Recycling Contract**
- **Significant Ordinance Revisions**
- **Unstaffed Recyclables Drop-off System**
- **Staffed Recyclables Drop-off System**
- **Single-Hauler Contract for Waste and Recyclables Collection Service**

GF formulated the following conclusions and recommendations, based on review of background information and analysis of recycling alternatives:

- The Borough’s existing contract for recycling services has numerous deficiencies (refer to Subsections 4.2 and 4.3). The contract does not foster competition among potential bidders. Without creating competition, costs for contracted recycling services may increase dramatically (Borough recycling costs have increased in the most recent contract by over 50 percent). Managed competition is needed in a municipal bidding process to influence pricing and service.
- Since the recycling-only bid does not foster competition in the Danville area, the bid documents should be changed to make the services desirable to bidders. If the Borough does not develop a better recycling contract, it may not be feasible to continue the curbside recycling program.
- Based on a review of the recycling alternatives presented in this study, a single-hauler contract collection system that bundles waste collection and recyclables collection is recommended. This alternative could lower homeowner and Borough costs for recycling services. The current per household cost for trash and recycling is **\$20-\$21** per month (or **\$240 - \$250** annually). A single-hauler contract may reduce the cost per household for trash/recycling services by **15 - 35 percent**. Single-hauler contract collection has a substantial number of other advantages beyond cost savings (refer to Section 5.6).
- The Borough can include an administrative fee that is built into the contract cost to cover the cost of administrating the contract and to offset costs associated with other beneficial programs.
- Other recycling alternatives have been reviewed in this study and should be considered carefully by the Borough. Importantly, as the Borough evaluates its recycling alternatives, it should consider that maintaining a “mandatory” recycling program will ensure the Borough’s eligibility and “priority” for future Recycling Grants (refer to Section 6.0).

**SWANA RECYCLING
TECHNICAL ASSISTANCE STUDY**

FINAL REPORT

**DANVILLE BOROUGH
EVALUATION OF RECYCLING ALTERNATIVES
AND EXISTING RECYCLING CONTRACT**

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), Danville 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 evaluating the Borough's recycling alternatives. The evaluation includes review of the recycling contract and bid specifications used by the Borough to secure recyclables collection and recyclables drop-off services for Borough residents.

1.1 Scope of Work

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

- Task #1** GF will work with Danville Borough to gather pertinent background information needed to evaluate the existing recyclables collection program. This task will require review of the existing recyclables collection requirements and related ordinances.
- Task #2** GF will evaluate the feasibility of continuing the existing recycling program and consider other recycling alternatives and/or arrangements that may be feasible for the Borough.
- Task #3** GF will prepare and provide the Borough with a summary report of findings and recommendations. This task includes a review of the report by PADEP and response to PADEP comments. Additionally, 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 hardcopy version of the report will be provided to the Borough.

2.0 BACKGROUND

The Borough of Danville is located in Montour County, Pennsylvania and occupies an **area of 1.6 square miles**. The major transportation routes through Danville are Routes U.S. 22 and PA 54. Based on the most recent decennial US Census (2000), Danville Borough is home to approximately **4,900 residents**. These residents occupy approximately **2,200 households** based on the number of residents that are presently billed for various public services (including recycling). The Borough has been experiencing a gradually decreasing population growth. The 2000 Census confirmed that the Borough's population fell below 5,000 residents. Consequently, Danville Borough is no longer mandated by Pennsylvania's Municipal Waste Planning, Recycling and Waste Reduction Act (Act 101) to provide curbside recycling. The population criteria established by Act 101 pertaining to mandated recycling programs is contained in Section 1501 below:

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.*

Even with the change in the Borough's status from a mandated to non-mandated recycling community, the Borough is supportive of continuing to offer recycling service to its residents. Currently recycling remains mandatory for residents as a requirement of the existing Borough Ordinance. Due to increasing costs for recycling, the Borough wishes to evaluate and consider its recycling options carefully and on an ongoing basis. The Borough's recently executed Recycling Contract increased in cost by over 50 percent from the prior recycling contract. The Borough needs to proceed carefully with recycling initiatives. Continuing to provide comprehensive recycling services in Danville Borough will require political support. In order to implement changes to the waste collection system, Borough staff and Council will need to make decisions on a number of important issues.

3.0 EXISTING WASTE COLLECTION AND RECYCLING SYSTEM

3.1 Waste Collection

Borough residents privately subscribe with one of several local haulers for trash collection (recycling service is not included). On average, four to five different local haulers provide waste collection services to residential establishments within the Borough in any given year. Some of these haulers are listed in **Appendix A**. The trash collection days and collection routes vary widely among these haulers.

3.1.1 Estimated 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 multiplying it by the Borough's current estimated population (rounded) of 4,900, approximately **4,250 tons** of municipal waste is generated annually by Danville Borough. It can be assumed that the quantity of waste generation will decrease slightly over the next five years, since the residential population of the Borough has been decreasing gradually. The number of households, population and estimated waste generation can be helpful information to provide in bid documents or request for proposals when soliciting services for recycling and/or waste collection.

3.2 Recyclables Collection

The Borough competitively bids every three years for curbside recyclables collection services plus drop-off recycling service. The most recent contract began on **January 1, 2006** and ends December **31, 2008**. The current recycling vendor provides curbside recycling services to four (4) Wards in the Borough on a monthly collection schedule (refer to **Figure 1** at the end of this report).

Curbside Materials Collected Source-Separated

- **Glass**
- **Aluminum cans**
- **Bi-metallic (steel) cans**
- **plastic # 1**
- **Plastic # 2**
- **Newspaper**

Drop-off Materials Collected

Under the recycling contract, there is one (1) recyclables drop-off location in Danville Borough. The recyclables drop-off is located at the contractor's facility on Railroad Street. The operation/service/processing for the site is all part of the existing three-year recycling contract. Multi-family dwelling owners, commercial establishments and residents may use the facility. There is no charge to residents to drop-off recyclables. The drop-off is open every Saturday from 10:00 a.m. until 1:00 p.m. The recyclables drop-off accepts the following materials:

- | | |
|-----------------------------------|-----------------------|
| ▪ Glass | ▪ Newspaper |
| ▪ Aluminum cans | ▪ Cardboard |
| ▪ Bi-metallic (steel) cans | ▪ Office paper |
| ▪ Plastic # 1 | ▪ Chipboard |
| ▪ Plastic # 2 | ▪ Magazines |

3.3 Summary of Collection System Costs

In the private subscription waste collection system in Danville, private hauler rates for waste collection service vary. Assuming there are 2,200 households in the Borough, the contracted rate for recycling service under the current recycling contract, including service of one drop-off site, is **\$11 per household per year**.

Table 1 presents a summary of private subscription trash service and contracted recycling services for households in the Borough. The information is based on a phone survey of the haulers conducted in February of 2006. The average cost per household for standard weekly trash collection without recycling is **\$18.00 - \$20.00 per month or \$218 - \$240 per year**. Recycling adds about another **\$1 per household per month**. Bulky items will be picked up at an additional charge that typically is about **\$25 per item**.

Table 1: Current Curbside Residential Waste and Recyclables Collection Rates

Hauler Name	Weekly Trash Collection (cost/HH/mo.)	Bulky Item Collection	Trash Collection (cost/HH/year) ⁽²⁾	Trash Plus Recycling (\$11) (cost/HH/year) ⁽²⁾
Barry's Disposal Service ⁽¹⁾	\$20.00	Extra charge (per pick-up)	\$240	\$251
Frank Weaver Rubbish Removal	\$18.00	Extra charge (per pick-up)	\$216	\$227
Valley Disposal Service	\$18.00	Extra Charge (per pick-up)	\$216	\$227
Jaws Recycling	\$20.00 or \$21.00 ⁽³⁾	Extra Charge (per pick-up)	\$240 - \$252	\$251 - \$263

⁽¹⁾ Barry's accepts 4-6 bags maximum per collection (weekly).

⁽²⁾ Leaf waste is collected by the Borough's Public Works Department and staff and this cost is not included.

⁽³⁾ Jaws Recycling offers trash collection only at \$21.00 per month per household, and a discounted rate of \$20.00 per month for trash collection and recycling. Jaws offers a free month for residents that pay the annual collection fee in one payment.

3.4 Recycling Markets

When developing a curbside program, it is important to identify the best local recyclables outlets, understand recycling market trends, and when feasible, transport materials to the closest recycling markets to reduce transportation costs. Danville Borough has very few recycling markets locally available. Jaws Recycling (Jaws) is the primary recycling market/vendor and is currently under contract with the Borough to provide monthly curbside collection and drop-off recycling services to Borough residents. Jaws also provides curbside trash collection service.

3.5 Borough Leaf Waste Collection

The Danville Borough Public Works Department collects leaves in the fall (beginning in October) and collects tree trimmings the first Monday of every month. Leaves and tree trimmings are composted according to PADEP guidelines. Danville Borough collects Christmas trees beginning the first Monday following Christmas and ending the third Monday in January. The Borough does not collect grass clippings.

Although Danville Borough is no longer mandated by Act 101, it is important the Borough continue to implement a mandatory residential recycling program (via ordinance) in order to receive the same “priority” for Recycling Grant funding as mandated recycling communities. This includes continuing the Borough leaf waste collection program in a manner consistent with Act 101. The Borough has received Recycling Grants in the past for a chipper, windrow turner and for various other items to enhance their recycling and leaf waste collection program.

For the Borough to meet Act 101 and PADEP policies and guidelines pertaining to leaf waste, the ordinance must:

- 1. Prohibit the burning of recycled materials collected within the Township, including leaf waste**
- 2. Require curbside collection of leaves and garden residue, shrubbery, tree trimmings, and similar material (i.e. brush)**
 - 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).

3.5.1 Considering Leaf Waste Collection as Part of a Competitive Bid

If, in the future, the Borough competitively bids for waste and/or recycling service, the Borough may elect to include curbside leaf waste collection services in the bid package. The Borough may also wish to continue to have the Public Works Department provide these services separate from any waste and/or recyclables collection contract. In many municipalities, staff shortages, liability and costs (e.g. health care), and expenses associated with providing leaf collection (or other collection service), make contracting for these services a desirable option.

Including leaf collection services in the Borough’s bid specifications may increase the total cost/fee per household under the contract. However, the added value of having a contracted entity provide the service can outweigh a higher contract price. Even with leaf waste collection services added, it is probable that the price from a municipal bid including bundled¹ services (e.g. waste, recycling, leaf waste, bulky items, etc.) will still be lower than the total cost per household when compared to the current private subscription waste collection system plus recycling contract (about \$230 per household per year).

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. The actual cost for contracted leaf collection services will only be known after bid responses are received. The Borough could solicit a price for leaf (or yard waste) collection as an option in the bid with the

¹ **Bundled or bundling services:** Combining a group of related services in order to achieve a comprehensive service package. Bundling services can potentially make the service package more attractive to bidders and may result in a better cost for the contracted services. For example, bidding curbside recycling services may not be attractive to contractors unless waste collection services are also included.

understanding that the Borough would select the service only if the pricing and service was favorable.

4.0 REVIEW OF EXISTING RECYCLING CONTRACT

GF completed an independent review of the recycling contract/bid documents for the period January 1, 2006 through December 31, 2008 for curbside recycling services plus service and operation of one drop-off site. This section includes some of the important service information and terms from the contract that were believed to be most relevant to this recycling evaluation. General and specific comments related to the review of the recycling contract are provided in Subsection 4.2.

4.1 Existing Recycling Contract Information and Terms

1. This agreement is for three (3) years beginning the first day of January 2006 and ending the thirty-first day of December 2008.
2. Curbside collection typically occurs on the 1st Thursday of each month in First Ward, the 2nd Thursday of each month in Second Ward, the 3rd Thursday of each month in Third Ward and the 4th Thursday of each month in Fourth Ward.
3. The Collector will collect recyclables in each Ward between the hours of 8 a.m. and 4 p.m. on the designated recycling days. The Collector “tags” materials unsuitable for collection with a rejection sticker provided by the Borough. The Collector will leave a “Rejection Sticker” and mark on the sticker the reason why materials were not collected.

Manpower & Equipment

The existing recycling contract contains the following option: Danville Borough will provide up to two (2) trucks and two (2) recycling collection trailers solely for the collection of curbside recyclables and transportation of Danville’s recyclables to the Collector’s facility.

Drop-off Collection

The Collector will provide drop-off service of recyclables from 10 a.m. until 1 p.m. on each and every Saturday throughout the year. The drop-off will be located at the Collector’s facility located at 300 Water Street in Danville. The drop-off site is subject to change at the discretion of Danville Borough.

The drop-off service and location will be provided by Collector for use by the following:

1. Residents of Danville Borough
2. Owners of multi-family dwellings (more than three units per building) located in Danville Borough.
3. Commercial, municipal and institutional establishments located in Danville Borough.

The Collector will collect the following materials at drop-off free of charge to the participants:

- Clear, brown & green glass
- Aluminum cans
- PETE #1 bottles-(all type of PETE #1 bottles to be accepted).
- HDPE #2 bottles- (all type of HDPE #2 bottles to be accepted).
- Tin & bi-metal food
- Office Paper
- Corrugated Paper
- Newspaper-(glossy inserts not accepted)
- Glossy Magazines
- Chip Board

Monthly Reports

The Collector will report the following information to Danville Borough:

- A. The type of material collected at curbside each month.
- B. The total weight of each type of material collected at curbside each month.

4.2 Recycling Contract Review Comments

1. **Complexity:** Generally, the recycling contract/bid specifications appear to be overcomplicated and confusing. The document contains some unreasonable or limiting requirements that appear to make the contract unattractive to potential bidders. For example, the document requires that a prospective bidder must provide a drop-off site at the contractor's recycling facility. Since most prospective bidders do not have an existing recycling facility in Danville, this provision is limiting. Too few bid responses negates the benefits of managed competition. Benefits include competitive pricing and opportunities to negotiate improved service options.
2. **Monthly Collection:** The contract/bid specs designate a monthly recycling schedule that varies depending on the area or "ward" that is serviced. Monthly curbside recycling service meets the minimum Act 101 recycling requirements (for mandated programs). However, monthly collection is not typically recommended for curbside recycling programs. The performance of a recycling program is highly dependent on convenience. A monthly collection schedule commonly creates numerous deficiencies in the recycling program such as:
 - Residents are required to store bulky, even odorous recyclables for an extended period, which may result in recyclables that are disposed as trash.
 - Residents may forget the recycling day (decreased participation).
 - Educating residents may require more effort by hauler and Borough.
 - Increased contamination of recyclables tied to the education component.
 - Less total recyclables recovered and marketed for revenue.
3. **Equipment and Manpower Scenarios:** One area that appears confusing is the incorporation of a number of equipment and manpower scenarios where the Borough's recycling collection vehicles may be used. Although it is understood that a potential

bidder is not required to use the Borough's equipment, the sections on equipment and manpower still remain confusing to the reader. Some contractors may simply prefer to use their own collection equipment.

It is not clear that the Borough fully understands whether or not including or sharing the Borough's existing equipment is actually beneficial to the bid (e.g. lowers the contract cost) or even beneficial to the Borough. Depending on the age, type of equipment, and based on other factors, it may not be economically feasible or practical for some contractors to use the Borough's collection equipment. A potential contractor may have concerns of possible liabilities. Eliminating these equipment options from the bid specifications should be considered closely. It is recommended the Borough discuss the continued use of Borough equipment with local haulers/contractors as well as with PADEP to ensure this equipment is utilized in the best way possible, either in the Borough's recycling program or even in another municipal program.

As a subsequent note, the recycling industry is changing rapidly. Many recycling vendors have recently added new recycling vehicles to their fleets. The latest recycling vehicles have compaction capability and other technologies to maximize capacity, thus improving collection efficiency. It may be much more feasible for a potential bidder to offer collection services using their own vehicles. It is recognized, however, that recycling vendors are not common in the Danville area, and competition is very limited.

4. **Monthly Recycling Report Requirements:** The contract/bid specs require monthly reporting from the contractor. Monthly reporting requirements by a contractor can be seen as administrative "overkill". Having monthly reporting (versus less frequent reporting) typically doesn't serve any value to overseeing a small municipal recycling program. A minimum of a quarterly reporting requirement is suggested to be fair to the contractor. Changing this requirement may also minimize the Borough's administrative effort in following up with the contractor each month to obtain a recycling report.

It is also suggested the Borough re-evaluate the reporting requirement for breaking down individual recyclable materials by weight. PADEP does not require a breakdown of individual material types for materials that are collected "commingled" (i.e. recyclables collected combined in a single container). Many recyclables markets also accept or market materials as "commingled", and thus a breakdown by material type would need to be estimated. If it appears feasible for a future collection contract, the Borough should eliminate the requirement of reporting individual material weights if the material can be collected commingled.

5. **Specific drop-off service requirements:** The contract/bid specs require that a drop-off must be located at the contractor's facility. This specification appears to limit the number of potential contractors that may be able to fulfill this requirement, since some potential contractors will not have a facility in a convenient location for a residential drop-off.

4.3 Existing Contract Review Summary

In an area like Danville, where competition is fairly limited, a single contractor/vendor can become “the only game in town”. Lack of competition may increase the likelihood that the cost for services (in this case recycling only) may increase without being checked by competition. Consequently, it is important that any municipal bid documents are prepared clearly, concisely and in a manner that creates an attractive bid package for potential bidders. In the latest bid (2006), the cost of the recycling contract increased by over 50 percent from the previous contract. This does not mean the cost increase by the recycling contractor (who previously held the contract) was not justified.

Generally, it appears that the Borough’s repeated use of an older recycling contract/bid spec has fostered a situation where there is no competition and only one local contractor has the interest or ability to meet the recycling service requirements. The Borough’s recycling contract/bid document and corresponding service specifications do not secure comprehensive and convenient recycling services at a competitive price. Some of the key aspects of the contract and related issues that should be re-evaluated and decided upon by the Borough include:

- **Monthly collection** – More frequent collection can significantly improve the recycling program and does not necessarily mean a higher cost to the Borough.
- **Fostering competition** – Bidding recycling only is not creating competition, in large part because the Borough is not a significant generator of recyclables. **Bundling recycling with municipal waste collection and considering bundling other services may be beneficial to bidding process and improve the overall waste collection system efficiency and cost effectiveness.** These benefits can reduce the cost of the recycling component of the program and can reduce the cost per household for these services (as compared to the current cost per household).
- **Well thought out bid specifications/contract** – More thought needs to be put into a future bid document to meet the Borough’s needs. Time should be spent developing a comprehensive bid document. It will take a concerted effort to agree upon and make decisions on important issues related to the goals of the Borough pertaining to waste collection and recycling. These goals can be met and services can be implemented via a sound municipal bid process and an intelligently constructed collection contract. The contract may even be developed in a manner that allows the Borough to recover the administrative costs of the collection program.

5.0 RECYCLING ALTERNATIVES

As stated previously, Danville Borough has an existing contract for curbside recycling service including operation of one (1) recyclables drop-off site through December 31st, 2008. Any recycling alternatives considered should consider the terms of the existing recycling contract. Well in advance of the expiration of the existing recycling contract, it is recommended the Borough continue to evaluate its options for providing curbside recycling and other recycling services (e.g. drop-off) to Borough residents, multi-family units and businesses. The following sections provide an overview of recycling alternatives that may be available to the Borough to help improve upon the existing recycling program. Lowering the Borough’s cost for recycling service is an important consideration, since achieving a lower cost for recycling service can support a more sustainable recycling program.

5.1 Continue “Status Quo” Private Subscription Collection System & Recycling Contract

The Borough has the choice to continue the existing “status quo” collection system and recycling program

Advantages:

- Administration is easy and familiar to the Borough.
- It is likely the recycling contract would be fulfilled by the same vendor. The Borough would be familiar with implementing the contract and working with this vendor.
- The current program and recycling ordinance meet most aspects of the Act 101 and PADEP guidelines of a “mandatory” recycling program, and therefore, the Borough appears eligible to receive Recycling Grant funding. Section 3.5 offers burning and leaf waste requirements that should be accurately reflected in the Borough’s ordinance(s).

Disadvantages:

- Does not address a primary concern by the Borough, which is the increasing costs associated with providing recycling services to residents. Even if the existing recycling contract was revised and re-bid, a recycling-only contract may not foster competition (lower the cost) in the Danville area.
- The cost for the recycling service component of the program is high when compared with some other recycling alternatives (e.g. bundling waste collection and recycling in a single-hauler contract).
- Keeping price increases in check may be difficult due to lack of competition.
- The cost of the recycling program (and per household waste collection cost) may continue to escalate with very little control over these costs.

5.2 Developing a New or Revised Recycling Contract

Based on GF’s review of the existing recycling contract, it is not suggested the Borough use this contract/bid specs to secure recycling services in future municipal bidding. Although the Borough could revise the bid document or create a new recycling bid document, it does not appear that a recycling-only contract will foster competition, significantly lower costs, and be able to noticeably improve the Borough’s position relative to recycling.

Advantages and disadvantages are not included since GF does not recommend the Borough invest its time and resources in developing a new recycling-only contract.

5.3 Significant Ordinance Revisions

One alternative the Borough can consider is making significant revisions to the Borough’s solid waste ordinance. Via a revised or new ordinance, the Borough can make changes to the private subscription waste collection system and expand the haulers roles related to recycling. Conceivably, once appropriate ordinance revisions are incorporated, the Borough could continue

to have a mandatory recycling program in the Borough without renewing the recycling contract. A solicitor should be involved in this process.

Many municipalities in Pennsylvania are beginning to use ordinances to be a much more powerful recycling program implementation and enforcement tool. Some of the ordinance provisions that can be considered include:

- Requiring all haulers collecting Borough generated municipal waste to also collect designated recyclables at the curbside. Notably, this may have some drawbacks for some haulers that may not be equipped to collect and transport recyclables. Such requirements may produce general negative feedback from haulers. However, many municipalities have been successful in implementing this requirement.
- Requirement for haulers to transport recyclables to a designated facility.
- Requirements for the haulers to report quarterly to the Borough on the quantity of material recycled.
- Clear enforcement or penalty procedures that include a reasonably quick enforcement and penalty process. Some municipalities include sizeable fines (e.g. \$600) for residents with a warning letter procedure that explains how the ordinance was violated and that subsequent violations will result in the \$600 fine.
- Municipalities have also successfully incorporated a “citation” process into ordinances as a means to quickly assess a set fee for the observed violation. This is used as a faster method (less court process) to ensure haulers meet their requirements.

In all waste collection systems scenarios that may be considered, the Borough should evaluate the existing ordinance to ensure that it effectively supports and enforces the desired waste collection system and recycling program needs.

Advantages:

- Is a legal mechanism that may be employed to ensure ongoing recycling service is provided to residents.
- The recycling contract/services would not need to be re-bid in the future.
- The cost for recycling service would be paid by the residents/households. The cost for these services would be passed on to the resident by the private haulers.

Disadvantages

- Time, effort and costs (e.g. consultant and solicitor) will be needed to develop Ordinance Revisions
- Ordinance revisions will need to be agreed upon and formally approved/adopted by Borough Council.
- Since private haulers will pass the cost of recycling services to the residents (in this scenario), the cost per household for collection service will typically increase. Residents may become dissatisfied with the cost (and service) and the Borough may have to deal with incoming complaints.

5.4 Unstaffed Recyclables Drop-off System

Because the Borough is no longer “mandated” to recycle, it could eliminate the curbside collection program and not be in violation of Act 101. There is currently one (1) unstaffed drop-off site available to residents, commercial establishments and owners of multi-family dwellings in the Borough. The operation of this drop-off is included under the existing contract and is expected to continue at least through the end of the contract term in 2008.

Advantages:

- Unstaffed drop-off sites are considered to be the least expensive municipal recycling option (as a cost per household). Since recyclables would be delivered to the sites by residents and other participants, the collection costs, staff costs, and a portion of transportation cost is eliminated.

Disadvantages:

- The sites will still need to be serviced, typically on an “on-call” basis when the containers are near full. The cost for each “pull” typically ranges from \$150 - \$250 depending on the contract, distance to market and other service requirements.
- Contamination at unstaffed drop-offs is a serious problem that devalues the recyclables. Unstaffed recycling sites are prone to dumping, vandalism, arson and other nuisances and liabilities. Customized openings fitted to the recyclable shape are highly recommended for all unstaffed drop-off sites.
- Residents may not view drop-off as convenient, especially when they are used to the existing curbside collection program.
- Providing drop-off recycling service only will likely decrease the Borough’s recycling rate.
- Replacing the Borough’s mandatory curbside recycling program with a voluntary unstaffed drop-off recycling program only will mean the Borough will no longer receive “priority” for Recycling Grants

In a small Borough such as Danville, two to three residential drop-off sites located at areas that are frequently trafficked may be sufficient. Assessing the need for drop-off sites for commercial establishments (and possibly multi-family units) would require a more in depth look at the businesses in Danville, which is not in the scope of this study. Convenience will still be critical for commercial drop-off site. Preferably, sites should be located near the participating business(es).

5.5 Staffed Recyclables Drop-Off System

Some municipalities use one or more staffed drop-off sites for recycling. Staffed drop-offs are sometimes preferred because the quality of recyclables can be monitored and controlled better than unstaffed drop-off sites.

Advantages:

- Typically better recyclables quality over unstaffed drop-off sites.
- May minimize dumping, vandalism, arson and other nuisances and liabilities when compared to unstaffed drop-off sites.
- May offer opportunities to recycle an expanded list of materials (e.g. clothing)

Disadvantages:

- Due to the small size of Danville Borough and the availability of curbside recycling, it appears that operating a staffed drop-off in Danville may not be economically feasible at this time. If a staffed drop-off is considered, it is recommended the Borough consider part time hours of operation and the use of volunteers to minimize costs.
- Requires capital investment for the site and equipment.
- Requires staffing. Operation of the site comes with various liabilities (e.g. injuries).
- Requires ongoing (day to day) operation, administration and corresponding costs.
- Replacing the Borough's mandatory curbside recycling program with a voluntary drop-off recycling program that is staffed means the Borough will no longer receive "priority" for Recycling Grants.

5.6 Single-Hauler Contract for Waste and Recyclables Collection Service

Danville Borough needs to ask itself a serious question: Why contract separately or exclusively for recycling services? Consider the following:

- The total amount of recyclables generated by the Borough is small and therefore creates little bargaining power or offers little incentive to prospective bidders or recycling markets. Consequently, any contract is essentially a collection service contract only, with little opportunity to generate appreciable revenues through sale of recyclables for any party.
- The existing recycling bid document does not effectively foster competition by a number of potential contractors.
- Adding or bundling municipal waste with recycling services may make the bid for recycling much more attractive to bidders, thus lowering the price for recyclables collection service (and potentially include other services at a competitive price) as a result of competition and markets. In other words, it is suggested the Borough take advantage of the bigger market, which is municipal waste in this scenario.

Advantages:

- The addition of municipal waste into the municipal bid can make the bid more attractive to prospective collection contractors, thus creating a better position for the Borough to manage competition and cost through a well thought out municipal bid process.

- Executing a well written single-hauler contract for bundled recycling and waste services is a feasible waste collection alternative that can insure that the Borough is able to “sustain” recycling services to residents into the future.
- The bid document and resulting contract may be able to feasibly offer recycling services to at least some businesses and even multi-family units.
- A sound contract can address many aspects of enforcement. An executed contract is a legal and binding service agreement.
- Because the current per-household cost for trash and recycling is \$20-\$21 per month (or \$240 - \$250 annually), there is an opportunity to reduce the per-household cost for these by 15-35 percent through the bid process.
- The Borough can better manage recycling costs by having the residents pay the built in cost for recycling, or elect to pay for recycling on behalf of the residents.
- The Borough can include an administrative fee that is built into the contract cost to cover the cost of administrating the contract and possibly to offset costs associated with other beneficial programs (e.g. yard waste collection/processing). The fee can be collected by the hauler and could be paid by residents as part of the per household fee for collection.
- Improved collection system compliance achieved with less active enforcement as a result of the executed agreement (e.g. liquidated damages may be included in contract).
- The contract should be consistent with the recycling ordinance, which will reinforce the Borough’s mandatory recycling program and eligibility/priority for Recycling Grants.
- Having collection service in the Borough by one hauler allows for better route planning, increased collection efficiency, lower operational cost, reduced truck traffic and nuisances, improved safety, minimized street repairs.

Disadvantages:

- Barriers: Getting political support may be difficult, especially since the noisy minority will complain to the Borough about freedom of choice and infringing on their right to choose a hauler. It is very important the Borough educate residents (and Borough staff and Council) early and continually about the benefits of an improved collection system.
- The Borough will need to spend time developing a comprehensive collection system and incorporating this into a bid document. This will require that the Borough make a number of decisions on these issues in order to move forward. Key decisions will include such items as:
 - Number of collection days and collection schedule
 - Trash bag limits or Pay-as-you-Throw collection systems (where residents pay per bag or per container).
 - Recycling containers (size, determining who will pay for them, distribution)
- There will be a cost in developing a comprehensive waste and recycling bid document. This can typically range from \$3,000 to \$7,500 depending on the complexity.
- Requires some ongoing contract administration, especially in the first year of implementation as the Borough becomes familiar with the new waste and recycling program

6.0 GRANT ELIGIBILITY FOR DANVILLE BOROUGH

As the Borough moves forward with recycling initiatives, it is recommended the Borough continue to pursue Recycling Grants to improve the performance and sustainability of these programs. Although Danville Borough is no longer mandated by Act 101, the Borough will be treated the same as any Act 101 municipality mandated to recycle by Section 1501 of Act 101.

This "protection" is afforded in **Section 902 (d) (d) Priority**. - Each municipality, other than a county, which establishes and implements a mandatory source separation and collection program for recyclable materials shall be given the same priority with municipalities subject to the requirement of Section 1501 for the grants under this section.

The Borough will lose this "protection" to receive the same level of grant priority as other mandated or mandatory recycling programs if it discontinues its curbside recycling ordinance and mandatory recycling program. Importantly, 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. Negotiating favorable waste and recycling contracts is excellent way to manage and recover costs to support these programs.

7.0 CONCLUSIONS AND RECOMMENDATIONS

Although no longer “mandated” by the Municipal Waste Planning, Recycling and Waste Reduction Act of 1988 (Act 101) to provide curbside recycling, Danville Borough is supportive of continuing its curbside recycling program. The Borough is concerned about escalating costs for securing annual recycling services for its residents, multi-family units and businesses. During the next three-year period, while the existing recycling contract is in place, it is recommended Danville Borough continue to evaluate its recycling program options. Based on GF’s evaluation, changes to the existing program will be needed in order to reach the Borough’s goals of a more economically sustainable and improved recycling program. GF reviewed the following recycling alternatives as part of this study:

- **Continue “Status Quo” Private Subscription Collection System & Recycling Contract**
- **Developing a New or Revised Recycling Contract**
- **Significant Ordinance Revisions**
- **Unstaffed Recyclables Drop-off System**
- **Staffed Recyclables Drop-off System**
- **Single-Hauler Contract for Waste and Recyclables Collection Service**

GF formulated the following conclusions and recommendations, based on review of background information and analysis of recycling alternatives:

- The Borough’s existing contract for recycling services has numerous deficiencies (refer to Subsections 4.2 and 4.3). The contract does not foster competition among potential bidders. Without creating competition, costs for contracted recycling services may increase dramatically (Borough recycling costs have increased in the most recent contract

by over 50 percent). Managed competition is needed in a municipal bidding process to influence pricing and service.

- Since the recycling-only bid does not foster competition in the Danville area, the bid documents should be changed to make the services desirable to bidders. If the Borough does not develop a better recycling contract, it may not be feasible to continue the curbside recycling program.
- Based on a review of the recycling alternatives presented in this study, a single-hauler contract collection system that bundles waste collection and recyclables collection is recommended. This alternative could lower homeowner and Borough costs for recycling services. The current per household cost for trash and recycling is **\$20-\$21** per month (or **\$240 - \$250** annually). A single-hauler contract may reduce the cost per household for trash/recycling services by **15 - 35 percent**. Curbside leaf waste collection services may also be bundled into a comprehensive bid package in a manner that ensures compliance with Act 101 and PADEP policies and guidelines. Single-hauler contract collection has a substantial number of other advantages beyond cost savings (refer to Section 5.6).
- Section 3.5 offers burning and leaf waste requirements that should be accurately reflected in the Borough's ordinance(s).
- The Borough can include an administrative fee that is built into the contract cost to cover the cost of administrating the contract and to offset costs associated with other beneficial programs.
- Other recycling alternatives have been reviewed in this study and should be considered carefully by the Borough. Importantly, as the Borough evaluates its recycling alternatives, it should consider that maintaining a “mandatory” recycling program will ensure the Borough's eligibility and “priority” for future Recycling Grants (refer to Section 6.0).

APPENDICES

Appendix A
Danville Borough Haulers

List of Haulers Serving Danville Borough

The number of active private waste hauler's in Danville varies year to year. Some of the waste haulers currently operating in the Borough include the following:

Barry's Disposal Service

232 Kashner Drive
Danville, PA 17821
(570) 275-0208

Frank Weaver Rubbish Removal

350 Columbia Hill Road
Danville, PA 17821
(570) 275-0486

Valley Disposal Service

20 Garman Road
Danville, PA 17821
(570) 275-1636

Jaws Recycling

411 Railroad Street
Danville, PA 17821
(570) 271-1080

Figure 1
Residential Curbside Recycling

FIGURE 1

RECYCLING COLLECTION AREAS

