

Public/Private Partnerships and the Seattle Solid Waste System: Reduce, Reuse, Recycle, Relationships ps

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Timothy Croll, Solid Waste Director, Seattle Public
Utilities

Seattle's Solid Waste System

- 550,000 population
- 150,000 residential can customers
- 4,000 residential dumpster customers
- 6,000 commercial dumpster customers
- Garbage, recycling, and compostables curbside collection
- Variable can rate for garbage and compostables
- In 2008 generated almost 800,000 tons of MSW, of which 50% was recycled or composted
- Reliance on private, contracted partners for collection, some transfer, processing, and disposal
- New collection contracts started 3/30/09

Partnership starts with listening

- Extensive proposer input on draft Request for Proposals
- Addressed risk allocation concerns:
 - Labor disruption
 - Transportation disruption
 - Fuel, labor escalator
- Expunging “liquidated damages” from our vocabulary
- Added many more carrots as well as the sticks we already had

Services provided under collection contracts

- Process bill payments for commercial customers
- Commercial customer recycling audits on demand
- Monitor for banned recyclables and yard waste in residential garbage cans
- Marketing and customer education
- Neighborhood recycling/waste reduction grant program
- Dumpster free alleys
- Emergency response

Services provided under collection contracts, con't

- Data, data, data
- All new fleet with CNG
- Social goals
 - Prevailing wage
 - Equal benefits
- Communication
 - Regular meetings
 - Quarterly reports

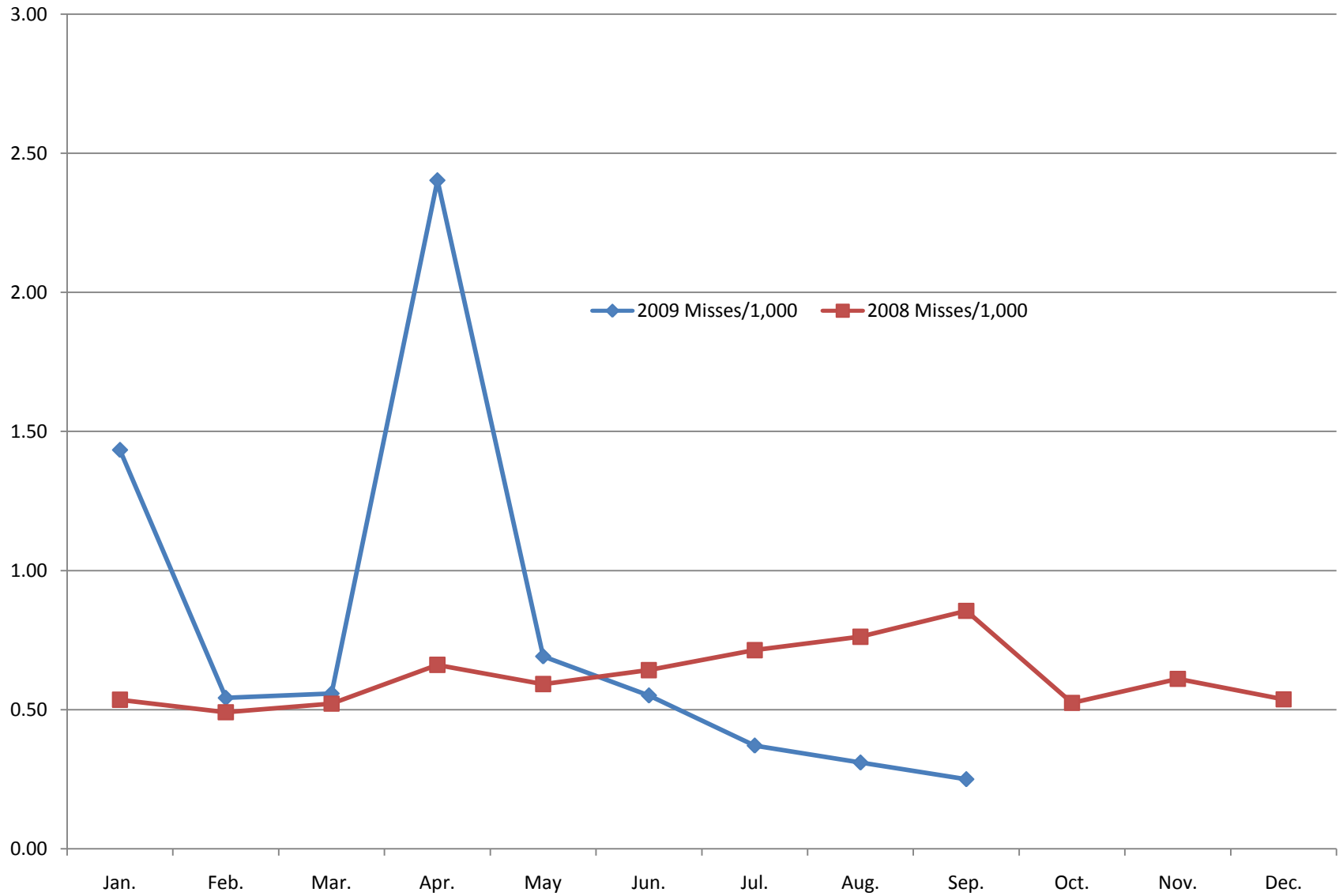
Performance Incentives

Collection Misses

- Assessed per month for:
- misses (per 1,000 stops)
- repeat misses (per 10,000 stops)
- garbage, recyclables and compostables

Collection Misses, con't

- Exceptional 0 - 0.5 \$50 per complaint below standard
- Above standard 0.5 - 0.75 \$25 per complaint below standard
- **Standard** **0.75 - 1** **\$0**
- Below standard 1 - 1.5 (\$25) per complaint
- Poor 1.5 - 2 (\$50) per complaint
- Failing >2 (\$100) per complaint



Residential Extras Recording Incentives

- Semi-annual performance bonuses or penalties:
- Above standard = 90% - 100% \$10,000 per % above standard
- **Standard** = 85% - 90% **\$ - 0**
- Below standard = 75% < 85% (\$10,000) per % below standard
- Failing = 0% < 75% (\$20,000) per % below standard

Bonus/Penalties

- **Commercial Call Wait Incentives**
- The City expects 80% of customer calls to be answered in one minute. (Monthly)
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- **Commercial Abandoned Call Incentives**
- Abandoned calls to be under 10% per month. (Monthly)
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- **Commercial Customer Satisfaction**
- Customer satisfaction rating above 5 on a scale of 1 – 7 for commercial garbage service. (Biannual.)
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- **Transfer Station Cycle Time**
- Cycle time at the transfer facility to be 10 - 15 minutes. (Per trip.)

Quarterly Partnership Payments.

Credit or deduct up to \$3,000 per item below for succeeding or failing to achieve each component :

- 1) Resolving all service discrepancies;
- 2) Completing all required electronic communications
- 3) Maintaining sufficient container inventory
- 4) Performing all services above service standards (for bonus) or all services below standards (for penalty)
- 5) Other major components as agreed by the City and the Contractor.

Annual Recycling and Reduction Incentive.

- \$10 per ton for reduced garbage tons compared to the initial contract year
- \$5 per ton reduced residential recycling or compostable tons
- Maximum payment = \$75,000 per year.

Performance Fees.

- None for weather related misses.
- None for labor disruptions during the first week, and
- reasonably applied thereafter,
- with consideration of the specific circumstances and related events
- as well as the Contractor's overall performance,
- including the Contractor's efforts to mitigate impacts and maintain service levels during labor disruptions.

Performance Requirement Penalties

- Failure to **collect missed** collection within a day
- Failure to collect **Special Collection** within twenty-four hours
- Missed collection of **whole block**.
- The **third miss** within one (1) year of any particular service at a particular address.
- **Collection** outside of the **hours**
- Collection on **other than the scheduled collection day**

Performance Requirement Penalties, con't

- Failure to place Containers, lids and locks back in **original location** or collect **spillage**
- Collection **trucks exceeding weight limits**
- Unsatisfactory performance by Contractor after two (2) notices to correct specific **incidences involving the same address or collector** in any six (6) month period
- Failure to **deliver Containers** for new Garbage service within 3 business days.
- Failure to **deliver, pick-up or replace Cans, lids,locks, Detachable or Drop Box Containers** within 5 business days
- First 90 days of contract – transition grace period

Other contracts

- Long haul & disposal
 - “Off ramp” renegotiation opportunities
 - Landfill gas power generation
 - Partner tons
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- Recycling processing
 - Market risk sharing
 - Living wage for sorting staff
- Organics composting
 - Adding compostable paper products

Contact Information and Links:

- Timothy Croll, Solid Waste Director, Seattle Public Utilities timothy.croll@seattle.gov
206-684-7934
- http://www.seattle.gov/util/About_SPU/Garbage_System/Contracts/index.asp
- http://www.seattle.gov/util/About_SPU/Yard_System/Contracts/index.asp
- http://www.seattle.gov/util/About_SPU/Recycling_System/index.asp