Response to RFP for Solid Waste and Recycling Services on Behalf of the City of Medicine Lodge

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Section 1: Bid Summary

Summary of Findings

The City of Medicine Lodge has distributed Requests for Proposals to collect trash and residential curbside, single stream recycling. In order to present an unbiased and objective analysis, the City engaged Jim Heinicke, LLC to prepare a response on behalf of the City if the Governing Body wishes to continue an internal city-operated trash and recycling service. This proposal responds to the same Request for Proposal sent to private haulers.

This response is divided into three sections:

Section 1:	Bid Summary
Section 2:	Technical Responses to the RFP
Section 3:	Appendix A: Background and Rationale for Recommendations

Trash Service

Trash service can be operated in a more cost-effective manner by using a fully automated packer truck with a robotic arm which can mechanically lift trash carts at curbside. Such a service can be operated by a single driver with no need for a second employee. An analysis of the hours needed to collect the number of pickups required in Medicine Lodge is shown in Table A.4 of Appendix A (page 16) in this response.

While equipment costs are higher, the reduced labor costs would result in savings to the City. By utilizing a fully automated trash truck, pickup times can be reduced and labor costs are cut in half. Total number of pickups has been estimated, standard collection rates applied, and it is apparent that one 40-hour employee could collect this trash given the right equipment. A complete projection of pickup rates, capital costs, and all line item expenditures is shown in Table A.5 Appendix A (page 19).

Savings from the proposed method would enable an across-the-board rate reduction of ten percent for all trash customers if the City wishes to continue its own trash service without adding recycling.

Single Stream Recycling

Single stream is the most effective recycling method to encourage maximum diversion of the waste stream. Nationwide, 34% of waste is diverted to recycling and yard waste. The Kansas community average is 25%, while Medicine Lodge diverts 5.39%. So there is potential to recycle much more than is currently accomplished.

However, analysis shows it is not fiscally responsible for the City to operate its own internal single stream, residential recycling service. Total annual costs are estimated at $185,000 per year. This must

be spread only among the residential customers, since commercial recycling will likely be minimal. Therefore, the monthly costs would be approximately $17.00 not including trash collection. Clearly, this is not fiscally responsible. Even if the costs were to be spread among both commercial and residential customers, the impact would still exceed $9.00 per month.

If the City were to implement an independent program, it would require funding both collection and disposal facilities and equipment. Since the trash collection truck will be in use each day, a recycling truck must be purchased. Once collected, recycling would have to be stored in a local transfer station where it would be held until ultimate hauling to a municipal recycling facility. The current recycling building has no docks, loading bays, or loading equipment, so that those elements would have to be acquired. A loader would have to be purchased to move recyclable material in the transfer station. A long haul trailer would be needed to transport material to a municipal recycling plant. The nearest municipal recycling facility is in Hutchinson, so the City would have to arrange for hauling from the local transfer station to that location. Bearing all these costs with a limited base of less than 900 recycling customers does not offer any economies of scale. A cooperative program or private sector contractor for recycling would likely be result in a much more efficient use of resources.

Private haulers have a larger customer base over which to spread fixed costs. Likewise, a collaborative system with other cities and counties would offer similar economies of scale, but would require development of more extensive cooperation than currently exists between the governments.

Consequently, there are three alternative directions for curbside recycling at this time:

1. Abandon the concept of curbside recycling at this time.
2. If bids are satisfactory, utilize a private hauler for recycling.
3. Develop a collaborative recycling program with other local units of government at some time in the future.

Comparative Rates

Since citizens will compare Medicine Lodge rates with neighboring communities, a survey of monthly residential base rates for trash service was conducted for area cities. Table 1 presents the findings of that survey. Even after reducing trash rates by ten percent, Medicine Lodge would remain at the upper end of the rate comparison. If an independent recycling program were implemented as required by the Request for Proposal, the combined rates would place Medicine Lodge at a monthly rate roughly double that of neighboring communities. Such a high rate could result in citizen backlash which would discourage participation in the recycling program.

Table 1 Comparative Monthly Residential Base Trash Rates in Neighboring Cities		
Community	**Trash Hauler**	**Base Monthly Residential Trash Rate***
Anthony	Wyatt Trash Service	$ 19.50
Attica	Trantham Trash Service	$ 15.50
Harper	N & J Sanitation	$ 15.00
Kiowa	City of Kiowa	$ 15.50
Medicine Lodge	City of Medicine Lodge	
Current Rate		$ 21.65
After Trash Rate Reduction		$ 19.50
City operated Curbside		
Single Stream Recycling		$ 17.00
Combined Trash and Recycling		$ 36.50
***Source: Telephone survey by Jim Heinicke, LLC; November 2012.**		

If Medicine Lodge reduced residential rates by ten percent, the base rate would be $19.50. This would still be at the high end of comparative rates among neighboring cities. Two private sector services in the area collect trash for $15.50 or less, so it may be possible to reduce trash collection costs even more depending upon the bid process. Adding city operated curbside recycling would be cost prohibitive.

Proposal for Continuing City Operated Trash Service

If the City wishes to retain its trash service, it can do so with reduced rates. However, it will have to seek recycling from another source. The following table presents recommended actions to continue with the City operated trash collection.

Table 2: Proposed City Operated Trash and Recycling		
	Trash	**Recycling**

Collection Service	• Weekly pickup for residential customers.
	• Continue existing options for commercial customers.
	• Continue out of town customer collections to gain as many economies of scale as possible.
	• Continue to require all City residents/businesses to use City service.
	• Offer bulky waste pickups on scheduled basis.
	• Continue walkup service for elderly and handicapped.
		• Select one of three options:
		  ○ Contract with private hauler.
		  ○ Collaborate with other local government units.
		  ○ Abandon curbside recycling for now.

Equipment	• Acquire one fully automatic packer truck and retain one existing backup unit. • Provide standardized 90 gallon trash cart for residential customers. Carts specifications must be coordinated with new truck.	• Require vendors to supply carts.
Human Resources	• One fulltime driver is sufficient, but one other employee should be designated as backup driver.	• No City employees needed.
Disposal	• Haul collected trash daily to Barber County Landfill.	• Vendors will handle all hauling and disposition of materials.
Rates	• Base residential rate can be reduced ten percent. • Eliminate residential cart rental fees and provide standard carts within base rate. • Commercial rates can be reduced ten percent.	• If contract with private hauler, then pass through rates to customers.

Implementation Plan

The plan for implementing the new trash service is shown in Table 3. The key element is identifying the desired truck specifications and determining the timeframe for delivery.

Table 3: Trash and Recycling Implementation Plan		
	Trash	**Recycling**
Implementation Plan	• Count existing rental carts which would function with fully automated truck. Usable carts would reduce the number of new cart purchases. • Develop bid specifications for truck and carts. • Undertake bid process for carts and truck. • Order carts and fully automated truck. • Truck order could take six months depending upon specific make/model desired. • Refine route structure as desired during this period. • Deliver carts one week in advance of implementation. • Implement new collection system as soon as equipment becomes available and carts are distributed.	• Negotiate contract with vendor, including start date for new service.

Comparison to City Goals

The City has presented an array of goals for solid waste and curbside recycling within the RFP. An analysis of these proposals with respect to each of the City goals is shown in Table 3. A revised trash collection plan would meet City goals and reduce revenue requirements. However, a city operated single stream recycling program would not be feasible because of its costs.

Table 4: Satisfaction of City Goals			
Goal	**Objective**	**City Operated Trash**	**City Operated Recycling**
Standardized, equitable and affordable customer service and rates	Equitable rate schedule	1. Trash collection can be performed at lower cost with a fully automated system.	1. City operated curbside recycling at this time is not fiscally responsible. Likely public pushback on recycling due to price of city operation could result in objections to voluntary recycling. Goals are not met.
	Economies of Scale	2. Few economies of scale due to limited size of city.	
	Incentives to recycle	3. No incentives without curbside program.	

Enhance and expand services.	Biweekly curbside service	1.	Weekly trash pickup for residential and maintain commercial accounts.	1.	City operated curbside recycling at this time is not fiscally responsible. Likely public pushback on recycling due to price of city operation could result in objections to voluntary recycling. Goals are not met.
	Bulky Pickup Service	2.	This service proposed as no charge but on an appointment basis.		
	Roll Out Service	3.	Continue present system.		
Increase waste diversion	Single Stream Recycling Increase diversion rate to 20-25%	1.	Not applicable to trash.	1.	Too expensive to be financially feasible as city operated utility. Customers may reject recycling due to excessive cost under this scenario. Goals are not met.
Contractor Accountability	Reports	1.	Current operation does not maintain reporting of volumes by type of waste or type of customer.	1.	Reporting system would need to be developed.
	Access to records	2.	Open records act assures access to City records.	2.	Open records act assures access to City records.
Quality of Service	Multiple service options to meet needs	1.	City would continue to provide wide variety of commercial options, free bulky waste pickup, and free service for events.	1.	Not feasible for city to provide this service with internal operation. Goals are not met.
	Innovative and responsive service	2.	Fully automated service would allow same service at less expensive level.		
	Consistent, reliable service	3.	City staff has history of exceptionally good service.		

Section 2: Technical Responses to the Request for Proposal

X. Selection Criteria and Proposal Content

This proposal is organized to respond directly to the criteria and content requirements described within the Request for Proposal. For convenience of the City, the language within the RFP is presented in smaller *8-point text* italics, while the response to the proposal is presented in 11-point text.

*A. **Evaluation and Selection.** The City will evaluate proposals, select a Contractor and award a franchise agreement based on the criteria set forth in this section.*

The evaluation of the proposal in context with the criteria is summarized in the Bid Summary of the proposal.

*B. **Proposal Content.** Proposals should include sufficient information, relevant to the criteria described in this section, to facilitate its expeditious and accurate review by the City. The City may request clarification of, or additions to, information provided in Respondent's proposal but is not obligated to do so. The City may request clarifications or additional information from one or more Respondents, but not from others.*

1. Forms described as "Required" in this section must be attached to the signature page of the proposal.
2. Information in proposals should be organized under the paragraph headings (e.g., "X.C. Qualifications" and numbered subheadings outlined in this section).

Information in this response is referenced to the RFP sections as requested.

*C. **Qualifications** (comparable experience; references) Provide the following information:*

1. Respondent Qualifications – demonstrated experience providing similar services in a service area comparable in size to the City.

The City of Medicine Lodge has successfully performed waste collection at curbside for many decades. Trash has been collected on a weekly basis and transported to the Barber County landfill for many years. There is no question that the City is capable of collecting and transporting refuse to the county landfill or any other local destination. The City has also transported sorted recyclables to the Resource Conservation and Development recycling center for many years as part of a collaborative program with other cities.

2. Staff Qualifications - Background of individual team members that illustrates proven technical, operational and managerial experience needed to handle the proposed services.

Two City employees have worked in the refuse collection capacity for 35 and 10 years, respectively. They are familiar with the community, the collection route, specific customer needs, and the importance of performing on-time, within budget.

3. Understanding of local conditions - Understanding of local solid waste management conditions, including regulations in or affecting the City.

It would be very difficult for anyone to be more familiar than current City employees with refuse collection in the City of Medicine Lodge. Employees have performed this task for a collective 45 years. They know the citizens and their specific desires much better than an out-of-town hauler could ever understand. From all appearances, citizens support the operation and its employees very well.

4. Client relationship - Client references demonstrating Respondent's ability to maintain long-term relationships with municipalities, including:

a) cooperation in providing requested information in a timely manner
b) avoiding litigation and arbitration in settling disputes.
c) The City may contact references that Respondent lists or other jurisdictions or private entities known to have contracted with Respondent or in which Respondent does business.

The City has direct control and supervision over the current City operation. Staff is unaware of any evidence of any litigation in regards to operation of the solid waste utility.

5. Customer service - Demonstrated ability to implement and operate high-quality customer service program and respond promptly and courteously to any and all customer inquiries and/or service requests.

Staff indicates that there are virtually no complaints and no reports of missed collections. Because there has been no significant number of complaints, if any, the City has not developed a specific protocol to handle complaints. However, management staff is available and open to hear any citizen complaints during normal business hours at City Hall.

6. Corporate citizenship - Documented success in contributing to the quality of life of the residents of the community (e.g., environmental policy and compliance record).

The City is not a for-profit corporation. As such, it provides a variety of services for the community. The solid waste operation is a part of that service. In addition to regular weekly trash collection, the department provides containers and pickup service for various community events, walk-up service for elderly and handicapped residents as needed, hauling of recyclable materials to the appropriate recycling center, and are available to assist other city staff in the case of disasters or emergency situations. The City does collect trash as a service to nearby businesses and residents who wish to obtain such service.

There have been no reports of environmental non-compliance.

D. **References.** Provide the following information:

1. Other Respondent programs with technical and operational features similar to those proposed, including but not limited to:
a) Automated cart collection of refuse and recyclables.
b) Transition to automated collection; cart rollout and customer education. Include proposed sizes and colors of carts as well as photographs of carts.
c) Transition as new service provider, including cart and truck acquisition, creating customer subscription/billing records, customer education.
d) Difficult-to-serve accounts
e) Recyclables and bulky waste collection, processing (especially at proposed facilities)
f) Emergency service experience
g) Other features listed in Respondent's proposal, including equipment acquisition and maintenance program, proposed source or manner of financing, cost of capital, and amortization or depreciation schedule of contractor-owned equipment
h) Staffing (including number; operations, health and safety training; drug and alcohol testing; and any incentive programs)

The City serves no other municipalities, so there are no other cities to provide references. However, the City does collect some refuse from out-of-city residents and businesses located nearby. Those customers could opt for a different service if they were not satisfied with the City operation. The City also works with the Barber County Solid Waste Department and the Sunflower RC&D which report good relationships with the City collection program.

2. Municipal contract disclosure - A list of all Respondent's contracts with municipalities in the last three (3) years, with name and phone number of knowledgeable contact

The City serves no other cities.

E. **Litigation Record.** Provide information described in this subsection for the past five years for Respondent and Respondent's affiliates (where "affiliate" has the meaning provided in Rule 144 of the Securities Act of 1933):

The City has no record of litigation regarding solid waste.

1. Certain civil contests - All mediation, arbitration or litigation proceedings, whether settled or reduced to judgment in the following locations and amounts:

a) Anywhere and in any amount, for Respondent

b) Kansas and in excess of $100,000, with respect to Respondent's affiliates

2. Criminal Actions – All criminal actions, whether resolved through no contest, not guilty plea or conviction, and including indictments not resulting in conviction, for Respondent and Respondent's affiliates, for all jurisdictions.

3. Administrative actions – All challenges to a regulation or contract specification and all defenses of an action brought by a municipality or other local government to enforce a regulation or contract term or specification.

4. Public procurement or contract disputes – All procurement challenges and all contract enforcement or interpretations actions.

5. Revocations – All revocation, suspension, or termination of any business or solid waste license, permit, or franchise granted to Respondent or Respondent's affiliate or any predecessor in interest.

6. Class actions - All to which Respondent or Respondent's affiliate is a party defendant, regardless of status or disposition

7. Labor disputes – All relating to labor disputes, including all strikes, walkouts, slowdowns or other labor disturbances and all actions relating to equal employment opportunity, non-discrimination, working conditions, employee safety (including OSHA), in Kansas (with respect to affiliates) and anywhere (with respect to Respondent)

Submission of a proposal certifies that the chief administrative officer of Respondent represents and warrants that the information included in the proposal with respect to civil contests, criminal actions, administrative actions, revocations, class actions and labor disputes described in the proposal is, to the best of his or her knowledge and belief, true and complete as of the date of submission of the proposal.

City management is unaware of any civil, criminal, administrative actions, procurement or contract disputes, actions relative to licenses or permits, class actions or labor disputes relative to the City solid waste operation.

*F. **Customer Service.** Provide customer service and communications program commitments, including:*

1. Protocol for resolving public complaints and answering customer questions;

2. Availability to public during office hours;

3. Availability to City during office hours and in emergencies;

4. Protocol for communications between dispatchers and drivers;

5. Record of call abandonment rates;

6. Location of administrative offices and customer service locations.

As indicated in Section XC above, there have been few or no complaints about the solid waste service by citizens of Medicine Lodge. However, management and administrative staff are available during normal business hours at City Hall to hear and respond to any complaints in person.

The City relies upon direct, face-to-face communication with a human being rather than a 1-800 telephone number with potential delays, confusion, and impersonal response.

There is no record of call abandonments.

Protocol for communication between city offices and the refuse collectors is to communicate by cell phone and periodic stops at City Hall.

*G. **Environmental Record.** Provide the following: (Submission of a proposal certifies that the chief administrative officer of Respondent represents and warrants that the information included in the proposal with respect to environmental actions and issues described in the proposal is, to the best of his or her knowledge and belief, true and complete as of the date of submission of the proposal.)*

1. Violations – include case number, date, and name of regulatory agency

2. Pending or threatened:

a) Notices of violation;

b) Administrative enforcement proceedings;

c) Other actions alleging noncompliance with environmental law, regulation, permit or compliance order (solid waste, air management, etc.) for Respondent anywhere, and for Affiliates in Kansas, during the past five (5) years;
d) Include case number, date and name of regulatory agency.

Staff is unaware of any pending or threatened violations, enforcement proceedings, or any other non-compliance issue.

*H. **Proposed Program Implementation Plan.** Provide the following information:*

1. Transition Plan. Provide a detailed implementation schedule/timeline demonstrating Respondent's ability to effectively locate and use necessary resources for successful program implementation, including the following:

a) detailed implementation schedule, including key milestones and implementation dates, demonstrating Respondent's ability to effectively locate and utilize necessary resources for successful program implementation;
b) identification of any truck purchase commitment and delivery schedule;
c) identification of any container purchase commitment and delivery schedule;
d) community outreach and community relations plan/education, especially during the transition period;
e) customer service plans;
f) materials processing, disposal, and reporting plans;
g) City coordination plans;
h) transition staffing and training plans;
i) collection of old containers and distribution of new ones;
j) selection process for customers to choose cart size for trash and whether they want recyclables cart(s);
k) notification to Homeowners Associations and pre-paid customers of current trash haulers;
l) degree of correspondence with present customer service schedules.

2. Transition record and references – Demonstrated ability to fully implement programs and services in a timely manner, including references to municipalities where Respondent has successfully implemented new programs or services, including knowledgeable contact with phone number.

3. Transportation Plan: Provide a detailed description of the following:

a) Map of proposed truck routes and proposed days of collection;
b) Photograph and specifications of trucks to be used;
c) Description of transfer/direct haul plans.

See Implementation Plan in Section 1: Bid Summary.

4. Public Education Information. Provide the following information:

a) Demonstrated ability to contribute to public education about services, which includes an explanation of strategies, for example:

(1) Distribution of quarterly public education bulletins
(2) Annual distribution of program magnet
(3) City Inserts in Newsletters/billing statements
(4) Size and quarterly preparation of educational signage on vehicles
(5) Specifications for quarterly printing of any City desired text on invoices (number of lines, characters per line, etc.).

b) Respondent's plan for school presentations, if any;
c) Examples of experience;
d) Copies of materials produced for previously implemented programs;

The City's plan for public information would include inserts in the billing statements and flyers at the schools.

5. Other franchise commitments.

a) Implementing programs, services and operations:

(1) that Respondent proposes to establish in order to meet required performance specifications;
(2) that Respondent proposes to establish, in addition to contractual requirements, to exceed minimum performance specifications (e.g., recyclables beyond those specified, 10% discount for pre-payment for entire year, how to handle additional bags outside of cart)

City will continue to pickup excess trash beyond the 90 gallon container. However, it is important to educate citizens to place all waste in the containers. If a customer is recycling, approximately one-third of the volume will go into the recycling container. Therefore, the 90 gallon cart should be sufficient for almost every weekly refuse pickup.

*I. **Proposed programs, services and operations to meet performance specifications.** Provide the following information:*

1. Special Services - describe how Respondent will provide these special services:

a) On-call bulky item and excess solid waste collection;

b) Cart roll-out or scout services.

The City should provide bulky waste pickups free of charge. If performed on an appointment basis, this could be managed around other time constraints. This would be a valuable service to local citizens who must currently provide their own solutions to this problem.

The City would handle walkups or roll out service in the same method as currently provided.

No scout services are anticipated.

2. Emergency Backup Service Plan - Including strikes, lockouts, and other labor disturbances.

The City will retain a backup trash collection truck in case a primary unit is out of service. The City has not recognized any unions for City employees, so that any labor disturbances would be treated as individual employee discipline issues. In the unlikely event that both solid waste employees are absent from work, other employees could be dispatched to collect trash or routes could be adjusted. There is no known history for such absences or labor actions.

*J. **Financial Capacity**. Respondent's capacity to fund capital and operating service costs (strength and creditworthiness).*

*1. **Respondent's financial statements –** provide the 3 most recent fiscal years:*

a) Provide one copy in a sealed envelope, marked "Confidential" (unless Respondent is a publicly-held company) for the entity that submits a proposal and would execute the franchise agreement.

b) Provide the representation and warranty of Respondent's chief financial officer that there has been no material change in Respondent's finances since the date of the last financial statement.

Staff has possession and can share the City's audited financial statements for the past three fiscal years. The City is in sound financial condition. Solid Waste is handled as one enterprise fund within the City operating budget.

The City currently operates a solid waste utility. Rates were recently raised to ensure the viability of the current operation. Costs for changes in service to include recycling and potentially improved efficiency are included in proposed rate calculations. If the Governing Body adopts the proposed plan to continue City operated service, then the operation will generate sufficient revenue to cover costs.

*2. **Financing Plan.** Provide the following information:*

a) Evidence of ability to finance franchise program - Include proposed capital acquisitions, from identified internal funding or external sources (including affiliated companies);

b) Current financial ratios for Respondent and its guarantor - Include the following ratios calculated from financials described above:

(1) EBITDA (earnings before interest, tax, depreciation and amortization)

(2) profit margin

(3) liquidity (current and quick ratios)

(4) capital structure (total liabilities to total assets, working capital, accounts payable) accompanied by the representation and warranty of chief financial officer of Respondent and its guarantor, respectively, as to accuracy of the calculations;

All historic financial operating data utilized in this response has been supplied by the City of Medicine Lodge. If the City continues to operate a solid waste utility, it would be self-supporting within the proposed rate structure shown in the Bid Summary. Because the City is subject to Kansas law regarding fund accounting, cash basis requirements and budget limitations, the City cannot utilize this fund to

cover losses in other funds. Since the City cannot spend in excess of cash on hand or budget limits, ratio analysis of the organization as a whole is irrelevant to the proposal.

The City of Medicine Lodge will not go bankrupt as long as the Governing Body is mindful of legal requirements. The Solid Waste Fund will need to support itself with revenues at least equal to expenditures.

c) Insurance - Insurance or other financial security Respondent offers in excess of insurance, letter of credit and financial security requirements contained in for the franchise agreement (including endorsements for aggregate limits to apply to the City/franchise services). For each, indicate whether it is provided by an unrelated third party, through self-insurance or through a captive insurer;
d) Evidence of letter of credit.

The City annually purchases broad insurance coverage to protect against risks involving general property liability, vehicles, worker's compensation, director/officers liability, and inland marine coverage for equipment. This insurance is not geared specifically to any one department or operation. A Letter of Credit requirement is not applicable to an internal city-operated service.

*K. **Proposed Cost-substantiated Service Fee.** Demonstrate the following:*

1. Reasonableness/Cost justification of proposed service fee that should evidence the reasonableness of the cost assumptions underlying Respondent's service fee proposal.
2. Because service fees are only one of several evaluative criteria, the City may choose not to award the franchise to the Respondent with the lowest service fee. In addition, the City may award fewer evaluative points to service fees that are not cost-substantiated and therefore increase the risk that the contractor will not be able to fully and timely perform its franchise obligations for the service fee proposed.

The financial analysis of rates required to support the utility are shown in Section 1: Bid Summary.

*L. **Implemented proposal will attain City's procurement goals.** Describe how and why Respondent believes that its proposal meets the goals of the City as stated in this RFP.*

Analysis of goals is shown in Table 4 if Section 1: Bid Summary.

Section 3: Appendix A
Background and Rationale for Recommendations

This Appendix describes in detail how trash and recycling are currently collected in Medicine Lodge, identifies state-of-the-art collection practices, recommends solutions for the City, and presents detailed costs and rate impacts of making those changes.

How Trash and Recycling are Collected Now

The City of Medicine Lodge currently operates its own solid waste service, collecting residential trash weekly and providing a wide variety of commercial options. There is a recycling drop-off center in the City. Household hazardous waste may be taken by citizens to a drop-off center just outside of town. Two operators work a normal 40 hour shift and collect trash five days a week utilizing a semi-automated packer truck. At the end of each day's route, waste is transported in the packer truck to the Barber County landfill. Operators periodically haul recycling to Pratt RC&D recycling center as needed. The City receives approximately $2,500 per year from this operation.

The average recycling diversion rate for municipal solid waste in Kansas communities with curbside recycling is 25%, while the national average is 34%. Medicine Lodge recycles 5.39% of its waste.

TABLE A.1: Characteristics of the Current System for Collection and Disposal of Trash and Recycling

	Trash	Recycling
Collection Service	• Weekly pickup for approximately 875 residential customers. • Various options for 116 commercial customers. • 46 out of town customers. • All City residents/businesses must use City service.	• Recycling drop off center operated by City. • Recycling must be delivered pre-sorted.
Equipment	• One semi- automatic packer truck and one backup unit. • Mix of cart styles. • Both rental and privately owned carts. • City leases out 255 carts.	• Baler at drop off site.
Human Resources	• Two fulltime employees: driver and collector.	• Volunteer staff at drop off site.
Disposal	• Trash hauled daily to Barber County Landfill. • 1,312 tons of trash hauled in 2011. • Landfill is 13 miles from City.	• Periodic haul of pre-sorted recycling to Pratt RC&D. • 71 tons hauled in 2011. • 5.39% recycling diversion rate. • No docks or sunken bays at site or other loading facilities. • Site adjacent to residential areas.
Finance	• Base residential rate is $21.65. • Multiple commercial rates/options. • Solid Waste budget is $311,375 for operations plus a transfer of $70,000 for equipment.	• Recycling accepted without charge at center. • City receives minimal revenue from recycling sales.

State-of-the-Art Best Practices: Municipal Trash Collection

Since the City of Medicine Lodge needs to acquire a new truck, it is feasible to completely review the operation at this time. There are two primary best practice methods to collect municipal solid waste:

- Semi-automated System (system now in place at Medicine Lodge)
- Fully Automated System

Each practice is analyzed below in order that the Governing Body and staff can demonstrate that it analyzed all its options for an internal City-owned operation.

Practice 1: Semi-automated trucks with mechanical lift attachments.

This system is currently in use in Medicine Lodge. The semi-automated system requires a driver and a collector outside the truck wheeling polycart containers to the truck, placing them onto mechanical "flippers", which then lift the containers and empty the trash into the truck bay. Collectors then return the empty carts to the curb. Use of standardized carts has allowed some cities to be very productive, enabling a residential collection rate of 80-90 households per hour. Standardized containers are required in this option, so there is a cost component for carts; however, carts costs are the same for semi-automated or fully automated operations. Medicine Lodge does not have standardized carts, and some customers still do not utilize carts.

Workers must be outdoors in all weather: ice, rain, sleet, and high temperatures. Worker fatigue is a concern in this environment. When workers are fatigued, accidents are more likely. Consequently, working conditions can be an issue in semi-automated systems. In addition, there are traffic conflicts, because collectors cross the street to get the container, then re-cross to place the container back on the original curb. This places employees at further risk.

Semi-automated systems are a more flexible method of collection than a fully-automated system, since human collectors can more easily get into tight quarters than large trucks. Semi-automated systems often function better in cul-de-sacs or very narrow streets. Overflow trash that would not fit into standard containers is more efficiently handled than with fully-automated systems.

Practice 2: Fully automated trucks with extension arms.

The least labor intensive method, the fully automated truck requires only a driver and no other collection personnel. The driver operates a remote control robotic arm to lift, empty and replace the trash cart. These trucks can accommodate 100-125 households per hour, substantially more than the semi-automated systems. Although by far the most efficient method, the fully automated system does come with significant start-up costs for more expensive trucks. Standardized containers are required for this process, so there is a start up cost to acquire carts. However, cart costs are the same in either the semi-automated or fully automated systems.

A fully automated system is substantially better for employee working conditions. Since there are no employees walking in the street, this operation is safer for city employees. Fatigue is limited and potential worker injury is minimized. Employee injuries and risks should be minimized in this option.

A summary of benefits and drawbacks comparing the two systems are shown in Table A.2.

Table A.2: Benefits and Drawbacks of Collection Practices

Practice	Benefits	Drawbacks
SEMI-AUTOMATED	**1. Works well in areas with constraints such as tight streets, on street parking, cul-de-sacs or one-way streets.** **2. Dual side collection enables both sides of street collection on single pass.** **3. Use of collectors enables easy, but inefficient pick up of overflow materials outside of carts.** **4. If standardized carts are used:** • **Manual lifting limited resulting in lower risk of employee injury.** • **Workers' Comp reduced.** • **Less operator fatigue.** • **Worker longevity may be increased.** • **Possibly less turnover in employees.** **5. Other advantages of carts (see Table A.3).**	**1. Moderate productivity levels, but less than fully automated systems.** **2. Highly labor intensive. Requires more employees than fully automated system.** **3. Mechanical lifters must be hand-loaded, slowing down the collection process.** **4. Cost of standardized carts is about $75 per cart with ten year warranty.**
FULLY AUTOMATED	**1. Substantially higher productivity enables trash collection in fewer hours.** **2. Fewer truck hours needed, diminishing wear on equipment.** **3. Need for only one employee, the driver, enables much lower labor costs.** **4. Worker safety improved by:** • **Keeping employees out of the street.** • **Elimination of lifting.** • **Operator fatigue minimized.** • **Potential worker injury minimized.** • **Workers' Comp reduced.** **5. Advantages of carts (see Table A.3) same as Semi-automated.**	**1. Fully automated truck is more expensive.** **2. Maintenance costs may be higher with more hydraulics.** **3. Relies on customers to place carts properly, so good public education required.** **4. Overflow trash requires driver to pass by or get out of truck, decreasing productivity.** **5. Challenges faced with one-way streets, low overhang wires, dead-end streets.** **6. Cost for carts same as semi-automated system.** **7. May require more skilled operator.** **8. Higher fuel costs with one side of street collection.**

Since Barber County operates a landfill, it is only necessary for the City of Medicine Lodge to haul trash to the landfill to dispose of the waste.

Use of Standardized Carts

Use of standardized carts is sometimes characterized as simply an aesthetic advantage. In reality, use of standardized carts is important on several levels as shown in Table A.3. Not only do carts present a better physical appearance in neighborhoods, carts provide public health advantages. Dogs and other animals are kept out of the trash, thus eliminating what might otherwise be an environment which could foster breeding of rodents. Carts also keep rain and ice out of the trash and recycling, protecting the trucks and reducing contamination of recycling loads. Customer satisfaction surveys in other communities indicate that the vast majority (as many as 80%) desire to use carts.

In systems where standardized carts are not utilized, employees are continually at risk for lifting overly heavy loads and potential conflict with vehicular traffic. While cities may mandate a weight limit on customer supplied containers, but there is no way to predict in advance what the actual weight of containers is, so that workers may occasionally find themselves lifting an oversize load. Carrying

unorganized loads across city streets and lifting oversized loads places employees at risk of injury. Further, this puts the City in a disadvantageous risk management position and could cause problems with absenteeism, productivity and Worker's Compensation claims.

Table A.3: Reasons to Utilize Standardized Carts
• Minimizes manual lifting, thus reducing risk of injury.
• Convenient and easy way to dispose of household trash and recycling.
• Eliminates loose trash and unhealthy environment conducive to rodents.
• Rain, ice and other elements kept out of trash and recycling.
• Automated trucks require standardized carts.
• Maneuverability allows citizens and workers to move carts with ease.
• Enhances visual appearance of neighborhoods.
• Better odor control than having unsecured loose trash on the ground.
• Minimizes loose trash blowing in streets and yards.

The 90 gallon polycart is the equivalent of 3 to 4 typical trash cans. By providing standardized containers, residents do not have to purchase their own containers. The carts are easily maneuverable and save residents from heavy lifting hazards as well as City workers. Citizen convenience is maximized by providing a safe, easy to use method of disposing of waste. The 90 gallon cart will be sufficient size for trash or recyclables for virtually every pickup. There might be rare occasions during the Christmas holidays when there is extra trash, but those situations will be very rare.

By utilizing the same style of carts for both trash and recycling, there are advantages of familiarity with similar equipment and standardized training.

State of the Art Best Practices: Recycling Collection and Disposal

Recycling goals include maximizing the diversion of waste away from landfills and customer convenience. If recycling is simple and straightforward, citizens will be most likely to maximize participation in the program. Programs requiring extensive sorting or hauling one's own materials to a drop off site will gain participation only by the most dedicated citizens. Offering a program that is easy to understand and comply with will maximize diversion and reduce trash hauling costs.

Recycling operations utilize the same collection practices utilized for collection of trash. The advantages and disadvantages of these practices would be essentially the same. Because the set-out rate for recycling may be less than trash, recycling routes might be run more quickly than trash. Also, recycling is often only collected every other week.

Single stream recycling is the method used to maximize recycling volumes and enable the most customer friendly system. By adding recycling, the City will be asking its residents to change their behavior within the household. Consequently, this service must be structured for ease of the customer.

The common method for single stream recycling systems is to collect recycling, transport the collected materials to a transfer station for temporary storage, load materials into a long haul trailer, and then haul materials to a nearby municipal recycling center.

It is important to note that Barber County does not have a single stream recycling transfer station or municipal recycling center. Therefore, Medicine Lodge would have to account for both collection and disposal of materials, whereas the City needs worry only about collection of trash.

The nearest municipal recycling facility that accepts single stream recycling is in Hutchison, approximately 90 miles away. In addition, there is no transfer facility at Medicine Lodge or in the area that would accept the single stream to hold it for future transport to the Hutchinson facility. Therefore, a new recycling transfer facility must be developed if a single stream City-operated service is desired. Then the recycling must be hauled to Hutchinson, either by a city truck/trailer or by private hauler. These disposal costs must be considered in addition to the collection costs.

BEST PRACTICES FOR MEDICINE LODGE

Best practices may be different in Medicine Lodge than in larger or smaller communities in other areas. The best options will depend not only on characteristics of the type of trash truck, but also on the relative costs of each option. Therefore, an analysis of the costs of each option is required to make a meaningful decision. Therefore, if the City determines to continue with a municipal solid waste operation, either the Semi-automated or Fully Automated systems would work.

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Table A.4: Productivity Analysis and Resource Requirements

Productivity Analysis	Semi-Automated	Automated
Customer Count		
Residential	875	875
Commercial	116	116
Out of Town	48	48
Total	976	976
Weekly Pickup Count		
Residential	875	875
Commercial	153	153
Out of Town	61	61
Total	1089	1089
Unit Collections Per Hour Standards		
Residential	80	80
Commercial	10	10
Out of Town	25	25
Truck Collection Weekly Hours Required		
Residential	10.94	8.75
Commercial	15.30	15.30
Out of Town	2.44	2.44
Total	28.68	26.49
Weekly Truck Hours to Landfill	5.00	5.00
Total Weekly Truck Hours Required	33.68	31.49
TOTAL TRUCKS REQUIRED		
Primary Collection	1	1
Backup Unit	1	1
COLLECTION EMPLOYEES REQUIRED		
Driver	1	1
Collector	1	0
TOTAL COLLECTION EMPLOYEES REQUIRED	2	1
CAPITAL COST ANALYSIS: TRASH		
Trash Truck Cost Estimate	$ 135,000	$ 250,000
Annualized Cost	22,500	41,667
Trash Carts	68,100	68,100
Annualized Cost	9,000	9,000

CAPITAL COST ANALYSIS: RECYCLING	$ 500,000	$ 500,000
Transfer Station	40,121	40,121
Annualized Cost	150,000	150,000
Loader/Trailer	20,866	20,866
Annualized Cost	68,100	68,100
Recycling Carts	9,000	9,000
Annualized Cost	135,000	250,000
Recycling Collection Truck	22,500	41,667
Annualized Cost		

Table A.4 shows the basic parameters of both systems. These productivity and unit cost parameters will drive the cost projections for each alternative method of collection. In 2011, the City of Medicine Lodge recently contracted for a professional rate study by Ranson and Associates. Projections from that study were used except for areas where the proposed new system for trash or recycling would have an impact on expenditures. The areas where expenditures would be impacted were altered to reflect the cost or savings associated with the changes in the system.

Using these parameters, a cost analysis was then undertaken to compare a fully automated system to the current operation. Complete presentation of line item expenditures and projections for each option are shown in Table A.5. Results in this table illustrate cost savings of approximately $37,000 per year by utilizing a fully automated system in comparison to the existing semi-automated system. System wide, this would allow for a 10-11 percent rate cut. For a typical residential customer, this would mean a reduction of approximately $2 per month. In addition, there would be no cart charges for residential customers. The cart would be provided by the City and costs would be covered in the residential rate. Commercial containers would continue in the same manner used currently. Therefore, a move to fully automated service is recommended as the best practice for trash.

It should be noted that this projection assumes that the City purchases new carts for all residential customers, thus negating the need for any additional cart charges for residential customers. Commercial carts would remain the same as in the current rate structure. In reality, the City could save an additional amount on cart purchases where customers have been provided an existing rental cart which is functional with the new fully automated truck.

The primary savings is that the operation can be accomplished with one driver alone. This enables substantial savings which offset the additional cost of the fully automated truck, additional fuel expense, and carts. The analysis includes a provision for an equipment reserve adequate to replace equipment. City staff has indicated the intent to purchase the truck and carts with cash reserves as opposed to borrowing funds for this purpose.

It should be noted that solid waste revenues provide coverage for some of the City's overhead expense. Items such as insurance, audit and other administrative costs have been partially allocated to this department as well as others. If trash is bid out to a private hauler, then the revenue to cover these costs will have to be captured elsewhere. This may result in an impact on property taxes or other utility revenues. Total lost revenue would be about $35,000 per year, or about 11% of current revenues. A four percent administrative fee and five percent franchise fee would make up most of the difference. Haulers should be amendable to having the City provide billing services, since it simplifies their administration and eliminates bad debts. If a private vendor is profiting from use of rights-of-way, then it is appropriate and normal that the City charge a franchise fee for that privilege. A franchise fee is assessed to all other utilities, so it is appropriate for solid waste as well.

Table A.5: Projected Implementation Costs and Rate Impact

	Current System Ranson Rate Study 2011			New Fully Automated System			Marginal Cost City Operated Recycling		
	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3
General Administration									
Salaries	$23,610	$24,319	$25,049	$23,610	$24,319	$25,049			
FICA	1,771	1,824	1,879	1,771	1,824	1,879			
Health Insurance	1,578	1,625	1,674	1,578	1,625	1,674			
KPERS	1,627	1,676	1,726	1,627	1,676	1,726			
Unemployment Ins.	153	158	163	153	158	163			
Education	753	775	799	753	775	799			
Postage	1,329	1,368	1,410	1,329	1,368	1,410			
Printing	574	591	608	574	591	608			
Audit	2,402	2,474	2,548	2,402	2,474	2,548			
Misc Equipment	46	47	48	46	47	48			
Other Contractual	712	734	756	712	734	756			
Office Supplies	149	153	158	149	153	158			
Custodial Supplies	58	60	61	58	60	61			
Other Commodities	530	546	562	530	546	562			
Recycle Drop Off Center	15,000	15,450	15,914	15,000	15,450	15,914	(10,000)	(10,000)	(10,000)
Subtotal Gen. Adm.	50,291	51,800	53,355	50,291	51,800	53,355	(10,000)	(10,000)	(10,000)
Production	88	90	93	88	90	93	0	0	0
Collection									
Salaries	76,268	78,556	80,913	38,134	39,278	40,456	19,067	19,639	20,228
FICA	5,694	5,865	6,040	2,847	2,932	3,020	1,423	1,466	1,510
Health Insurance	25,911	26,688	27,489	12,956	13,334	13,744	6,478	6,672	6,872
KPERS	5,436	5,599	5,767	2,718	2,799	2,883	1,359	2,799	2,883
Worker's Comp	12,283	12,651	13,031	6,141	6,326	6,515	6,141	6,326	6,515
Longevity	828	852	878	414	426	439	207	213	219
Unemployment Ins.	639	658	678	319	329	339	160	164	169
Landfill Fees	58,165	59,910	61,707	58,165	59,910	61,707	(5,817)	(5,991)	(6,171)
Trash Truck Repair	2,500	2,575	2,652	2,500	2,575	2,652	2,500	2,275	2,652
Annual Mt. Contract	10,629	10,927	11,255	10,609	10,927	11,255	12,731	13,113	13,506
Other Contractual	7,158	7,373	7,594	7,158	7,373	7,594	7,158	7,373	7,594
Minor Tools	436	449	462	436	449	462	436	449	462
Vehicle Fuel	24,480	29,376	32,521	36,720	44,064	52,877	36,720	44,064	52,877
Tires/Batteries	378	389	401	378	389	401	378	389	401
Vehicle Oper Expense	353	364	374	353	364	374	353	364	374
Other Commodities	1,081	1,113	1,147	1,081	1,113	1,147	1,081	1,113	1,147
Dumpsters	1,954	2,013	2,073	1,954	2,013	2,073	0	0	0
Lease Purchase Truck	17,323	17,323	17,323	0	0	0	0	0	0
Transfer Mach/Equip	20,000	20,000	20,000	50,677	50,667	50,667	103,299	103,299	103,299
Net Recycle Hauling							(9,000)	(9,000)	(9,000)
Subtotal Collection	271,495	282,681	295,036	233,550	245,279	258,608	184,674	195,027	205,540
Total Expenses	321,874	334,572	348,484	283,929	297,169	312,056	174,674	185,027	195,540
Trash Rate Impact: Difference from Current Rate									
Amount				(37,945)	(37,403)	(36,428)			
Percent Difference				(11.8%)	(11.2%)	(10.5%)			
Increase (Decrease) from Base Rate				$ (2.55)	$ (2.42)	$ (2.26)			
Minimum Required Base Residential Rate				$ 19.10	$ 19.23	$ 19.39			
Recycling Rate Impact									
Total Revenue Requirement							174,674	185,027	195,540
Revenue Required per Month							14,556	15,419	16,295
Household Count							875	875	875
Monthly Revenue Requirement per Household							$ 16.64	$ 17.62	$ 18.62
Combined Trash Plus Recycling Minimum Rate							$ 35.73	$ 36.85	$ 38.01
Potential Loss of Overhead Revenue Coverage with Private Vendor				35,291	36,350	37,441			

Projected Rates

Results of this analysis confirm that the fully automated system would be a more cost-effective method of collection. Table A.5 shows that trash rates across-the-board could be reduced approximately 10% and still cover costs. For the normal residential customer, this would mean a reduction of approximately $2.00 per month for trash collection.

Unfortunately, single stream recycling is very expensive for the City to undertake independently. The recommended monthly rate for the City to operate its own single stream system is $17.00 per month for a residential household in addition to trash service. This is very likely a higher rate than a private sector vendor would bid to provide such a service. A private sector hauler could spread costs over a much larger group of customers and gain economies of scale unavailable to the City. Unlike the trash system, the City would have to handle both collection and disposal for recyclables. Not only would the City have to collect the recyclable materials, the City would have to develop a transfer station, loading facilities and equipment, and arrange or transport collected materials to Hutchinson's municipal recycling center for uncertain prices.

The combined impact of the projected Trash and Recycling program for a residential unit would require a monthly residential bill of $36.50. This is nearly twice the amount being charged for trash in neighboring communities.

Table A.6: Comparative Monthly Residential Base Trash Rates in Neighboring Cities

Community	Trash Hauler	Base Monthly Residential Trash Rate*
Anthony	Wyatt Trash Service	$ 19.50
Attica	Trantham Trash Service	$ 15.50
Harper	N & J Sanitation	$ 15.00
Kiowa	City of Kiowa	$ 15.50
Medicine Lodge	City of Medicine Lodge	
Current Rate		$ 21.65
After Trash Rate Reduction		$ 19.50
City operated Curbside		
Single Stream Recycling		$ 17.00
Combined Trash and Recycling		$ 36.50

*Source: Telephone survey by Jim Heinicke, LLC; November 2012.

Better options would be to get private bids for recycling service, abandon implementation of recycling services for the present, or work with other units of local government to develop a new regional system for curbside single stream recycling.

A complete set of adjusted rates for trash only with the proposed ten percent reductions are shown in Table A.7.

Table A.7: Proposed Rates with Ten Percent Reduction		
RESIDENTIAL	**Monthly Charge**	**Monthly Charge with Ten Percent Reduction**
Polycarts		
Rental	$2 per month	No Charge
Purchase	At cost	No Charge
3-yard Dumpster	$45	$45
3-yard Dumpster to Rent	$35 per month/ $29 per dump	$35 per month/ $25 per dump
Residential fee for weekly pickup	$ 21.65	19.50
COMMERCIAL		
Commercial fee for weekly pickup	$ 53.73	48.36
Light Commercial for weekly pickup	26.37	23.73
Light Commercial twice weekly	41.85	37.67
Commercial twice weekly	102.30	92.07
Commercial three times weekly	147.25	132.52
Commercial five times weekly	251.88	226.69
Heavy Commercial 3-yard three times weekly	427.80	385.02
Light Commercial 3-yard three times weekly	223.20	200.88
Heavy Commercial 2 polycarts once weekly	102.30	92.07
Heavy Commercial 2 polycarts twice weekly	195.30	175.77
Office +5	12.40	11.16
Apartments less than 10; weekly	55.80	20.22
Apartments 10+ weekly	129.89	116.90
Light Commercial 1 polycart three times weekly	57.35	51.62
Light Commercial 2 polycarts once weekly	43.01	37.71
Light Commercial 2 polycarts twice weekly	77.50	69.75
Light Commercial 2 polycarts three times weekly	134.85	121.36
Light Commercial 3 polycarts once weekly	57.35	51.62
OUT OF TOWN		
Residential once weekly	$ 32.34	29.11
Commercial once weekly	99.84	89.86
Commercial twice weekly	144.15	129.74
Commercial three times weekly	192.20	172.98
Heavy Commercial 2 3-yard three times weekly	288.30	259.47
Heavy Commercial 2 3-yard five times weekly	474.30	426.87
Heavy Commercial 3 3-yard once weekly	147.25	132.52
Heavy Commercial 3 3-yard twice weekly	288.30	259.47
Light Commercial once weekly	37.20	33.48
Extra trash bags		
Residential	.50 per bag	
Commercial	19.00	
Grass leaves bag	1.00 per bag	

Collateral Issues

Public or Private Trash Collection?

If the City is not confident that it could meet the performance standards of the private sector, then the City should privatize solid waste collection. Privatization is not uncommon and in some cases has resulted in lower rates. Solid waste is one of the most frequently privatized services. Local government

can take bids to collect or manage waste and compare that with the cost of providing service with municipal employees. Proponents of privatization point to lower costs as the primary selling point. The private sector may offer stronger incentives to contain costs, implement productive technology, and respond in a competitive situation. Unfortunately, there has been so much concentration in the solid waste industry that there only a few sellers in the market thereby severely limiting competitive forces. This can create a marketplace where there is limited real competition.

Sometimes governments simply are not comfortable parting with control of local operations. Private companies can be controlled by carefully drawn contracts and close monitoring. There are potential pitfalls, however. If contracts are not properly developed or poorly monitored, there is risk of losing control. If a contractor were to fail in performance of a contract, it is likely to be a confused and unpleasant period even with the best possible contract.

Another risk is that the City could receive a below-market "lowball" quote by a bidder trying to gain the business in hopes of raising rates in future years. A large percentage of waste contracts are renewed as opposed to rebid. Often, cities accept new rates instead of going to all the trouble of a new bid. If the City does privatize, then there is an argument for longer term contracts to protect against predatory pricing; however, with long term contracts the City could be forced to use a minimally satisfactory private operator.

Figure A.8: Public or Private Service?

Arguments Against Privatization	Counterarguments
• City might get below-market "lowball" bid, only to get higher bids later.	• Contracts can be written for longer terms to assure stable prices and discourage lowball bids.
• Once out of the collection business, City is out forever. There may not be a competitive rate offer from the private sector in the future.	• The Governing Body must simply weigh the risks of limited competition in the future.
• City employees might be out of a job.	• Contractor may consider existing employees, although guarantees are unlikely. City will no longer be concerned with the employment issues.
• The City will lose control over the process and citizen interaction.	• Contracts should have carefully constructed sections requiring performance guarantees. Private companies have to please customers, too.
• Without sanitation workers, fewer employees are available for emergency response and special needs.	• Typically, trash still must be collected throughout an emergency, so these workers are not really available. City could retain old packer for special purposes.
• Regardless how well the contract is written, if there is non-performance the transition will probably not be smooth.	• Contracts should carefully address performance guarantees.
• Citizens will not know where to lodge a complaint about trash service, resulting in confusion by citizen and helplessness by City.	• Private companies will contend that they deal with customer complaints as well as city employees can.

If the City abandons its service, there is a risk that there may not be much competition in the future to assure competitive rates. The City may then become captive to one hauler and pay higher rates as a result.

Table A.8 shows the primary arguments and counterarguments about privatization. If the City staff believes that the municipal operation is capable of competing at private productivity standards, then the City has a legitimate option for retaining the solid waste collection operation. However, recycling is not feasible at this time.

Impacts on Local Government Partners

Privatizing recycling will result in reduced flow to the RC&D recycling operation, depressing revenues for that organization. Medicine Lodge would lose a small amount of cash flow from the RC&D. County landfill volumes will also decline, resulting in lost revenue to Barber County. If rates must rise as a result, then Medicine Lodge may see an increase in landfill fees that will offset the reduction anticipated from reduced waste flow due to recycling.

Whether Medicine Lodge chooses to continue its own operation or move to a private sector vendor, there would still be an opportunity to work with other communities and organizations if there is a strong move to work together in the future. If there were a multi-community trash and recycling program available in future years, that could still be considered. Meanwhile, the City has to consider it best options.