



MEMORANDUM

TO: Mayor and Council
Chair, Environmental Commission

FROM: Howard S. Lazarus, City Administrator

SUBJECT: Solid Waste Road Map

DATE: October 7, 2019

PURPOSE: This memorandum provides a road map to finalize the Solid Waste Resources Management Plan (SWRMP) and initiate the actions necessary to ensure continuity of services in the areas of education, collection, and processing for our resource recovery streams.

BACKGROUND: City staff presented the draft of the SWRMP to the Environmental Commission at its August 22, 2019 meeting and to City Council at its September 9, 2019 work session. While there was broad consensus about many aspects of the SWRMP, the following areas were identified as needing additional development prior to obtaining support from the Environmental Commission and acceptance by City Council:

1. The SWRMP needs to provide an overview incorporating the goals of the City's Sustainability Framework and the previous Solid Waste Plan, including the development of SMART¹ objectives for solid waste operations.
2. There was minimal discussion of returning the Materials Recovery Facility (MRF) to a more robust operation.
3. There are beliefs that the financial analysis concerning the savings from bringing residential recyclables collection in-house was flawed, and that the savings were miscalculated and/or are not achievable. Absent these savings, there should be a more in-depth discussion over how additional services, including year-round compost collection and bulky item pick-up, could be implemented.
4. Although the SWRMP identified non-residential/downtown collection strategies, including the development of a solid waste management district, this discussion should be expanded.
5. The discussion on joining the Washtenaw Regional Resource Management Authority, including repair and/or replacement of the Drop-Off Center should be expanded.

¹ SMART is an acronym for objectives that are **S**pecific, **M**easurable, **A**ttainable, **R**elevant, and **T**imely.

INTENT: The intent of the discussion below is to bifurcate the pending actions into two distinct efforts. First, the form and substance of the SWRMP will be amended to integrate the presentation of goals and performance measures and to identify the areas of contention and the pathways to resolution. Second, due to the long lead times involved in getting new contracts and equipment in-place, identify the immediate actions needed to ensure uninterrupted services to the community into FY21 (July 1, 2020)².

DISCUSSION: Each of the issues identified above in the Background section is discussed below:

1. Finalization of the SWRMP

Staff has been straightforward that the SWRMP is a different type of document than past Solid Waste Plans, prepared with the intent to provide a financially sustainable approach to achieving the goals of the City's Sustainability Framework. While that goal has been achieved, staff has received comments that the SWRMP should still contain a discussion of how the City will move toward a Zero Waste Vision and the associated performance measures³. Staff will modify the SWRMP document to incorporate these aspects as well as the goals of the Waste Less: Solid Waste Resource Plan Update (2013) and the Climate Action Plan (2012). The anticipated completion date to obtain Council acceptance of the revised plan is **December 2019**.

2. Materials Recovery Facility (MRF) Operations

MRF operations were separated out for separate procurement, and hence were not specifically addressed in the SWRMP. The revised final document will incorporate a discussion of the MRF, including its future role after the pending procurement of a service provider is completed. Staff published a Request for Proposals in August 2019 and received two proposals on September 19th. These offers are currently being reviewed, with the intent of bringing a recommendation for award to Council at its first meeting in November.

3. Review of Residential Recycling Collection

The most contentious component of the SWRMP is the financial analysis of residential recycling collection and the resulting recommendation that this service be brought in-house. The analysis concluded that in-house performance would result in savings of \$775,000 in the first year of operation and created at least three additional City union jobs. There were concerns, especially from the current service provider and from some members of the Environmental Commission, that these numbers did not accurately reflect the current cost of service and that the savings may not be realized.

While staff has confidence in the analysis that was performed, there is agreement that the best path forward is to competitively procure the residential recycling collection component. The City cost of performance will be reviewed and updated, and then compared to any proposals that are received. The scope of work is being developed to include previous Council direction that no work currently being

² Current contracts for all solid waste services have been extended through June 30, 2020 with the expectation that the replacement/follow-on contracts will be in-place and any required staff hiring and equipment purchases will have been completed by that date.

³ Staff currently reports on diversion rate, total tonnage, collection efficiencies, and the financial health of the Solid Waste Fund. Data to support other parameters may also be available.

performed by in-house staff be outsourced. Staff anticipates this action will be completed in **November 2019**, allowing time for procurement of vehicles as, and if, necessary by the selected service provider.

4. Downtown, Multi-Family and Commercial Collection

The SWRMP envisions a single provider for collection in the downtown area and for multi-family units and commercial establishments. The grouping of these services under single private firm(s) can best address the issues facing downtown and near campus business and property owners, including alley cleanliness, collection of food wastes⁴, and the burdens imposed by student apartments and group housing. The intent is to move toward more of a customer service model and away from a strict schedule of services. Consolidation of containers in the downtown area, has the potential to improve conditions in the alleyways. Staff's goal is to start the procurement process in **October 2019** so that the contract is in place by the end of **June 2020**.

5. Membership in the Washtenaw Regional Resource Management Authority (WRRMA)

The Environmental Commission and City staff both strongly endorse the City of Ann Arbor joining the WRRMA. Through its membership, the City can influence regional solid waste policy and engage local partners to address issues such as the repair/replacement of the Drop-Off Center. Council has expressed concerns about the organization of the Authority, specifically the equal representation (one vote per member) structure. However, Council members should realize that even under the "one vote" organization, the City still can exercise influence through the weight of its size. Contracts issued through the WRRMA may not be feasible without the City's inclusion (note that the City can vote not to adopt an Authority approved contract and not lose its membership standing), hence providing the City with a weighted advantage. Council tabled the membership resolution pending completion of the SWRMP, which is anticipated to be finalized in **December, 2019**. It is reasonable to assume the membership matter will be raised at the same time.

CONCLUSIONS: Separating the finalization of the SWRMP from initiating the actions necessary to implement the various aspects of the plan is essential in order to provide seamless transitions of services. Council should also consider that each of the actions are interrelated, in that the addition of new services depends financially on the economies gained through realignment and consolidation.

⁴ The recommendation for FOGs (fat, oil, and grease) was to develop ordinance/regulations for operating standards, reporting, tracking, for food businesses etc. keeping the collections in the open market and not bringing them into the City's service set (at this time).