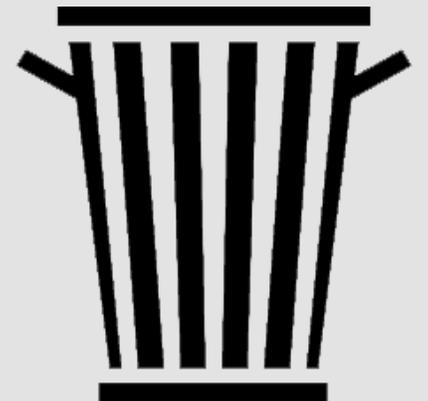
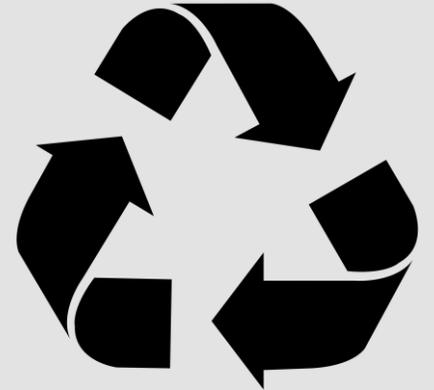


# Contractual Refuse Collections

Overview of RFP 15-07

A City of Newark Cost Saving Initiative



# Everyone Loves the City's Refuse Collection



## What Led Us Here?

- Continuing effort to improve efficiency and reduce costs
- Contractual refuse collection success stories
- Desire to better align spending with essential needs

## What's Staying the Same?

- Well qualified local union workers
- Customer service
- No trash bill
- You will not have to hire your own company
- Bulk collection
- Collection days
- Newark carts
- Trash, recycling, and yard waste
- Leaf collection
- Level of service

## What Will Change?

- The City's budget
- The color of the truck

# Contractual Collection is Common

Local governments who have contracted or privatized some or all refuse collection services:

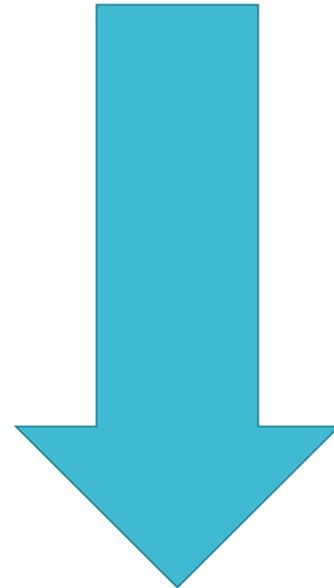
- Kent County
- Dover
- Smyrna
- Georgetown
- Elsmere
- Middletown
- Lewes
- Millsboro
- Rehoboth Beach
- Camden
- Clayton
- Townsend
- Delaware City
- Milton
- South Bethany
- Harrington
- Laurel
- Selbyville
- Elkton, MD
- North East, MD
- Felton
- Fenwick Island

## We value our employees

- 7 employees, 4 could retire today or within 6 months
- Early retirement incentive negotiated with AFSCME.
- The city has held vacated AFSCME positions open (1)
- PWWR needs two (2) new Sewer Division employees
- Employees can take one of the three open positions
- Recommended contractor utilizes unionized workforce and has expressed interest in hiring our current drivers

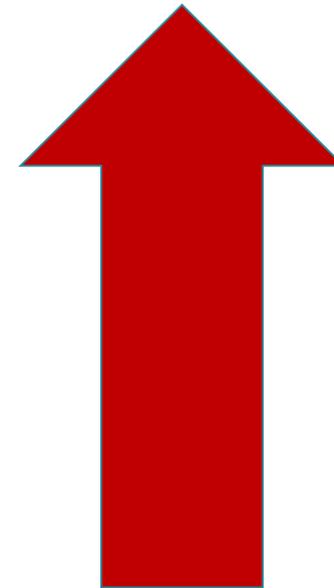
# Historical Perspective 2003 - 2015

Personnel Count



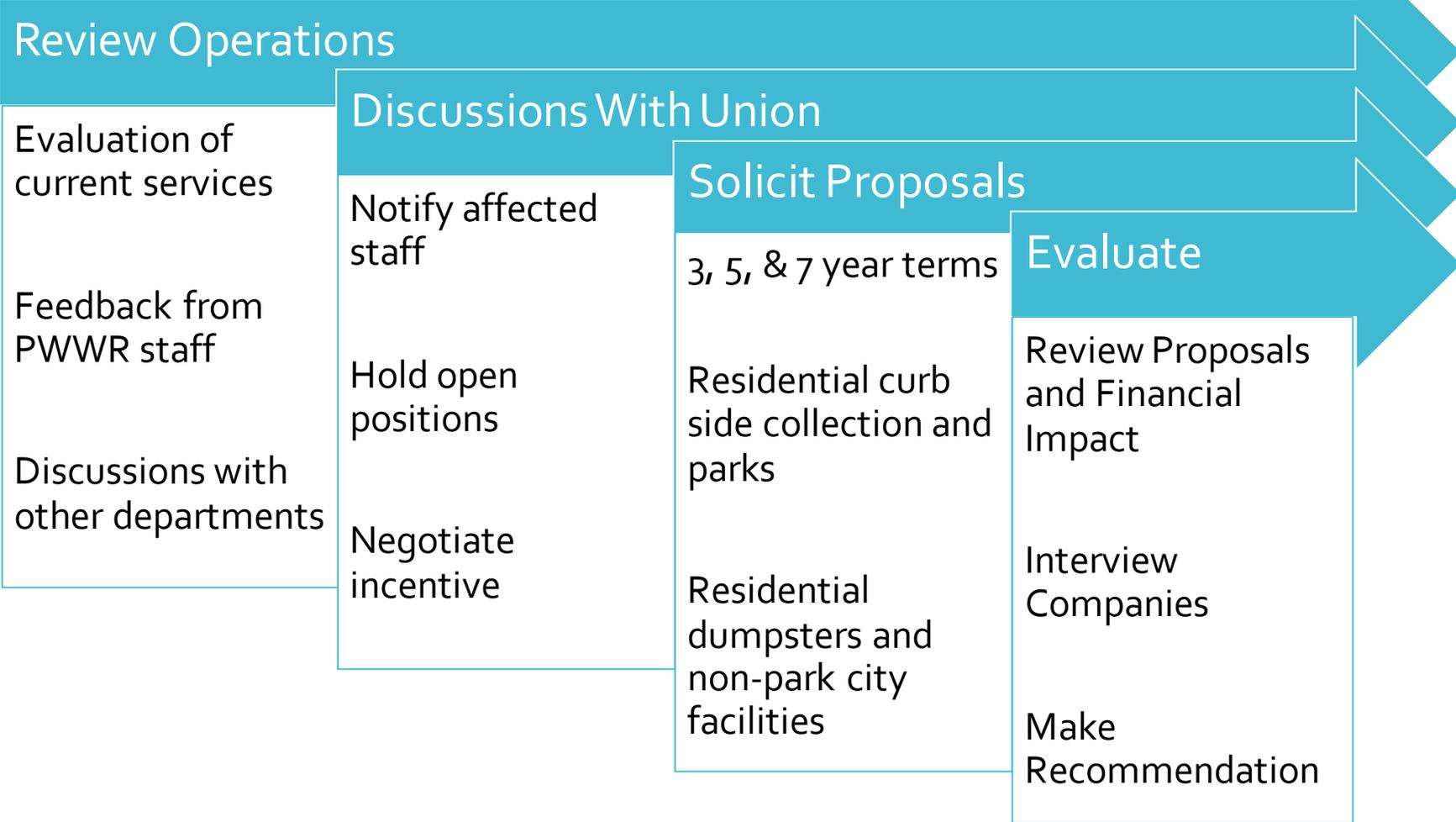
-41%

+12%



Operating Expenses

# Path to Recommendation



# Evaluation Process

- Received four (4) proposals
- Proposals were ranked by the review committee (maximum score = 600 points)
  - Republic Services – 569.4
  - Waste Management of DE – 533.0
  - Waste Industries – 510.7
  - FCC S.A. – 423.0
- Reference checks
- Presentations with extensive Q&A

# About Republic



- Nationally
  - Second largest in the USA
  - 30,000 employees
  - \$8,800,000,000 in annual revenue
  - 2800 municipal contracts
- Wilmington branch
  - Serve 25,000 accounts in New Castle County
  - Local customer service
  - Local management
  - Local union workforce
  - Industry leader in a very competitive market

# PROPOSED

CITY MANAGEMENT



RESIDENTS CITY CUSTOMER SERVICE



CITY CONTRACT FIRM SUPERVISION



MAINTENANCE CONTRACTOR OPERATIONS DIVISION ASSISTANCE



# Financial Review

## Ancillary Savings

Ancillary savings not accounted for in the financial review:

1. Additional covered parking for equipment
2. Reduced changes to Maintenance Yard
3. More in-house vehicle maintenance capability
4. Reduced shifting from other departments

## Financial Review

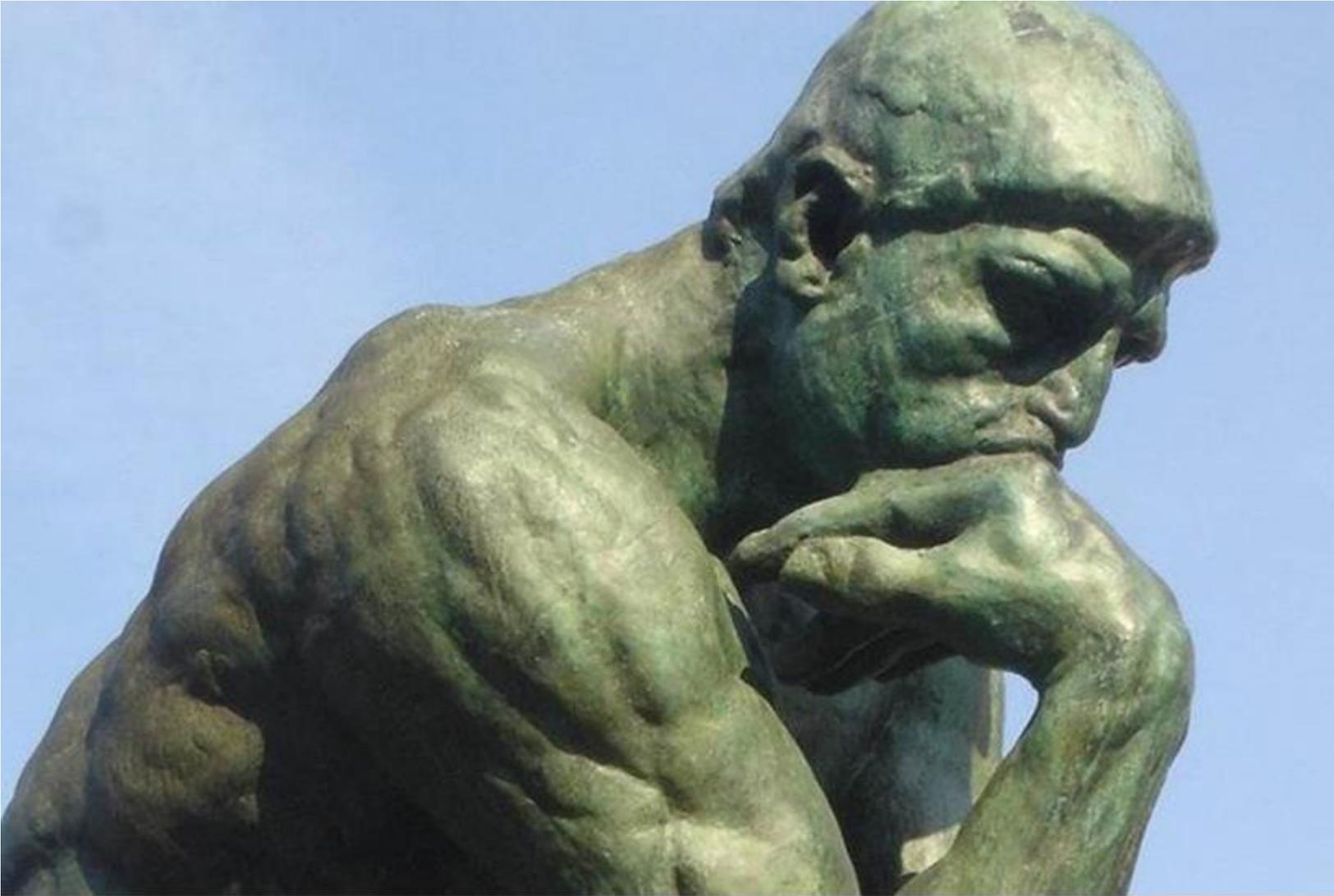
The cost to provide refuse collection and disposal services is a function of four key elements

1. Disposal costs (landfill fees, recycling fees, and yard waste processing / disposal)
2. Refuse weight
3. Equipment purchases and upkeep
4. Human resources management / personnel costs

## Financial Impact

- Year One Savings of \$890,000
  - Includes \$442,000 in one-time fleet disposal revenue
- Annual Savings avg \$670,000
- Total Savings of \$4.9 million

# So, Now What?



# Infrastructure Replacement Needs



# Rodney Dorm Complex



# Infrastructure Replacement Needs

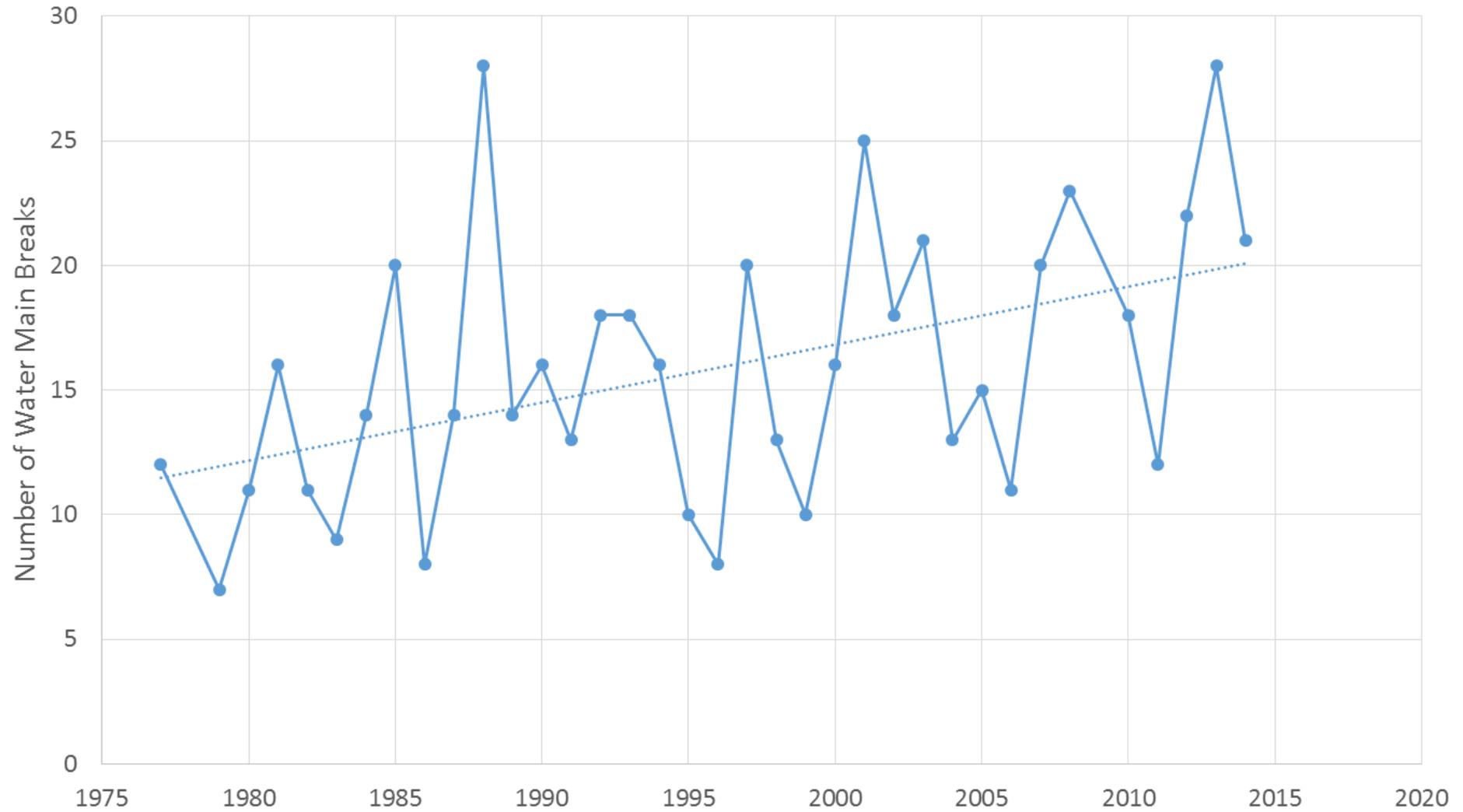


## Problems We Could Solve!

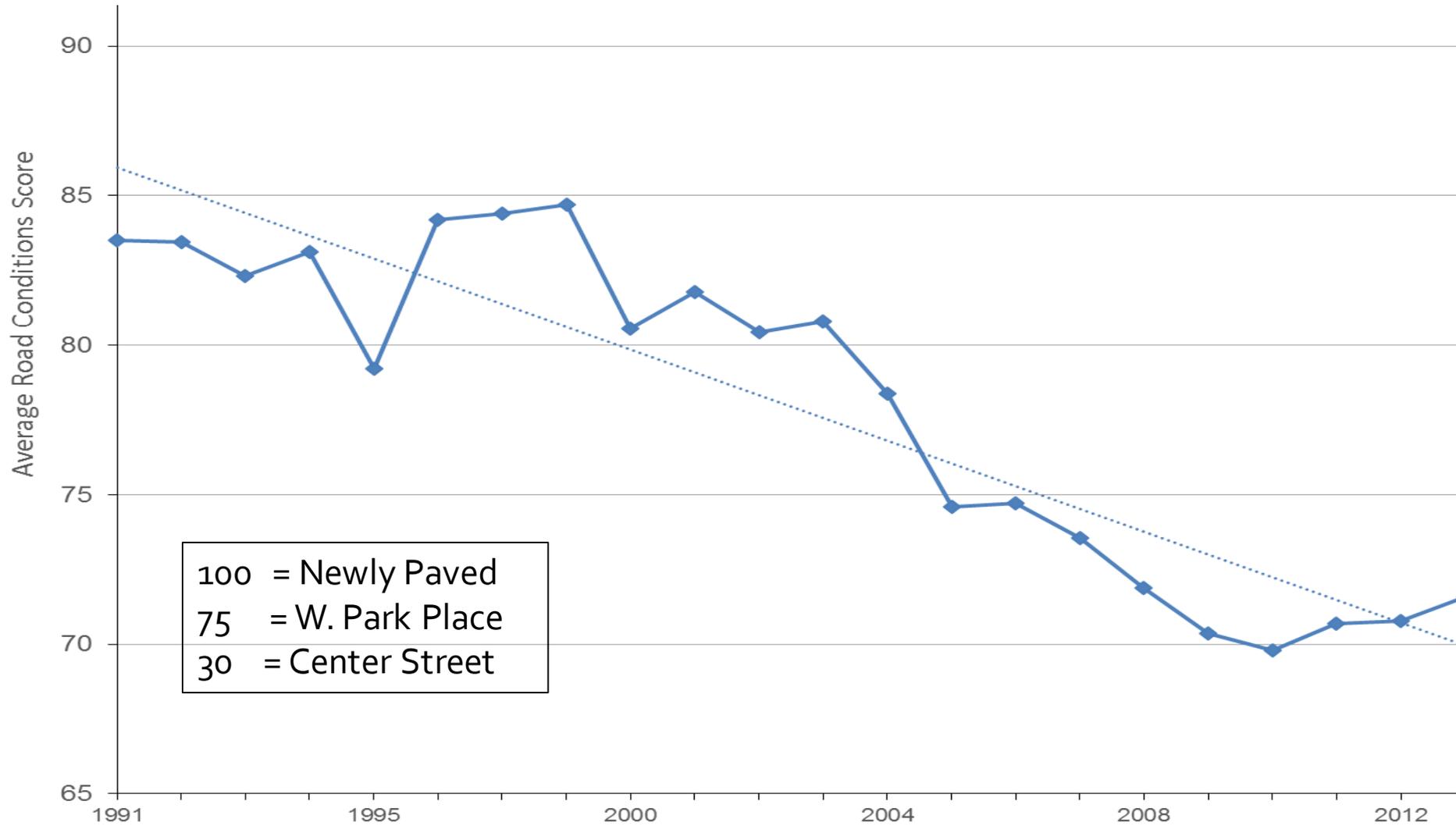
- 4.9 Miles of water main replacement, or
- 9.8 Miles of sewer main restoration, or
- 10 Miles of street restoration, or
- 4.1 Miles of storm sewer replacement, or
- Restore all 9 of the City's water tanks, or
- Pay for electric automatic restoration in 1.25 years, or
- Cover 50% of the cost of a redundant electric feed, or
- Take better control of our financial future



# Water Main Breaks Per Year 1977 - 2014



# Weighted Average Pavement Conditions 1991 - 2013





***THANK YOU!***

**NEWARK**DE