

Solid Waste – Exclusive Commercial Franchise

PRESENTATION TO CITY COMMISSION

APRIL 15, 2010

Background

- January 22, 2010
 - Staff informed that EWS will open transfer station
- January 25, 2010
 - EWS: diverted 1000 tons/week of commercial waste (29% of all waste stream) through their transfer station to Georgia

Results: Solid Waste Operations

- Loss of 1000 tons (\$52,000/week in revenue totaling \$2,710,760 annually)
- Potential to lose an additional 1000 tons of commercial waste
 - 2000 tons = 59% of all waste stream
 - If all commercial waste is diverted:
 - No longer operate transfer station
 - Halt development of resource recover park
 - Halt development of organics recycling plan
 - Lose opportunity to control waste stream so that we can meet state mandated 75% recycling goal

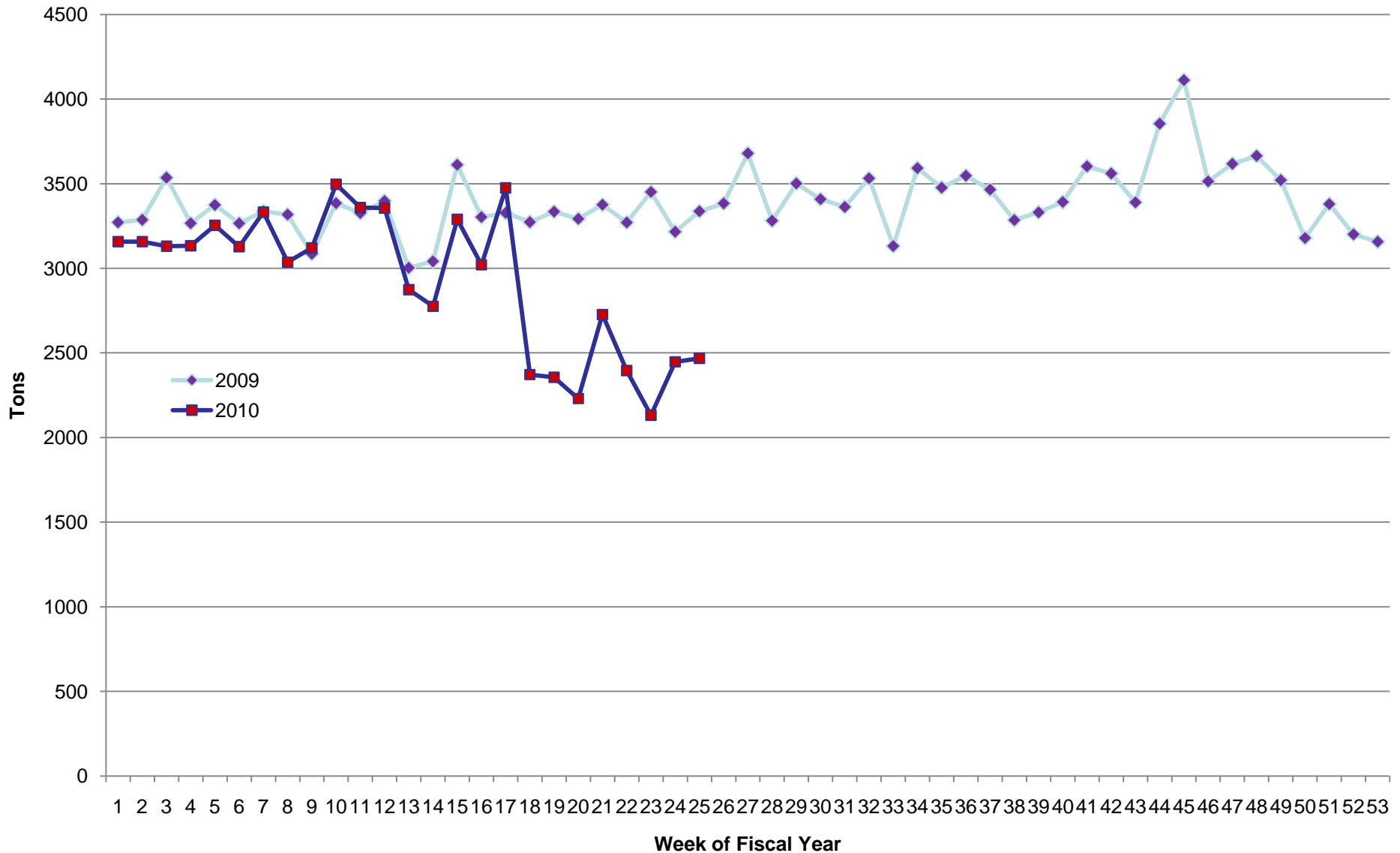
Results: Solid Waste Operations

FY10 Budget \$9,300,000

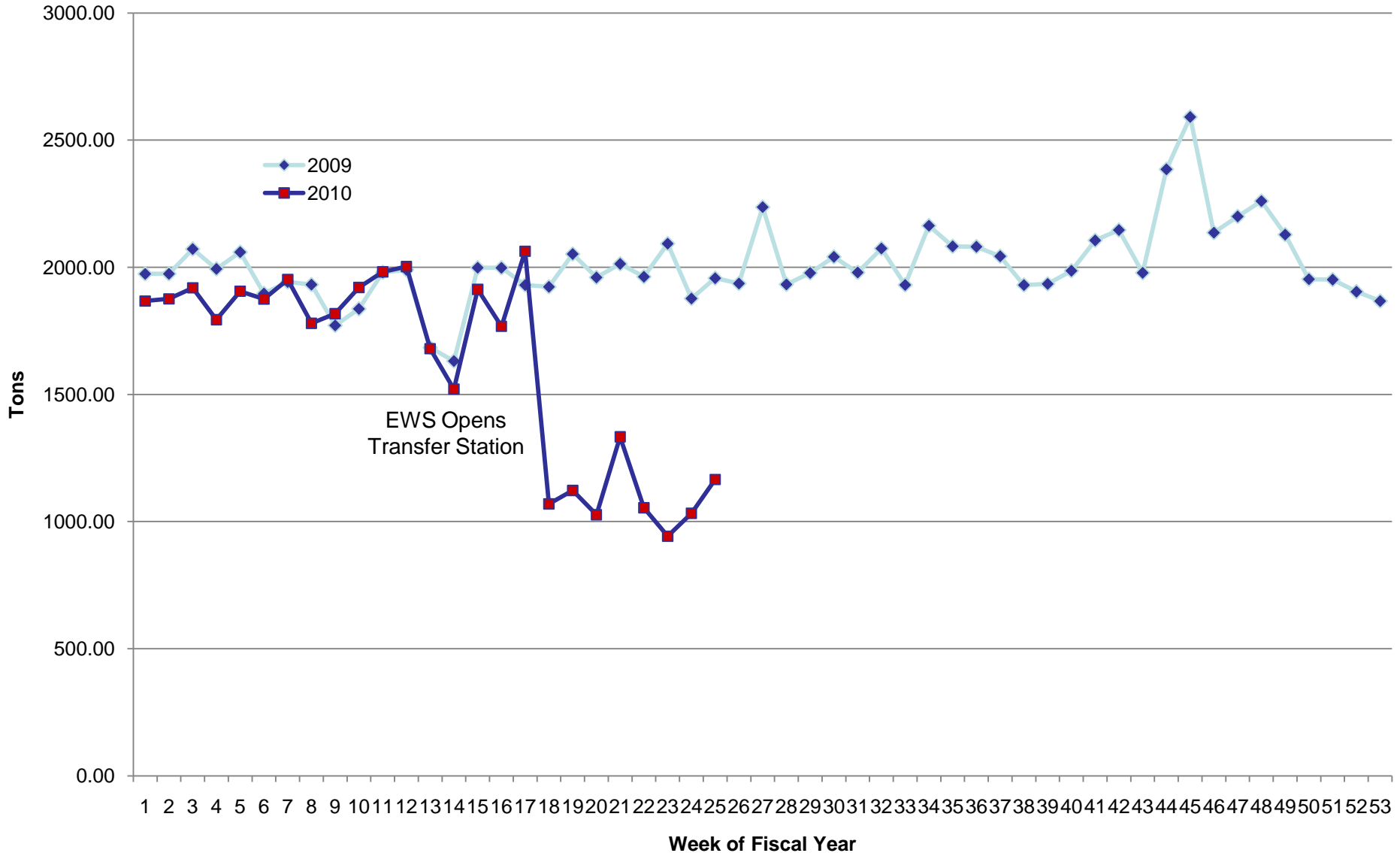
Loss Estimate		
Potential Losses	EWS Commercial Diversion Only	All Commercial Waste Diversion
Tonnage/week	1,000 tons	2,000 tons
Revenue/week	\$ 52,130	\$ 104,260
Revenue/year	\$ 2,710,760	\$ 5,421,520

Work Force Reduction		
Potential Losses	EWS Commercial Diversion Only	All Commercial Waste Diversion
Reduction in Force – FY10	+2 FTEs	+2 FTEs
Reduction in Force – FY11	+3 FTEs	+20 FTEs

AC Transfer Station Total Tons



AC Transfer Station Commercial Tons



Short Term Response

- Short term
 - Reduce operations costs at transfer station
 - Begin discussions with NR to reduce tipping fee (single biggest line item)
 - Determine cost to retain remaining commercial haulers
 - Reduce tipping fee, cost to operations
 - FY10 ~\$450,000
 - FY11 ~\$1,200,000

Long Term Response

- Implement exclusive commercial franchise (regain control of waste stream)
 - Have met legal requirements
 - Establish agreement with City of Gainesville (represents 60% of commercial waste stream)
 - Conduct joint bid process
 - Award franchise
 - Implement no later than October 2011

Staff Recommendations

- Direct staff to begin process for implementation of exclusive commercial franchise
- Direct staff to finalize negotiations for implementation of exclusive franchise with City of Gainesville

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