

CAMBRIDGE
DEPARTMENT
OF PUBLIC
**THE
WORKS**

David A. Haley
Commissioner

147 Hampshire Street
Cambridge
Massachusetts 02139
617-349-4800

April 14, 1993

TO: Robert W. Healy
City Manager

FROM: David A. Haley
Commissioner

SUBJECT: Council Order #6, Dated 3/29/93
RE: Recycling Program Costs

The cost of recycling from its inception and projected costs of curbside recycling over the next two to three years are shown on the following page:

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OFFICE OF THE CITY MANAGER



	Recyclables collection marketing costs	Recycling staff costs	Cost	Tonnage collected	Avoided trash disposal cost	Net Recycling Cost
Year 1 FY92	\$411,008	\$58,360 (1 3/4 FTE*)	\$469,368	5,158.30 tons	\$ 300,074.55	\$ 169,293.45
Year 2 (current year) (estimated) FY93	\$595,982	\$143,110(1) (3 1/2 FTE)	\$739,092	7,148 tons	\$ 331,119.29	\$ 407,972.71
Year 3 (estimated) FY94	\$803,000	\$139,110 (3 1/2 FTE)	\$942,110	8,109 tons	\$ 376,154.92(4)	\$ 565,955.08
Year 4 (estimated) FY95	\$1,070,388(2)	\$139,110(3) (3 1/2 FTE)	\$1,209,498	8,109 tons	\$ 389,415.00(4)	\$ 820,083.00

(1) Recycling staff costs include the salary of a staff person whose primary focus is administrating a program that requires businesses in the City to establish recycling programs at their own expense.

(2) Although tonnage is estimated to remain the same in FY95 as in FY94, recycling costs may go up because current bids for recycling services are coming in higher than the bids received when the curbside program started in FY91. FY95 Collection and marketing costs assume a \$132 fee per ton, compared to \$88.17/ton in FY94.

(3) Recycling staff costs do not include any cost of living increases that may be provided to City employees.

(4) The avoided trash disposal costs for FY94 and FY95 are calculated based on 7,988 tons expected to be diverted from the trash collected by the City. The remaining 121 tons that is included in the 8,109 ton estimate for FY94 and FY95 will come from residential buildings that do not receive City trash collection.

NOTE: All costs assume the addition of no additional materials to the recycling program.

NOTE: Trash disposal costs used in the calculations of avoided trash disposal cost are: 1991: \$78.96, 1992: \$46.00, 1993: \$46.68, 1994: \$47.50 (projected) 1995: \$50.00 (projected)

* Full Time Equivalent

The bidding process used in the recycling efforts has been as follows: A Request for Proposals was issued in February, 1991 for curbside recycling service for 33,500 households that receive City trash collection, which began in July of 1991. Two proposals were received, one from Laidlaw Waste Systems and one from Browning Ferris Industries. Laidlaw Waste Systems was determined to be the lowest qualified offeror, and was awarded the contract. Under the contract, Laidlaw provides collection and marketing of recyclables to the City according to the following price schedule:

<u>FISCAL YEAR</u>	<u>NEWSPAPERS/ CONTAINERS</u>	<u>LEAVES AND YARDWASTE</u>
FY92	\$79.99/ton	\$77.49/ton
FY93	\$83.98/ton	\$81.36/ton
FY94	\$88.17/ton	\$85.42/ton

An Invitation for Bids was issued on March 5, 1993 for recycling service for 7,000 households that do not receive City trash collection. Four bids were received, but a contract has not yet been awarded. The contract will be awarded for one year beginning in July of 1993 with two one year options to renew. The initial one year period will expire in July, 1994 at the same time as the three-year Laidlaw contract for City served buildings which began in July, 1991. At that time, the City has the option of going out to bid for a single recycling contract that will provide service to all residential buildings in the City, whether they receive City trash collection or not. The City may also choose to exercise its option to renew the contract for non-city served buildings, and go out to bid separately for service for the 33,500 municipally served households.

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CITY OF CAMBRIDGE

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EXECUTIVE DEPARTMENT
ROBERT W. HEALY
City Manager

RICHARD C. ROSSI
Deputy City Manager

May 3, 1993

To The Honorable, The City Council:

Please find attached a response to Awaiting Report Item No. 31, regarding an outline of costs of recycling, and the bidding process used and projects costs of recycling over the next two to three years, received from David A. Haley, Public Works Commissioner, relative to this matter.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Robert W. Healy", is written over a horizontal line.

Robert W. Healy
City Manager

RWH/mev
attachment

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Awaiting Report Item No. 31 regarding
an outline of costs of recycling and
the bidding process used and projects
costs of recycling over the next two
to three years.

*for original order see
City Manager's Requests
1993 # 91.*

In City Council,

May 3, 1993

Placed on file