

## CITY OF DERBY

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### Derby Disposal Interview

April 6, 2009

7:00 a.m.

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Rebecca Faulk, absent  
Larry Gould  
Jack Halldin  
Heather McCreight  
Orpha Parish  
Becky Robinson

Staff Present: Kathy Sexton, City Manager  
Phil Alexander, City Attorney  
Carolyn Morrison, Secretary  
Susan Erlenwein, Sedgwick County Environmental Resources

Everett Reese, Owner, Derby Disposal  
Mark Roleau, Attorney for Derby Disposal

Sexton thanked Mr. Reese for submitting his proposal. Robinson led the question/answer period:

- 1. How many trucks would service Derby? How many days each week would there be routes? Do you have any restrictions about which days? Talk about the trucks and routes you will use, including their pros and cons regarding wear and tear on city streets.**

Reese stated basically 3 trucks over 5 days. They would be single axle, which would be the lightest truck anyone could use. Time restrictions would be justified by volume of waste – some days there is more than others – it is flexible. Collection would be done in sections – east, west, etc.

Robinson asked if there was possibility of looking at school zones and scheduling those areas when schools were not going in and out?

Reese replied that they like to do collection between the hours of 6 a.m. and noon. We would certainly do our best to avoid school zones and we always try to schedule away from them.

Halldin asked in a typical route, does trash truck get full in that 6-hour window?

Reese – we average 150 stops an hour – one truck would hold about 300-400 loads.

Sexton – for clarification, 3 trucks, 5 days a week, and so all 3 trucks would be running all 5 days?

Reese – One would be part time, 2 would be running simultaneously.

**2. Review the qualifications and company history with the staff who will manage and service the Derby account.**

Reese said he has been in the business a long time and trained the 5 personnel they have. They service Derby, Rose Hill, Mulvane and parts of South Wichita. They started in Derby in 2004 and have survived high fuel and landfill increases. His wife runs the office. They would have a phone number solely for citizens of Derby, and their office hours would increase.

Halldin asked what the impact would be on Derby if something happened to you?

Reese responded the company is designed where the trucks do all the work. Being automated, anyone that can operate a truck can take it over. We also have a back-up service provider, which would be for the worst possible scenario. Lies Trash Service is the back-up.

Sexton asked what the trigger would be for using back-up?

Reese replied it would be equipment failure – that is worst case scenario.

**3. How did you determine how many customers would want a large trash cart and how many would want a smaller one? How did you estimate how many customers would want a recycling cart?**

Roleau – it is his experience that when recycling is not mandated you would have 20-30% of households participating. Regarding size of carts, we would take a customer survey – it doesn't matter to us at the beginning regarding size of carts.

Sexton clarified that they did not calculate how many would use each size.

Roleau advised, we also looked at County specs on this. Smaller cart is 30% less than large cart.

**4. Please explain your proposed cart services to small businesses including whether rates or services would differ from those offered to residential customers, and if so, why?**

Roleau stated there would be no difference.

Sexton asked if they meet all the conditions it is same service, same price?

Reese replied yes.

Robinson asked what if cart is not out?

Reese said it is primarily the responsibility of the resident to get the cart out.

- 5. Talk about your recycling program. We need to ensure we understand exactly which items are included and what your company will do with those items, especially when commodities markets change. How would you respond to market changes in terms of changing acceptable items to be collected from customers or in terms of how you dispose of those items?**

Roleau advised that they formulated their proposal based on the RFP. There is no local facility to process plastics 1 or 2. We do what the RFP requests – it would be a bi-weekly collection and we would want them separated. We propose a bag for metal cans and plastics and bin for paper.

Reese advised there are divider carts available but you are susceptible to contamination.

McCreight asked what kind of paper?

Reese replied newspaper, magazines and paper less than 1 inch.

Halldin asked if they currently offer recycling?

Reese stated they do offer to some. We are looking at opening our own facility for recycling. The cost would be offset by the dump part.

Halldin asked if the recycle rate was greater than 30% would you still be profitable. Reese replied yes.

McCreight asked how many years until the recycling center is running?

Reese answered we are projecting within a year.

Halldin stated plastics and aluminum in bags defeats the automation.

Reese replied recycling will not be automated and it will be a cart.

Sexton clarified – recycle cart for paper and bags for cans and plastics.

McCreight asked how would you encourage recycling?

Roleau stated they would not allow excess bags outside of the trash container – this would help motivate people to recycle. As far as education, we don't have a large staff - he thinks that hitting the pocket book would be motivation.

Erlenwein asked what the size the recycling cart is.

Reese replied 95 gal. One vehicle would be dedicated to recycling.

Sexton asked if the customer provides the bag. Reese said yes.

Sexton asked what if International Paper stops taking some things – do you keep taking them from the customer – how do you make changes with market changes?

Reese advised that when they have their building up, a lot of it will be compacted and stored, or we would find another place to take it.

McCreight asked if they are envisioning that recycling center would take everything?

Reese stated that is his plan.

Sexton confirmed that the facility is not part of your proposal – it is an idea at this time.

**6. Please walk through your Transition Plan and any questions or concerns you have about how the transition would occur. How would you deal with Homeowners Associations?**

Roleau thinks transition would be best done gradually. Our current customers would not feel change-over pain. As far as existing contracts, we would anticipate some problems in that regard. We would look at transition being done by 2010.

**7. Customer service is very important to the City and to our residents. Let's review the hours when your phones will be answered, as well as services available after normal business hours. Also, describe your system for ensuring high-quality interactions between telephone customer-service personnel and customers.**

Roleau stated that with getting more business, the hours would be 8 a.m. – 5 p.m. Reese's wife is in charge of call answering, and she would supervise anyone else who would be answering the phone. He thinks it can be done with one more person on staff to cover.

Robinson asked about after-hours service.

Reese replied there would be a recording and if there was emergency, he could be contacted directly.

McCreight asked how long it would take to resolve an issue?

Reese advised typically it would be the next business day, depending on the situation.

Halldin asked how many calls they get now from Derby customers.

Reese stated probably less than 30 calls a month.

**8. As for the free roll-out service for the elderly and disabled, how would you propose that customers “prove” their age or disabled status? Do you have experience with this, lessons learned in other communities, or industry standards?**

Roleau advised if someone asks for the service we will give it to them.

Sexton asked if you are not 65 or disabled do you have a separate fee if someone wants it?

Reese replied no. He doesn't think they currently have more than 20 residents requesting it.

Sexton asked if all the trucks are automated or will you be buying them?

Reese stated they are automated. We would have to buy a couple of more trucks if we got this franchise.

Robinson asked if people move in and out of a home will you switch out the carts or leave them there?

Reese said they would switch them out.

**9. Discuss your proposal for adjusting the rates throughout the term of the contract.**

Roleau stated that their dump fees are locked in for 3 years. The only adjustment would be for fuel and we would like ability to adjust quarterly, since our fuel is purchased quarterly. If prices came down, this would also apply. If it is not over \$3 it would not change, but would change on 50 cent increments.

**10. Talk about the exceptions to the RFP that you've noted in your proposal.**

Roleau advised on letter of credit, you have to have liquid assets available to you and we are not large enough to do this. Performance bond is only option we have. We have other providers that pick up the trash in short order and there is not an issue of us not performing.

Sexton asked, on the performance bond is there a bonding company you have been working with?

Mark stated they have estimated cost, but do not have the bond in place.

Robinson suggested that the ordinance should have a provision that people can leave their carts out for additional 24 hours if there is a weather problem or mechanical problems.

McCreight asked if we would need to have agreement with Lies that they would take it over if something happened – would we need to have agreement with both companies?

Alexander replied it could be complicated getting someone committed. You would probably want to leave it open that you have the ability to approve another trash company.

McCreight stated one of the exceptions is billing.

Roleau advised in the proposal we requested the city take over in 2011. We felt it was a better way for the city to make sure they are getting all the revenues. What the city bills doesn't have to be tied to what we charge. It gives the city the ability to get an additional franchise fee. It also helps them when they get financing for the trucks.

Sexton stated the last exception is the logo on the cart.

Roleau stated if we have to go out and get new carts with logo we will add \$1 to our rate per month.

Sexton asked about public education – there is no allowance for public education. If we think we need to do public education we would take your rates and add on to that to get it done.

Roleau stated that is correct

Halldin asked what about grass clippings, leaves – would it be under excessive amount?

Reese advised that would be under volume waste. \$4 every time the cart is dumped.

Halldin asked what the cost is for customers turning cart back if we went with another company?

Reese replied that he has a \$30 cancellation fee.

**11. How would you envision your company's commitment to the Derby community in terms of involvement or charitable participation?**

Reese advised we sponsor a baseball team here in Derby. This would increase – perhaps free trash for Derby Days, helping in the parks on the rec. side – we would see how it goes. He'd consider joining the Chamber.

**12. Although the RFP anticipated a single successful company for all of Derby's residential accounts, if the City were instead to contract with more than one company, describe the effect on the prices and terms that you have proposed. What concerns, if any, would you have with such an arrangement?**

Mark responded that if you were able to give us 2,000 door-to-door customers we would be able to maintain these prices – anything less we wouldn't be able to do.

### **13. What other questions do you have at this time?**

Roleau stated on our side, it is the transition – what happens to us if we lose all our customers. We have no problem lengthening or shortening the transition period.

Sexton thinks it is a primary concern for us and is not so locked in on a certain time.

Roleau thinks if you publish rates on the web, that there would be a lot of interest.

Sexton asked – the contracts you have now – how long do they go for?

Reese responded up to 2-3 years. Roleau said if a HOA has a contract and we are lower, we could have a transition period.

McCreight stated positive and negative on franchising. What are they?

Reese replied that the biggest concern is the time frame; the bulk of his business is in Derby. Financially it would have tremendous impact if he doesn't get it. On the positive side, we chose Derby for a reason, he has been in Derby all of his life and this is where he wants to be.

**Meeting adjourned at 8:39 a.m.**