

CITY OF DERBY

Waste Connections Interview

April 9, 2009

7:00 a.m.

Rebecca Faulk
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

Jim Spencer, Waste Connections
Herschel West, Waste Connections
Atul Nana, RecycleBank

Sexton thanked Waste Connections for submitting its proposal. Robinson conducted 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.**

Spencer advised they intend to purchase two new automated trash trucks and two recycle trucks, which would be semi-automated. Two trash trucks would be running every day Monday through Friday. Recycling truck would pick up every other week Monday through Friday. Recycle day would always be the same as trash day. He explained wear and tear on streets – the truck is bigger, but you have more tires on the ground, which spreads out weight, thus reducing the amount of wear and tear on asphalt. Customers will be given a calendar of pick-up dates for trash and recycling.

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

Spencer has been in the industry for 28 years and is a Wichita native. He gave his background and that of key people who work for him who would be servicing Derby.

- 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?**

Spencer stated regarding size of cart, it is a guess. We would survey customers before service starts up, which would include postage paid return card. We would then determine what we would need to order for start-up service. We offer one free change of cart size once a year. When they start recycling he feels most of them will use smaller cart for trash.

- 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?**

Spencer advised that rates are higher for small businesses. The number of businesses you can pick up compared to homes is very different due to physical density.

McCreight asked if small businesses can recycle and participate in RecycleBank?

Spencer replied yes. Originally they did not allow it, but there was such a demand that they are currently offering it.

- 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?**

Spencer introduced Atul Nana who has been in recycling for 20 years. Atul is the Vice President of RecycleBank for the Midwest and he explained their service and their company. They're averaging RecycleBank awards around \$20 a month. They also have an electronic waste disposal program. People who wish to donate their points to schools and other charities can also do this.

Sexton asked if local businesses can participate?

Atul stated yes and they will work with the Chamber of Commerce, usually 60-90 days in advance of start up to get local business participation.

Sexton asked what happens to all this stuff?

Spencer advised they have owned their own facility for 6-8 years in Wichita. The recyclables come to our center, they are bailed and shipped to Greenstar in Dallas, Texas. If for some reason something happened to Greenstar, there are numerous other plants in the area we could take materials to. The commodity market right now is bad. In spite of that we are able to sustain this program.

Goold asked how customers redeem their points and Atul explained how it is done.

McCreight asked about contamination – everything going in the same container.

Spencer advised that is advantage of going to a cart that has a lid on it. We are still able to recycle if it gets wet. On our first test run, 90% of what we collected was able to be recycled.

McCreight asked if commodities fall further will we still be able to recycle. Spencer answered yes.

Erlenwein advised that they have seen a decrease in the amount of trash at the transfer stations – part of it is the economy, but part is increased recycling in our community.

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?

Spencer outlined the transition plan. They would do a series of mailings, public meetings. For those having contracts, they typically have a 3 month agreement. We would stair-step the start up depending on when their agreement expires with current hauler. We could start them on the recycling program immediately and when trash contract expires start them on the trash service. They would be charged the recycling fee of \$3.75 a month.

McCreight asked about people who have a long term contract with a trash company now.

Spencer replied that if there is a cancellation fee involved they would pay it and credit that to the individual's bill.

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

Spencer advised that one year is guaranteed after the start of the contract. A CPI index would be used after that. Fuel and landfill cost - \$3 would be used as the base line for fuel.

Sexton asked him to talk about landfill fees, transfer station costs.

Spencer said the only variable on the disposal end is government regulatory fees.

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

Spencer stated that the RecycleBank is a great opportunity. By signing up Derby businesses into the program it is putting a huge amount of economic activity into the City of Derby.

McCreight asked if we would see someone from your company involved in the community, i.e. Chamber of Commerce?

Spencer advised absolutely – we would be at City Council meetings to hear feedback; we are presently a member of the Derby Chamber.

McCreight asked if there was anything you would be doing in Derby in the future that you are not doing now?

Spencer advised that all city owned properties would get free trash service and they are willing to be involved in community events.

Faulk thinks that Derby Days would be an excellent opportunity to have a booth - it would be an excellent community education program.

- 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.**

Spencer replied on Monday through Friday, 7:30 a.m. – 6 p.m. and 8 – noon on Saturday you will talk to a live person in Wichita. We can also do seamless phone transition to the RecycleBank. We are also available on emergency basis. A card will be provided to you with all emergency numbers. They also contracted with a company to improve their customer service.

- 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?**

Spencer stated that the city would determine what that age is and that is what your policy is going forward. They would come to City Hall, you qualify them for senior program, you let us know and we will get it done. We don't find that this is an abused program.

Halldin asked if they have paperless billing?

Spencer replied we have a web site and you can pay your bill on line.

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

Spencer advised the request for no logos or names on the carts. If we are forced to use carts that are not standard we would need to have a separate inventory for the City of Derby. It is complicated and increases cost of providing service. We have proposed to use standard carts with standard logos.

Transfer carts to the City – we will maintain carts and keep carts and we have letter of credit which would take care of that.

Responsible cost justification of service fees. Waste Connections will not perform 4 and 5. This is covered in annual reports, which were provided to you.

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?

Spencer advised that the RFP you sent out was for one contract for 7,584 homes. This is what our proposal is based on. If you split the city you would have some customers in the RecycleBank program and some not. Waste Connections has an exclusive contract with RecycleBank, which means the program is only available to Waste Connections's trash customers.

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

None.

Meeting adjourned at 9:05 a.m.