

Solid Waste Management Division



SOLID WASTE & RECYCLING COLLECTION FRANCHISING STUDY

April 9, 2018





Presentation Outline

- What is franchising?
- Windshield survey methodology & results
- UPDATED - Online survey methodology & results
- Case studies
- Benefits & drawbacks
- Recommendations



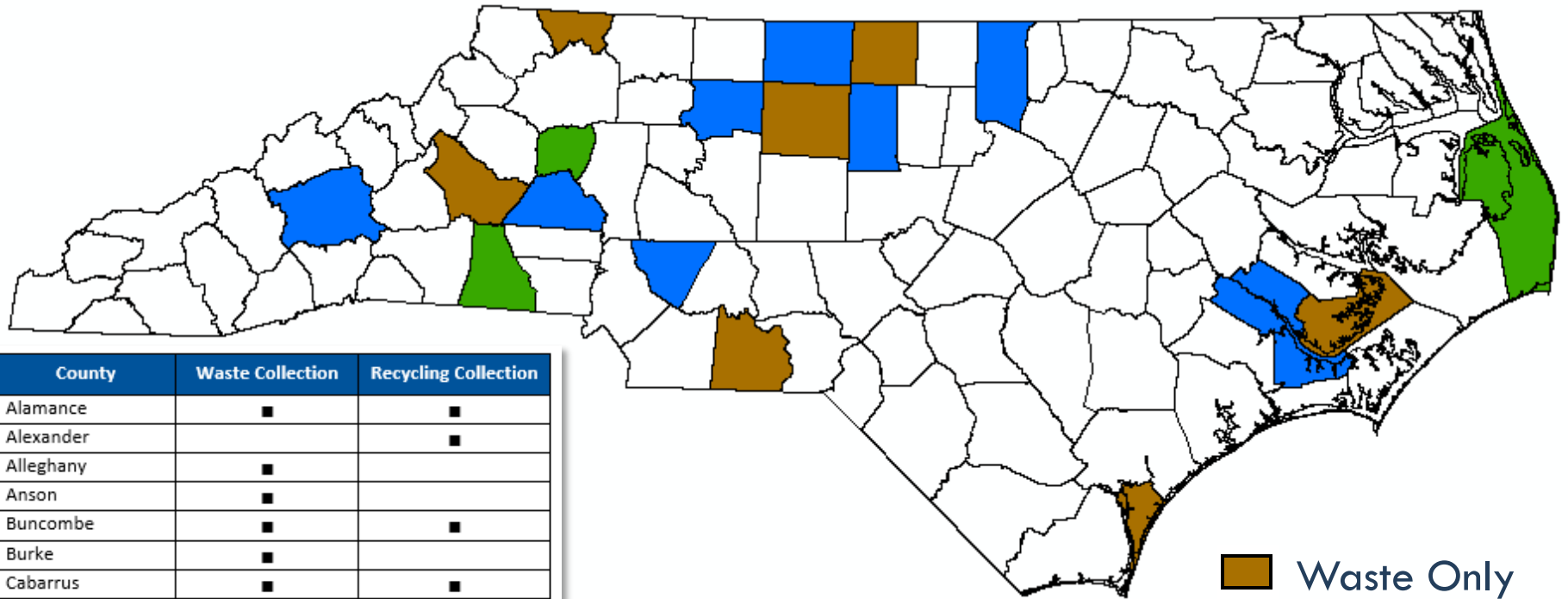


What is Franchising?

- Formal agreement between government & hauler(s) to provide waste/recycling collection services
- Mandatory versus Voluntary
 - Mandatory
 - Voluntary
- Exclusive vs. Non-Exclusive vs. Hybrid
 - Exclusive
 - Non-Exclusive
 - Hybrid



Who Franchises in North Carolina?



County	Waste Collection	Recycling Collection
Alamance	■	■
Alexander		■
Alleghany	■	
Anson	■	
Buncombe	■	■
Burke	■	
Cabarrus	■	■
Caswell	■	
Catawba	■	■
Cleveland		■
Craven	■	■
Dare		■
Forsythe	■	■
Granville	■	■
Guilford	■	
New Hanover	■	
Pamlico	■	
Rockingham	■	■

- Waste Only
- Recycling Only
- Both



Windshield Survey

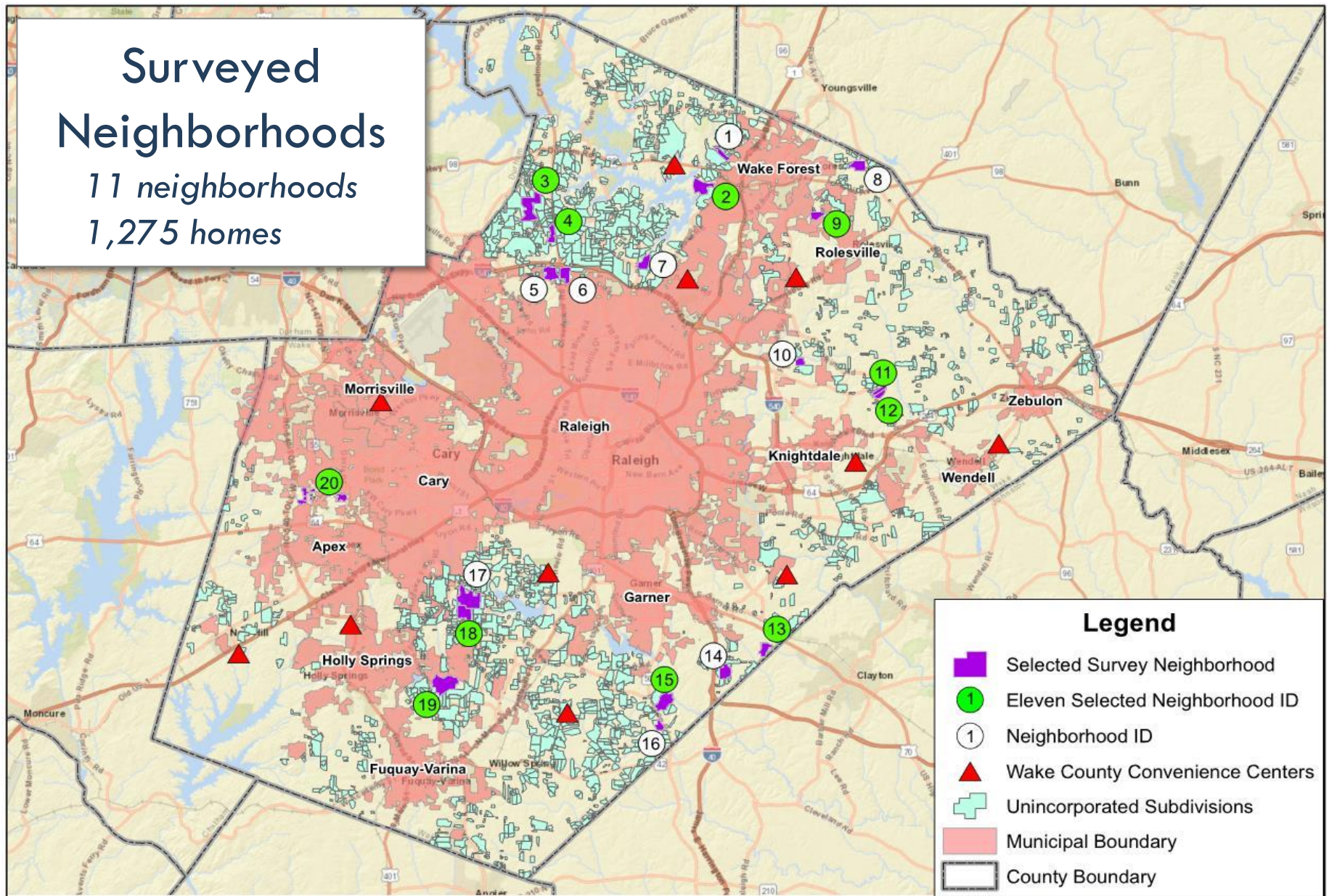
- Survey Goals:
 - ▣ Identify number of residents using contracted haulers
 - ▣ Identify number haulers servicing each neighborhood
 - ▣ Identify number of different collection days
- Surveyed 11 neighborhoods over two-week period by counting waste and recycling carts at curb



Surveyed Neighborhoods

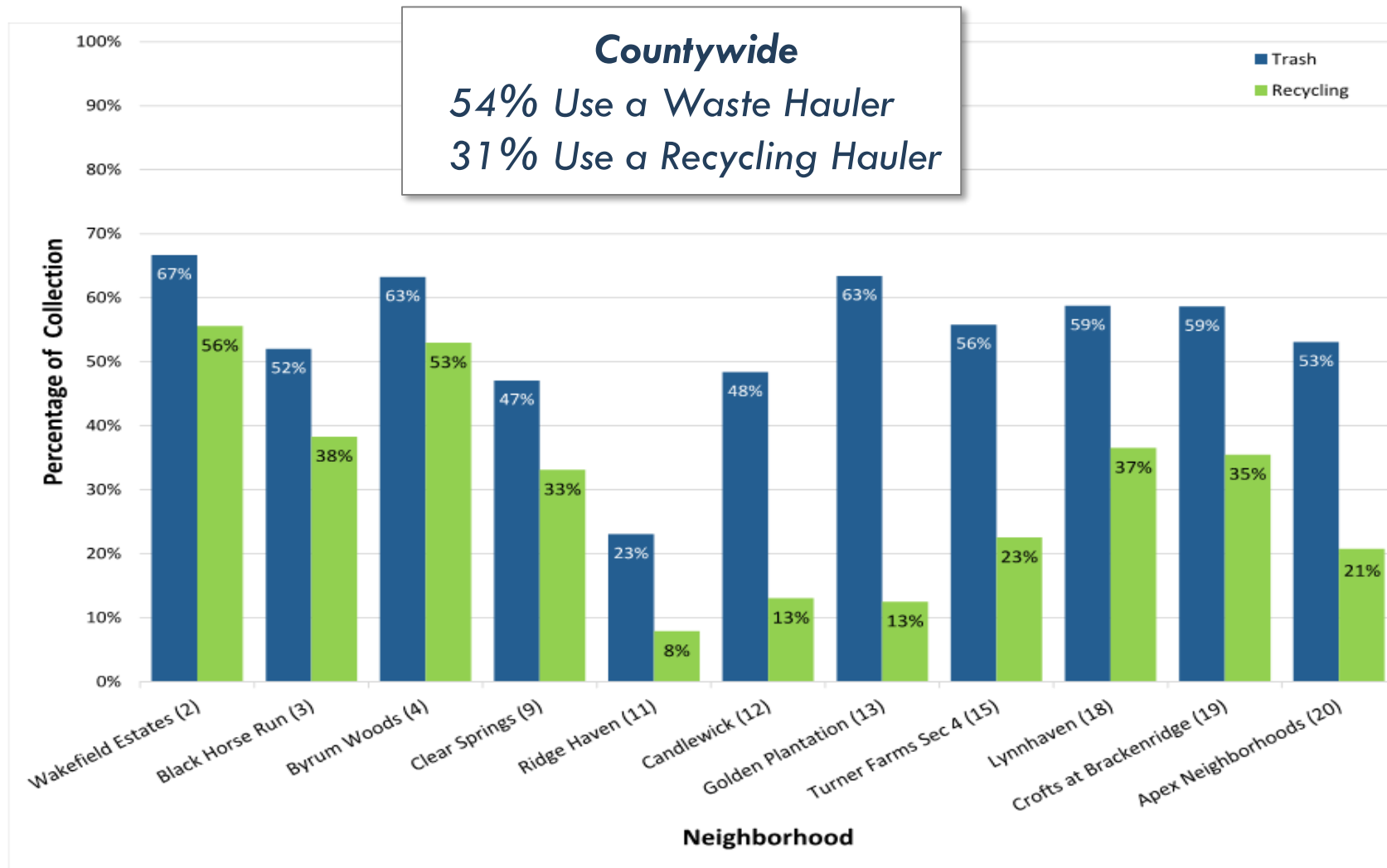
11 neighborhoods

1,275 homes





Homes with Contracted Collection





Other Survey Notes

- ❑ Inferred from results that 46% of residents use County Convenience Centers exclusively
- ❑ Waste Industries accounted for 68% of waste collection and 70% of recycling collection
- ❑ Veterans Waste accounted for 20% of waste collection and 23% of recycling collection
- ❑ Three other haulers account for 3-4% each
- ❑ Remaining 4 haulers account for 1% or less
- ❑ Waste Industries recently acquired Veterans Waste which will lead to some redistribution of the waste collection.



NEW - Online Survey of Neighbors

- As a result of May 2017 presentation, a survey of neighbors (as opposed to a windshield survey) was conducted via a postcard mailing and online survey
 - ▣ Postcard mailed to same neighborhoods studied in windshield survey (1220 postcards mailed)
 - ▣ Postcard contained simple link to online survey (thru SurveyMonkey.com)
 - ▣ Responses received from (only) 131 residents (even with a gift card reward for 10 respondents) ~11%
- Results tabulated in “Wake County Trash & Recycling Survey – Summary of Findings” by Center for Urban Affairs & Community Services at NCSU



NEW - Online Survey Results

- Percent of response varied greatly by neighborhood – high of 29%, low of 1%
- Most respondents use curbside service for both trash & recycling
- Weekly service is most common
- 89% satisfied or very satisfied with service
- Significant use of County Convenience Centers, especially if they don't have curbside service



Case Studies - Catawba County

- ❑ 11-yr exclusive franchise agreement with Republic
- ❑ Non-mandatory for residents
- ❑ Curbside waste collection fee: \$24.33/month
- ❑ Curbside recycling fee: \$18.88/month
- ❑ Annual “Franchise Fee” paid to County of \$50K-\$75K
- ❑ Republic also operates 5 convenience centers



Case Studies - Buncombe County

- ❑ 10-yr exclusive franchise agreement with Waste Pro
- ❑ Non-mandatory for residents
- ❑ Subscription fee: \$14.00/month (approximate)
- ❑ Service performance issues during early years of the agreement



Case Studies - Gwinnett County, GA

- In 2010, County bid out 8 service areas and awarded to 2 haulers.
- County was sued, and settlement was reached resulting in semi-exclusive, non-voluntary franchises
 - 5 Haulers and 5 Service Areas
- Curbside waste and recycling fee: \$18.99/month



Potential Benefits

- ❑ Reduced truck traffic
- ❑ Increased visual appeal of neighborhoods
- ❑ Uniform level and cost of service
- ❑ Limit potential fee increases
- ❑ Improved recycling – but only fully realized with a mandatory system



Potential Drawbacks

- ❑ Loss of choice by residents
- ❑ Small haulers may be harmed, go out of business
- ❑ County staff & resources needed to manage franchisee(s)
- ❑ Potential for litigation



Other Considerations

- Illegal dumping is not a significant problem in Wake County (often a driver for franchising)
- Comprehensive, mature & expanding system of convenience centers and MMRFs already offers recycling and waste disposal options
 - ▣ Voluntary system would most likely apply in Wake County due to presence of existing facilities
- Based upon limited survey results, respondents appear to be satisfied with existing service



Recommendations

- ❑ Does not appear to be sufficient value or reasons to consider franchising in Wake County
- ❑ Continue to monitor level of competition in the marketplace to confirm reasonable pricing
- ❑ Include updates in the annual Action Plan presentation to GLUE

Questions?

