

Recycling Program and Costs

Recycling Program and Costs: Currently, the City provides recycling at low-density residential buildings through both City crews and private vendors, with each serving specific geographic zones.

Background

In 2013, the City expanded its blue cart recycling program to every household that receives Department of Streets and Sanitation (DSS) refuse collection. This expansion was made possible by the savings and efficiencies generated through both the transition to grid-based garbage collection and the managed competition for recycling services.

Prior to citywide expansion, recycling collection was provided to less than half the city through 45 DSS crews. In October 2011, the City implemented a managed competition for residential recycling collection to help reduce collection costs and explore citywide expansion. Through the managed competition, DSS crews provide recycling collection to certain areas or zones of the city, while two private vendors (Waste Management and Sims) collect recycling for the remaining areas or zones of the city. The City currently utilizes approximately 27 crews every weekday to collect recycling from blue carts in two collection zones.

Following are the six geographic zones for recycling collection, together with the party responsible for collection in each zone:

- Zone 1 – Northwest: Waste Management
- Zone 2 – Northeast: City DSS
- Zone 3 – North Central: Waste Management
- Zone 4 – Southwest: City DSS
- Zone 5 – Near South: Sims
- Zone 6 – Far South: Waste Management

A map of these zones is available on the Department of Streets and Sanitation’s website.

Cost Impact

The managed competition for recycling services currently decreases citywide costs for recycling collection by \$10 million each year. As shown in the table below, the pre-competition cost per cart of recycling collection was \$4.77/month for the approximately 218,000 carts being collected at that time. At this cost/cart, annual costs for citywide collection would be approximately \$29 million. The current cost per cart for recycling collection is \$3.78/month for City crews and \$2.82/month for private vendors, for a total annual cost of approximately \$19 million.

	Pre-Competition \$/Cart/Month	<i>Annualized Costs</i>	Post-Competition \$/Cart/Month	<i>Cart Count*</i>	<i>Annualized Costs</i>
City Crews	\$4.77		\$3.78	165,552	\$7.5M
Vendor Crews			\$2.82	349,249	\$11.7M
Totals		\$29.3M		515,266	\$19.2M

*Number of carts does not equal the total number of households as multi-unit buildings often share a single cart.

Revenue from the sale of recyclables is credited against the cost per cart set out above. In 2014, the City received \$129,000 in revenue from the sale of recyclables, down substantially from prior years due to declines in commodity prices. The private vendors assume the risk of a decline in prices

Legal Authority

Operational changes to the City's blue cart recycling program, including further outsourcing or managed competition, do not require any changes to the Municipal Code or other existing laws.