Garbage collection is a service provided by many, but not all, municipal governments in New York State. There are generally three options in collecting residential refuse:

- Municipalities provide refuse collection services to households using municipal employees and equipment.
- Municipalities contract with private refuse haulers to provide refuse collection services to households.
- Individual households contract with private refuse haulers for residential refuse collection services with no municipal involvement.

Even when they do not provide services directly, but rather by contract local governments have the responsibility to comply with applicable procurement laws and ensure that the citizens receive the highest quality of service for the lowest possible cost.

This brochure is designed to help local government officials evaluate whether the method of solid waste removal currently used is the most cost-effective for their community, and how to estimate the cost of each collection option. It also helps to identify some nonmonetary issues that local government officials may need to consider when exploring whether to change refuse collection methods.

Did You Know...
Collection costs account for 50% to 70% of a solid waste budget!
A local government’s past investments to provide refuse collection services using municipal equipment and employees could limit its ability to benefit from alternatives such as contracting with a private concern. A Syracuse University/Maxwell School study found that the average cost to residents for refuse collection services provided by municipal employees and equipment was close to the average cost of local governments contracting with private haulers on behalf of residents, and it is likely to cost substantially less than individual households seeking their own service provider.1

However, local governments providing solid waste collection should periodically evaluate these services to see if opportunities for cost savings exist. As a starting point, a municipality should analyze the collection time for transporting solid waste, and the number of vehicles required. (See box on next page for EPA recommended formulas for evaluating both.)

Ideas for Savings:

There are a number of ways to lower municipal garbage collection costs without contracting out the services. Here are just a few of these practices:

A. Intermunicipal Cooperation:

For some municipalities, it may be economical to enter into a municipal cooperation agreement pursuant to Article 5-G of the General Municipal Law for some or all solid waste management services. Sharing equipment or facilities are examples of potential areas for cooperation. For example, the towns of Clifton Park, Malta, Waterford and Halfmoon share household hazardous waste removal duty. In the north country, the town and village of Lake George share a landfill transfer station.

For more information on intermunicipal cooperation, please contact the Division of Local Government Services at (518) 474-4037.

Additional Advantages

- Control over the days and hours of collection improve safety and reduce noise, litter and exhaust pollution.
- Greater control over community’s safety and attractiveness by limiting the number of garbage trucks on its roads.
- Less traffic from garbage trucks may increase the longevity of municipally maintained roads.
- Municipal contracts may enhance the dispute resolution process for residents dissatisfied with the services provided by haulers.
- Improved ability to implement municipal recycling programs.

How do I get started?

Begin by contacting private haulers to inquire about the potential for municipal refuse collection. This may be municipal-wide or in special districts within your town or county. Seek competitive bids from different haulers for this service. You can get additional information on competitive bidding from Section 8 of our Financial Management Guide, or by contacting our Division of Legal Services at (518) 474-5586.

For more information on this topic, please see the following reports and publications:

Issued by the Office of the State Comptroller:
A Study of Residential Refuse Collection
Local Government Management Guide: Intermunicipal Cooperation
www.osc.state.ny.us/localgov/pubs/lgmg/intermunicipal.pdf

Other Resources:
MSW Learning Tool: Lesson #3: Solid Waste Collection
University of Central Florida
www.msw.cecs.ucf.edu/lesson3-general.html
Decision Maker’s Guide to Solid Waste Management (2 volumes)
US Environmental Protection Agency
www.epa.gov/epaoswer/non-hw/muncpl/

Smaller private refuse haulers may not have the capital resources to bid on municipal contracts, thereby reducing overall competition.

In municipalities having difficulty encouraging competition from private haulers for large refuse collection contracts, the governing board could in certain cases, design the contracts to service smaller territories.

Rural populations or large residential lot sizes may make creating refuse collection districts impractical.

For more rural communities, entering into a municipal cooperation agreement, pursuant to Article 5-G of the General Municipal Law, with other local governments to jointly provide residential refuse collection may make municipal contracts economically feasible. Each municipality should study the issue to determine if it is practical for their particular situation.

Residents may need to pay for an entire year’s service, even if they are away for several months during the year.

Governing boards may be able to address this concern through provisions in the service contract and by using periodic billings of user fees instead of including it as part of the real property tax bill.

Discounts currently offered to some residents such as senior citizens or for small volume may no longer be available.

Municipal contract provisions could be constructed to provide similar discounts, when appropriate. In addition, cost savings potentially available to all residents by municipal refuse contracts could be larger than the discounts received by these residents.

B. Transfer Stations:

A transfer station consists of a large trailer or other container situated in a central location. It is an alternative to direct haul, and may be justified when transport cost (route to disposal site) is greater than transport from route to transfer station plus haul to disposal site by larger vehicle.

According to the Municipal Solid Waste (MSW) Learning Tool developed by the University of Central Florida, the need for transfer stations is indicated by the following:

- Presence of illegal dumps or litter
- Remote disposal sites (>10 miles)
- Small capacity collection vehicles (<20 yd³)
- Low density residential areas
- Widespread use of medium sized commercial containers

The MSW Learning Tool provides additional information on transfer stations, including capital cost considerations.

C. Updated Technology and Improved Management:

Automated collection and the style of vehicle (e.g., rear loaders vs. side loaders) may substantially affect the cost of collection services by reducing manpower. In addition, changes in frequency of service, method of collecting recyclables, and development of more efficient routes should be investigated when reviewing solid waste collection costs. Vehicle routing software can be used to improve efficiency.

<table>
<thead>
<tr>
<th>To Determine Solid Waste Collection Time:</th>
<th>To Determine the Number of Collection Vehicles Required:</th>
</tr>
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<tbody>
<tr>
<td>[ Y = a + b + c (d) + e + f + g ]</td>
<td>[ N = \frac{SF}{XW} ]</td>
</tr>
<tr>
<td>Where: ( Y ) = Total Collection Time</td>
<td>Where: ( N ) = number of vehicles required</td>
</tr>
<tr>
<td>( a ) = garage to route time</td>
<td>( S ) = total number of customers served per week</td>
</tr>
<tr>
<td>( b ) = actual time collecting waste</td>
<td>( F ) = collection frequency</td>
</tr>
<tr>
<td>( c ) = number of trips to disposal site</td>
<td>( X ) = number of customers a truck can serve a day</td>
</tr>
<tr>
<td>( d ) = time to drive fully loaded truck to disposal facility, unload and return to the collection area</td>
<td>( W ) = number of work days per week</td>
</tr>
<tr>
<td>( e ) = time to drive to garage at the end of the trip</td>
<td></td>
</tr>
<tr>
<td>( f + g ) = off route time, usually a fraction of ( Y )</td>
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</tbody>
</table>

Scenario #2: “Individual households in our community contract with private refuse haulers for collection services. Why should our municipality get involved?”

In many situations, refuse collection costs to residents could drop dramatically if local governments contracted for services on behalf of households instead of requiring households to contract for these same services individually, because refuse haulers can service large numbers of households in smaller areas, thereby increasing efficiency and allowing them to charge lower rates.

Our report, A Study of Residential Refuse Collection, found that households contracting individually for refuse collection paid more than twice as much as households provided services by a private hauler under a municipal contract.

You can determine if contracting with private refuse haulers will save money for your citizens:

1. Contact a nearby locality that contracts for refuse collection and determine:
   - Total refuse contract cost
   - Administrative costs
   - Number of households

2. Calculate:
   \[
   \frac{\text{total refuse contract costs} + \text{Administrative costs}}{\text{total number of households}} = \text{Annual cost per household}
   \]

3. Call haulers who service individual residences in your municipality to determine the average monthly refuse rate.

   \[
   \frac{\text{Sum of rates provided}}{\text{Number of haulers responding}} = \text{Average monthly Refuse rate}
   \]

   \[
   \text{Average monthly refuse rate} \times 12 \text{ months} = \text{Avg Annual Cost/Household}
   \]

By comparing the results of 2 and 3 above, you will be able to determine whether or not contracting for municipal-wide refuse collection will save your residents money.

Some common concerns and how to address them:

**The municipality may incur greater administrative costs as a result of awarding and administering the contract.**

Generally, such costs will be insignificant when compared to the potential savings. However, the local government can recover them by charging for the service.

**Residential households will lose the ability to select the refuse hauler of their choice.**

Properly constructed contracts ensuring quality service delivery will help mitigate this concern.

**Residents may resist additional layers of government and/or the formation of special districts to deliver the residential refuse service.**

Educating citizens about the pros and cons of municipality-contracted refuse collection, holding public meetings to discuss the issue and, where appropriate, by petition or by motion, establishing special districts to deliver the service should help address these concerns.

**Residents will resist increases in their property tax bills.**

Again, educating tax payers about the pros and cons of the service may help mitigate this concern. To further address this concern, municipalities could impose user fees, as authorized by statute and periodically bill residents for the refuse collection using an approach similar to the method the private hauler would have used. Such an approach would clearly demonstrate to the users the benefits of any price reductions. If the local government already bills for existing user charges, such as water or sewer, the refuse collection charge could be added to the bill with a minimal increase in administrative costs.