

## City Council “Priority Goals” – Solid Waste

**Existing Condition:** The City currently supports a subscription-based service delivery for solid waste management. The City does not currently support contract-based service delivery; and therefore, does not provide residents or businesses with municipal solid waste services. There is no practical or effective blend of these two service deliveries for a community. At this time, all residential and commercial solid waste (i.e. trash) services are privately contracted in an open market that consists of over a dozen private trash handling/hauling companies. These haulers must license with the City to do business, but there is no City oversight, minimal regulation and no contracting.

**Background/History:** There is either subscription-based service or contract-based service. The City has currently adopted a subscription-based service. A subscription-based service relies upon individuals to contract with a licensed company without involvement from the City. The city does license solid waste haulers and provides some basic guidelines through requirements in Chapter 25 of the Code of Ordinances.

Licensed haulers are required to:

- Maintain a business license issued by the City of Lee’s Summit and a free hauler’s license
- Purchase and maintain liability insurance (a Hauler License Requirement)
- Comply with DNR Regulations and State Laws

Basic services a hauler provides include curbside collection of trash, recycling and yard waste. Though it is required of each hauler to offer these services, customers are not required to subscribe. Subscription costs are not managed or regulated by the City in any way. Each hauler creates its subscription price model in the market.

Contract-based services are managed and regulated by the City; haulers for contract are solicited through a competitive Request for Proposal (RFP) process whereby the scope of services issued by the City are priced by haulers for contract consideration and approval by the City Council. The City then contracts with one or more haulers at an agreed price for service options to deliver throughout the City to residents without discrepancy or favor. The hauler prices and performance are managed by the City under the terms of contract.

City Staff have supported contract-based solid waste services (residential only) since the 1990’s. Several proposals have been brought forward to City Council for consideration over the years; the most extensive and recent effort took place in 2011. The City Council (Solid Waste/Public Works Committee) worked with Staff to craft a comprehensive RFP for contract-based residential solid waste services. The effort consisted of several public information sessions over an 18-month period. Several weeks prior to opening the RFP, Deffenbaugh Industries (currently Waste Management) filed for a temporary restraining order in Circuit Court. The Circuit Court imposed the restraining order without contact or input from the City. In addition to the restraining order, a local solid waste company developed a media campaign of opposition (claiming the City was putting them out of business) and numerous citizens voiced opposition to the proposal in support of the media campaign. Subsequently, the City Council met in closed session and rescinded the RFP.

The most recent 2024 Citizen Survey by ETC indicated the following importance as it pertains to residential trash services (Ranked Top 3):

1. Cost of Service [84.1%]
2. Availability of Variety of Services (Recycling, Bulk Item, Grass/Leaves, Etc.) [61.0%]
3. Timeliness of the Service [52.3%]
4. Ability to Choose Providers [31.2%]
5. Customer Service [29.9%]
6. Impact on Neighborhood [29.2%]
7. Something Else/None [3.4%]

Survey results would indicate most respondents would prefer the potential influences of contract-based services (e.g. opportunity for government reduced/controlled cost, ensured variety, regulated timeliness, etc.) over subscription-based services (e.g. choice of provider). Less than 10% (9.4%) of citizen responses thought choice of service provider was most important consideration of residential solid waste services.

**Opportunities:** As an alternative to subscription-based service, a contract-based service whereby the City contracts and manages one or more licensed company to provide residential solid waste services to residents throughout the City can offer many potential benefits to the community:

- Consistency with regional norms...Only 33% of Cities in the Missouri MARC Region have subscription-based solid waste services. Many residents expect contract-based services when moving to Lee's Summit; to which we don't offer and fail to meet those expectations.
- Reduced costs for residents
- Fewer trash trucks on the roads. Less road maintenance and related maintenance costs.
- Less noise and disturbance from fewer trash trucks.
- Cleaner streets and neighborhoods.
- Less clutter on neighborhood streets; uniform containers and trash pick-up days.
- Contractual controls to address customer complaints
- Can be done administratively at the direction and approval of City Council or by public vote (if directed through Council ordinance or initiative petition). While administrative action is easiest and least expensive, a vote may be seen as an inarguable public mandate to ward off expected opposition.

**Challenges:** While a contract-based solid waste service can offer many opportunities for improving the community, there are also expected challenges:

- Public Opposition (dislikes for change, disruptions, favors to a company, etc.)
- Private Hauler Opposition (threats of competition, lack of support for small business, etc.)
- Anti-Government Sentiments ("My trash – My choice")
- Billing System (Is it part of the Water/Sewer Bill, separate new billing division of the City, consolidated billing for all City services, etc.)
- Contract regulation, enforcement and management
- Customer service demands
- Past-due Collections
- Lack of customer choice.

- Requires a two-year notification period. This makes it a long process and subjects the process to changes in political representation and environmental instability.

**Next Steps:** Several decisions must be made; most critically and foremost whether or not to pursue contract-based residential solid waste services with a full understanding of the issue. It is critical that this decision have consensus and commitment by the Mayor and City Council considering the extraordinary time and resource required to see it through to the end. The initiative will be divisive, emotional, supported and opposed by constituents and haulers. The initiative may also be challenged through legal strategies. Therefore, the approach must be strategic, thorough and thoughtful. There could be advantages to seeking public engagement or task force during the process and public education prior to any decision is highly recommended (especially if a ballot measure). While the decision does not require a public vote, a public vote option is available. The schedule will likely span changes in elected official terms due to the minimum 2-year notification period. The notification may be issued at any time, renewed continuously, and is non-committal or binding. However public (and hauler) support and opposition will very likely be generated upon notification.

- Decide to pursue or not pursue contract-based services.
- Decide when to issue the public notice (a two-year notification requirement)
  - The two-year notification can be continuous such that if the process is delayed, stops and restarts, there is no time lost.
- Design the Scope of Services
  - Single Hauler or District Hauling (i.e. Multiple Haulers)
  - Service Options
  - Customer Services/Responsiveness
  - Resource Requirements
  - Schedule
  - Performance Standards
  - Length of Contract (Years)
  - Subcontractors
  - Etc.
- Design the City Required Resources
  - Billing Systems and Support (e.g. New Billing, Co-Water/Sewer Billing, Etc.)
  - Contract Management
  - Customer Service Support
- Draft RFP (2011 RFP Attached for Example)
- RFP Process and Contract Selection
- RFP Award
- City Resource Development and Implementation
- Contract-Service Implementation
- On-Going Management, Billing, Service Delivery
- Review, Revise and Re-Issue RFP (end of contracted term)

