

TRASH TALK

Managing Costs in Uncertain Times

Shared contracts • economies of scale • efficient service design



Why this conversation matters

Waste collection is essential, highly visible, and increasingly expensive.

- Collection and disposal costs continue to pressure municipal budgets.
- Labor, equipment, fuel, insurance and disposal costs all influence bids.
- Fewer bidders—or overly restrictive specifications—can reduce competition.
- Residents still expect reliable, convenient service at a predictable cost.

“The price is not just a function of what a hauler charges.”

Municipalities influence cost through service design, procurement and contract structure.

Introductions

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What drives the cost of collection?



The contract price reflects an operating system—not just a per-household number.

The Balancing Act

Residents Want

- Reliable collection
- Convenient service
- Predictable rates
- Bulk-item options
- Recycling
- Responsive customer service

Municipalities Need

- Competitive bids
- Predictable budgets
- Contract accountability
- Administrative efficiency
- Flexibility
- Sustainable long-term pricing

Where Can a COG add value?

Regional cooperation can create leverage without eliminating local decision-making.

Aggregate purchasing power

More households and service volume

Coordinate procurement

One process instead of many

Develop common specifications

Reduce unnecessary differences

Share expertise

Technical, legal and administrative support

Attract competition

A more meaningful opportunity for bidders

Benchmark performance

Compare pricing, service and outcomes

DISCUSSION: When does regional cooperation actually produce savings—and when doesn't it?

Economies of scale: bigger isn't automatically better

Potential Advantages

- More households under contract
- Greater route density
- Reduced mobilization
- Shared procurement expense
- Stronger purchasing opportunity

Potential Challenges

- Different service expectations
- Different collection days
- Different recycling programs
- Geography and travel time
- Municipal-specific requirements

The goal isn't simply a bigger contract. It's a more efficient contract.

Contract design can affect price

Every requirement has an operational—and potentially financial—impact.

Collection frequency

Cart vs. bag service

Automated collection

Bulk collection

Recycling frequency

Yard waste

Collection days/routes

Disposal requirements

Contract length

Fuel adjustments

Annual escalators

Renewal options

INDUSTRY QUESTION: Which requirements add cost without adding equivalent resident value?

Regional doesn't have to mean identical



Collaboration can occur in procurement, specifications, administration—or all three.

There are several ways to collaborate while preserving local service choices.

What makes an RFP attractive to bidders?

- Engage the industry before specifications are finalized.
- Provide accurate household, route and service data.
- Avoid requirements that unnecessarily limit operating flexibility.
- Give bidders adequate time to evaluate the opportunity.
- Define risk clearly—especially fuel, disposal and escalation provisions.
- Make alternatives and pricing options easy to understand and compare.

Competition starts before the bid is advertised.

QUESTION

What makes a hauler
look at an RFP and say:

“We want to bid this.”

Questions municipalities should be asking

Are we buying the right service?

Are our routes efficient and how do we know?

Are we limiting competition?

Can we partner with our neighbors?

What risk are bidders pricing in and can we mitigate those?

What matters most to residents?

Five takeaways

Collaboration creates options.

Efficiency creates savings.

Good specifications create competition.

Flexibility can have value.

The best contract balances cost, service and risk.

QUESTIONS & DISCUSSION