



Trash and Recycling Collection: An Evaluation of Current Policies

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EXECUTIVE SUMMARY

OLO REPORT 2019-17

TRASH AND RECYCLING COLLECTION: AN EVALUATION OF CURRENT POLICIES

The County contracts with private haulers to collect recyclables from approximately 212,000 homes in all unincorporated areas of the County. In addition, the County contracts with private haulers to collect trash from approximately 92,000 single-family residences in certain unincorporated areas of the County. The County Council asked the Office of Legislative Oversight (OLO) to review the County's current policies and practices for trash and recycling collection from single-family homes. Specifically, this report addresses two questions:

1. Subdistrict Structure: Is there any reason to eliminate the current subdistrict structure for trash collection and adopt a uniform trash collection method throughout the County?
2. Labor and Equipment: Is there any reason to modify the current County practice of contracting with private vendors for trash and recycling collection services by instead using County-employed personnel and County-owned equipment for these collections?

Subdistrict Structure

In 1992, the Council designated the entire County (excluding municipalities) as a Solid Waste Collection District divided into two subdistricts called "Subdistrict A" and "Subdistrict B."

In Subdistrict A, the County contracts with private haulers to collect both trash and recyclables once per week. Within Subdistrict A, all single-family homes in the same neighborhood receive trash and recycling collection on the same day of the week. Residents may contract directly with a private hauler for a second trash collection per week.

In Subdistrict B, the County contracts with private haulers to collect recyclables once per week, as it does in Subdistrict A. All single-family homes in the same neighborhood receive recycling collection on the same day of the week. For trash collection, however, residents in Subdistrict B must contract directly with a licensed private hauler. Different haulers may collect trash from different homes in the same neighborhood.

The current subdistrict structure is a legacy of policies from the mid-20th Century. At that time, the areas that did and did not receive County-contracted trash collection service were more distinct from each other in terms of population density and land use. In more densely populated areas, the County contracted for trash collection, whereas in less populated areas, homeowners arranged for trash collection on their own. Today, the suburban and urban land use characteristics of many parts of Subdistricts A and B are more similar to each other.

Under current law, a group of homeowners in either Subdistrict A or B who meet certain conditions may petition to transfer from their current subdistrict to the other subdistrict. If at least 25 percent of the homeowners within the proposed transfer area sign a transfer petition, then all property owners in that area may vote on whether to accept the proposed transfer.

Summary of Current Trash and Recycling Collection Policies

Collection Frequency: The County contracts for once-a-week trash collection in Subdistrict A and for once-a-week recycling collection in Subdistricts A and B. (Homeowners in Subdistrict A may privately contract directly with a hauler for additional trash collections.) Homeowners within Subdistrict B may privately contract for collection one or more times per week.

County Contracts for Trash and Recycling Collection: In Subdistrict A, the County contracts with private haulers for trash and recycling collection; in Subdistrict B, the County contracts with private haulers for recycling (but not trash) collection. The County’s contracted haulers provide all the personnel and equipment for these collections. The County workforce does not include trash or recycling collection personnel, nor does the County own or maintain collection vehicles.

Paying for Trash and Recycling Collection: The County charges residents of single-family homes separately for trash collection and disposal. In Subdistrict A, the County charges for trash and recycling collection; in Subdistrict B, the County charges for recycling collection only (because Subdistrict B residents contract directly for trash collection). For trash collection in Subdistrict A, all residents pay the same annual trash collection charge, no matter the location of the home or the amount of trash collected. For recycling collection in Subdistricts A and B, residents pay the same annual charge, no matter the location of the home or the amount of recyclables collected.

Paying for Trash Disposal: All residents of single-family homes in Subdistricts A and B pay a fixed annual charge to dispose of the trash collected from their homes (no matter whether that trash was collected by a hauler under a County contract or a private contract). The per home annual trash disposal charge equals the average amount of trash disposed per household multiplied by the per ton tipping fee. All residents pay the same trash disposal charge regardless of the size of the dwelling, how much trash the home generates, or whether their trash is collected under a County contract or a private contract.

Future Policy Considerations: In 2018, the County convened an “Aiming for Zero Waste” Task Force. A consultant assisting the Task Force prepared a list of collection-related best practices including: reducing trash collection frequency to encourage more waste diversion; adding new materials to the curbside recycling program; and implementing “pay-as-you-throw” pricing in which the cost of trash collection and disposal is based on the amount of trash disposed.

Findings and Recommendations: Subdistrict Structure

The major OLO findings regarding possible modifications to the subdistrict structure include:

- *Trash Collection Cost to County Residents:* Applying the trash collection model used in either Subdistrict A or Subdistrict B to all single-family homes would raise trash collection costs for some residents and lower trash collection costs for other residents.
- *Trash Collection Frequency:* Applying the trash collection model used in Subdistrict A to all residences in Subdistrict B would result in a base level of once-a-week trash collection throughout the County. Applying the trash collection model used in Subdistrict B to all residences in Subdistrict A would require customers Countywide to contract privately for trash collection and select either once- or twice-a-week collection.

- *Effect on Private Sector:* Expanding Subdistrict A to the entire County would significantly impact most, if not all, of the private collectors currently serving Subdistrict B. OLO estimates that no more than four of the private haulers currently licensed to operate in Subdistrict B have the capacity at this point to bid on County collection contracts as the contracts are currently designed. The remaining private haulers – at their current size and without consolidation – likely would be unable to compete for County contracts assuming no change in the number of homes specified in County collection contracts. The effect of expanding Subdistrict B would depend on the extent to which large companies that currently hold County contracts would compete in a market in which homeowners contract directly for trash collection.
- *Effect on Labor:* Certain County labor protection laws – including requirements for wages, labor peace agreements, and displaced workers – apply only to employees of trash haulers under County contracts. Expanding Subdistrict A would extend these local protections to more trash collection workers. Expanding Subdistrict B would remove these protections from workers currently serving Subdistrict A residences under County contracts.
- *Environmental Impact:* In Subdistrict B, multiple haulers have overlapping collection routes in the same neighborhood and collect trash from many homes two times per week. This model results in more truck miles driven than the Subdistrict A model. These additional truck miles result in higher fuel consumption and vehicle emissions per home as compared to the Subdistrict A. In addition, reducing the frequency of trash collection from twice- to once-per-week could encourage residents to generate less trash and/or divert more materials for recycling.
- *Traffic Impact:* The Subdistrict B model produces more truck trips per ton of trash collected and so generates more traffic per home than in the Subdistrict A model.
- *Implementation of Pay-As-You-Throw:* Neither the Subdistrict A nor Subdistrict B model presents an impediment to implementing pay-as-you-throw pricing for trash collection.

OLO Recommendation: If the County were establishing a trash collection program for the first time, OLO would recommend County-contracted collection for all single-family homes (the Subdistrict A model) because of the inherent inefficiency of the Subdistrict B model. However, the County is not implementing trash collection for the first time. At present, many Subdistrict B residents contract for twice-per-week trash collections. In addition, about 20 trash haulers have Subdistrict B residents as their customers. OLO believes these existing conditions should be factors when considering possible modifications to the County’s trash collection policy.

OLO recommends that the County expand Subdistrict A if supported by a majority of affected residents and if accompanied by an effort to allow small trash collection companies to compete for County contracts. Given the existing hybrid system, OLO recommends that the County move toward expansion of Subdistrict A under two conditions:

- The County should proactively initiate a ballot process in which residents of each Subdistrict B Collection Area vote on whether to transfer into Subdistrict A.
- If residents in an area of Subdistrict B vote for a transfer to Subdistrict A, the County should develop strategies to encourage small haulers to compete for County collection contracts.

Findings and Recommendations: Labor and Equipment

The major OLO findings regarding the use of contracted labor and equipment for County-provided trash and recycling collection include:

- *Cost Considerations:* The non-labor costs associated with trash and recycling collection should be roughly equivalent whether performed by private contractors or by the County itself. However, labor costs associated with moving to in-house County-provided collection service may be higher than in the private sector, depending on the pay grade assigned to collection workers and the cost of benefits offered by the County.
- *Effect on Private Sector:* Using County employees and equipment in place of contractors would shift about \$31 million of public sector spending away from regional businesses. This shift could have a large impact on the financial viability of two of the current contractors, one of which is a Minority, Female, Disabled (MFD) owned business.
- *Effect on Labor:* Depending on the County pay grade assigned, trash and recycling collection staff employed directly by the County could receive higher wages than private sector workers performing similar duties under contract with the County. Trash and recycling collection workers employed by the County also likely would receive greater health and retirement benefits than they would if employed in the private sector.
- *Infrastructure Investment:* OLO estimates the cost to acquire a fleet of vehicles to serve current Subdistrict A and Subdistrict B homes could range between \$30 and \$40 million. While the price of current trash and recycling collection contracts already includes the amortized cost of the contractors' vehicle purchases, a decision to bring collection services in-house would require immediate acquisition of a large fleet of vehicles that could add to the County's debt load. In addition, the County may have to purchase land to house collection vehicle maintenance depot(s). Most significantly, finding a site for even a single County trash and recycling vehicle maintenance depot may prove to be an insurmountable challenge.

OLO Recommendation: The primary motivation for considering a switch to in-house labor and equipment is to provide public sector wages and benefits to the workers who collect trash and recycling from County residents. However, recent amendments to County law should shrink the disparity between public-sector and private-sector employment for trash and recycling collection workers.

Using County employees and County-owned equipment for trash and recycling collection would likely encounter significant implementation obstacles. Most significantly, the County would need to site maintenance and storage depot(s) for the trash and recycling collection vehicles. The County has a scarce supply of heavy industrial land and has faced immense difficulty siting maintenance depots for other large vehicles. OLO believes that the challenge in siting a trash and recycling vehicle depot(s) renders a switch to County labor and County-owned equipment nearly unachievable. For this reason, ***OLO recommends continuing the current practice of using contract labor and equipment to collect trash and recyclables from single-family homes.***

CHAPTER 1: AUTHORITY, SCOPE AND ACKNOWLEDGEMENTS

A. Authority

This report is authorized by County Council Resolution 18-1187, Fiscal Year 2019 Work Program of the Office of Legislative Oversight, adopted July 24, 2018.

B. Scope, Purpose, Organization

This report responds to the County Council's request that the Office of Legislative Oversight (OLO) review current County trash and recycling collection policies and practices. The County is divided into two subdistricts for the collection of solid waste from single-family residences. In Subdistrict A, the County provides refuse and recycling collection services through contracts with private collectors. In Subdistrict B, the County contracts with private firms for recycling collection services. However, in Subdistrict B, individual homeowners or residents contract directly with private firms for refuse collection services.

This OLO report describes the structure, operations, and policies of the County's single-family residential solid waste collection system and evaluates possible modifications to the current system. More specifically, this report addresses the following two questions:

1. Is there any reason to eliminate the current subdistrict structure for trash collection and adopt a uniform trash collection method throughout the County?
2. Is there any reason to modify the current County practice of contracting with private vendors for trash and recycling collection services by instead using County-employed personnel and County-owned equipment for these collections?

This report is organized as follows:

Chapter 2. Overview of County's Solid Waste Management System provides an overview of the solid waste management system in Montgomery County with an emphasis on those elements of the system that most directly relate to single-family residential trash and recycling collection.

Chapter 3. Collection Subdistricts presents information on the structure of single-family residential trash and recycling collection in different areas of the County.

Chapter 4. Current County Trash and Recycling Collection Policies discusses the existing laws, regulations, policies, and practices that affect single-family residential trash and recycling collection in the County.

Chapter 5. Solid Waste Collection by the Numbers presents data related to County trash and recycling collection programs.

Chapter 6. Policy Considerations – Subdistrict Structure discusses the policy considerations related to the existing subdistrict structure.

Chapter 7. Policy Considerations – Labor and Equipment discusses the policy considerations related to the County’s current practice of contracting with private vendors to provide trash and recycling collection.

Chapter 8. Findings, Options, and Recommendations summarizes the report’s major findings, lists policy options, and presents OLO’s recommendations.

C. Acknowledgements

OLO received a high level of cooperation from the management and staff in the County Department of Environmental Protection. OLO appreciates the information and insights shared by all who assisted the preparation of this report. Specifically, we recognize the following members of the Department of Environmental Protection:

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CHAPTER 2: OVERVIEW OF COUNTY’S SOLID WASTE MANAGEMENT SYSTEM

This chapter provides an overview of the solid waste management system in Montgomery County with an emphasis on those elements of the system that most directly relate to single-family residential trash¹ and recycling collection.

A. Ten-Year Solid Waste Management Plan

The State of Maryland requires every county to adopt and submit for State approval a ten-year Solid Waste Management Plan.² In Montgomery County, the County Executive drafts the Solid Waste Management Plan and amendments. The County Council, after public notice and hearings, adopts the ten-year plan, its amendments and revisions, and may approve other solid waste legislation. The Council may amend the ten-year plan at any time.

The ten-year plan establishes the County’s overall solid waste policies. As detailed in Maryland regulations, the ten-year solid waste plan must include a statement of the County's goals for solid waste management and the objectives and policies necessary to achieve these goals; waste generation data and projections; a description of solid waste collection systems; information about solid waste acceptance facilities; an assessment of source separation and source reduction programs to reduce the quantity of solid waste disposed; and a plan of action for all aspects of solid waste management.³ Montgomery County’s first ten-year plan was adopted in 1974. Currently, the *Comprehensive Solid Waste Management Plan for the Years 2012-2023* governs solid waste collection in the County.

B. Solid Waste Facilities

The County’s solid waste management system includes several facilities that accept and process discarded materials. Four of these facilities are most relevant to this report on single-family trash and recycling collection, as follows:

1. Transfer Station

The County’s Transfer Station is located on a 45-acre site near the intersection of Route 355 and Shady Grove Road in Derwood. The Transfer Station receives trash collected by permitted solid waste haulers. The Transfer Station opened in 1982 and has a waste operating permit limit of 821,500 tons per year. Most trash received at the Transfer Station is shipped by rail to the County’s Resource Recovery Facility (#3 below).

¹ For the purpose of this report, the word “trash” refers to disposed waste materials that are not reused, recycled, or composted.

² Annotated Code of Maryland, Environment Article, Title 9, §9-503.

³ Code of Maryland Regulations (COMAR) 26.03.03.

2. Materials Recovery Facility

The County's Materials Recovery Facility (MRF, also known as the "Recycling Center") is located on a 10-acre site adjacent to the Transfer Station. Recyclable materials collected from single-family residences (including mixed paper and commingled containers) are accepted at the MRF. The MRF has a transfer capacity of 346 tons of mixed paper per shift and currently operates one shift per weekday. Commingled containers, including glass containers, plastics, tubs and lids, aluminum, ferrous and bi-metal cans, and aluminum foil, are sorted and baled at the MRF. Sorted and baled recyclables are sold for remanufacture. The MRF has a sorting capability of about 115 tons of mixed containers per shift and currently operates one shift per weekday.

3. Resource Recovery Facility

The County's Resource Recovery Facility (RRF) is located on a 34-acre site off Martinsburg Road near Dickerson. The RRF is a waste-to-energy facility that uses trash sent from the Transfer Station to generate electricity. Trash is placed into a combustion chamber to be burned at extremely high temperatures. The heat released from burning converts water to steam, which is then sent to a turbine generator to produce electricity. Metal recovered from the ash is recycled. The County ships the remaining ash to a landfill in Virginia. The RRF consists of three 600 tons per day mass-burning boiler units and has operated since 1995.

4. Yard Trim Composting Facility

The County's Yard Trim Composting Facility is located on a 118-acre site adjacent to the RRF. Leaves and grass collected from County residences are composted at the facility in an open-air windrow operation using mobile turning and shredding equipment. The facility produces compost that is sold for commercial bulk and bagged markets. In 1992, the County began composting yard trim at this site, formerly a WSSC sludge composting facility. An agreement with the Sugarloaf Citizens Association requires that the facility accept no more than 77,000 tons of yard trim per year.

C. Departmental Responsibilities

The County Department of Environmental Protection (DEP) is responsible for day-to-day administration of the County's solid waste management system. DEP's Division of Solid Waste Division Services oversees County solid waste programs including those for waste disposal and recycling. Most notably for this report, the Division of Solid Waste Services manages trash and recycling collection from single-family residences. Other County Government departments with solid waste management-related responsibilities include:

- The Department of Housing and Community Affairs ensures removal of abandoned vehicles from residential areas.
- The Police Department receives (and disposes of) abandoned vehicles and also contracts for the collection (and disposal) of dead animals.

- The Department of Transportation vacuums leaves from the public rights-of-way in part of the County, collects roadside litter, and conducts storm clean-up operations.
- The Department of Fire and Rescue Services supports DEP in controlled hazardous substances spill emergencies.

D. Trash and Recycling Collection Overview

All Montgomery County residents and businesses in unincorporated areas of the County (that is, areas not governed by a local incorporated municipality) have their trash and recycling collected by private sector haulers. Some private haulers operate under contract with the County while other private haulers operate under direct contracts with residents and businesses. The property type and location determine whether collection is provided under County contracts or private contracts.

1. Single-Family Residences in Unincorporated Areas of the County

The County contracts with private haulers to collect trash from approximately 92,000 single-family residences in certain unincorporated areas of the County. County-contracted trash collection includes up to five bulk trash pick ups per year. Bulk trash consists of items that are too large to fit into a trash can such as non-metal furniture, rugs and carpet, mattresses, and bathroom fixtures. See Chapter 3 of this report for a detailed description of the County's trash collection area (known as "Subdistrict A") and the area of the County in which homeowners contract for trash collection directly with private companies ("Subdistrict B").

All single-family residences in the County (with the exception of those in certain incorporated municipalities) have their recyclable waste collected by private haulers under contract with the County. Curbside collection of recyclables includes mixed paper, glass containers, aluminum cans and foil products, bi-metal cans, plastics, grass, brush, leaves, Christmas trees, and large household appliances and other scrap metal items. The County contracts for recycling collection for approximately 212,000 homes.

2. Municipalities

There are 19 incorporated municipalities within Montgomery County with responsibility for the collection of trash and recyclables from residences within their municipal boundaries. Most municipalities contract with private haulers to collect residential trash and recyclables. A few municipalities (e.g., Rockville, Takoma Park) collect residential trash and recycling using municipal staff and vehicles. All municipalities may deliver trash to the County Transfer Station and recyclables to the County MRF.

3. Multi-Family Residences and Non-Residential Properties

The County does not provide trash and recycling collection service to multi-family residential (with seven or more dwelling units) nor to non-residential (commercial, industrial and institutional) properties. The owner of these properties must either contract with a private hauler to collect trash and recyclables or self-haul the material to a permitted waste acceptance facility.

The focus of this report is on trash and recycling collection from single-family residences outside of municipalities.

CHAPTER 3: COLLECTION SUBDISTRICTS

This chapter presents information on the structure of single-family residential trash and recycling collection in different areas of the County.

A. Collection Models

Three models exist for curbside collection of trash and recyclables from single-family homes in the United States.

- Public Sector Collection: In this model, the local (city, town, county) government collects trash and recycling using government-owned equipment operated by public employees. The City of Rockville employs this model.
- Publicly Contracted Collection: In this model, the local government contracts with private sector vendor(s) to collect waste from designated areas of the locality. The County uses this model to collect trash and recycling in the County's Subdistrict A and recycling only in the County's Subdistrict B (see below).
- Homeowner-Contracted Collection: In this model, individual homeowners (or homeowner associations) directly contract with private sector vendors for trash and recycling collection. The County uses this model to collect trash in the County's Subdistrict B (see below).

B. Establishment of Solid Waste Collection District

The County Code authorizes the establishment of a special service charge area, known as the Solid Waste Collection District.¹ As mandated by County regulation, only the County or its contract agent may collect trash and recyclables from single-family residences² within the Solid Waste Collection District.³ In 1992, the Council amended the Solid Waste Management Plan to designate the entire County (excluding municipalities) as a Solid Waste Collection District. As a result of this action, single-family trash and recycling collection in all unincorporated areas of the County must be provided directly by the County, by a County contractor, or by a private hauler licensed by the County to collect waste from single-family homes. In practice, as described in the next section, all single-family homes have their trash and recyclables collected by licensed private haulers under contract; however, haulers serving some homes are contracted by the County while other haulers are contracted by individual homeowners (or homeowner associations).

County Solid Waste Collection District regulations requires that all trash collected from residences within the District be delivered to the Transfer Station for disposal.⁴

¹ Montgomery County Code, Chapter 48, §29(a).

² In accordance with Chapter 48 of the County Code, single-family residences in the County Collection District include all single-family detached, townhouses, and residential buildings comprised of six or fewer dwelling units.

³ Code of Montgomery County Regulations Code, Chapter 48, §48.00.04.03.

⁴ Code of Montgomery County Regulations Code, Chapter 48, §48.00.04.04.

C. Solid Waste Collection Subdistricts

The Solid Waste Collection District is divided into two collection subdistricts called “Subdistrict A” and “Subdistrict B.”⁵ A map of the two subdistricts appears on the next page.

1. Subdistrict A

In Subdistrict A, the County contracts with private haulers to collect both trash and recyclables once per week.⁶ Subdistrict A is further subdivided into five collection areas.⁷ The County awards a contract to a private hauler for each of the five Subdistrict A collection areas. Within each Subdistrict A collection area, all residences in the same neighborhood receive trash and recycling collection on the same day of the week. As detailed in Chapter 4, the County charges all single-family residences in Subdistrict A the same fee for weekly trash and recycling collections. The trash collection contracted for by the County includes up to five bulk trash collections per home per year. Residents may, at their own expense, contract directly with a private hauler for a second trash collection per week. DEP staff believes few residents have exercised this option.

2. Subdistrict B

In Subdistrict B, the County contracts with private haulers to collect recyclables once per week; the County does not contract to collect trash. Subdistrict B is subdivided into eight collection areas. The County awards a contract to a private hauler to collect recyclables for each of the eight Subdistrict B collection areas.⁸ Within each collection area, all residences in the same neighborhood receive recycling collection on the same day of the week. The County charges all single-family residences in Subdistrict B the same fee for weekly recycling collection.

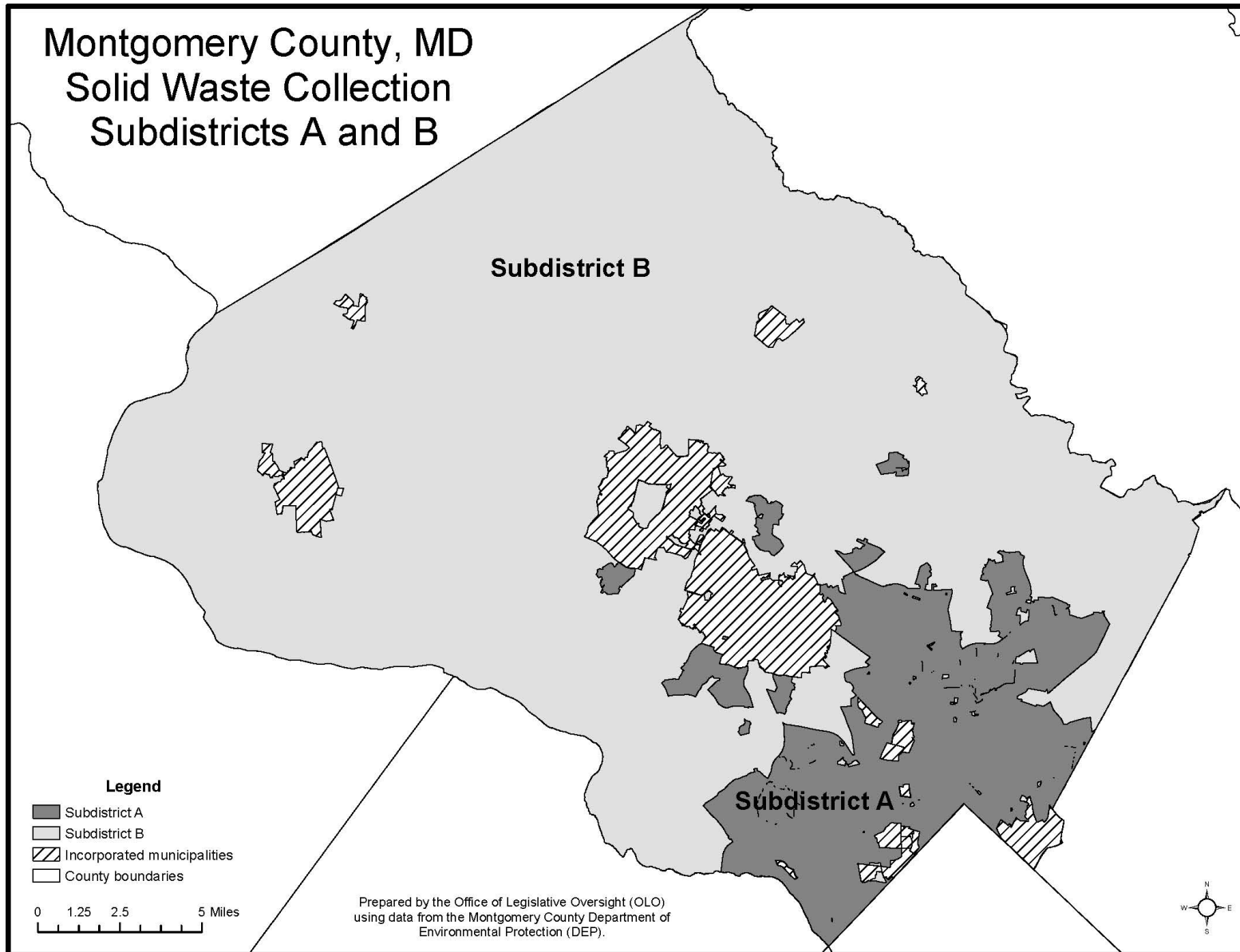
Residents in Subdistrict B must contract directly with private haulers for trash collection. Private haulers must be licensed by the County to collect trash from single-family residences. In Subdistrict B, the private contracts between haulers and residents determine the cost and frequency of trash collection. As a result, in Subdistrict B, residents of the same neighborhood may receive trash collection service from different haulers and on different days of the week. In many cases, homeowner associations within Subdistrict B will contract with a single hauler to collect trash for all homes in the neighborhood.

⁵ Code of Montgomery County Regulations Code, Chapter 48, §48.00.04.02.

⁶ The County Department of Transportation vacuums leaves from public rights-of-way from November through January with the Leaf Collection District. The Leaf Collection District lies mostly within Subdistrict A, with a small portion in Subdistrict B, but the boundaries are not contiguous.

⁷ Approximately 6,000 Subdistrict A homes are located in multiple small enclaves surrounded by Subdistrict B (see map on the next page). Haulers contracted by the County in three Subdistrict B areas also collect trash from these homes.

⁸ See previous footnote.



The table below indicates the party responsible for contracting for trash and recycling collection in each subdistrict and shows the number of single-family homes in Subdistrict A and Subdistrict B, as of March 2019:

	Trash	Recycling
Subdistrict A (91,791 homes)	County contracts for collection.	
Subdistrict B (119,845 homes) ⁹	Residents (or their homeowner association) contract for collection.	County contracts for collection.

D. Transfers Between Collection Subdistricts

As detailed below, the County Code and regulations allow for changes to the boundaries of the two solid waste collection subdistricts. Subdistrict boundary changes may be initiated by the County Government or by homeowners in the community.

1. Boundary Changes Initiated by County Government

The County Code authorizes the County Executive to revise subdistrict boundaries *when that action will improve service or reduce cost* [emphasis added].¹⁰ The Council may approve a boundary change under Method 2 regulation¹¹ or through an amendment to the comprehensive solid waste management plan. Although authorized by County law to do so, the County has not initiated any transfers between Subdistricts A and B since their boundaries were created in 1994.

2. Boundary Changes Initiated by Homeowners

Under County regulation, a group of homeowners in either Subdistrict A or B may petition for transfer from their current subdistrict to the other subdistrict, under certain conditions.¹² To be eligible to transfer from one subdistrict to the other, the boundaries of the area petitioning to transfer must meet one of the following conditions:

- (1) be adjacent to the boundary of the Subdistrict *and* contain at least 200 homes, *or*
- (2) contain at least 450 homes; *or*
- (3) be entirely surrounded by Subdistrict A *and* contain at least 25 homes.

⁹ The single-family homes (Subdistricts A and B) receiving County-contracted collection of recyclables totals 211,636 homes; an earlier version of this report inadvertently showed that number for Sub. B homes only, corrected here.

¹⁰ Montgomery County Code, Chapter 48, §29(a).

¹¹ Method (2) refers to Montgomery County Code Chapter 2A (Administrative Procedures Act) Section 15 (Procedure for adoption of regulations) which provides that regulations be adopted under one of three methods. Under Method (2), the Council by resolution may approve or disapprove the proposed regulation within 60 days after receiving it. If the Council does not approve or disapprove the proposed regulation within 60 days after receiving it, or by any later deadline set by resolution, the regulation is automatically approved.

¹² Code of Montgomery County Regulations Code, Chapter 48, §48.29.01.01.

To move to the next step in the transfer process, the transfer petition must include signatures from at least 25 percent of the homeowners within the proposed transfer area. If DEP determines that the petition is valid and the proposed transfer area is eligible, DEP will send a notice -- including a ballot -- to the owner of every residence in the proposed transfer area. DEP can modify the proposed boundaries as it deems appropriate for effective collection. DEP must hold a public hearing on the proposed transfer at least 15 days before the last date for ballot submission.

If the number of votes cast in favor of the transfer is more than half the residences in the proposed transfer area, the DEP Director makes a recommendation regarding the proposed transfer to the County Executive. The County Executive must approve or disapprove the transfer within 30 days after receiving the DEP Director's recommendation. If the County Executive denies the transfer petition, homeowners must wait at least two years to petition again.

The County has not received any petitions for subdistrict boundary changes in many years. The most recent homeowner-initiated boundary change occurred in 2009. However, from FY15 through FY19, the County's MC311 system received 180 inquiries from residents about how to get County provided trash collection.

E. Legacy of Past Collection Practices

Starting in the 1940s, the Washington Suburban Sanitary Commission (WSSC) offered trash collection services to single-family residences in certain portions of the County. WSSC contracted with private haulers to collect trash from homes in the most densely populated areas of the County -- primarily in Silver Spring, Wheaton, and Bethesda. Residents in these areas paid a separate additional charge for trash collection. The then-sparsely populated areas of the County from Rockville northward did not receive this collection service; rather, residents of these areas arranged for their own trash collection and disposal as needed.

In the 1960s, the County Government assumed responsibility for single-family home trash collection and established a Collection District. The original Collection District boundary roughly corresponded to the more densely populated "inside-the-Beltway" part of the County. With the advent of the curbside recycling collection program in 1994, the County transformed this Collection District into Subdistrict A. The remaining unincorporated areas of the County became Subdistrict B. On several occasions, the homeowner petition process expanded Subdistrict A (and constricted Subdistrict B) resulting in the current boundaries of the two collection subdistricts.

Many decades ago, a clearer distinction existed between the areas that did and did not receive County-contracted trash collection service. In relatively densely populated areas, the County contracted for trash collection service; in less populated areas, homeowners arranged for trash collection on their own. This distinction is less evident today as the suburban and urban land use characteristics of Subdistrict A are similar to many portions of Subdistrict B.

The two collection models used in the County today -- the publicly contracted collection model and the homeowner-contracted collection model -- are common collection models in many U.S.

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communities. However, the County's hybrid system is unusual. It is uncommon for a local government to contract for trash collection in some neighborhoods while residents of other similar neighborhoods must arrange for their own trash collection.

CHAPTER 4: CURRENT COUNTY TRASH AND RECYCLING COLLECTION POLICIES

The purpose of this report is to help the County Council review the current structure of trash and recycling collection services for single-family homes. This chapter discusses the existing practices and policies that affect single-family residential trash and recycling collection in Montgomery County. The chapter also cites the laws and regulations that govern these policies.

A. Subdistrict Structure

County policy provides different level of trash collection service to single-family residences homes based on the geographic location of these homes. Single-family homes in Subdistrict A receive trash collection from County contractors and all homeowners pay the same collection fee to the County. In contrast, homeowners in Subdistrict B contract directly with private haulers for trash collection and each homeowner pays a fee to the hauler based on the terms of that private contract. The previous chapter describes the subdistrict structure and cites the legal framework for this policy.

B. Frequency of Trash and Recycling Collection

Frequency of collection is an important element of trash and recycling collection policy. In most communities in the United States, residential trash and recycling collection occurs either once or twice per week.

Current Policy/Practice: For more than two decades, the County has contracted for once-a-week trash collection from single-family homes in Subdistrict A and for once-a-week recycling collection from single-family homes in Subdistricts A and B. (Homeowners in Subdistrict A may contract directly with a private hauler for additional trash collections.) Homeowners within Subdistrict B contract directly with private haulers for trash collection and may arrange for collection one or more times per week. Data is not available on the number of residents in either Subdistrict A or Subdistrict B that contract for twice weekly trash collection.

Legal Framework: County law and regulations govern the required frequency of trash collection. Section 48-24 of the County Code addresses trash collection in general and stipulates that “the frequency of collection of garbage shall be at least once a week or of such greater frequency as is necessary to keep all solid waste in the proper containers without producing overflow or objectionable odors.”¹

County regulations specifically address trash collection from single-family residences located within Subdistricts A and B. For Subdistrict A, the regulations specify that “the County must provide, or cause to be provided, collection services one or more times per week.”² County regulations provide that a Subdistrict A resident may arrange for more frequent collection by contracting directly with a licensed private hauler. The regulations state that “if the County

¹ Montgomery County Code, Chapter 48, §24(e)(1).

² Code of Montgomery County Regulations Code, Chapter 48, §48.00.04.03.

provides, or causes to be provided, collection services one time per week ... and a resident desires more frequent collection ..., the Independent Collection Contractor may then enter into an agreement with a resident for additional collection beyond that which is otherwise provided.”³

C. County Contracts for Trash and Recycling Collection

Current Policy/Practice: The County contracts with private sector vendors for trash and recycling collection from single-family homes in Subdistrict A and for recycling (but not trash) collection from single-family homes in Subdistrict B. The County’s contractors provide all the trash and recycling personnel and equipment. The County workforce does not include trash or recycling collection personnel nor does the County own or maintain collection vehicles.

The County’s trash and recycling collection contracts specify service requirements including the collection schedule, the collection location, vehicle staffing levels, vehicle upkeep and other standards. Each County contractor must furnish a performance bond to secure the faithful execution of all contract terms.

The County provides all single-family homes (outside of certain municipalities) with containers for commingled and mixed paper recycling. Residents must provide their own containers for trash and yard trim. Contractors deliver recyclables to the County Materials Recovery Facility. Contractors deliver trash to the County Transfer Station. Once the contractors unload the collection trucks at these facilities, the County assumes responsibility for processing and marketing recyclables and for disposing of trash.

Legal Framework: The County Code authorizes the Department of Environmental Protection to contract with private vendors for the collection of trash and recyclables from single-family residences. As stated in Section 48-22 of the Code, “the County may enter into multiyear contracts for the collection and disposal of solid waste⁴ to the extent that the County Council has provided appropriations sufficient to fund such contracts.”⁵

D. Paying for Trash and Recycling Collection

The County has established policies on how residents are charged for trash and recycling collection services.

Current Policy/Practice: The County charges residents of single-family homes in Subdistrict A for collection of trash and recyclables and residents of single-family homes in Subdistrict B for collection of recyclables (but not trash). In Subdistrict A, the trash collection charge is calculated by dividing the County’s cost to provide the trash collection service (including both collection contract costs and administrative costs) by the number of households projected to be served. All residents receiving trash collection service pay the same annual charge, no matter the location of the home or the amount of trash collected. For FY20, the trash collection charge is \$95.00 per household.

³ Ibid.

⁴ The County Code (Chapter 48, §1) includes recyclable materials in the definition of “solid waste.”

⁵ Montgomery County Code, Chapter 48, §44(a).

For all single-family homes in Subdistricts A and B, the cost of recycling collection is included within the “incremental systems benefit charge” which also funds operation of the Materials Recovery Facility and other related recycling efforts. All single-family residents who receive recycling collection service pay the same annual charge, no matter the location of the home or the amount of recyclables collected. For FY20, the incremental systems benefit charge for single-family homes is \$140.77 per household.

Legal Framework: The County Code requires the County Council to set collection charges for residents of Subdistricts A and B. As stated in Section 48-29, “the County Council must set charges annually for solid waste collection and management services... These charges must correspond as closely as practicable to the actual cost, or an allocable portion of the cost, to the County to perform such services.”⁶

E. Single Family Residential Solid Waste Disposal Fee

County policy sets a fixed, uniform fee to dispose of the trash collected from all single-family residences in Subdistricts A and B.

Current Policy/Practice: All residents of single-family homes in Subdistricts A and B pay a fixed annual charge to dispose of the trash collected from their homes. The amount of the disposal charge is a function of two variables: the average amount of trash disposed per single-family residence in the County; and, the charge to dispose of the trash at the County Transfer Station (the “tipping fee”). The annual disposal charge for each home equals the average amount of trash disposed per household⁷ multiplied by the per ton tipping fee. All residents pay the same disposal charge regardless of the size of the dwelling or whether the home generates more or less trash than the average home. For FY20, residents will pay an annual trash disposal fee of \$51.52 (which equals the average 0.85867 tons of trash disposed per household multiplied by the tipping fee of \$60.00 per ton).

Residents pay for trash disposal as a charge added to their property tax bill. Therefore, trash haulers do not pay a tipping fee at the County Transfer Station when disposing of trash from homes in Subdistricts A and B because it has already been paid by residents through the annual disposal fee on their property tax bill.

Legal Framework: The County Code establishes the process for determining the fixed trash disposal charge paid by residents of Subdistricts A and B:

“Each dwelling unit in the solid waste collection districts which is provided solid waste collection services by collection contractor must pay an annual fiscal year charge based on an average annual quantity of solid waste. The charge must be determined by the total number of tons of solid waste collected by the County's

⁶ Montgomery County Code, Chapter 48, §29(d).

⁷ For the purpose of the disposal fee calculation, the average tons of trash disposed per household includes trash collected curbside from homes as well as “non-processible” materials (waste that cannot be processed at the County's Resource Recovery Facility because of its size, bulkiness, composition or regulatory restrictions).

collection contractor(s) divided by the total number of dwelling units being served, multiplied by the basic solid waste charge per ton established by the Council. The charge must be billed and collected in the same manner as taxes on real property.”⁸

County regulations exempt haulers from paying a tipping fee when disposing trash from Subdistricts A and B at the Transfer Station:

“Solid waste that is collected from residences within the solid waste collection and disposal district is collected on behalf of the County and must be delivered to the Transfer Station. The County bills residences within the Collection and Disposal District for the Solid Waste Charge. Independent Collection Contractors will not be required to pay a tip fee at the Transfer Station ...”⁹

F. Future Policy Considerations – Aiming for Zero Waste Task Force

In 2018, then-County Executive Leggett convened an Integrated Solid Waste System Strategic Plan Task Force, otherwise known as the “Aiming for Zero Waste” Task Force. The mission of the task force is “to provide advice and guidance on how best to maximize waste reduction, reuse, recycling and sustainable management of all materials across the entire solid waste management system, including all programs, facilities, operations, initiatives, and services.”¹⁰

The Aiming for Zero Waste Task Force is considering policy and programmatic changes to trash and recycling collection from single-family homes in the County. A consultant assisting the Task Force prepared a report listing best practices used by other communities that could be considered by the County.¹¹ The collection-related best practices presented to the Task Force include:

- Reducing trash collection frequency to encourage more waste diversion (waste reduction, reuse, recycling, composting, etc.);
- Adding new materials to the curbside recycling collection program including food waste, textiles, housewares, and electronics;
- Providing residents with a standardized trash collection container to limit the amount of trash set out for collection;
- Reducing the number of bulk trash pickups and/or restricting the number of items that may be set out for a bulk collection; and

⁸ Montgomery County Code, Chapter 48, §32(b)(3).

⁹ Code of Montgomery County Regulations Code, Chapter 48, §48.00.04.04.

¹⁰ County Executive Isiah Leggett, Memorandum to Council President Hans Riemer, May 30, 2018, www.montgomerycountymd.gov/SWS/Resources/Files/master-plan/County%20Executive%20Memo%2005302018.pdf.

¹¹ Montgomery County, Maryland, *Aiming for Zero Waste December 2018 Benchmarking and Best Practices Technical Memorandum #2 – Executive Summary*, December 2018, page 13, www.montgomerycountymd.gov/SWS/Resources/Files/master-plan/benchmarking-best-practices-executive-summary.pdf

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- Implementing “pay-as-you-throw” (PAYT) in the County. PAYT is a pricing system in which the cost of trash collection and disposal is based on the amount of trash generated by each household. Currently, County residents pay a fixed fee regardless of the amount of trash disposed. PAYT programs create an economic incentive to recycle more and to generate less waste because residents are charged based on the amount of trash set out for collection. In communities with PAYT, residents are charged by the volume (e.g., for each bag or can of trash) or by the weight of trash collected.

CHAPTER 5: SOLID WASTE COLLECTION BY THE NUMBERS

This chapter presents data related to County trash and recycling collection programs including information about the number of homes served and the amount of trash and recycled materials collected.

A. Collection Areas

The Department of Environmental Protection (DEP) contracts for trash and recycling collection in 13 geographic areas of the County known as Collection Areas. DEP establishes the boundaries of the Collection Areas. (A map of the Collection Areas appears on page 20). The number of homes in Collection Areas vary from a high of 21,600 (Area 6) to a low of 6,200 (Area 10).

Number of Homes with County-Contracted Trash and Recycling Collection by Collection Area (as of March 2019)

Collection Area	Number of Homes Receiving County-Contracted:	
	Trash Collection	Recycling Collection
1	20,665	21,246
2	15,313	15,638
3	14,070	14,340
4	18,945	19,727
5	15,731	15,918
6	3,729	21,600
7	0	17,016
8	2,397	20,969
9	0	15,845
10	0	6,199
11	0	13,987
12	0	19,527
13	941	9,624
TOTALS	91,791	211,636

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As shown in the table on the previous page, DEP contracts vary among the Collection Area, as follows:

- Collection Areas 1 through 5 are primarily designated as Subdistrict A. Nearly all homes in Collection Areas 1-5 have both trash and recycling collected by County contractors.¹
- Collection Areas 6, 8, and 13 are primarily designated as Subdistrict B (with some small enclaves designated as Subdistrict A). Most homes in Collection Areas 6,8, and 13 have their recycling collected by County contractors and their trash collected by privately contracted haulers.²
- Collection Areas 7 and 9-12 are exclusively designated as Subdistrict B. All single-family homes in Collection Areas 7 and 9-12 have their recycling collected by County contractors and their trash collected by privately contracted haulers.

¹ About 2,000 homes in Collection Areas 1-5 are located in neighborhoods that elected several decades ago not to receive County contracted trash collection.

² Enclaves totaling about 7,000 Subdistrict A homes are located with Collection Areas 6, 8, and 13. These enclaves exist as a result of the Subdistrict boundary change petition process described in Chapter 3 of this report.

B. County Collection Contractors

The County contracts with three different vendors to collect trash and recyclables from single-family homes. As shown in the table below, Unity Disposal and Recycling holds the contracts for Collection Areas 1, 2, 4, and 5 and collects trash and recycling from 83% of Subdistrict A homes. Ecology Services Refuse and Recycling holds the contracts for Collection Areas 6, 8, 9, 10, 11, 12 and 13 and collects recycling from 90% of Subdistrict B homes. A third contractor, BFI/Republic Waste Services, holds the contract to collect trash and recycling in Collection Area 3 and recycling only in Collection Area 7.

Number of Homes with County-Contracted Trash and Recycling Collection by Contractor (as of March 2019)

Contractor Name	Number of Homes With:	
	Trash Collection (Subdistrict A)	Recycling Collection (Subdistricts A & B)
Unity Disposal and Recycling	70,654	72,529
Ecology Services Refuse and Recycling	7,067	107,751
BFI/Republic Waste Services	14,070	31,356
TOTALS	91,791	211,636

C. Licensed Subdistrict B Trash Haulers

As detailed in Chapter 3, residents in Subdistrict B must contract directly with private haulers for trash collection. To enter into such contracts, private haulers must be licensed by the County to collect trash from Subdistrict B residences. In Calendar Year 2018, the County licensed 20 private haulers to collect single-family residential trash under private contracts in Subdistrict B. In Calendar Year 2018, the amount of trash that each of these Subdistrict B haulers collected ranged greatly from a high of nearly 50,000 tons to a low of less than five tons.

D. Amount of Trash Collected

All trash collected from Subdistrict A homes (by County contractors) as well as trash collected from Subdistrict B homes (by private haulers) is delivered to the Transfer Station for transport and disposal at the Resource Recovery Facility. In Calendar Year 2018, a total of almost 177,000 tons of trash was collected from single-family homes (outside of municipalities) in Montgomery County. Of this total, the approximately 92,000 homes in Subdistrict A with County-contracted collection generated 35% of the trash. The approximately 120,000 homes in Subdistrict B with privately contracted collection generated 65% of the trash.

As shown in the table below, residents in Subdistricts A and B set out for curbside collection a combined average of 1,670 pounds of trash per home³ in Calendar Year 2018. However, the average per home generation rate differed in the two Subdistricts. Subdistrict A produced 1,332 pounds of trash per home, whereas Subdistrict B produced 1,929 pounds of trash per home.⁴ Trash generation rates depend on many factors. For example, differences in per home generation rates in Subdistricts A and B can be driven by differences in average household income and average household size (number of persons).

Trash Collection by Subdistrict (Calendar Year 2018)

	Tons of Trash Collected (Total)	Average Lbs.⁵ of Trash Collected Per Home
Subdistrict A	61,112	1,332
Subdistrict B	115,577	1,929
Subdistricts A + B	176,689	1,670

E. Amount of Recyclables Collected

DEP contracts for the curbside collection of recyclables from all single-family homes in Subdistrict A and Subdistrict B. The County contractors deliver all recyclables collected from both subdistricts to the Materials Recovery Facility.

Commingled Materials: The County’s “blue bin” recycling program accepts commingled materials including aluminum foil; aluminum, steel, bi-metal cans; glass bottles and jars; and plastic bottles, containers, tubs and lids. The County collected almost 30,000 tons of commingled materials in Calendar Year 2018. The average pounds of commingled materials recycled per home was slightly higher in Subdistrict A than in Subdistrict B.

Commingled Recycling Collection by Subdistrict (Calendar Year 2018)

	Tons of Commingled Materials Collected (Total)	Average Lbs. of Commingled Materials Collected Per Home
Subdistrict A	13,114	286
Subdistrict B	16,752	280
Subdistricts A + B	29,866	282

³ This total excludes “non-processible” materials (waste that cannot be processed at the County's Resource Recovery Facility because of its size, bulkiness, composition or regulatory restrictions).

⁴ An earlier version of this report under-reported avg. per home trash collection for Subd. B homes, corrected here.

⁵ One ton equals 2,000 pounds (lbs.).

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Mixed Paper: The County’s mixed paper recycling program accepts newspaper, office paper, envelopes, magazines and catalogs, cardboard boxes, cereal boxes, paper bags, milk and juice cartons, wrapping paper, and other types of clean and dry paper. County contractors collected almost 42,000 tons of mixed paper in Calendar Year 2018. Average per home mixed paper collection was about 11% higher in Subdistrict A than in Subdistrict B.

Mixed Paper Collection by Subdistrict (Calendar Year 2018)

	Tons of Mixed Paper Collected (Total)	Average Lbs. of Mixed Paper Collected Per Home
Subdistrict A	19,163	418
Subdistrict B	22,644	378
Subdistricts A + B	41,807	395

Yard Trim: The County’s curbside yard trim program collects leaves, grass, brush, and other plant materials grown in single-family yards.⁶ County contractors collected more than 39,000 tons of yard trim in Calendar Year 2018. Average per home yard trim collection was 84% higher in Subdistrict A than in Subdistrict B. Larger single-family residential lots in Subdistrict A may account for the higher per home yard trim generation in that subdistrict.

Yard Trim Collection by Subdistrict (Calendar Year 2018)

	Tons of Yard Trim Collected (Total)	Average Lbs. of Yard Trim Collected Per Home
Subdistrict A	22,956	500
Subdistrict B	16,277	272
Subdistricts A + B	39,233	371

⁶ The County Department of Transportation runs a separate leaf vacuuming program in certain areas of the County during late fall and early winter.

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Scrap Metal: Upon resident request, DEP contractors will schedule a scrap metal recycling collection from single-family homes in Subdistrict A and Subdistrict B. Scrap metal includes household appliances, bicycles, file cabinets, exercise machines, fencing, iron furniture and railings, lawnmowers, disassembled metal sheds, swing sets, and other scrap metal products from single-family homes in Subdistrict A and Subdistrict B. In Calendar Year 2018, County contractors collected more than 900 tons of scrap metal.

Scrap Metal Collection by Subdistrict (Calendar Year 2018)

	Tons of Scrap Metal Collected (Total)	Average Lbs. of Scrap Metal Collected Per Home
Subdistrict A	462	10
Subdistrict B	456	8
Subdistricts A + B	918	9

CHAPTER 6: POLICY CONSIDERATIONS – SUBDISTRICT STRUCTURE

The purpose of this report is to review the County’s single-family residential trash and recycling collection policies. This chapter discusses the policy considerations related to the existing subdistrict structure. Specifically, the County Council asked OLO to examine the following question:

Is there any reason to eliminate the current subdistrict structure for trash collection and adopt a uniform trash collection method throughout the County?

The County’s policy of having two collection subdistricts only affects trash collection; there is no difference in the recycling services for residents of the two subdistricts. This chapter poses and answers several questions about the effects of modifying the current subdistrict structure for trash collection.

Question 6.1. Cost: How would eliminating the current Subdistricts and applying a uniform trash collection method throughout the County affect costs paid by residents?

All residents in single-family homes in Subdistrict A pay the same charge (\$95.00 per year in FY20) for once-a-week trash collection (including up to five bulk trash collections per year). As a matter of County policy, the trash collection charge is the same for all Subdistrict A residents no matter the distance and travel time from their home to the Transfer Station. Subdistrict A residents must provide their own trash containers.

For residents in single-family homes in Subdistrict B, however, there is no single trash collection charge. Each homeowner (or community association) contracts independently for trash collection and pays a fee agreed upon with the private hauler. The price charged by private haulers for trash collection in Subdistrict B may vary based on a range of factors including:

- the frequency of collection (once-per-week versus twice-per-week);
- the location of the home (distance and travel time to and from the Transfer Station);
- the selected hauler;
- the number of nearby homes served by the same hauler;
- the level of bulk trash collection service; and
- whether the hauler provides trash container(s).

The County charges all residents in single-family homes of both subdistricts an annual fixed trash disposal charge based on the County-wide average amount of trash generated per single-family residence per year (see Chapter 4). The trash disposal charge is separate from the trash collection charge. Trash collection refers to the removal of trash deposited at the curbside. Trash disposal refers to unloading (tipping) the collected trash at the Transfer Station where it is then transported to the Resource Recovery Facility.

Available data is inconclusive regarding whether residents of one subdistrict pay more or less for comparable trash collection service for the following reasons:

- a. The thousands of contracts between private trash collectors and Subdistrict B residents are not public documents. OLO conducted non-statistically significant inquiries of Subdistrict B residents and found a wide range of trash collection charges.
- b. Many Subdistrict B residents contract for twice-a-week trash collection from private haulers under a direct contract whereas all Subdistrict A residents receive once-a-week collection from private haulers contracted by the County. Comparing costs is difficult because the levels of service vary between the two Subdistricts (as well as among Subdistrict B residences).
- c. Some Subdistrict B residents live in neighborhoods in which a Homeowners Association contracts for trash collection for every single-family home in the community. Given the economies of scale of whole neighborhood collection, the per home costs likely vary from those in other areas of Subdistrict B where homeowners each contract separately for trash collection.
- d. In Subdistrict A, the County charges the same trash collection fee for all single-family residences. Actual per home collection costs in Subdistrict A vary by collection area because they are a function of travel time and distance between homes and the Transfer Station. By policy, the County averages all of its Subdistrict A per home collection costs and charges the same amount for each home in the subdistrict. In contrast, in Subdistrict B trash haulers can and do charge different amounts to different homes based on the location of the home, the frequency of collection, and the number of other customers that can be served on the same collection route.

Answer: A decision to expand either Subdistrict A or Subdistrict B to all single-family homes would raise trash collection costs for some residents and lower trash collection costs for others. Data is not available to calculate whether the average costs per resident is higher or lower in either subdistrict for comparable service.

Question 6.2. Level of Service: How would eliminating the current Subdistricts and applying a uniform trash collection method throughout the County affect the level of service received by residents?

Level of service for trash collection involves several elements: (a) frequency of collection; (b) bulk trash collection, and (c) service quality.

Trash Collection Frequency: As mentioned above, many Subdistrict B residents contract for twice-a-week trash collection whereas all Subdistrict A residents receive once-a-week collection. Subdistrict A residents also have the option to contract directly with private haulers for a second weekly trash collection.

Residents may have different preferences regarding the frequency of trash collection. On the one hand, some residents may find once-a-week collection sufficient to meet their needs and would perceive other benefits from less frequent collection. For example, the *Aiming for Zero Waste December 2018 Benchmarking and Best Practices Technical Memorandum #2* presented to the County's Integrated Solid Waste System Strategic Plan Task Force identified less frequent trash collection as a best practice

for consideration by the County.¹ On the other hand, some residents may prefer twice-a-week collection as evidenced by recent events in Prince George's County where the transition from twice-a-week to once-a-week collection generated vocal opposition from some.²

Bulk Trash: Subdistrict A residents receive up to five bulk trash collections per year; many private collectors serving Subdistrict B offer similar bulk trash service.

Service Quality: County 311 data show very low levels of trash collection service complaints from Subdistrict A residents. Data indicate that residents registered 2,038 service trash and recycling collection complaints in FY19.³ This number of complaints represents 0.01% of the nearly 16 million County contracted curbside trash and recycling collections made that year. Customer service complaints made to private Subdistrict B trash haulers are not publicly available.

Answer: Consolidating all single-family residences into Subdistrict A would result in a base level of once-a-week trash collection throughout the County. Consolidating all single-family residences into Subdistrict B would require customers Countywide to contract privately for trash collection and select either once- or twice-a-week collection as part of that contractual arrangement.

Consolidating all single-family residents into either Subdistrict A or Subdistrict B would likely not have a significant effect on bulk trash collection service.

Data is not available to compare relative complaint rates in the two subdistricts.

Question 6.3. Private Sector Impact: How would eliminating the current Subdistricts and applying a uniform trash collection method throughout the County affect private sector trash collection companies that serve single-family residences?

The County contracts with three different vendors to collect trash (and recyclables) in Subdistrict A. One vendor holds the current contracts for Collection Areas 1, 2, 4, and 5 consisting of about 70,000 single-family homes. Another vendor holds the contract for Collection Area 3 with about 14,000 single-family homes. The third vendor serves three of the eight Collection Areas that are primarily located in Subdistrict B but include small Subdistrict A enclaves with a combined total of about 7,000 single-

¹ Montgomery County, Maryland, *Aiming for Zero Waste December 2018 Benchmarking and Best Practices Technical Memorandum #2 – Executive Summary*, December 2018, page 13, <https://www.montgomerycountymd.gov/SWS/Resources/Files/master-plan/benchmarking-best-practices-executive-summary.pdf>

² Washington Post, *Politics, Trash and Fiscal Realities Collide in Prince George's County*, April 22, 2019, https://www.washingtonpost.com/local/md-politics/politics-trash-and-fiscal-realities-collide-in-prince-georges-county/2019/04/18/df18918a-5fa6-11e9-bfad-36a7eb36cb60_story.html?utm_term=.08410d14cfff, and, *Alsobrooks Promises Everyone a Seat at 'Table Of Opportunity' If Elected County Executive*, July 31, 2017, https://www.washingtonpost.com/local/md-politics/pr-georges-states-attorney-launches-campaign-for-county-executive-angela-alsobrooks-promises-everyone-a-seat-at-table-of-opportunity-if-elected/2017/07/31/497c3af2-7608-11e7-8f39-ebb7d3a2d304_story.html?utm_term=.a6bf9845ed00.

³ County 311 data consolidates trash and recycling collection complaints into a single category. Data are not available for trash collection complaints alone.

family homes. The County recently issued an invitation for bid for Collection Area 3; these same three companies were the sole vendors to submit bids.

Approximately two dozen private trash collection vendors serve the approximately 120,000 single-family homes in Subdistrict B. However, a few companies dominate the trash collection market. Based on the tonnage of Subdistrict B trash delivered to the Transfer Station in Calendar Years 2016 through 2018, the four largest trash collectors controlled nearly 80% of the market. These four vendors likely are the only Subdistrict B collectors with the current capacity to serve the number of homes in the smallest collection area (6,200 homes). Only one of these firms has the current capacity to serve the largest collection area (22,000 homes). An additional three vendors collected another 12% of the Subdistrict B trash; the remaining eight percent of the trash was divided in very small quantities among 17 other private collectors.

Of note, none of the Subdistrict A contract holders collect a significant amount of single-family trash in Subdistrict B. In essence, trash collection in the County has segmented into two markets. One set of large vendors bid for the few Subdistrict A contracts; another set of vendors – ranging from large to small companies – compete for thousands of private contracts with individual homeowners and homeowner associations in Subdistrict B.

Answer: Extending the Subdistrict A model to the entire County would significantly impact most, if not all, of the private collectors currently serving Subdistrict B. OLO estimates that at most four of the current private collectors would have the capacity to bid on a contract serving the number of single-family homes in one of the County collection areas. The remaining private collectors – at their current size and without consolidation – may not be able to compete for regular weekly trash collection from single-family homes in incorporated areas of the County.

The effect on the private sector of eliminating County contracts for trash collection and extending the Subdistrict B model of private contracts to the entire County is less clear. Specifically, it is difficult to foresee to what extent the large companies that currently hold County contracts would compete in a market in which each homeowner (or homeowner association) independently contracts for trash collection. The market behavior of the large companies will necessarily affect the market share available to the smaller trash collectors that currently serve Subdistrict B residents.

Question 6.4. Impact on Labor: How would eliminating the current Subdistricts and applying a uniform trash collection method throughout the County affect the workers who collect trash from single-family homes?

Federal and State worker protection laws apply to all employers including all private trash collection firms that either contract with the County to serve Subdistrict A homes or contract privately with homeowners or homeowner associations to serve Subdistrict B homes. These laws include:

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- The Federal Fair Labor Standards Act (FLSA) that establishes minimum wage, overtime pay, recordkeeping, and other employment standards.⁴
- The Federal Occupational Safety and Health Act that establishes standards to ensure that employees work in a safe and healthful environment.⁵
- The State of Maryland’s Workers’ Compensation law that requires employers to provide workers with insurance coverage for certain personal injuries suffered while working.⁶

Similarly, certain County worker protection laws apply equally to trash collectors in both subdistricts. These laws include:

- The Discrimination in Employment law prohibits an employer to refuse to hire or otherwise discriminate against any qualified individual because of the race, color, religious creed, ancestry, national origin, age, sex, marital status, sexual orientation, gender identity, family responsibilities, or genetic status.⁷
- The Minimum Wage law requires employers to pay most workers a minimum wage for work performed in the County. This law raises the minimum wage annually based on the number of people employed.⁸
- The Earned Sick and Safe Leave law requires most employers in the County to provide employees with earned paid leave at times of sickness, family illness, or domestic violence.⁹
- The Fair Criminal Record Screening Standards (or “Ban the Box”) law requires employers to remove questions about criminal arrests and convictions from their applications and prevent employers from asking about criminal arrests or convictions until the conclusion of a first interview.¹⁰

However, certain County laws protecting workers apply exclusively to workers who are employed by County contractors or subcontractors. As such, the following local laws apply to the County’s Subdistrict A trash collection contractors but do not apply to trash collectors serving Subdistrict B under private contracts.

- The Wage Requirements (“Living Wage”) law requires that most County-funded contractors and subcontractors pay their employees an hourly wage rate compliant with the annually adjusted

⁴ 29 U.S.C. §201-219.

⁵ 29 U.S.C. §651-678.

⁶ Annotated Code of Maryland, Labor and Employment Article, Title 9.

⁷ Montgomery County Code, Chapter 27, Section 27-19.

⁸ Montgomery County Code, Chapter 27, Article XI.

⁹ Montgomery County Code, Chapter 27, Article XIII.

¹⁰ Montgomery County Code, Chapter 27, Article XII.

rate established in the law.¹¹

- The Labor Peace law applies to County contracts for residential solid waste, recycling, or yard waste collection services with a value greater than \$250,000. The law requires contractors and labor to enter into an agreement that prohibits employees from engaging in any concerted economic action; prohibits the employer from engaging in a lock-out of the employees; and requires that all labor disputes be resolved through final and binding arbitration.¹²
- The Contract Price Increase Provision mandates that any multi-year County contract for residential solid waste, recycling, or yard waste collection include a provision for the County to increase the contract price by an amount sufficient to compensate the contractor for an increase in employee wages up to the last general wage increase approved by the County for members of the service, labor, and trades bargaining unit for County Government employees.¹³
- The Displaced Service Workers Protection Act applies to County contracts for residential solid waste, recycling, or yard waste collection (or a service contract awarded by a private company or the County for security, janitorial, building maintenance, food preparation, or non-professional health care services in a facility located in the County). The law requires a new contractor to offer employment to the former contractor's non-management employees for at least 90 days after a service contract is terminated or cancelled.¹⁴
- The Preference for a Small Business with Health Insurance law offers certain small businesses that have been certified as offering their employees health insurance with a procurement preference for County contracts. The preference provides certified small businesses with a 3-point adjustment for a response to a Request for Proposal or a 3% price adjustment for a response to an Invitation for Bid.¹⁵

County contracts with Subdistrict A trash collection companies do not specify any employee wage or benefit requirements (other than the requirement that the contractor abide by all applicable laws and regulations such as those cited above). In 2013, employees of one of the Subdistrict A trash collection contractors went on strike to protest the lack of health insurance coverage.¹⁶ Wage and benefit information for employees of Subdistrict B haulers under private contracts is not publicly available.

Answer: Federal, State, and many County worker protection laws apply equally to employees of trash haulers under County contracts serving Subdistrict A and to employees of trash haulers under private contracts serving Subdistrict B. However, certain County protections – including wage, labor peace, and displaced workers requirements – apply only to employees of trash haulers under County contracts. Expanding Subdistrict A to all single-family residences

¹¹ Montgomery County Code, Chapter 11B, Section 33A.

¹² Montgomery County Code, Chapter 11B, Article XX.

¹³ Montgomery County Code, Chapter 11B, Section 23(d).

¹⁴ Montgomery County Code, Chapter 27, Article X.

¹⁵ Montgomery County Code of Regulations, Section 11B.77.01.06.

¹⁶ Washington Post, *Trash workers strike in Montgomery County*, September 9, 2013,

https://www.washingtonpost.com/local/trash-workers-strike-in-montgomery-county/2013/09/09/ebbc53c6-1962-11e3-8685-5021e0c41964_story.html

in unincorporated areas would extend these local protections to trash collection workers throughout the County because all trash collection would be done under County contracts. Expanding Subdistrict B to all single-family residences in unincorporated areas would remove these protections from workers currently serving Subdistrict A residents because all trash collection would be done by trash haulers under private contracts.

Data is not available to compare relative wages and benefits for workers collecting trash in the two subdistricts.

Question 6.5. Environment: Do the two subdistrict models have similar or different environmental impacts?

In Subdistrict A, every single-family home in a neighborhood receives once-per-week trash collection from the same hauling company under a County contract. In Subdistrict B, homeowners (excluding those in some neighborhoods governed by a homeowners' association) contract privately and independently for either once- or twice-per week trash collection. These differences may produce disparate effects on the environment.

Fuel Consumption and Vehicle Emissions: The most efficient way to collect trash from single-family homes is the Subdistrict A model in which one truck serves an entire neighborhood without bypassing any homes. In contrast, when multiple trash collectors serve different homes in the same neighborhood as occurs in Subdistrict B, trash collection routes overlap. Thus, in neighborhoods of comparable housing densities, more vehicle miles are travelled in Subdistrict B than in Subdistrict A to collect trash from the same number of homes. Greater miles travelled necessarily consumes more fuel and produces more vehicle emissions. As data are not available on which private haulers serve each of the single-family homes in Subdistrict B, it is not possible to calculate the number of additional vehicle miles driven as a result of multiple trucks collecting trash within the same neighborhoods.

Trash Generation: Collection frequency may also be a factor in trash generation rates. Several municipalities report reductions in trash generation and/or increases in recycling rates upon conversion from twice- to once-per-week trash collection. Most commonly, municipalities have reduced the frequency of trash collection at the same time that they expanded recycling services. Thus, the municipalities could not isolate the effect of reduced collection frequency from the effect of expanded recycling services on trash generation. The experience of Clearwater, Florida, provides an uncommon opportunity to assess the relationship between collection frequency and trash generation. In 2016, Clearwater converted from twice- to once-per-week single-family trash collection. This change occurred separate from any modifications to recycling service. Clearwater compared data from the February prior to the change and the February following the change and found a 21% reduction in trash generation.¹⁷ If this association holds true in Montgomery County, then the twice-a-week trash collection prevalent in Subdistrict B offers an opportunity to reduce trash generation by moving to once-a-week trash collection. As noted in Chapter 4, a consultant's technical memorandum prepared for DEP identified less frequent trash collection as a best practice to encourage waste diversion and reduction.

¹⁷ Rogoff, Marc J., and Gloster, Earl, *Optimizing Your System with Once A Week Collection*, Waste Advantage Magazine, June 2017, https://www.scsengineers.com/wp-content/uploads/2017/06/Optimizing_Your_System_With_Once_A_Week_Collection.pdf.

Answer: The Subdistrict B model in which multiple trash collection trucks with overlapping routes serve different homes in the same neighborhood is an inefficient model. This practice increases the number of truck miles driven, and so, produces higher (although non-quantifiable) levels of fuel consumption and vehicle emissions on a per home basis as compared to Subdistrict A. Therefore, expanding Subdistrict A throughout the County likely would reduce fuel consumption and emissions; expanding Subdistrict B throughout the County would likely increase fuel consumption and emissions.

Evidence from Clearwater, Florida, suggests that reducing the frequency of single-family residential trash collection from twice- to once-per-week may encourage residents to reduce their trash generation and/or divert more materials for recycling. Expanding Subdistrict A throughout the County may reduce the number of households receiving twice-per-week collection and thereby may reduce the amount of trash sent for disposal.

Question 6.6. Transportation: Do the two subdistrict models have similar or different transportation impacts?

The transportation impacts of the County's Subdistrict structure are related to the same factors that affect the environment. That is, in Subdistrict A, a single trash truck serves every home in a neighborhood weekly, while in Subdistrict B, multiple trucks with overlapping routes serve homes in the same neighborhood up to two times per week. As a result, the Subdistrict B model requires the trash trucks to drive more miles than in Subdistrict A to collect trash from the same amount of homes.

Greater miles travelled adds to traffic both on arterial highways and on neighborhood streets. Also, redundant and overlapping trash collection routes driven by heavy trucks place further wear and tear on County roads. As mentioned in the answer to the previous question, data are not available on which private haulers serve each of the single-family homes in Subdistrict B. As such, it is not possible to calculate the additional vehicle miles driven as a result of multiple trucks serving the same neighborhoods.

Transfer Station data indicate that Subdistrict B generates a greater number of trips per ton of trash collected than Subdistrict A. In Calendar Year 2018, Subdistrict B collection trucks made 20,494 trips to the Transfer Station to deliver a total of 115,577 tons of trash, an average of 5.6 tons of trash per truck trip. In the same year, Subdistrict A trucks made 5,912 trips to the Transfer Station to deliver a total of 61,112 tons of trash, an average of 10.3 tons per trip. Thus, on average, a Subdistrict A collection truck delivers 83% more trash per trip than a Subdistrict B truck. Multiple factors may explain the large difference in tons per truck. First, Subdistrict B haulers may dispatch trucks with less capacity than Subdistrict A trucks. In addition, Subdistrict B trucks may be more likely to tip partial loads at the Transfer Station than Subdistrict A trucks. Both twice-per-week collection and the presence of overlapping routes could result in Subdistrict B trucks delivering more partial loads than Subdistrict A trucks. Whatever the reason, the Subdistrict B model produces more truck traffic on County roads per ton of trash collected than the Subdistrict A model.

Answer: The Subdistrict B model results in multiple trucks with overlapping routes collecting trash from different homes in the same neighborhood. This practice increases the number of truck miles driven, and so, produces more traffic and roadway wear than experienced in Subdistrict A. Expanding Subdistrict A throughout the County likely would reduce truck traffic on arterial highways and on neighborhood streets; expanding Subdistrict B throughout the County likely would increase truck traffic.

Question 6.7. Pay-As-You-Throw: Would the County’s current structure of having two different trash collection models affect possible future implementation of pay-as-you-throw pricing?

As described in Chapter 4, pay-as-you-throw (PAYT) is a pricing system in which households are charged for trash collection and disposal based on the amount of garbage generated by each household. PAYT programs have been implemented in communities in which trash collection is performed by (a) municipal employees; (b) municipally contracted private haulers; and (c) homeowner contracted private haulers. Indeed, a survey of PAYT programs finds that 10% of PAYT communities have multiple haulers operating in the area.¹⁸ Therefore, PAYT could be implemented under either the Subdistrict A or Subdistrict B models.

The dual methods of collecting trash in Montgomery County could present a challenge in implementing PAYT. If a decision were made to overlay PAYT upon the current trash collection structure, the County possibly would have to adopt different operational, enforcement, and public education schemes for each subdistrict. Furthermore, the current mix of the County-contracted collectors in Subdistrict A with homeowner-contracted collectors in Subdistrict B could affect the type of PAYT system selected (e.g., bag/tag, standardized trash cans, on-board vehicle scales).

Answer: Neither the Subdistrict A nor Subdistrict B model is an impediment to implementing PAYT pricing for trash collection in the County. However, the presence of two collection models could complicate Countywide implementation of PAYT.

¹⁸ Econservation Institute, Lisa A. Skumatz, Ph.D., Dana D’Souza, and Dawn BeMent, *Pay-As-You-Throw / Variable Rates for Trash Collection: 2014 Update Region 9 Grant Report Volume 1 of 2 Executive Summary and Key Results*, page 14, February 2015, http://www.paytnow.org/PAYT_EI_R9_v25_Vol1

CHAPTER 7: POLICY CONSIDERATIONS – LABOR AND EQUIPMENT

This chapter discusses the policy considerations related to the County’s current practice of contracting with private vendors to provide trash and recycling collection. Specifically, the County Council asked OLO to examine the following question:

For areas where the County currently contracts for the collection of trash (Subdistrict A) and recycling (Subdistricts A and B), is there any reason to modify the current County practice of contracting with private vendors for trash and recycling collection services by instead using County-employed personnel and County-owned equipment for these collections?

This chapter considers the County’s current practice of contracting with private vendors for trash and recycling collection as compared to the option of using County employees and County-owned equipment to provide this service.

Question 7.1. Cost: How does the cost of contracting with private vendors for trash and recycling collection compare with the cost of using County personnel and County-owned equipment for trash and recycling collection?

The County sets trash and recycling collection fees to residents at an amount necessary to recover the County’s cost of providing these collection services using private contractors. Therefore, the fee currently paid by County residents for trash and recycling collection (in Subdistrict A) and recycling collection (in Subdistrict B) is a direct function of the cost to the County for the collection contracts. County payments to its contract haulers cover the haulers’ cost of labor, the haulers’ cost to buy, operate, store, and maintain the collection trucks, the cost of insurance, and other administrative expenses. If the County were to cease contracting for private sector collections and move to an in-house County collection operation, the County would begin paying these costs directly, rather than indirectly through contracts.

Many components of trash and recycling collection costs would be comparable whether the County contracted for the service or used in-house labor and equipment. For example, the cost of purchasing and maintaining collection vehicles as well as fuel costs would be similar under either arrangement. As a public entity, the County might be able to obtain lower vehicle financing costs than some private companies. The County, as a high-volume purchaser, also might be able to procure fuel at a somewhat lower cost per gallon than some relatively smaller private collectors.

Under its current contracts with private haulers, the County requires vendors to pay their laborers consistent with County living wage, labor peace law, and price increase laws (see previous chapter). If the County were to convert to using public employees to collect trash and recyclables, the Office of Human Resources (OHR) would have to create new job classifications and assign pay grades for these workers. At present, the County does not have a job classification for trash or recycling collection workers.

In general, manual laborers employed by the public sector earn higher salaries than laborers with similar skills who work in the private sector.¹ County living wage, labor peace law, and price increase laws could reduce the difference between the public and private sector in the wages paid to trash and recycling collection workers. But even where wages are similar, overall compensation costs for County employees often exceed those for private sector employees with similar salaries because of the group insurance and retirement benefits offered to County employees.

Answer: The non-labor costs associated with trash and recycling collection should be roughly equivalent whether performed by private contractors or by the County itself. Labor costs associated with in-house County-provided collection service may be higher than in the private sector, depending on the pay grade assigned to collection workers and the cost of benefits offered.

Question 7.2. Impact on Private Sector: How would a change from the current County practice of contracting with private vendors to using in-house County personnel and equipment affect private sector trash and recycling collection companies?

The County contracts with three different vendors to collect trash and recyclables from single-family homes.

In Subdistrict A, approximately 92,000 single-family homes receive both trash and recycling collection services from County contractors. One contractor, Unity Disposal and Recycling, serves 71,000 (or 77%) of Subdistrict A homes. County collection contracts comprise a large portion of Unity's total business activity. Unity is certified by the County as a Minority, Female, Disabled (MFD) owned business. Another contractor, BFI/Republic Waste Services, collects trash and recycling from about 14,000 single-family homes in Subdistrict A. BFI/Republic is not certified as an MFD owned business.

In Subdistrict B, approximately 120,000 single-family homes receive recycling collection only from County contractors. A single contractor, Ecology Services Refuse and Recycling, serves 108,000 (or 90%) of these homes. County collection contracts comprise a large portion of Ecology's total business activity. Ecology Services is not certified as an MFD owned business.

None of the County's trash and recycling collection contractors are eligible for the Local Small Business Reserve Program.

The combined expenditures for all of the County's trash and recycling collection contracts exceeds \$31 million in FY20. Switching from contractor to County-provided trash and recycling collection would shift this amount away from private sector haulers.

¹ Career Trend, *The Pay of the Average Government Employee Vs. a Private Sector Employee*, December 31, 2018, <https://careertrend.com/pay-average-government-employee-vs-private-sector-employee-41973.html>.

Congressional Budget Office, *Comparing the Compensation of Federal and Private-Sector Employees, 2011 to 2015*, April 2017, <https://www.cbo.gov/system/files/115th-congress-2017-2018/reports/52637-federalprivatepay.pdf>.

Answer: Use of County personnel and equipment in place of contractors for trash and recycling collection would shift about \$31 million of public sector spending away from regional businesses. This shift could have a large impact on the financial viability of two of the current contractors, one of which is a Minority, Female, Disabled owned business.

Question 7.3. Impact on Labor: How would a change from the current practice of contracting with private vendors to using in-house County personnel affect the workers who provide trash collection service to County residents?

The three collection companies currently holding County trash and recycling collection contracts employ a total of 145 field personnel. These employees include 105 drivers, 125 helpers, and 15 field supervisors. In addition, each company employs multiple management and administrative staff as well as non-field personnel such as maintenance workers.

As mentioned above, public sector laborers often earn higher wages than private sector laborers with similar skills. Existing job classifications that may be similar to a trash and recycling collector are the Grade 9 Public Service Worker II and Grade 12 Public Service Worker III positions. These positions require manual labor (and driving large trucks in the case of the Public Service Worker III position) for maintenance and repair of County roads. At present, a Grade 9 County employee earns a salary between \$32,267 and \$51,828 per year while a Grade 12 employee earns between \$33,333 and \$59,514 per year. However, it is not possible to know the range of pay that public employees would earn to collect trash and recycling from County homes until OHR conducts new job classification studies and assigns pay grades. County employees receive group insurance and retirement benefits that generally exceed those offered by private sector employers.

Most non-management County employees are represented by an employee organization in collective bargaining with binding arbitration. County law prohibits County employees and employee organizations from engaging in a strike or work stoppage and prohibits the County from engaging in a lockout of County employees.² Similarly, the County's Labor Peace law requires private solid waste collection companies with County contracts to resolve labor disputes through binding arbitration. In addition, the Labor Peace law prohibits employees of County collection contractors from striking and prohibits County contractors from locking out these employees.³

Answer: Depending on the County pay grade assigned, trash and recycling collection staff employed directly by the County could receive higher wages than private sector workers performing similar duties under contract with the County. Trash and recycling collection workers employed by the County also likely would receive greater health and retirement benefits than they would if employed in the private sector. Under current County law, neither contractual nor in-house County trash and recycling collection employees are permitted to strike and may not be locked out by their employer.

² Montgomery County Code, Chapter 33, Section 111.

³ Montgomery County Code, Chapter 11B, Article XX.

Question 7.4. Infrastructure: How do the infrastructure requirements of using private contractors compare with the requirements of using County equipment to collect trash and recycling?

At present, County trash and recycling collection contractors procure their own collection vehicles. County contracts require that all collection vehicles used by contractors be new at the start of the contract period. In addition, each contractor operates their own collection vehicle storage and maintenance facility. The vehicle storage and maintenance facilities for all three County-contacted collection companies are located outside of Montgomery County.

To convert trash and recycling collection into an in-house function, the County would have to make significant infrastructure investments. Under the current subdistrict structure and boundaries, the County would need to procure 30 to 40 trash trucks, 60 to 70 recycling trucks, 5 to 10 scrap metal trucks, and 20 to 30 yard trim trucks. While the price of current County trash and recycling collection contracts includes the amortized cost of the contractors' vehicle purchases, a decision to bring collection services in-house could require the County to immediately acquire a collection fleet. OLO estimates the cost of purchasing this fleet of vehicles at between \$30 and \$40 million.⁴ The County could use a short-term financing instrument to acquire the fleet. Short-term financing instruments have payback periods of seven years or less and are appropriate for purchase of equipment with useful lives shorter than the 20-year general obligation bond period. The County employs short-term financing for other large vehicles such as Ride On buses and firetrucks. Repayment of short-term borrowing is part of the County's annual debt service obligation.⁵

To directly provide trash and recycling collection, the County would have to identify a location for vehicle storage and maintenance. Siting a collection vehicle depot would likely be a major obstacle to converting to in-house trash and recycling collection. The County's Transfer Station lacks sufficient unused space to store and maintain a fleet of collection vehicles of this scale. Acquiring land for a collection vehicle depot could be difficult and costly. Moreover, in recent years, the County has encountered significant challenges siting maintenance depots for large vehicles, including:

- **School Bus Depot:** The 2006 Shady Grove Sector Plan calls for relocating multiple public facilities on Crabbs Branch Way, including the MCPS School Bus Depot.⁶ To date, the County has not found a site for a new School Bus Depot and no funding for bus depot relocation has been programmed in the CIP.
- **North County Ride On Maintenance Depot:** Since 2006, the County CIP has included a project to build a transit fleet maintenance facility in the northern portion of the County. The County spent \$13.6 million to acquire land for the facility. However, the facility has yet to be

⁴ The County funds trash collection activities through the Solid Waste Collection Fund, a non-tax supported fund that receives solid waste collection charges paid by single-family residential homeowners in Subdistrict A. The County funds recycling collection through the non-tax supported incremental system benefit charges paid by single-family residential homeowners in Subdistricts A and B.

⁵ Non-tax supported debt is a part of the County's overall debt load.

⁶ Approved and Adopted Shady Grove Sector Plan, March 2006, page 52, <https://www.montgomeryplanning.org/community/shadygrove/documents/ShadyGroveSectorPlanFINALApprovedandAdoptedwmaps08.pdf>.

constructed. According to the CIP, environmental concerns have delayed the project and the County is evaluating alternative sites.⁷

- Fire and Rescue Apparatus Maintenance Facilities: The 2004 Montgomery County Fire and Rescue Service (MCFRS) Apparatus Management Plan recommends siting a Central Maintenance Facility and two satellite facilities for vehicle repair, maintenance, and parts storage.⁸ These facilities would replace the current temporary facility on Southlawn Lane. To date, the County is still using the temporary facility and new facilities have neither been sited nor funded in the CIP.

A new facility to store and maintain trash and recycling collection vehicles likely will be perceived to have significant impact on any community in which it is located. Given the scarcity of heavy industrial land in the County and recent history regarding similar facilities, siting such a trash and recycling vehicle depot could prove challenging.

Answer: The County would have to make a significant infrastructure investment to bring trash and recycling collection in-house. The cost to acquire a fleet of vehicles to serve current Subdistrict A and Subdistrict B homes could range between \$30 and \$40 million and could add to the County's debt load. In addition, the County may have to purchase land to house a collection vehicle maintenance depot. Most significantly, finding a site for a County trash and recycling vehicle maintenance depot may prove to be an insurmountable challenge.

⁷ FY20 Approved Capital Improvements Program, North County Maintenance Depot (P500522), <https://apps.montgomerycountymd.gov/BASISCAPITAL/Common/Project.aspx?ID=P500522>.

⁸ Montgomery County Fire and Rescue Service Apparatus Management Plan, April 2004, pages 31-32, <https://www.montgomerycountymd.gov/frs-ql/resources/files/apparatus/appmgmtplan.pdf>.

CHAPTER 8: FINDINGS, OPTIONS, AND RECOMMENDATIONS

The County Council asked OLO to examine the following two questions:

- a. Subdistrict Structure: Is there any reason to eliminate the current subdistrict structure for trash collection and adopt a uniform trash collection method throughout the County?
- b. Labor and Equipment: Is there any reason to modify the current County practice of contracting with private vendors for trash and recycling collection services by instead using County-employed personnel and County-owned equipment for these collections?

This chapter summarizes this report's major findings related to each of the above two questions. The chapter further lists policy options for County Council consideration and presents Office of Legislative Oversight (OLO) recommendations for each question.

A. Subdistrict Structure

Under current policy, the County contracts for trash collection from single-family homes in certain areas of the County (Subdistrict A), whereas homeowners (or homeowner associations) contract for trash collection in other areas (Subdistrict B). The Council asked OLO to assess whether the County should adopt a uniform trash collection method throughout the County. This section presents this report's major findings about the current policy, offers three policy options, and presents OLO's recommendations to the Council.

1. Summary of Major Findings

The following are the major OLO findings regarding possible modifications to the current subdistrict structure for trash collection.

- *Trash Collection Cost to County Residents*: Expanding either Subdistrict A or Subdistrict B to all single-family homes would raise trash collection costs for some residents and lower trash collection costs for others.
- *Trash Collection Frequency*: Consolidating all single-family residences into Subdistrict A would result in a base level of once-a-week trash collection throughout the County. Consolidating all single-family residences into Subdistrict B would require customers Countywide to contract privately for trash collection and select either once- or twice-a-week collection as part of that contractual arrangement.
- *Effect on Private Sector*: Extending the Subdistrict A model to the entire County would significantly impact most, if not all, of the private collectors currently serving Subdistrict B. OLO estimates that at most four of the current Subdistrict B haulers would have capacity to bid on a contract serving the number of single-family homes in one of the current County Collection Areas. The remaining private collectors – at their current size and without consolidation – likely would be unable to compete for County contracts assuming no change in the size of Collection Areas.

The effect on the private collectors of eliminating County contracts for trash collection and extending the Subdistrict B model of private contracts to the entire County is less clear. Specifically, it is difficult to foresee to what extent the large companies that currently hold County contracts would compete in a market in which each homeowner (or homeowner association) independently contracts for trash collection. The market behavior of the large companies will necessarily affect the market share available to the smaller trash collectors that currently serve Subdistrict B residents.

- *Effect on Labor:* Federal, State, and many County worker protection laws apply equally to employees of trash haulers under County contracts serving Subdistrict A and to employees of trash haulers under private contracts serving Subdistrict B. However, certain County protections – including wage, labor peace, and displaced workers requirements – apply only to employees of trash haulers under County contracts. Expanding Subdistrict A to all single-family residences in unincorporated areas would extend these local protections to trash collection workers throughout the County because all trash collection would be done under County contracts. Expanding Subdistrict B to all single-family residences in unincorporated areas would remove these protections from workers currently serving Subdistrict A residences.
- *Environmental Impact:* Modifications to the current subdistrict structure could have an effect on the environment in two ways.

Overlapping Routes. The Subdistrict B model in which multiple haulers with overlapping collection routes serve different homes in the same neighborhood is an inefficient model. This practice generates more truck miles driven as compared to a model where one hauler collects from all residences within a collection area. These additional truck miles driven result in higher levels of fuel consumption and vehicle emissions on a per home basis in Subdistrict B as compared to Subdistrict A. Expanding Subdistrict A throughout the County likely would reduce fuel consumption and emissions; expanding Subdistrict B throughout the County would likely increase fuel consumption and emissions.

Collection Frequency. Reducing the frequency of single-family residential trash collection from twice- to once-per-week would reduce the overall number of truck miles driven. It may also encourage residents to reduce their trash generation and/or divert more materials for recycling. Expanding Subdistrict A throughout the County may reduce the number of households receiving twice-per-week collection and thereby may reduce the amount of trash sent for disposal.

- *Traffic Impact:* The Subdistrict B model of multiple trucks with overlapping routes collecting trash from different homes in the same neighborhood also affects traffic. This practice produces more traffic than would be experienced if one hauler collected from all residences in a collection area.
- *Implementation of Pay-As-You-Throw:* Neither the Subdistrict A nor Subdistrict B model is an impediment to implementing pay-as-you-throw (PAYT) pricing for trash collection. However, the presence of two collection models could complicate Countywide implementation of PAYT.

2. Policy Options

OLO presents three policy options for collecting trash from single-family homes in the County.

- i. Retain Hybrid Structure (status quo option):** The County could retain the current structure with County-contracted trash collection in Subdistrict A and homeowner-contracted trash collection in Subdistrict B.
- ii. Expand Subdistrict A:** The County could expand the boundaries of Subdistrict A to provide County-contracted trash collection to most or all single-family homes in unincorporated areas.
- iii. Expand Subdistrict B:** The County could expand the boundaries of Subdistrict B so that most or all single-family homeowners (or homeowner associations) in unincorporated areas would contract directly with private haulers for trash collection.

The table below lists advantages and disadvantages for each of the three options.

	Advantages	Disadvantages
Retain Hybrid Structure (status quo option)	<ul style="list-style-type: none"> • Allows for continuation of current trash collection practices without any disruptions or changes in service. • Sustains current economic opportunities for small trash collection businesses. 	<ul style="list-style-type: none"> • Maintains unusual system wherein County contracts for collection in some neighborhoods while homeowners contract for collection in other similar neighborhoods. • Maintains inefficient Subdistrict B collection model. • Complicates implementation of pay-as-you-throw pricing for trash collection.
Expand Subdistrict A	<ul style="list-style-type: none"> • Extends County labor protection laws to additional trash collection workers. • Reduces vehicle miles driven, and so lessens emissions and truck traffic. • May encourage waste reduction and diversion by reducing base collection frequency for some residences. 	<ul style="list-style-type: none"> • Removes twice-per-week collection as the base level of service for residents who desire that option. • Severely and adversely effects small trash collection businesses, assuming no change in the current size of Collection Areas.
Expand Subdistrict B	<ul style="list-style-type: none"> • Allows more residents who desire twice-per-week collection to receive that as their base level of service. • Provides more economic opportunities for small trash collection businesses. 	<ul style="list-style-type: none"> • Removes County labor protection laws from trash collection workers. • Increases vehicle miles driven, and so increases emissions and truck traffic. • May discourage waste reduction and diversion for homeowners who increase their collection frequency.

3. OLO Recommendation

As detailed in the previous section, all three options for trash collection have both advantages and disadvantages relative to the alternative options. As such, a decision whether to retain the current hybrid system or to expand either of the current subdistricts necessarily involves trade-offs and value judgements. Policymakers must weigh the relative merits of each option to determine the trash collection structure that best serves the needs of County residents and affected businesses.

If the County were establishing a trash collection program for the first time, OLO would recommend creating a single, uniform trash collection method for all single-family homes throughout the County. The current hybrid system is a relic of a time when the County provided more direct government services to residents of the densely populated “Downcounty” and fewer direct services to residents of the then sparsely populated “Upcounty.” Today, the basis for this distinction is far less evident as the Upcounty includes many single-family home (including townhouse) neighborhoods with housing densities equal or greater than those in much of the Downcounty. As such, the justification for the hybrid system seems less relevant today than when it was first created nearly 80 years ago.

In addition, if starting with a clean slate, OLO would recommend County-contracted collection for all single-family homes (the Subdistrict A model) because of the inherent inefficiency of the Subdistrict B model. The most efficient way to collect trash from single-family homes is to arrange for one truck to serve an entire neighborhood without bypassing any homes, as currently occurs in Subdistrict A. In Subdistrict B, multiple trash collectors serve different homes in the same neighborhood resulting in overlapping routes and additional truck miles driven, in turn generating more truck traffic and greater vehicle emissions than the Subdistrict A model.

However, the County is not implementing a trash collection program for the first time. An existing structure exists and modifications to that structure would affect both residents and trash collection businesses. Residents are accustomed to their current arrangements whether they receive County-contracted trash collection (Subdistrict A) or they contract privately for trash collection (Subdistrict B). Most notably, many Subdistrict B residents have elected to contract for twice-per-week collections; by contrast, the County contracts for once-per-week collection in Subdistrict A. (While Subdistrict A residents may contract independently for a second weekly collection, DEP staff believes few residents have exercised this option.) In addition, about 20 small- to mid-size trash collection businesses have Subdistrict B residents as their customers. OLO believes these existing conditions should be factors when considering possible modifications to the County’s trash collection policy.

OLO recommends that the County expand Subdistrict A if supported by a majority of affected residents and if accompanied by an effort to allow small trash collection companies to compete for County contracts. As discussed above, in the judgement of OLO, the Subdistrict A model (County-contracted trash collection) is preferable to the inefficient Subdistrict B model (home-owner-contracted trash collection). Given the existing hybrid system, OLO recommends that the County move toward expansion of Subdistrict A under two conditions:

- The County should proactively initiate a ballot process in which residents of each Subdistrict B Collection Area vote on whether to transfer into Subdistrict A. Prior to the balloting, DEP should hold public hearings and disseminate information to residents about the pricing, service

level, and other differences between County-contracted and privately-contracted trash collection. The public hearing and outreach process could be similar to that for homeowner-initiated transfer described in Chapter 3 of this report. Prior to the balloting, current private haulers will continue to serve Subdistrict B residents and will have the opportunity to demonstrate to customers the quality of their service and pricing. Subdistrict B residents would then make an informed decision on whether or not to vote for a transfer to Subdistrict A.

- If a majority of residents in any current Subdistrict B Collection Area vote in favor of a transfer to Subdistrict A, the County should develop strategies to encourage small haulers to compete for County contracts. For example, the County could segment current Collection Areas to create smaller areas more feasibly served by smaller haulers. In addition, the County could set aside a specified number of smaller sections for small haulers. The County also could encourage small haulers to join together into consortia to collectively bid on collection contracts.

If it endorses the OLO recommendation, then the Council should ask DEP to prepare an implementation plan to address:

- The public notification and hearing process;
- The timeline for outreach and balloting in each Collection Area;
- The specific procedures for balloting.

The implementation plan also should detail the subsequent steps that would occur if a majority of residents in any Collection Area vote in favor of transfer to Subdistrict A, including:

- Whether the County would solicit separate contracts for trash and recycling collection or a single contract for trash and recycling collection combined;
- How the contract solicitation process could be designed to encourage small businesses to compete for collection contracts;
- The total number of Collection Area contracts and the mix of home counts for Collection Area contracts.
- A strategy to measure how the transition from Subdistrict B to Subdistrict A affects trash and recycling generation rates.

Finally, DEP should propose any amendments to the County law, regulation, or the Solid Waste Management Plan necessary to implement changes in the subdistrict structure and collection contracting process.

B. Labor and Equipment

Under current policy, the County uses contract labor and equipment to collect trash and recyclables from Subdistrict A and recyclables from Subdistrict B. The Council asked OLO to assess whether to replace the current County practice in favor of using County personnel and County-owned equipment to collect all trash and recyclables. This section presents this report's major findings about the current policy, offers two policy options, and presents OLO's recommendations to the Council.

Note: The question of whether to use County labor and equipment instead of County-contracted trash and recycling collection is related to the previous question about the subdistrict structure. If the County extended the Subdistrict B model (in which homeowners contract directly for trash collection service) throughout the County, then the County would no longer be involved in trash collection and the question of whether to use County labor and equipment for trash collection would become moot (although the question would remain relevant for recycling collection).

1. Summary of Major Findings

The following are the major OLO findings regarding possible modifications to the use of contract labor and equipment for trash and recycling collection.

- *Cost Considerations:* The non-labor costs associated with trash and recycling collection should be roughly equivalent whether performed by private contractors or by the County itself. Labor costs associated with moving to in-house County-provided collection service may be higher than in the private sector, depending on the pay grade assigned to collection workers and the cost of benefits offered by the County.
- *Effect on Private Sector:* Use of County employees and equipment in place of contractors for trash and recycling collection would shift about \$31 million of public sector spending away from regional businesses. This shift could have a large impact on the financial viability of two of the current contractors, one of which is a Minority, Female, Disabled (MFD) owned business.
- *Effect on Labor:* Depending on the County pay grade assigned, trash and recycling collection staff employed directly by the County could receive higher wages than private sector workers performing similar duties under contract with the County. Trash and recycling collection workers employed by the County also likely would receive greater health and retirement benefits than they would if employed in the private sector. Under current County law, neither employees of County contractors nor in-house County trash and recycling collection employees are permitted to strike, nor may their employer lock them out.
- *Infrastructure Investment:* The County would have to make a significant infrastructure investment to bring trash and recycling collection in-house. OLO estimates the cost to acquire a fleet of vehicles to serve current Subdistrict A and Subdistrict B homes could range between \$30 and \$40 million. While the price of current County trash and recycling collection contracts already includes the amortized cost of the contractors' vehicle purchases, a decision to bring collection services in-house would require immediate acquisition of a large collection fleet that could add to the County's debt load. In addition, the County may have to purchase land to house

collection vehicle maintenance depot(s). Most significantly, finding a site for even a single County trash and recycling vehicle maintenance depot may prove to be an insurmountable challenge.

2. Policy Options

The County has two alternative options to acquire the labor and equipment to collect trash and recyclables from single-family homes.

- i. Continue to Contract for Labor and Equipment:** The County could continue the current practice of contracting with private sector haulers for the labor and equipment needed to collect trash and recycling from single-family homes.
- ii. Convert to County Labor and County-Owned Equipment:** The County could decide to employ County personnel to collect trash and recyclables using County-owned equipment.

The table below lists advantages and disadvantages for each option.

	Advantages	Disadvantages
Continue to Contract for Labor and Equipment (status quo option)	<ul style="list-style-type: none"> • Continues to support regional businesses at current level. • Avoids need for the County to hire employees, procure collection vehicles, or to site maintenance and storage depot(s). 	<ul style="list-style-type: none"> • Does not provide trash and recycling collection workers with public sector wages and benefits.
Convert to County Labor and County-Owned Equipment	<ul style="list-style-type: none"> • Provides trash and recycling collection workers with public sector wages and benefits. • Provides direct County control of trash and recycling collection services. 	<ul style="list-style-type: none"> • May incur higher labor costs. • Adversely effects County’s current trash and recycling collection contractors. • Requires County to acquire a large fleet of collection vehicles, most likely adding to the County’s debt load. • Requires County to site and construct vehicle maintenance and storage depot(s).

3. OLO Recommendation

The primary motivation for considering a switch to in-house labor and equipment is to provide public sector wages and benefits to the workers who collect trash and recycling from County residents. However, recent amendments to County law now require annual wage increases (comparable to those offered County employees) as well as binding arbitration for trash and recycling collection employees

working for County contractors. These new legislative requirements should shrink the disparity between public-sector and private-sector employment for trash and recycling collection workers.

On the other hand, a move to trash and recycling collection by County employees using County-owned equipment would likely encounter significant implementation obstacles. First, the County would have to hire additional employees. Second, the County would have to finance the acquisition of a fleet of collection vehicles. Such an investment would place an additional burden on the County debt load. Third, as most significantly, the County would need to site maintenance and storage depot(s) for the trash and recycling collection vehicles. The County has a scarce supply of heavy industrial land and has faced immense difficulty siting maintenance depots for other large vehicles. OLO believes that the challenge in siting a trash and recycling vehicle depot(s) renders a switch to County labor and County-owned equipment nearly unachievable. For this reason, ***OLO recommends continuing the current practice of using contract labor and equipment to collect trash and recyclables from single-family homes.***

CHAPTER 9: AGENCY COMMENTS

The Office of Legislative Oversight (OLO) shared final drafts of this report with staff from Montgomery County Government. OLO appreciates the time taken by Department of Environmental Protection staff to review the draft report and to provide technical feedback.

The written comments received from the Montgomery County Chief Administrative Officer are attached on the following page.



OFFICE OF THE COUNTY EXECUTIVE



Marc Elrich
County Executive

Andrew W. Kleine
Chief Administrative Officer

MEMORANDUM

November 1, 2019

TO: Chris Cihlar, Director, Office of Legislative Oversight

FROM:  Andrew Kleine, Chief Administrative Officer 

SUBJECT: OLO Draft Report 2019-17: Trash and Recycling Collection: An Evaluation of Current Policies

Thank you for the opportunity to comment on the Office of Legislative Oversight's Draft Report 2019-17: Trash and Recycling Collection: An Evaluation of Current Policies. The draft report included the following recommendations:

- **Recommendation 1:** The County should expand Subdistrict A trash collections to Subdistrict B if supported by a majority of affected residents and if accompanied by an effort to allow small trash collection companies to compete for County contracts.
- **Recommendation 2:** Continue the current practice of using contract labor and equipment to collect trash and recyclables from single-family homes.

CAO Response: We appreciate the information and analysis in this report. We are in the process of developing the Aiming for Zero Master Plan with the help of the Zero Waste Task Force. The plan will include options for changes in the collection and disposal of trash and recycled materials. We look forward to discussing the plan with the County Council.

AK:ww

cc: Fariba Kassiri, Deputy Chief Administrative Officer
Adam Ortiz, Director, Department of Environmental Protection
Ash Shetty, Director, Office of Procurement
Adriana Hochberg, Assistant Chief Administrative Officer
Willie Wainer, Chief, Recycling and Resource Management Division, DEP