



CITY OF CONCORD

General Services Department

MEDIA RELEASE

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Concord Approves Automated Trash Collection and New Disposal Site with New Solid Waste Contracts

CONCORD, NH — The City of Concord will be entering into a new 10-year solid waste collection and recycling services contract with Casella and a 10-year disposal contract with WIN Waste Innovations (Wheelabrator Concord Company), effective July 1, 2024.

At the City Council Meeting on Tuesday, April 10, 2023, members of the Council and the public were in support of changing Concord's disposal site from the North Country Environmental Services landfill in Bethlehem to the waste-to-energy facility in Penacook.

Waste-to-energy facilities are a preferred method for solid waste management over landfills according to the State of New Hampshire's waste management hierarchy (after first reducing waste, reusing and recycling, and composting) because they can turn waste into energy, reduce trash volumes, and reduce greenhouse gas emissions produced from landfills. Having the facility located in Concord also reduces transportation emissions and keeps the responsibility of the community's waste local.

City Council unanimously approved the resolution authorizing the City Manager to enter into a contract for the disposal of the City's solid waste with WIN Waste Innovations.

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Based on the combined costs of disposal and collection, WIN Waste Innovations was determined to be the lowest-cost disposal provider for the City with a 10-year term being the most advantageous to bring down initial year costs in tip fees. Casella Waste Management was determined to be the lowest-cost collections provider and was the only vendor to submit a complete proposal for all requested services, including seasonal leaf collections and the operation of the transfer station. The 10-year term with Casella also is the most beneficial to the City in order to lock in pricing now for services that continue to become more expensive.

Concord has saved approximately \$4.5 million over the term of its current 10-year contract compared to today's increased market rates for recycling and solid waste disposal. The City is also projected to save around \$1 million with the new contracts by selecting two separate vendors for disposal and collection, allowing the lowest-cost provider for each service.

Despite these savings, the new solid waste contracts will come with increased costs. Cost adjustments are anticipated for the new solid waste contracts that include shifting from \$0/ton for recycling to paying for recycling based on variable market index pricing which has averaged \$100/ton over the past few years, increasing from \$70/ton to about \$100/ton for disposal, and increased collection rates due to fuel and labor costs. A cost increase of more than \$1 million is roughly estimated for the fiscal year 2025.

Councilor Erle Pierce asked if the City could manage the waste services in-house. Chesley indicated it was a consideration, but it wouldn't be feasible because it would require the City to build a system of redundancy with abundant vehicles to ensure continuous operations, which would come with costs of at least \$2 million more per year including additional costs for staffing. In addition, General Services' COMF (Combined Operations Maintenance Facility) is limited in space and wouldn't physically be capable of housing this equipment.

As part of the 10-year contract for solid waste collection and recycling services with Casella, Casella will procure, deploy, and maintain toters for an orderly transition to automated trash collection by July 1, 2028, after a 2-year pilot program by July 1, 2026.

Automated curbside trash collection uses a truck with a mechanical arm to grab, lift, and empty materials into the back of the truck. Toters (trash barrels with a lid and wheels) will be required,

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one for recycling (typically a 96-gallon) and another for trash (typically a 64-gallon). A split-body truck will continue to be used, allowing for the collection of both trash and recyclables at the same time, separated by a divider within the vehicle.

Currently, Concord utilizes manual collection, in which workers physically grab materials at the curb and place them into the truck. The solid waste industry has been shifting away from manual collection due to labor shortages, improved technologies, and cost savings. The transition to automated collection has already transpired for other New Hampshire communities such as Manchester, Nashua, Rochester, Londonderry, Bow, and Laconia.

City staff and Casella negotiated four options to transition to automated collection. The first option was a 5-year contract with an immediate transition to automated collection on July 1, 2024. The second option was a 5-year contract with manual collection, but would require a sudden transition to automated collection on July 1, 2029. The third option presented a 7-year contract with an orderly transition to automated by July 1, 2027, after a 2-year pilot program that starts by July 1, 2025. Similarly, the final and recommended option by the General Services Department and the Solid Waste Advisory Committee (SWAC), included a 10-year contract with an orderly transition by July 1, 2028, after a 2-year pilot that starts by July 1, 2026.

After much discussion, City Council voted to accept the report from the General Services Department for the City Manager to execute the 10-year contract term with Casella.

Councilor Jennifer Kretovic mentioned that other communities often have individual subscriptions where residents are responsible to hire and pay for their own service, "We are really fortunate with the contract that is before us, but in 2029 we might not be so fortunate."

The 10-year term not only prolongs a secure contract with potential long-term cost savings, but also delays the transition requirement to automated collection as long as possible while providing the opportunity for a gradual transition.

Instead of all 12,000 (approximate) stops in the city instantly switching to automated collection at the same time, a gradual initiative allows for a minimized number of participants in select neighborhoods to test out the functionality and be able to work more closely to address any

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possible concerns. A trial-and-error period will build a more efficient program. The additional time before needing to transition will allow the City to work with residents and the vendor to evaluate the program, provide public education, work through logistics, and make any necessary modifications before rolling it out to the entire city.

The pilot program proposes using one truck, out of the four in service, to perform automated trash collection in select neighborhoods for each weekday route. Residents will be provided with totes and education materials in advance, preparing them for the change.

Pay-as-you-throw (PAYT) trash bags will still be required for automated curbside collection and audits will be performed to determine compliance rates.

“A lot of these communities that have gone to automated don’t have that pay-as-you-throw program, so we look to use the pilot program as an opportunity to manage that and understand behavior, compliance with using the bags, and so forth,” stated Adam Clark, Administration Division Manager for General Services. “We would need to [reconsider revenue] in the event that compliance wasn’t 100%.”

General Services Director Chip Chesley reminded the Council that two mechanisms pay for solid waste services: pay-as-you-throw trash bags and the General Fund Transfer. “It’s a balance between how much you can increase the pay-as-you-throw bag price, what’s palatable, and then the difference then becomes the General Fund Transfer, and then what comes out of the General Fund Transfer then competes for other demands in the city.”

Unit-based pricing for solid waste has been proven to reduce waste volumes. This approach brings more awareness to how much household waste is generated and promotes reduction. Trash tonnage in Concord has been reduced by 40% since the PAYT program started in July 2009. When the program was temporarily suspended by Council during COVID-19, the City noticed a substantial increase in trash volumes, which decreased again when PAYT returned.

“At the end of the day, the service has to be paid for one way or the other. The benefit by putting it onto the cart or onto the bag, you gain the benefit of rewarding good behavior. If you put it on the tax rate, it gets lost,” Chesley continued. “The most significant variable cost you have in your

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solid waste program is the trash that you dispose of, and the more that you reduce that, it's going to drop an aggregate of what the community's paying."

Chesley reminded Council that they have the authority to suspend the Pay-As-You-Throw Program at any time, but cautioned to put the entire burden on the General Fund given the rapid costs of solid waste services and further advising that the best financial position would come from incentivizing the public to reduce their waste through unit-based pricing.

Concerns for automated collection presented at the Council meeting included how it would impact residents of non-traditional housing and the elderly, how winter weather and narrow or unlevel streets could complicate collection, and how dense neighborhoods would store totes.

Chesley answered, "It does work in other communities. I have personal experience seeing it work in some very narrow streets in Boston." Chesley explained that in some instances the operator may have to get out of the truck to move the toter. "There are going to be certain areas in the city where it's going to have to have some fine-tuning by the vendor."

Councilor Zandra Rice Hawkins and Councilor Brent Todd, both members of SWAC, vocalized support of a pilot program to give more time to address any concerns, educate the public, and look into alternative ways to divert waste, such as composting.

"What we're trying to do is have an orderly transition knowing that we don't know it all," stated Chesley, "but we're confident that we can solve what other problems that are out there."

Find more information and Solid Waste FAQs at www.concordnh.gov/solidwaste.

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Concord General Services is the public works department for the City of Concord, New Hampshire that delivers services to enhance the quality of life of the community. Services include street maintenance, solid waste management, water and sewer utilities, drinking water and wastewater treatment, public property maintenance, City fleet and equipment services, and management of the Douglas N. Everett Arena. For more information, please visit www.concordnh.gov/generalservices.