



Memo

To: Board of Directors

From: Jason Charles Temple, PE – Director of Public Services

Date: February 3, 2021

Re: Discussion – New Solid Waste Management Program

Discussion

During the 2021 budget preparation, the project team described below developed a plan to expand sanitation capacity in a way that uses less staff, improves safety, and has less operating cost than expanding by adding another trash truck with the current rear loading method. The board was briefly advised on the new side loading method during budget discussions.

Staff have met and contacted several vendors who can provide bids through the conventional RFP process or obtain similar competitive pricing using their access through Sourcewell Cooperative Purchasing (similar to a state's contract pricing)

Sanitation's new 2021 Solid Waste Conversion Program includes replacing the four (4) existing rear loading trucks with automated side loading trash trucks, reusing 1,000 existing HSV 64-gallon trash carts (formally used by the Townhouse Association), adding approximately 9,200 new trash carts (64 & 96-gallon size), adding one (1) mini rear loading trash truck for at house pickups, and adding one (1) multi-purpose grapple truck for tree debris, leaves, rocks, and special pickups

The project team included members from the Public Service Committee, Fleet Manager - Dallas Fetterhoff, Sanitation Superintendent – Ron Sievwright, Controller – Coreena Fetterhoff, previous General Manager – Charles King, and Director of Public Services – Jason Temple. Over the previous year the team met several times to evaluate the following:

- Rear Load Vs. Side Load total annual operating costs comparative and found the annual operating costs are reduced due to less staffing requirements
- Revenue sustainability – revenues will remain the same and not require a rate increase for this conversion
- Level of customer service – New heavy-duty wheeled trash carts will be provided with attached lids at no cost to the property owner and loose lids or broken wheels will be maintained by HSV Staff.
- Expandability for growth, and reduced workman's compensation claims and risk – Side loaders only require one (1) driver and there is nearly no staff physical labor associated with the trash collection to risk injuries

- Vendor Qualifications – it was important for the team to find a Vendor that provided proven quality equipment and had a local presence that could provide maintenance and technical support for their equipment, especially in a Lease/Purchase program. Per the Sanitation Vendors Table below, only River City Hydraulics (<http://rivercityhyd.com/>) met all the vendor criteria qualifications and is considered a Preferred Vendor.

Sanitation Vendors						
Company	Contact Person	Phone #	Preferred Vendor	Notes		
River City Hydraulics	Roger Williams	501-765-1891	✓	Shop in Sherwood, Ark, 90 day inspections, Highly recommended product from other municipalities		
Ark municipal Utilities	Daniel Ellison	501-425-1567		No contact after initial presentation		
TCS Trucks	Jesse Voysey	(417) 829-6700		No local shop, No service inspections, Sub par quality of product		
Other vendors				Other vendors are too far away to meet our service needs		

Recommendation

Staff propose using the vendor, River City Hydraulics (<http://rivercityhyd.com/>), who will use their membership with Sourcewell Cooperative Purchasing to obtain competitive pricing for Sanitation's new 2021 Solid Waste Conversion Program. The 2021 approved budget includes funding the new Solid Waste Manage Program at a *targeted proposed annual financed cost of \$333,303 (principal and interest)*. Final annual cost could vary +/- 4% depending on the final number of 64 gal. and 96 gal. trash carts, trade-in value of existing trash trucks, and financing.

Current Option for financing for the new Solid Waste Management Program:

1. 9,200 trash carts (96 gal.) with USBancorp for 84 months at 1.99% interest rate (approximately \$6,537.06 per month, \$521,187.17 total cost) or to pursue other local conventional financing.
2. 4 New Side Loading Trash Trucks, 1 New Mini Rear Load At-House Trash Truck, 1 New Grapple Truck with USBancorp for 25 months at 1.90% interest rate (approximately \$22,139.53 per month, \$1,209,208.64 total cost) or to pursue other local conventional financing.

This project's funding will come from the 2021 approved fiscal budget and is expected to begin upon execution of the Agreement.

Staff recommends purchasing the proposed equipment, trucks, and trash carts through River City Hydraulics (<http://rivercityhyd.com/>) for the Sanitation's new 2021 Solid Waste Conversion Program. River City Hydraulics will use the competitive purchasing process through Sourcewell Cooperative Purchasing (<https://www.sourcewell-mn.gov/>) to save time and money by combining the buying power of 50,000 government, education, and nonprofit organizations.

Supplemental information is provided on the following pages.

SUPPLIMENTAL INFORMATION

BACKGROUND – by Ron Sievwright, Superintendent over Streets and Sanitation

Our current method of residential trash collection by using a fleet of three (3) rear loading trucks and (1) backup truck paired up with a crew of three to manually load each residence's trash is no longer sustainable and either has to be expanded to a total fleet of five (5) rear loading trucks with additional staff or changed to a method requiring only drivers without manual loading staff. Staff along with the Public Services Committee have evaluated other options and recommends the conversion of the Sanitation Truck Fleet from the existing rear loaders to side loading automated pick-up style trash trucks for a more simplified and sustainable operation while still sustaining net revenues budgeted annually. The plan is to Lease / Finance four (4) side loading residential sanitation trash trucks (single driver required only) on a 25-month rotation program replacing our existing fleet of four (4) rear loading trucks, and to finance the acquisition and deployment of the associated new residential trash carts. Lease/finance on a 25-month rotation a new mini trash truck for at-house pickups, and a new grapple truck for special pickups, forestry debris, boulders, and illegal dump cleanups. In order to find the appropriate equipment, several neighboring municipalities to determine the best options this type of equipment for this environment. Attached is the contact list on the last page. ***Two items that these resources have in common are they all utilize the SourceWell Contracts when purchasing their Sanitation Equipment and they all purchase this equipment from River City Hydraulics.*** SourceWell is a cooperative contracting service for government agencies, educational institutions, tribal nations, and nonprofit organizations which HSV is a member of. River City Hydraulics was contacted and asked to meet with us. During the interview process with the vender staff stated that we were looking for a vender that met the criteria listed below. River City Hydraulics took the time to look at our existing equipment, the terrain the equipment would be working in and the amount of stops per truck we were looking at. After acquiring this information River City Hydraulics came back with a proposal for all six (6) trucks, the containers we would need with additional parts, and assembly and delivery. When researching the equipment needed, we utilized the criteria listed below and confirmed it by contacting the references on the attached page.

VENDOR CRITERIA

1. QUALITY

There will be times when you will have to work in weather conditions that could be unpredictable, unfamiliar or harsh. For example, you could experience constant rain, snow or hail. These conditions can weaken and damage the Solid Waste equipment if they remain exposed to the harsh elements for a prolonged period on a regular basis. The compromised equipment can prove hazardous to the employees as well as the motoring public.

Invest in equipment that is made of good quality materials because they can resist weakening caused by exposure to harsh conditions and punishing weather elements. Moreover, you will save maintenance and repair costs. Always check the quality and strength of the equipment before buying.

2. TECHNOLOGY

Embrace technology as it is an ally you want on your side. If you have Solid Waste Equipment that has the latest technology, it will surely impact and enhance the overall performance of your business. These machines will get more work done in less time and with less manpower as compared to their 'non-tech' counterparts.

It also helps in attracting and retaining more employees. The work would be smoother, helping them complete the projects faster and on time.

3. FUEL EFFICIENCY

Solid Waste equipment does not come cheap. Not only is it expensive initially, you will have to shell out high maintenance costs down the line. One way to bring down your costs is by opting for fuel-efficient machines. Since fuel is one of the major costs in a Solid Waste business, machines that consume less fuel will save you a lot of money in the long term.

4. COSTS

Generally, ensure that the equipment meets your needs and as well as the budget.

5. DEALER

Ensure that you always buy from a reputable dealer. Take your time and check out numerous dealers before making the purchase. One way to identify a reputable and reliable dealer is if they answer any question you throw his way; if he doesn't have an answer, he will be honest and get back to you later with the necessary information. Make sure you also ask about the after-purchase services being offered.

6. KNOWLEDGE OF USING THE EQUIPMENT

Efficient and reliable equipment will do you no good if you do not have the skill or dexterity to use it. Working with new technology is quite challenging and poses a workplace safety hazard if not handled carefully. Ensure that only trained and specialized machine operators are in-charge of running such machines to keep the workplace safe and eliminate accidents. If they do not specialize in solid waste equipment management, they will not be able to provide the training needed to properly train staff.

The right equipment is your biggest asset, so make sure you invest wisely in it to secure your future.

CURRENT WORK OVERLOAD

Currently staff are overloaded and providing residential sanitation collection service to 650 to 700 stops per truck per day, 4 days a week. This is 44% higher amount of stops as compared to the neighboring City of Hot Springs. The City of Hot Springs limits their stops to 400 to 450 curbside pickups per truck per day. In addition, staff provides nearly 500 at-house pickups per week. Anticipating continued growth of new homes in HSV, this issue will continue to grow.

STAFFING PROBLEM

Maintaining staff has been an issue with the existing rear loading method. From November 2019 to present the Sanitation Division ***has utilized 57 different temporary staff members***. Street maintenance staff have been pulled from their primary duties and needed to assist the Sanitation Division on 73 different occasions. Due to these staffing issues the Sanitation Division is recommending moving forward with an automated solution to efficiently provide future sanitation collection services to HSV.

EXISTING EQUIPMENT TRADE-IN VALUE

The sale or trade in values of the existing three (3) rear loading and existing (1) backup rear loading trucks were not figured into financial analysis for the annual operating costs of the recommended side loading method but will further reduce the financing cost and annual

operating cost by some measure further enhancing the attractiveness of the recommended side loading method. Presently, the three (3) rear loading trash trucks have an estimated value of 3 @ \$50,000 = \$150,000. As of October 19, 2020, the POA had \$143,984 left on the financing of the three trucks. At the time of trade-in, the financing should be equal to or less than the trade-in value.

Recommendation

In year 2021, staff recommends acquisition of the automated side loading trash trucks, trash carts, mini at-house trash truck, grapple truck, and convert from the rear loading to side loading method of operations. Staff recommends using the SourceWell contract to purchase the recommended equipment through River City Hydraulics.



Solid Waste References

City of Little Rock, AR - Warren Atkins 501-888-4581 watkins@littlerock.gov

City of Ft. Smith, AR - Terry Rankin 479-739-5843, 479-288-1228 trankin@fortsmithar.gov

City of Conway, AR - Nathan Davis 501-733-6049 nathan.davis@cityofconway.org

City of Hot Springs, AR - Randy Atkinson 479-220-7837 ratkinson@cityhs.net

City of Jonesboro, AR - Donnie Gibson 870-351-6525 dgibson@jonesboro.org

City of Sherwood, AR - Brian Galloway 501-413-8018

City of Arkadelphia, AR - Kenny Myers 870-403-6857

City of Searcy, AR - Terry Rutherford 501-388-1715 terry.rutherford@cityofsearcy.org

City of Jacksonville, AR - Randy Watkins 501-944-0107

City of Paragould, AR - Terry McAbee 870-476-0230 terry.mcabee@paragouldcity.org

City of Blytheville, AR - James Sanders 870-762-0477 mayorsanders@sbcglobal.net

City of Marked Tree, AR - Danny Johnson 870-375-2190 Mtmayor@rittennait.com

City of Walnut Ridge, AR - Charles Snapp 501-412-6497 cityhall@cityofwalnutridge.com

City of Marianna, AR - William Pippenger 870-295-0378 cityofmarianna@yahoo.com

City of Wynne, AR - Donnie Jones 870-318-1178 djones@cityofwynne.com

City of Marion, AR - Frank Fogelman 901-496-9993 mayormarionar@aol.com

City of Springdale, AR - Chuck Harris 479-841-3975

Bradley County - Judge Klay McKinney 870-820-1863 bc_judge@yahoo.com

Independence County - Gary Cooper 870-612-0967

Garland County - Billy Sawyer 501-520-7168

Cross County - Mike Hamrick 870-238-5750 mhamrick@crosscountyar.org