

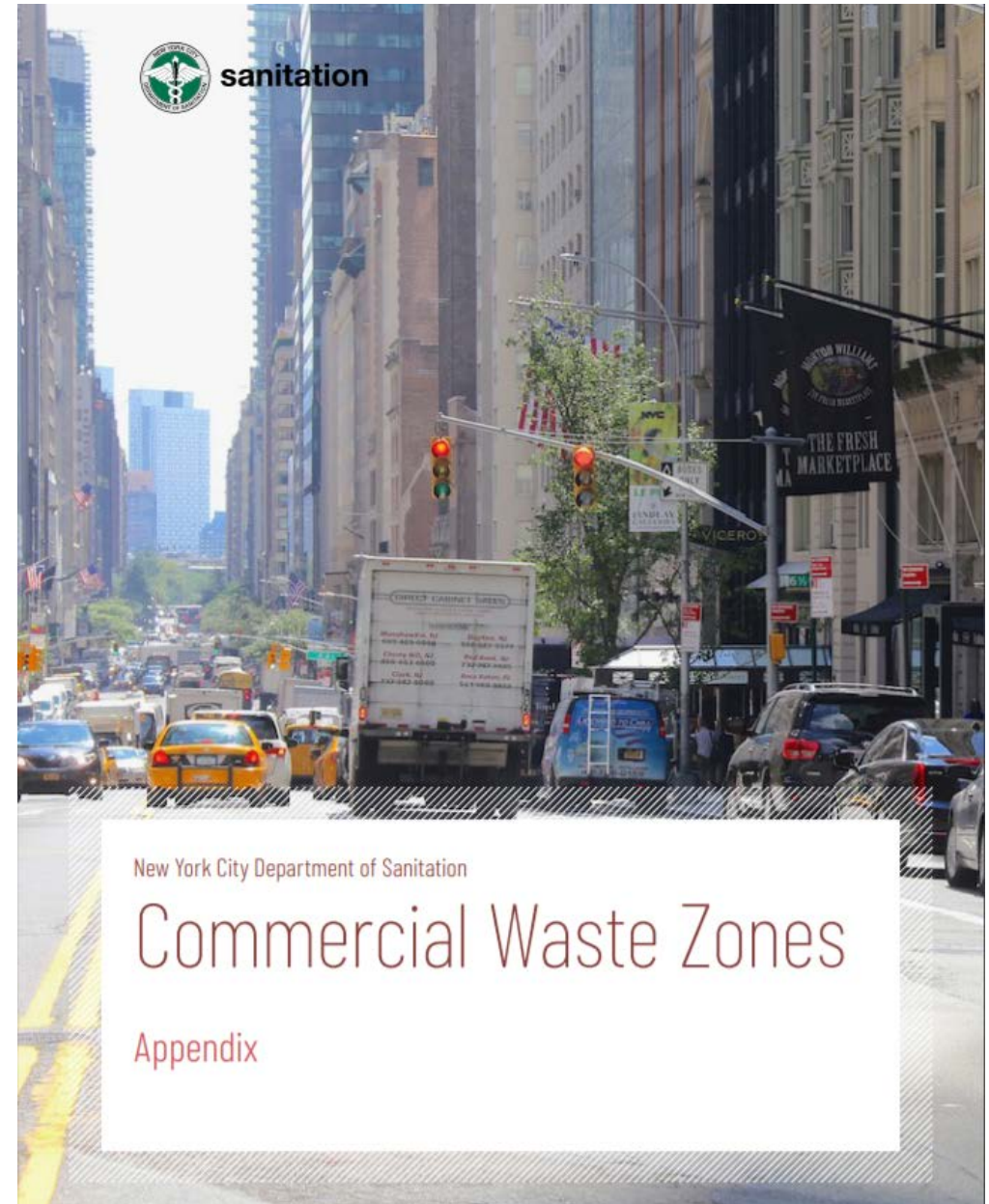
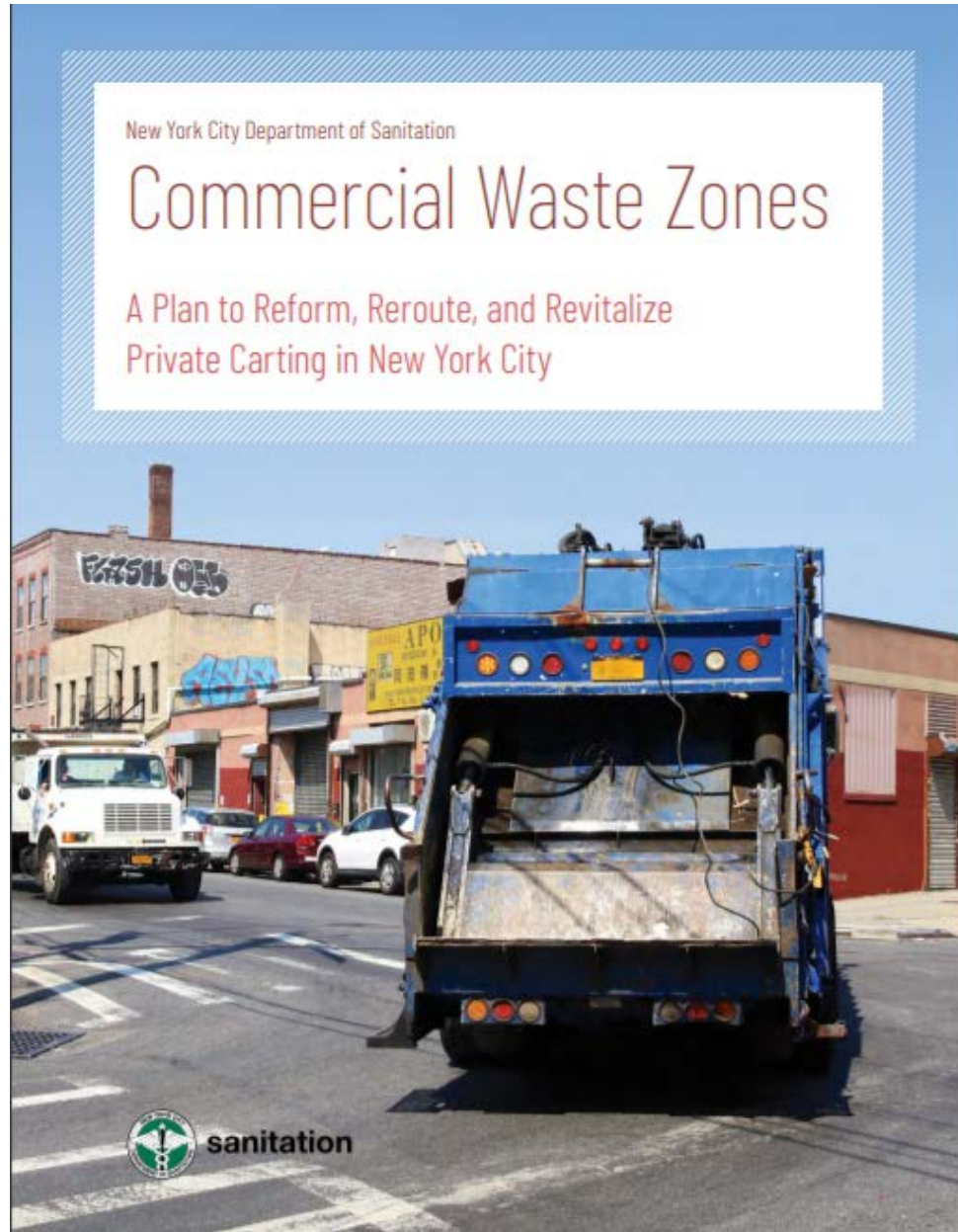
COMMERCIAL WASTE ZONES UPDATE TO MANHATTAN CB 8

March 11, 2019



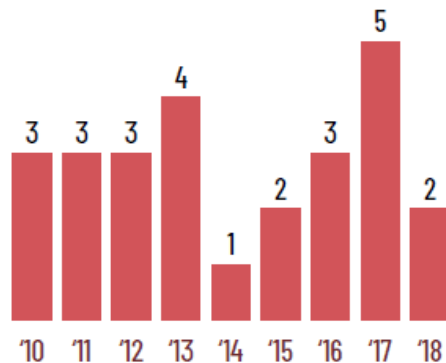
Plan Released

nyc.gov/commercialwaste

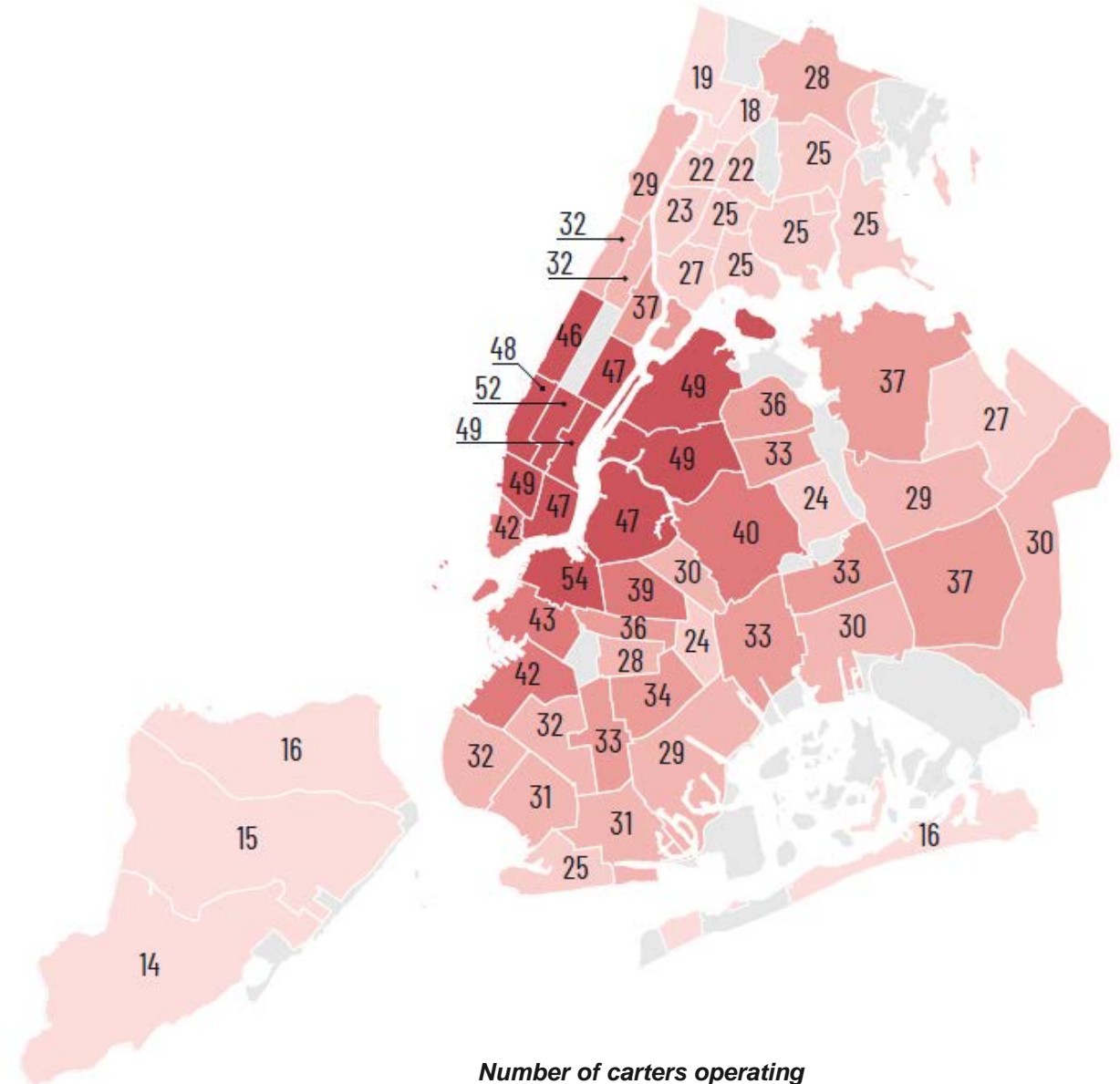


Challenges with the Existing System

- Approximately 90 carters collecting putrescible waste and recycling
(excludes construction and demolition waste, medical, grease, landscapers, junk-removers, and self-haulers)
- Operations overlap throughout the city. Routes are regularly over 100 miles long. Many city blocks see 50+ trucks pass through daily.
- Business Integrity Commission licenses companies – difficult enforcement landscape on issues beyond organized crime
- Current system hinders progress on safety, recycling, fleet and infrastructure investment, and price transparency



Fatal crashes involving private putrescible waste hauling trucks in NYC

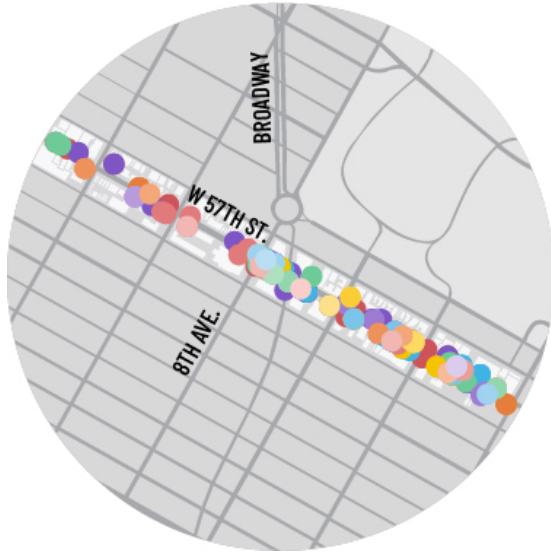


Number of carters operating in each community district

Carter Operations Overlap Throughout the City

W 57th St, Manhattan

141 customers, 26 carters



Jackson Ave, Bronx

25 customers, 10 carters



24th St, Brooklyn

11 customers, 9 carters



Bay St, Staten Island

35 customers, 7 carters



55th Dr, Queens

14 customers, 10 carters





RENTING AGENT
(718)575-0045

PICKMAN REALTY CORP
(718)575-0294

OFFICE / MEDICAL
SPACE AVAILABLE
718.575.0045

AKRAM GROCERY
DELI

NAILS - SPA
FACIAL - WAXING - MASSAGE
OPEN 7 DAYS

HILL OPTICS
HOLLIS VISION

FRANCIS HEIGHTS LI

impres

ROYAL
718-526-2623

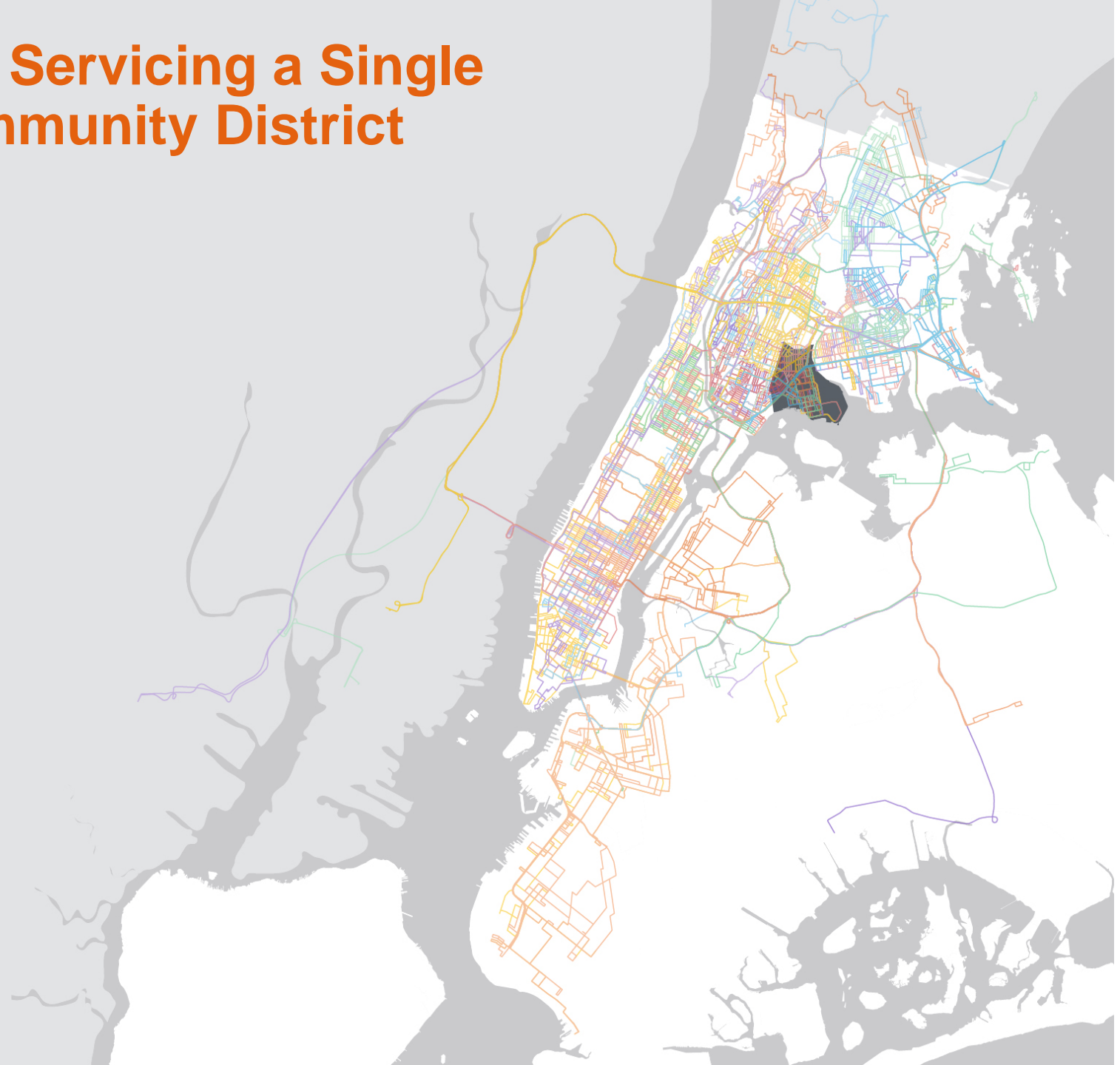
CROWN
WASTE CORP
718-803-9400
516-827-5060
BIC# TW-311

LIBERTY
ASHES INC
718-739-7224
516-354-8603

LIBERTY
ASHES INC
718-739-7224
516-354-8603

MR. T
CARTING
73-10 EDGALL AVE
GLENDALE NY 11545
718-424-1000
Bic # 173

All Routes Servicing a Single Bronx Community District



Effects on Safety and Recycling



Program Vision

Commercial waste zones will create a **safe and efficient** collection system that provides **high quality, low cost** service while advancing the City's **zero waste** goals.



Improve New Yorkers'
safety and quality of life

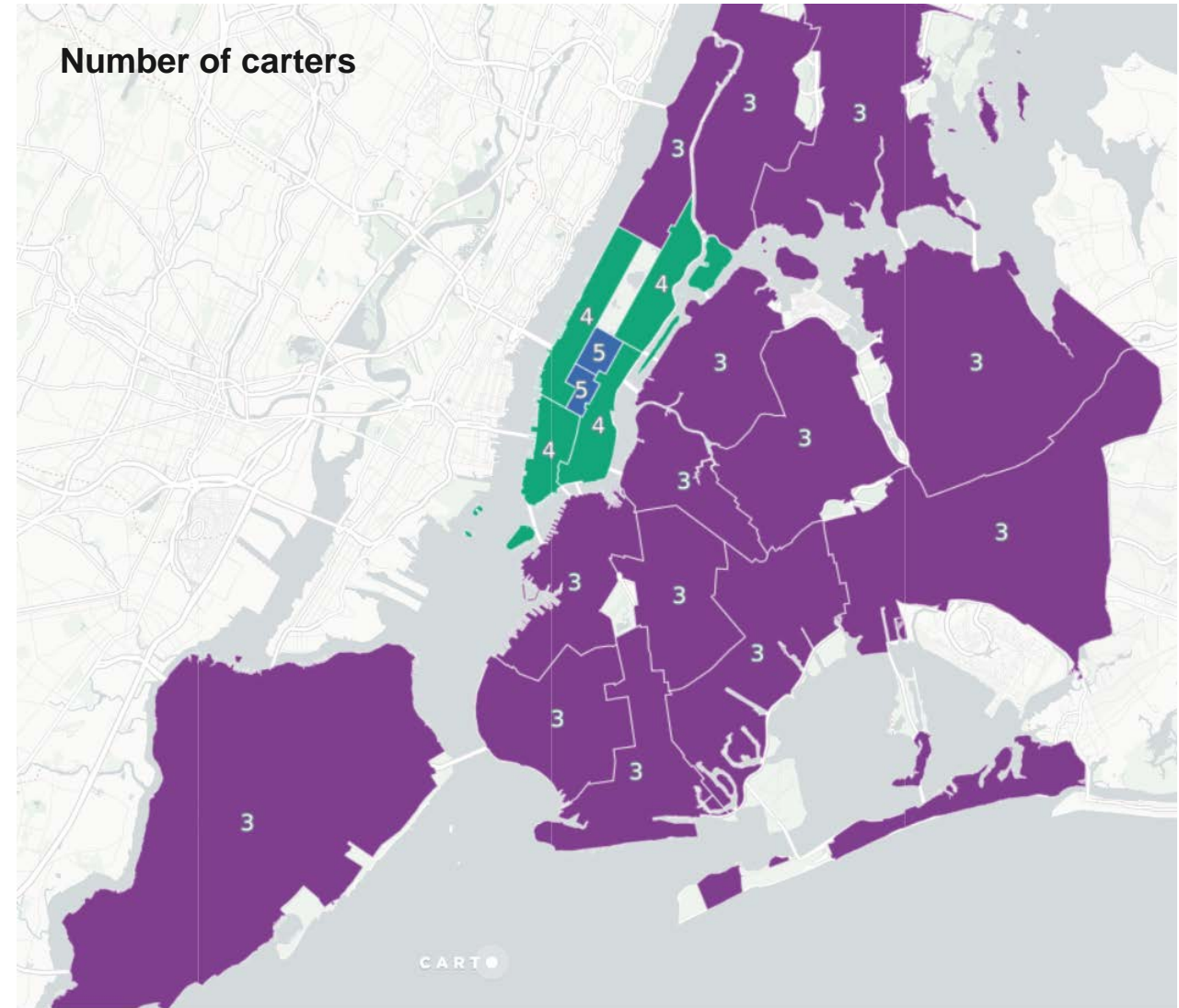
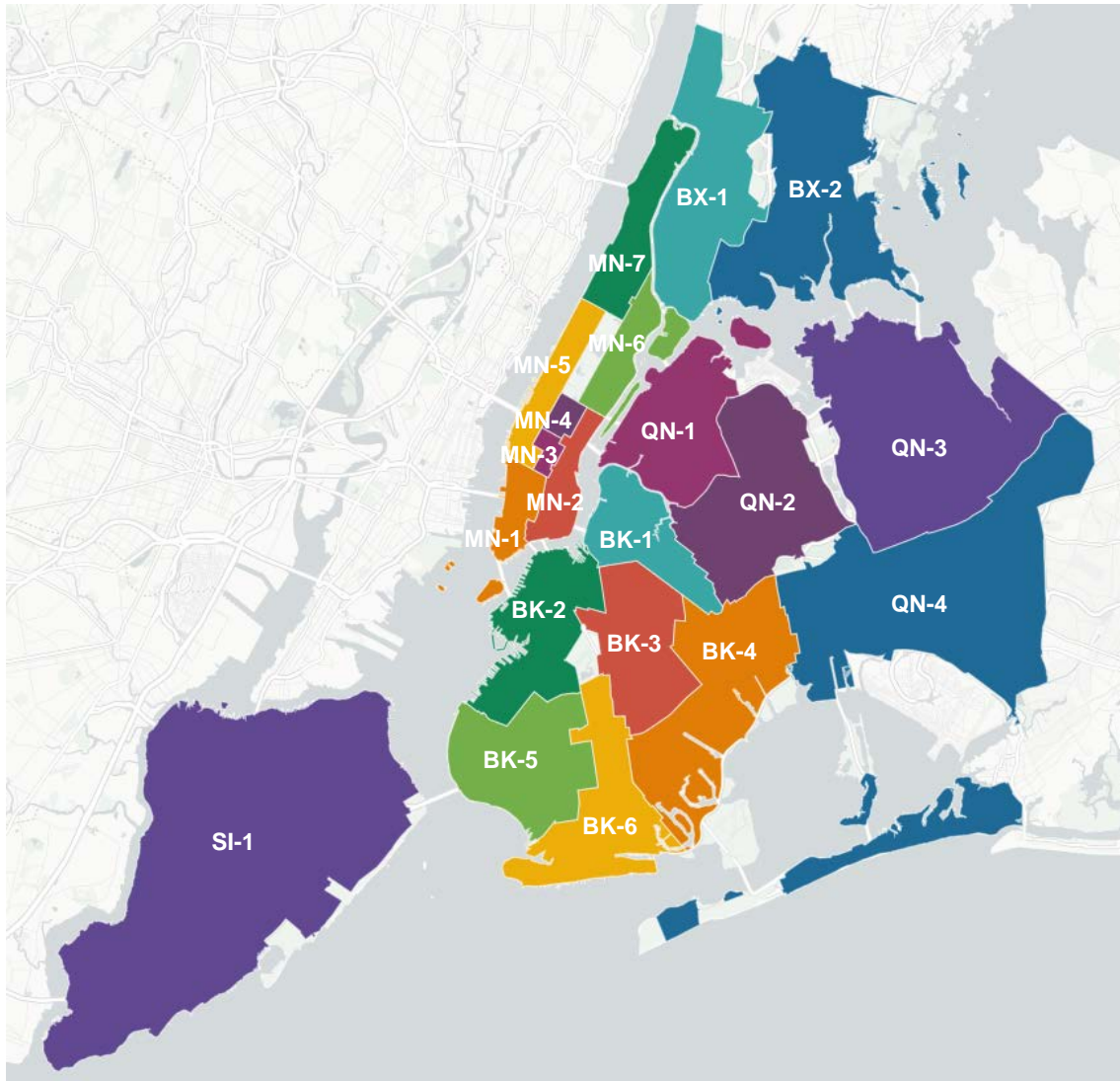


Promote a cleaner
environment



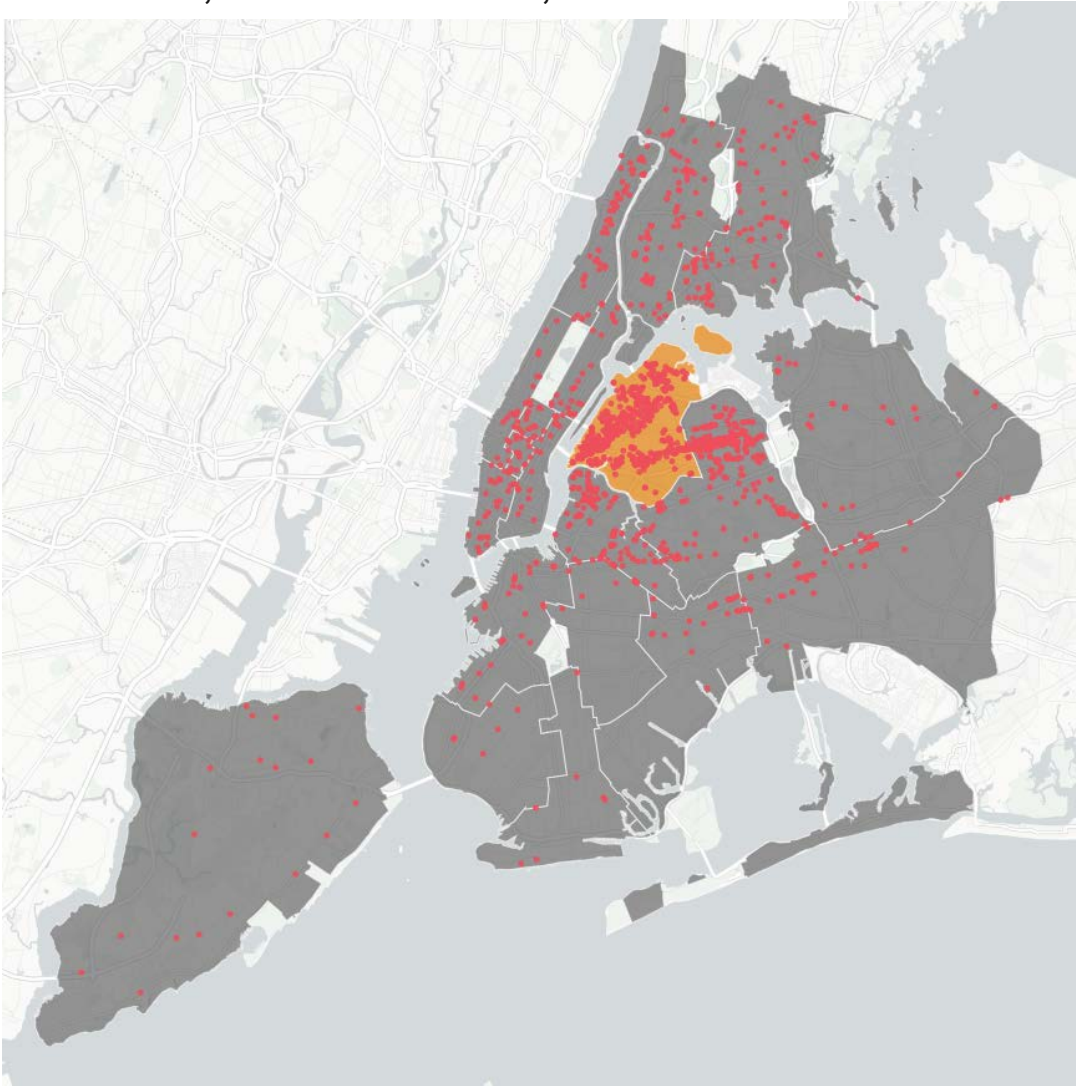
Ensure efficient and
orderly collection of
commercial waste

Proposed 20-Zone Design



Mid-size Carter

Before: 1,785 Customers, 785 in Zone



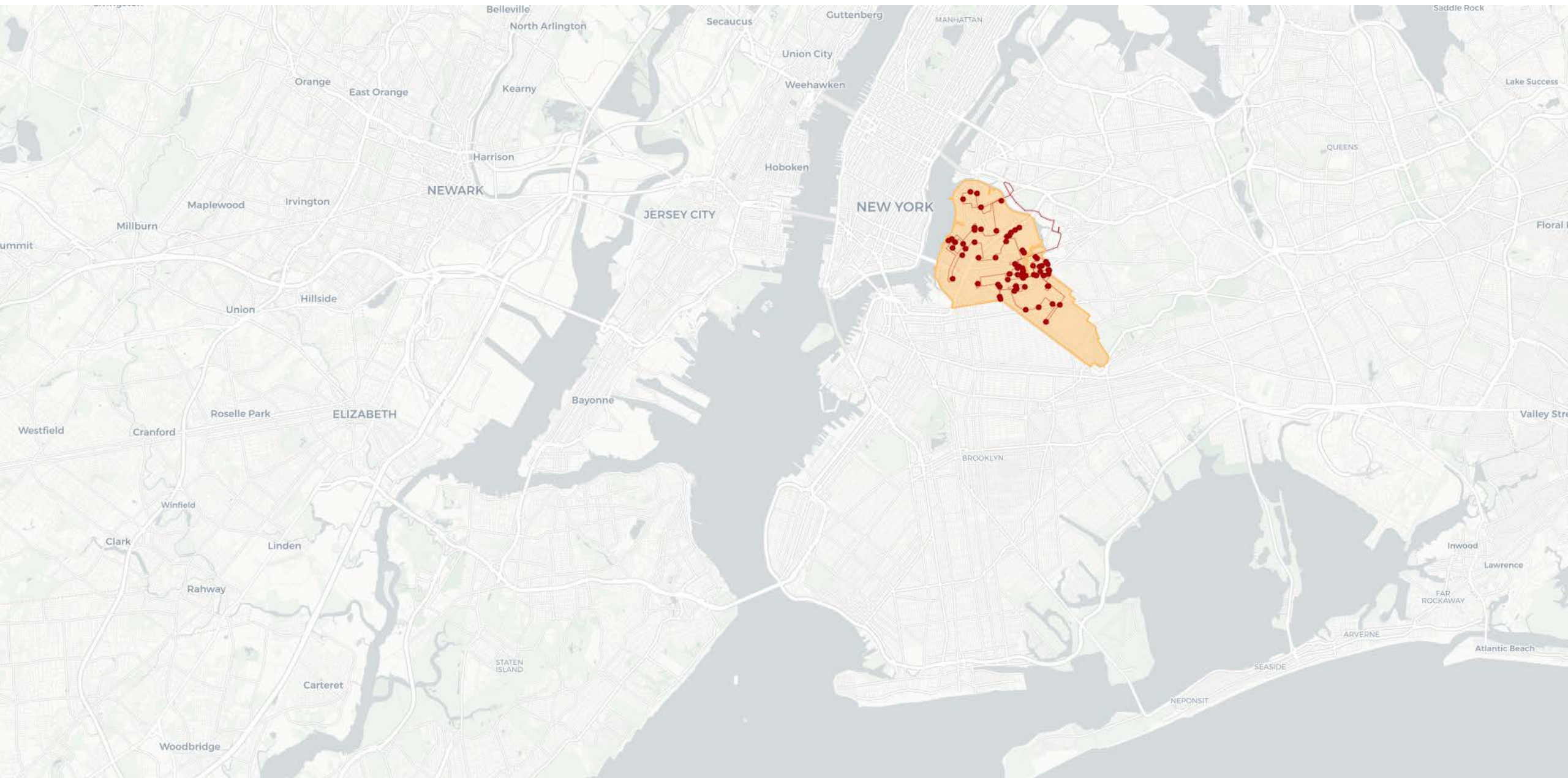
After: 1,785 Customers in Zone, ~1/3 of Zone



One Route - Before



One Route - After

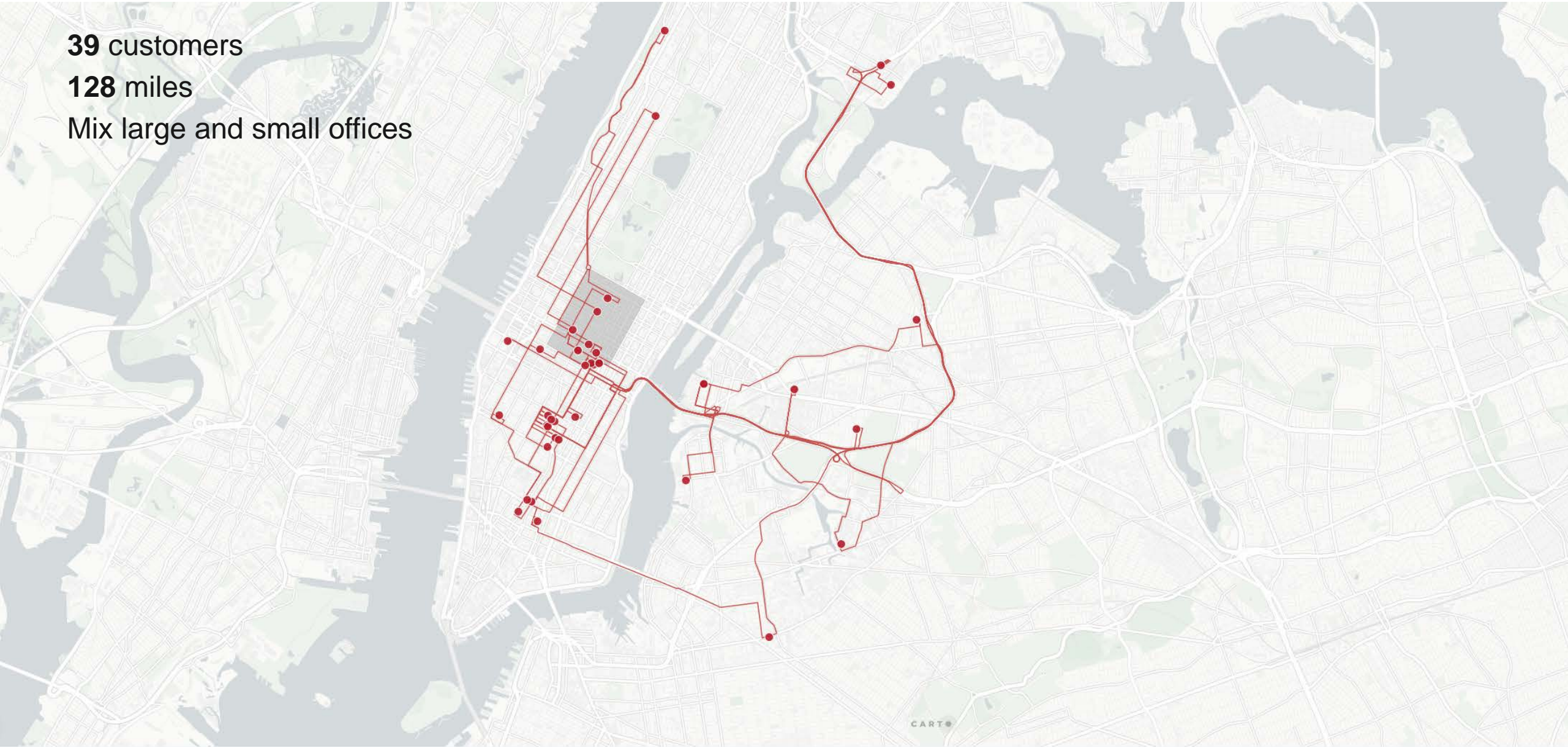


Single Route Servicing Large Offices: Before

39 customers

128 miles

Mix large and small offices



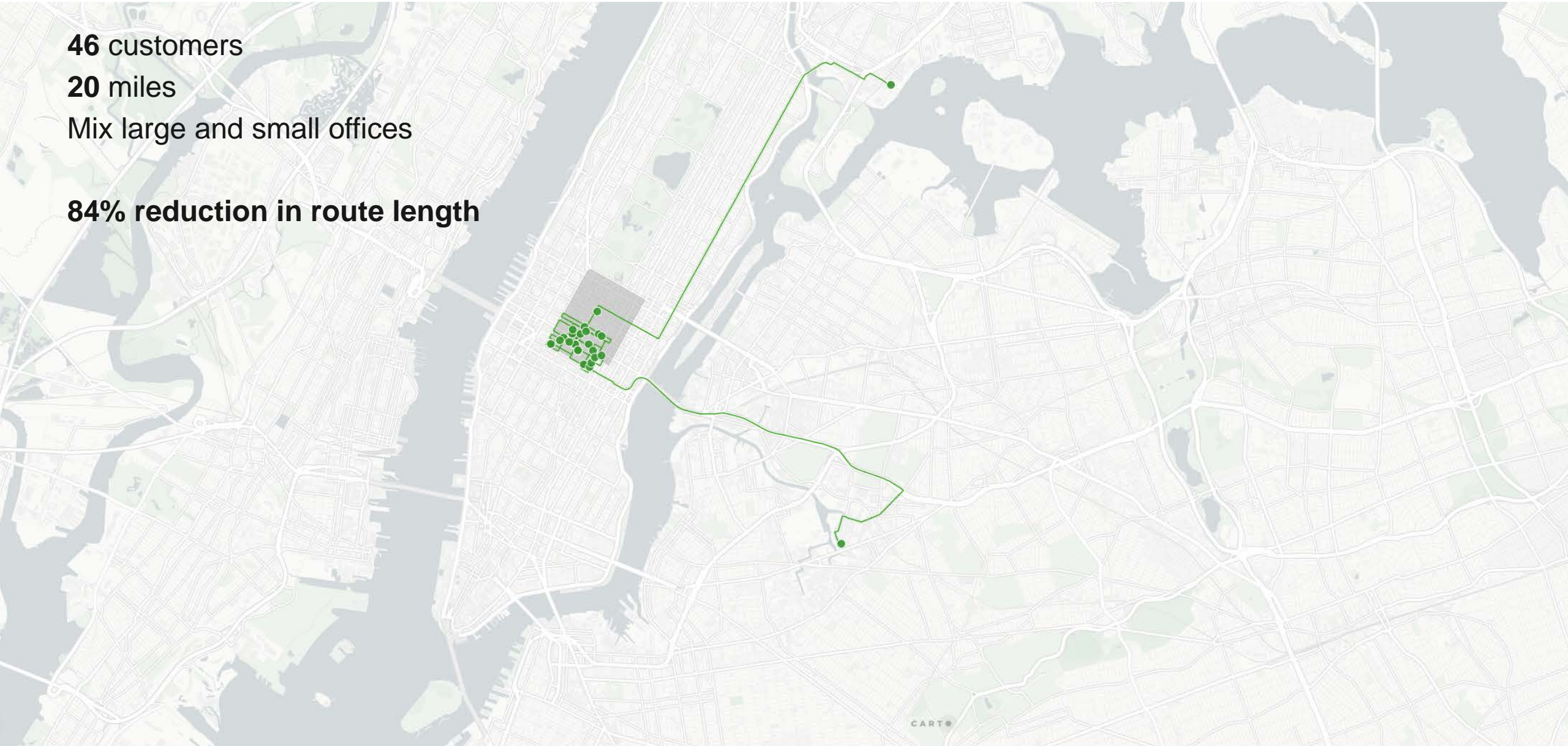
Single Route Servicing Large Offices: After

46 customers

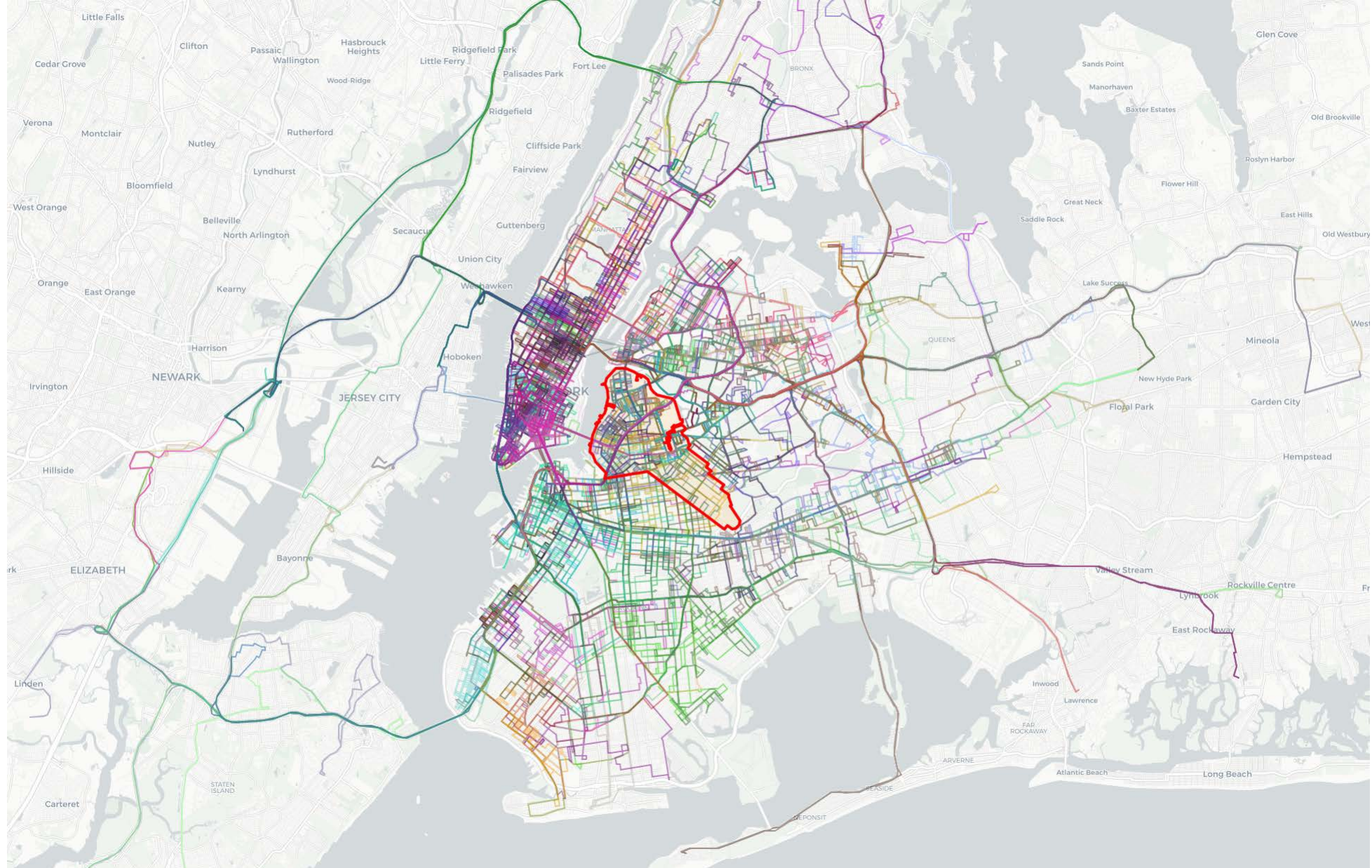
20 miles

Mix large and small offices

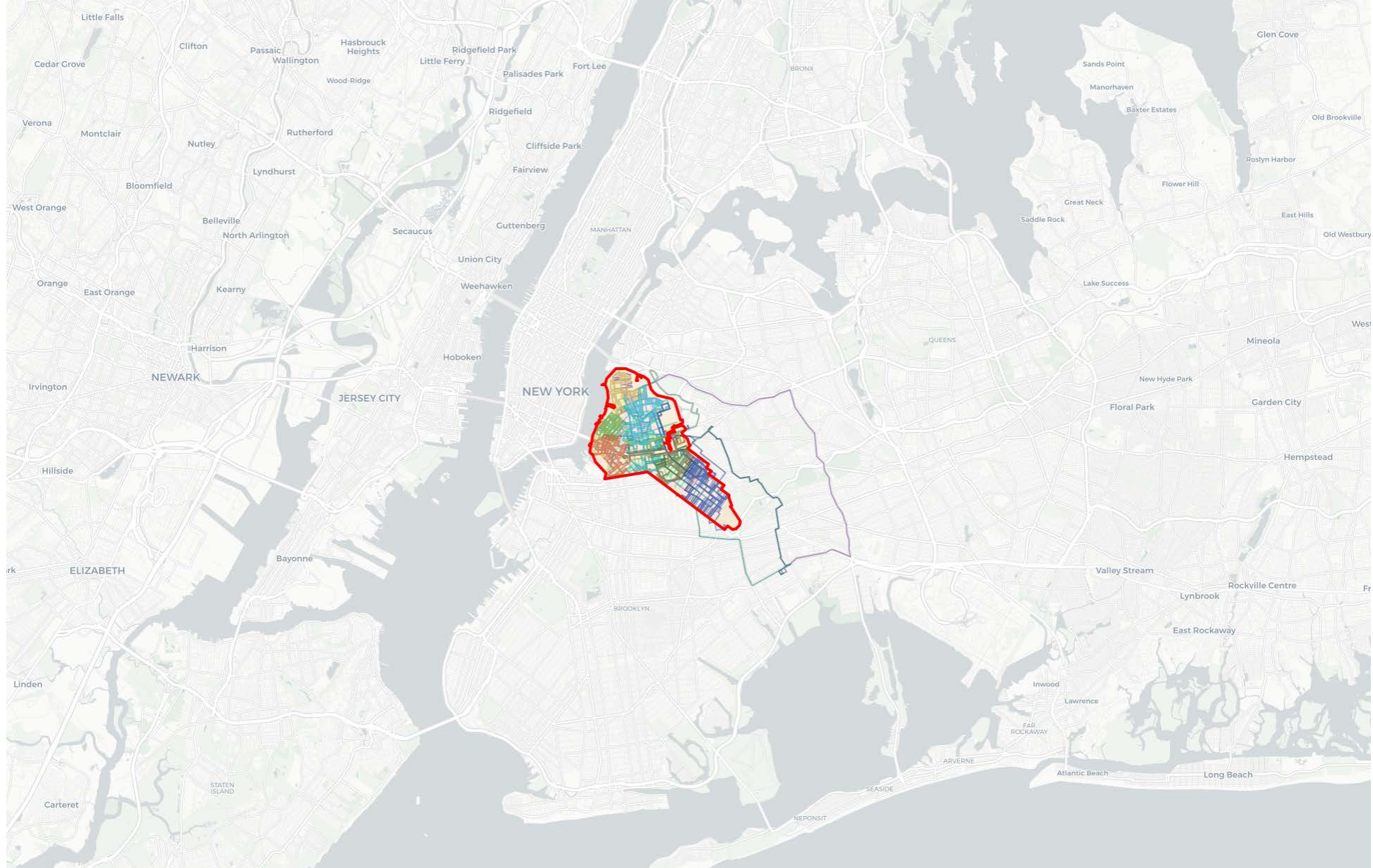
84% reduction in route length



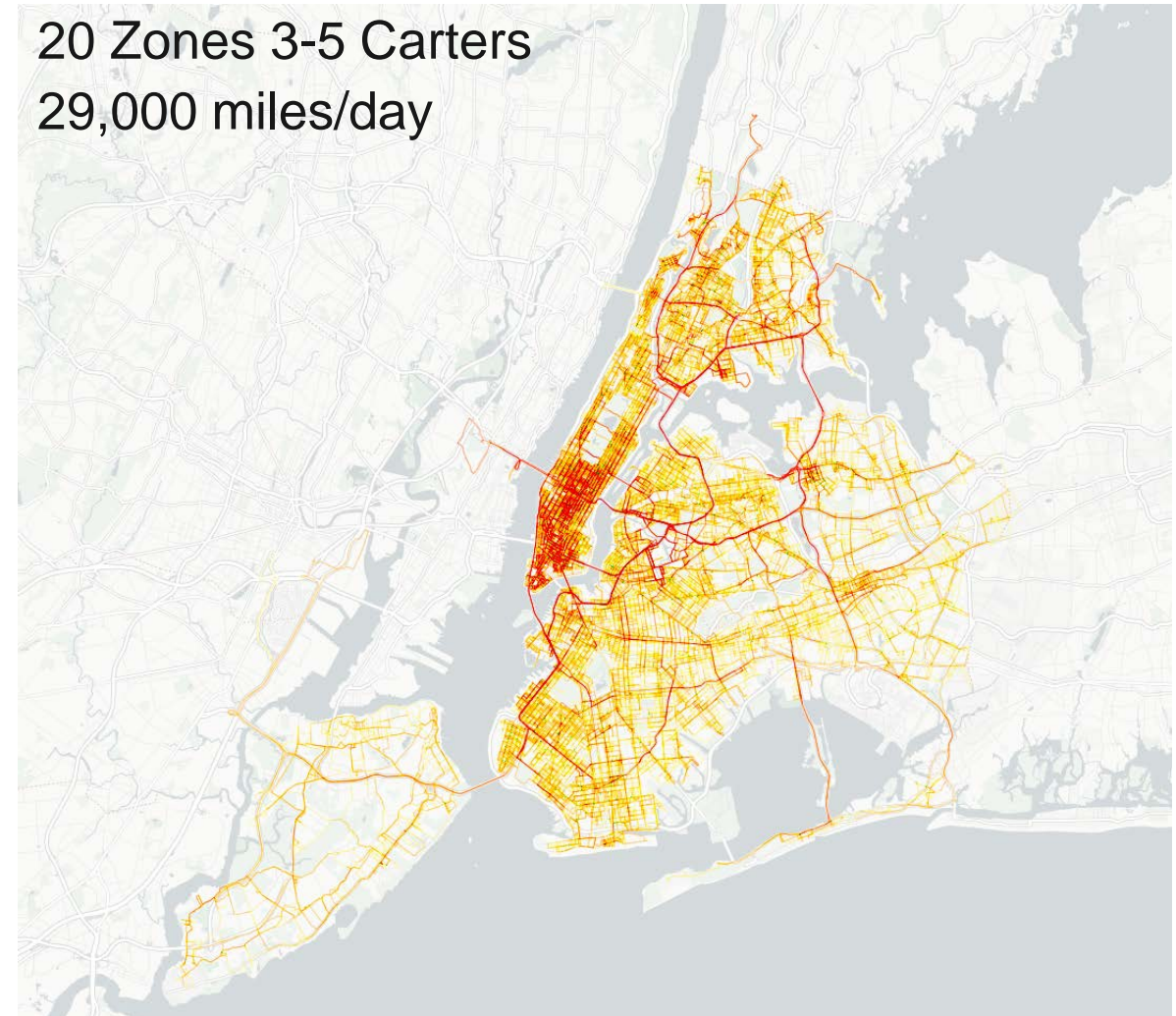
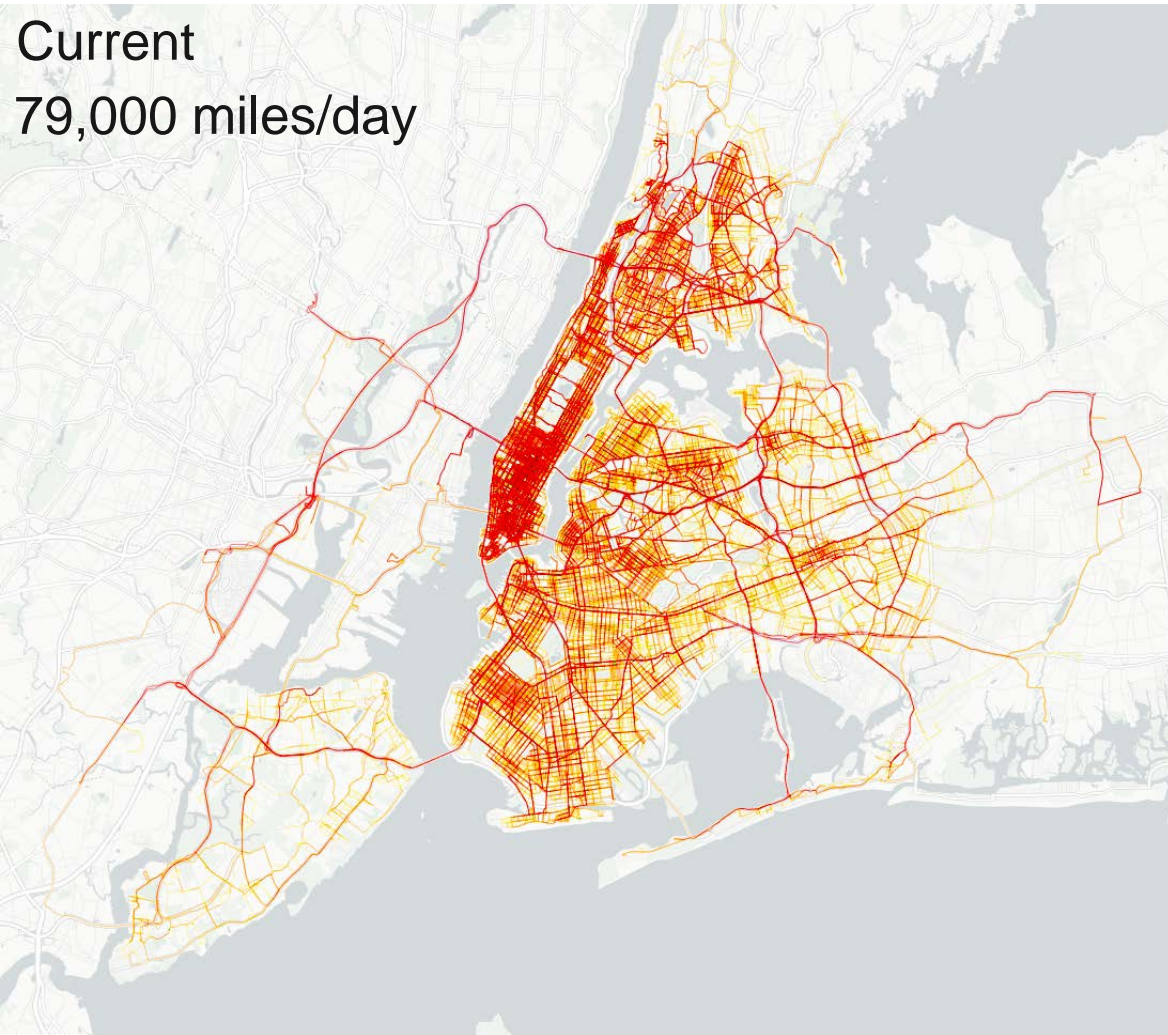
BK-1 – All Traffic Before



BK-1 – All Traffic After



Citywide Truck Traffic Reduction



18 million miles of truck traffic taken off NYC streets every year, a 63% reduction

Program Goals

Pricing: Provide fair, transparent billing with low prices for businesses both large and small

- Carters will bid a rate cap, customers can negotiate price and service below the cap
- Low pricing scored with greatest weight in competitive billing process
- Require itemized billing and phase out cash payment

Customer Service: Improve service quality and establish accountability

- Require written service agreements between carters and customers
- Carters cannot refuse service to any customer in zone that requests it
- Baseline customer service standards established by City, customers can negotiate more specialized requirements
- Carters must have call center, in-person customer service and website

Diversion: Reduce commercial waste disposal and incentivize recycling

- Carters *must* provide recycling and offer organics collection to every customer
- Recycling and organics collection offered at a lower price than refuse collection
- Customers have right to third party audit/assessments prior to transition
- Commitments to zero waste through partnerships, programs, and investments scored favorably

Program Goals

Safety and Labor: Improve training and safety standards to make commercial waste collection safer for workers and the public

- Standards for safety programs, equipment and workplace conditions required by contract
- Require commitment to safer, cleaner fleets
- Evaluate past safety and labor record in procurement process
- Contracts safeguard against wage theft and excessive hours worked

Environment and Infrastructure: Prioritize investments in modern fleets and facilities

- RFP will encourage investments in new and modern recycling and disposal facilities
- Ensure adequate and resilient capacity for waste disposal
- Support investments in alternative fuel fleets and emissions reduction beyond City mandate

A Robust, Competitive Industry: Create a system that works for carters of all sizes and prevent overreliance on any single company

- A single carter can hold contracts in no more than 15 zones
- 68 total awards – sized to allow smaller companies to be viable
- Broker bidding, subcontracting, and partnering permitted in circumstances that align with other program goals

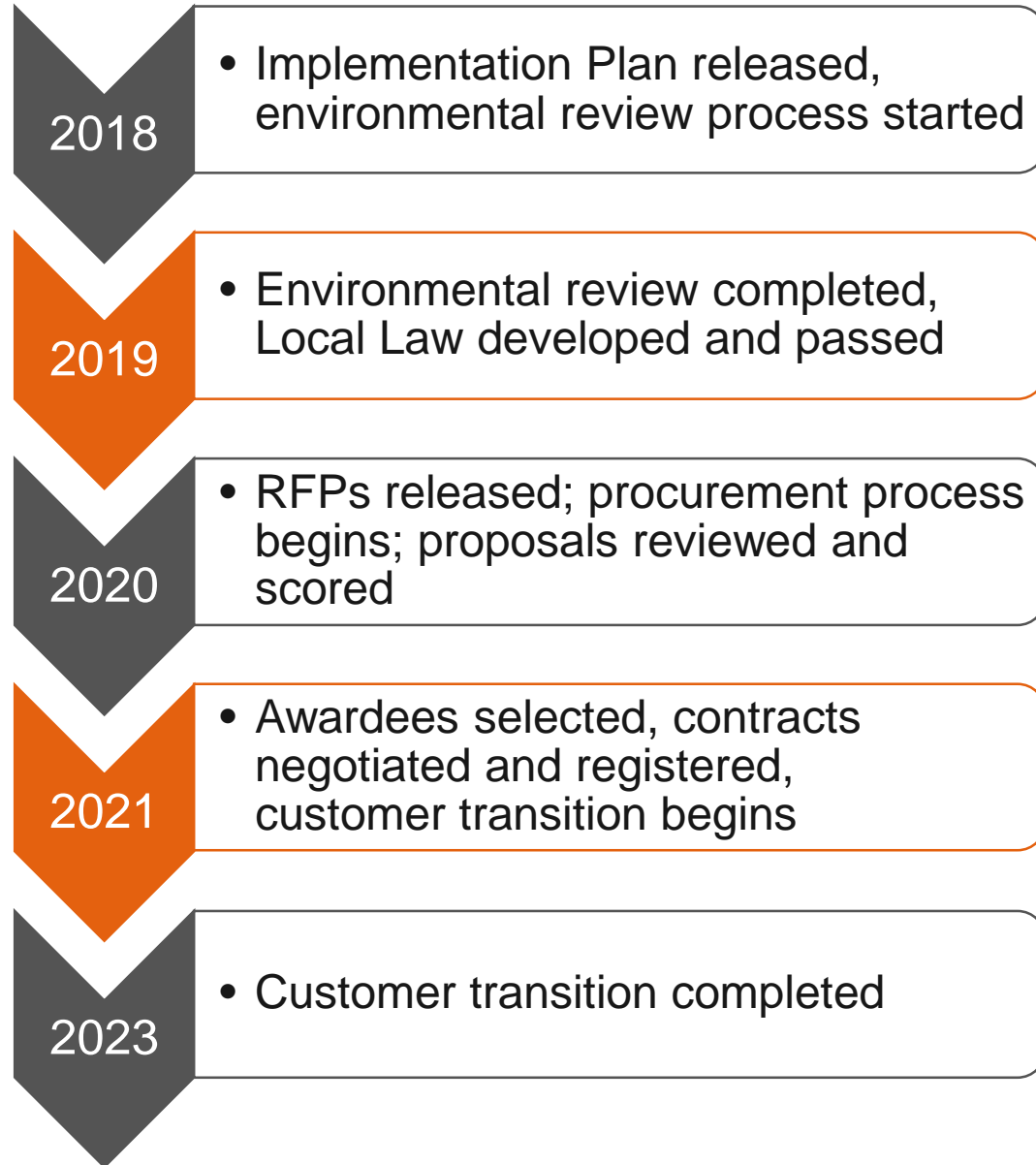
Competition and Market Forces to Drive Customer Service and Pricing

- Carters must offer low prices, strong customer service plans, and demonstrate ability to service all types of customers in zone to win zone contracts
- Carters will then have to compete with other carters in zone to gain market share
- Customers can shop around and choose among carters in their zone
- Customers can negotiate below the carters' rate caps and find the carter that meets their specific service needs
- Customers can switch carters if their needs are not being met

Other Factors to Keep Costs Low

- Operational savings to carters through efficiencies and scale not possible in current market
- Low prices to be the most heavily weighted criteria in scoring
- Zones provide large-scale negotiating position not available to customers today
- Length of zone contracts give carters more predictability, allows them better negotiation in disposal arrangements, and better amortization of equipment and facility costs

Next Steps



Questions and Discussion



JUSTIN BLAND

Director
Commercial Waste Zoning

NYC Department of Sanitation
646 885 5009 | nyc.gov/sanitation
New York's Strongest

Los Angeles

- Exclusive system – only one carter for every customer in a zone, no customer choice
- Includes multi-family residential
- Administrative fee to city as intentional revenue raiser: 10% of gross receipts
- Additional fees added to some customers (opening gates, moving bins)
- Pricing weighed at 20% of total evaluation score (included ability to raise admin. fee)
- Contracts added specific requirements for \$200 million infrastructure investments
- Transitioned entire city at once over 6 months
- Found 20% more customers than expected once transition began. City had no price baseline before contract negotiation.

New York City

- Non-exclusive system – customers have choice of three to five carters per zone
- Multi-family residential stays with DSNY
- Administrative fee not to exceed 1% - only to cover contract maintenance costs
- Such fees already prohibited by BIC and will continue to be prohibited
- Pricing to be, at a minimum, 40% of total evaluation score
- Infrastructure requirements already set in law, program will not dictate fleet and facility choices
- Phased transition to extend up to two years
- Greater baseline knowledge of existing market, customer base, and pricing; more experience in customer outreach