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SWALCO Supports Commercial Franchising Efforts of Deerfield, Proven to Lower Costs and Increase Recycling

Gurnee, IL – The Solid Waste Agency of Lake County (SWALCO) supports Deerfield’s evaluation of commercial franchising and issuance of a request for proposals based on the success of similar programs in Highland Park and Highwood. Evaluating the implementation of commercial franchises was one of the recommendations of the *60% Recycling Task Force Study* prepared by SWALCO in 2011 with the involvement of the private waste haulers and other stakeholders.

The commercial franchises in Highland Park and Highwood have proven to be very successful in both reducing costs for local businesses and increasing recycling efforts. This statement is supported by the following facts:

- When Highland Park implemented its franchise in 2009, approximately 82% of the businesses realized a reduction in their refuse hauling costs. This data is based on actual accounts as tabulated and reported to the City by its franchise hauler, Waste Management, Inc (WMI).
- When Highwood recently selected a new hauler for its existing commercial franchise every single business in the City benefitted by having lower refuse collection costs. This decision was supported by the Highwood Chamber of Commerce which in a letter to the Mayor of Highwood on February 16, 2012 stated, “The commercial proposal analysis shows that Groot provided the best rates for the commercial businesses, while showing lower prices than that currently charged by Veolia. This is good news considering the adverse economic climate affecting many of Highwood businesses. We also greatly support the instituting of a recycling commercial program.”

- Both Highland Park and Highwood negotiated “free” recycling services as part of the hauling contracts by bundling this service with the refuse costs. Even with the additional recycling service bundled into the disposal costs approximately 82% of Highland Park’s businesses and 100% of Highwood’s businesses saved money.
- When Highland Park began its commercial franchise 39% of the businesses had recycling as part of their service, as reported by WMI. Today that has nearly doubled to 70% of the businesses recycling. In addition, the amount of material being recycled has increased from 1,221 tons in 2009 to 2,060 tons in 2011, an increase of 69%.
- In 2010, the City of Highland Park and WMI conducted a survey of the businesses to get their feedback on the franchise, 84% of businesses responded that the overall quality of the franchise was very good or good, with 6% being neutral.

“The National Solid Waste Management Association opposes commercial franchising but its argument that it leads to higher cost for businesses does not square with the results we have seen in Highland Park and Highwood”, said Walter Willis, executive director of SWALCO. “In addition NSWMA has issued a press release stating that quasi-governmental agencies like SWALCO have their fees built into the pricing for commercial businesses. This is totally untrue, SWALCO does not receive any money from the commercial franchises and the money that is paid to the municipalities as part of the franchise fee is kept by the municipalities and not SWALCO. Even with these fees, which are standard for many franchises entered into by municipalities, the rates for businesses in towns with commercial franchises are overwhelmingly cheaper than those in towns without commercial franchises.”

“The Village is proceeding along with its evaluation of commercial franchising and will be working with a committee of local businesses appointed by the Chamber of Commerce to review the request for proposals and the ultimate responses we receive from the haulers,” said Village President, Harriet Rosenthal. “We intend to continue to involve our businesses in every step of process and if we are not able to achieve cost savings for most of our businesses, greater access to recycling and meet their service needs the Village will not proceed with awarding a contract”.

“We are also excited about possibly including the collection of food scraps and other organic materials from local businesses as part of the franchise,” said Walter Willis. “We already have over 40 businesses in Lake County that have separate food scrap collection, primarily grocery stores. The haulers have indicated to SWALCO they need greater route density in order to reduce costs, it is obvious that a commercial franchise provides the needed route density to lower costs for separate food scrap collection and we look forward to getting cost proposals for this new service.”