Current Relationship

WM has partnered with the Town of Nahant for the Past 4+ years to offer the following services:

- Solid Waste Collection
- Bulky Item Collection
- Single Stream Recycling Collection
- Town Dumpster Services
- Solid Waste Disposal
- Recycling Processing

Residents have enjoyed a 99.93% rate of successful service
(91 reported misses out of 136,240 homes served in the last year)
What is Changing?

• Current Contract Expires on 6/30/2020

• All New Solid Waste and Recycling Environment
  - International Recycling Crisis
  - Commonwealth Is Over Its Solid Waste Capacity Due to Landfill Closures
  - National Labor Shortage in Commercial Drivers and Diesel Technicians

• Changing Costs to Provide Service
International Recycling Crisis

• **China has been the largest importer of recyclables in the world for many years.** The policies implemented by the Chinese Government have implications to all countries with recycling programs. The European Union has historically exported over 95% of its plastic to China, and the US and the EU have been the largest importers of paper grades into China.

• **China has been the single largest consumer of recyclable materials generated in North America.** Prior to 2017, one-third of all scrap material collected in the U.S. was shipped overseas, with the largest majority of this material going to China. In 2016, the US exported $5.6 billion in scrap commodities to China (Institute for Scrap Recycling Industries).

In 2017 WM shipped 27% of its material to markets around the world.
China Bans All Mixed Paper and Mixed Plastics
The Ministry of Environmental Protection of the People’s Republic of China informed the World Trade Organization on 7/18/17 of its intention to ban the import of 24 recyclable commodities, including “unsorted mixed paper” and “mixed plastics” effective January 1, 2018. The value of Mixed paper dropped from about $100 per ton to $0. Mixed paper constitutes about 41% of the recycling collected.

The Last Glass Recyclers Close Their Doors
In the spring of 2018 the last two glass recyclers in New England closed their doors, which has caused the cost of handling glass to spike. Glass is now reused as road material in landfills and in certain DPW projects. Glass constitutes about 21% of materials recycled in Nahant and costs about $60 per ton to handle.

Commodity Market Devalues Recycled Cardboard
From The end of 2017 until Mid-2018 Cardboard dropped 28% ($105 to $75/ton) in value and then from Mid 2018 until now dropped another 53% ($35/ton). Equating to a 2/3 loss in value. Cardboard constitutes about 17% of the recycling collected in Nahant.
Contamination

- Recent audits showed that the recycling collected in Nahant is **14.5% Contaminated**.

- Contamination adds processing costs due to increased labor and decreased plant throughput.

- Contamination also decreases the blended commodity value of the recyclables collected in Nahant.

- Current Contamination rates exceed the current threshold of 5% by **9.5%**.
Cost Saving Solutions

Great Service, Great Drivers, Exciting New Look
Friday Automated Service

❖ Every Resident Receives a 64 - Gallon Cart for Solid Waste
❖ Every Resident Receives a 96 - Gallon Cart for Recycling
❖ Carts provide enhanced curb appeal on trash day by replacing loose bags and an assortment of barrels with uniform wheeled carts.
❖ Lids minimize windblown litter and messes created by birds, dogs and squirrels.
❖ Trash would be collected once per week on Friday
❖ Recycling would be collected every other week on Friday
❖ Bulky Items would be collected by appointment for a fee which would be paid by the Resident or Town (TBD)
Waste Management is the Best Value

After reviewing the bidding results from 2015, it stands out that Waste Management’s FY21 proposal is still less than the next closest bidder from five years ago.

This is noteworthy especially since the 2015 bids were submitted in a vastly different - lower - pricing environment, one that pre-dated the recent recycling and disposal crises.
Questions?