



Borough of North Caldwell
141 Gould Avenue
North Caldwell, New Jersey 07006
(973) 228-6410 www.northcaldwell.org

TO: ALL PROPERTY OWNERS AND RESIDENTS **FROM:** Kevin O'Sullivan
RE: Solid Waste Collection Service **DATE:** July 7, 2023

Starting August 1, 2023, all household waste must be brought curbside for collection.

To retain rear-yard or side-yard collection, you must call Susan Lisi at F. Basso, Jr. Rubbish Removal at (973) 459-8095 and enroll directly with their billing department. This premium level service will cost \$50 per month paid directly to F. Basso, Jr., Rubbish Removal, starting August 1, 2023.

ALL ENROLLMENTS FOR FUTURE REAR-YARD AND SIDE-YARD COLLECTION SHALL BE COMMUNICATED DIRECTLY WITH F. BASSO, JR. RUBBISH REMOVAL AT 973-459-8095.

The Borough of North Caldwell is currently in contract with F. Basso, Jr., Rubbish Removal (Basso) for solid waste collection services. The Borough is one of only two Essex County municipalities which currently provide rear-yard collection. The term of the current contract is August 1, 2018 to July 31, 2023. In anticipation of the contract's expiration, bids were advertised for a new solid waste collection services contract with a variety of options. Bids were received on May 24, 2023 at 11:00 AM.

The industry for solid waste collection has shifted in recent years in a manner which presents a number of challenges to municipalities.

Inflation has increased the cost of operating a solid waste collection company for a number of reasons. Most notably, solid waste haulers are experiencing increases in vehicle maintenance costs, fueling costs and labor costs for employees with a commercial driver's license. These increases are being passed directly to customers.

Additionally, the solid waste hauling industry is shifting away from contracts with rear yard collection. Many solid waste haulers in close proximity have made policy decisions to refuse bids for contracts including rear-yard collection. As a result, the list of interested bidders has trended downward and will continue to do so in the future. Haulers are driving a shift in the industry toward the direction of curbside collection or automated collection only.

Nonetheless, the Borough's recent bid included alternate bid options for curbside collection or rear-yard collection to allow for consideration of both options.

The Base Bid for a new 5-year contract included curbside collection of general household waste and bulk at the same frequency as currently provided. Bid results for ONLY curbside collection are as follows:

F. Basso Jr. Rubbish Removal Inc.	Gaeta Recycling Co., Inc.
<u>5-Year Contract</u>	<u>5-Year Contract</u>
Year 1 - \$388,700.00	Year 1 - \$450,000.00
Year 2 - \$388,700.00	Year 2 - \$480,000.00
Year 3 - \$388,700.00	Year 3 - \$510,000.00
Year 4 - \$398,700.00	Year 4 - \$555,000.00
Year 5 - \$398,700.00	Year 5 - \$600,000.00
TOTAL	TOTAL
\$1,963,500.00	\$2,595,000.00

An Alternate Bid Option included side-yard and rear-yard collection for general household waste and curbside collection for bulk waste, consistent with the current service levels and frequency. The results for this Alternate Bid Option are as follows:

F. Basso Jr. Rubbish Removal Inc.	Gaeta Recycling Co., Inc.
<u>5-Years</u>	
Year 1 - \$467,880.00	
Year 2 - \$467,880.00	No Bid
Year 3 - \$467,880.00	
Year 4 - \$497,700.00	
Year 5 - \$497,700.00	
TOTAL	TOTAL
\$2,399,040.00	N/A

As anticipated, the garbage collection industry was shy towards a bid inclusive of rear-yard collection. Aside from the current vendor, Basso, only one other bidder responded. This bidder was significantly more expensive and completely uninterested in rear-yard collection.

The solid waste hauling industry is forcing the market in the direction of curbside collection or automated collection. The recent bid results are reflective of the same. North Caldwell is two steps behind this shift in the market and will continue to see reduced interest in future bids for side-yard and rear-yard collection. The municipal planning and budgetary challenges created by this dynamic will only grow larger in the future.

Additionally, there is tangible value from the financial savings realized by a curbside collection contract. The savings associated with a curbside collection contract will create relief in the 2023 Budget and all future budgets within the life-cycle of this contract.

The Governing Body was challenged with this decision and spent hours during recent public meetings debating the new contract. There was a desire to be fiscally responsible while maintaining service levels.

Ultimately, the Mayor and Council awarded a 5-year contract to Basso for curbside collection only. However, this contract also obligates Basso to provide rear-yard collection for residents who sign-up directly with their billing department. In conclusion, the majority of the Governing Body agreed that this contract was the most beneficial to the Borough today and in the future and for all residents, including those who wish to retain rear-yard collection.