

# Waste collection small business opportunity plan

How to introduce public waste collection, minimizing the waste and traffic of multiple carriers serving the same streets, without compromising on competitiveness (= higher service quality and lower prices), or the ability of smaller local companies to compete for each contract without the potential for getting over-burdened by winning more zones than they could cover:

There are 8 collection zones in Teaneck. The bidding process starts with the bid for only one zone. After 2 months, a second zone gets bid out, and so on for 16 months until all zones are bid and the entire township is under contract. The contracts would let for a 3-year period to minimize the contracting burden on the Township.

Teaneck citizens will pay close to the same price they do now, being charged per amount of bags or standard bins per collection, but there will just be one collection truck on any given street. Less pollution and noise. A win-win situation for businesses and consumers.

There would necessarily be additional administrative costs for the Township to handle billing and collections. These costs would have to be collected as part of the waste collection fees paid by residents.

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## Examples of various bidding methods and their implications:

If bid under one contract: (least competitive or inclusive)

“Big Trash Inc” would like to bid on all zones at once under one contract, and might beat out other companies due to the economies of scale, and being able to quickly scale up local operations with the available capital of a national company. “Little Trash LLC” is too small to bid to serve the whole township, so it would have no more business in Teaneck and would close or downsize.

If bid under multiple contracts at the same time: (more competitive)

“Big Trash Inc” would be able to bid on all zones at once, since if they won all zones, they could quickly scale up local operations due to the available capital of a national company. “Little Trash LLC” could only bid on a couple zones, and wouldn’t have the opportunity to bid on the other zones if they lost for another 3 years.

If bid under multiple contracts at rolling bid times: (most competitive and inclusive)

“Big Trash Inc” would be able to bid on all zones eventually, with the opportunity for economies of scale. “Little Trash LLC” could bid on all zones, and if they won enough contracts to reach capacity, they wouldn’t bid on additional contracts, allowing other small carriers to continue competing.

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Teaneck, March 27th 2015.