



Michigan School Business Officials (MSBO) Conference, Crystal Mountain Michigan 10/3/2017.

## **Waste Disposal and Recycling Analyses Can Save Money.**

- Since 2000 we have been performing "shared savings" Waste and Recycling Audits for School Districts and other clients across the USA and our typical results are savings in the area of 40%.
- We have performed hundreds of these audits producing about the same 40% in savings.
- School Districts can do these audits themselves with similar results using these 5 steps below.

### **#1 Examining the current Waste and Recycling Agreement.**

(Just about everyone has a signed service agreement and 90% of the time they favor the waste hauler)

- The first thing we do in all audits is we review and understand what the written relationship between the School District and the Waste Hauler/Recycler is so we can verify that proper services and correct pricing is being provided.
- You need to know exactly what are the correct pricing and terms of the agreement and what is allowed for and what is not as far as extra charges and other costs. Items such as fuel surcharges, extra pickups and rental costs should be verified and those terms that refer to "published average fuel pricing" and other Governmental Web sites need to be checked and also verified.
- Careful consideration needs to be paid to the "automatic renewal" clause that most waste haulers place into their service agreements. Usually a specific date is called for to "opt out" of that clause and that date is normally at least 90 days but no more than 120 days before the end of the agreement. You will need to place some sort of note in your files reminding you to "opt out" 3-5 years in the future by sending out a registered letter to the waste provider. (Best to not agree to it from the start)

### **#2 Looking at the invoices Backward First before looking Forward.**

(We know you have been overcharged and need to know exactly where/how so you can get a refund)

- Once we thoroughly examine the service agreement and know where we are supposed to be as far as service, pricing and cost increases, we take a look backward at the past two years of invoices to determine if the waste hauler/recycler actually followed the terms of that agreement that was signed.

- We pay particular attention to items such as correct stated pricing, dates that "agreed upon price increases" took effect, correct charging of fuel surcharges and other "add on" charges, equipment rentals that may have already been paid for in full and rebates that should be tracked and based upon an independent source such as the published "yellow sheet" for commodity pricing.
- Many times during this "look back" review we find out that "mistakes" have been made by the waste hauler/recycler as far as pricing and other charges and **in every instance** since 2000 (17 years) we have found that the mistake is in favor of the waste hauler/recycler and not the client.
- We have never found a case where the waste hauler/recycler failed to raise prices as agreed upon in the agreement or charged less than was authorized.
- At the completion of this "look back" review we contact the waste hauler/recycler and ask for an explanation of those "mistaken charges" and also for a refund.
- Usually we are able to go back no more than two years with the vendor as they respond with answers like "the customer also has an obligation to notify us in a timely manner if we are overcharging them".
- Our largest refund to date for a Michigan School District has been \$10,000 and for a non profit in Wisconsin we were able to generate a refund of just under \$16,000 and those refunded amounts also then lowered the pricing going forward as well.

### **#3 Examining the Present waste and recycling operation.**

(Dumpster diving)

- For a period of one month every dumpster is checked every night before they are dumped and we are looking for dumpsters that are not full (you are paying for too much dumping air) dumpsters that contain items that do not need to be taken to the landfill (items that can be recycled for a considerable savings), dumpsters that are too small (in general smaller dumpsters cost more per yard than larger dumpsters except for roll off containers) and dumpsters that are being filled with items that should not be land filled (hazardous waste, liquids, illegal dumping by others and compost).
- That data and some pictures are taken and included in the report to reflect what is seen and the data is then loaded into a spread sheet with a determination as to "how full" each dumpster is and that estimate is then quantified on the spread sheet in terms of yards.
- For example if an 8 yard dumpster was found to be 75% full then we would record that you paid for an 8 yard dumpster and generated that night only 6 yards (75% of the 8 yards) of waste meaning that you were paying to dump a dumpster that was 25% empty.

### **#4 Looking for Process Improvements**

(Thinking outside the dumpsters)

- We are constantly looking for opportunities for our clients to find innovative ways to recycle or reuse items that we notice inside the dumpsters.
- We have found cardboard, paper, plastic, metal and even a whole set of "like new" football jerseys that we were able to successfully recycle for savings for our clients.

- When you look into a dumpster think about what percentage of items can only be taken to the landfill and what items can be reused or recycled and you will quickly realize that the majority of items in your dumpsters can be recycled if you want to do so.
- Typically anything that can be diverted into recycling will generate a 50% cost savings for the organization doing the recycling.

## **#5 Presenting the findings to the Administration and obtaining their approval.**

(Our experience is 40% savings obtained and held going forward in most cases)

- At the end of the month you can tell how many dumpster yards were purchased (capacity) and how many yards of waste were actually generated (waste) and show the relationship between that capacity that is being paid for and what is actually needed and then you can determine what changes can be made for cost savings.
- Pictures and data and not just opinion are needed to convince others that they are being over serviced and then obtain their agreement to allow for reductions in service/cost savings.
- We can also suggest that some items that you are paying to dispose of can be recycled for a savings of about 50% and we then find the proper technique to perform that recycling such as source separation. Many items that are recycled have real value for the Districts and the Recycler.
- In general we find that the capacity that is being purchased is 40% higher than the waste that is being generated meaning that the District is paying much more than needed for waste.
- Once we review these findings with our clients we suggest cost savings changes and only after those are agreed upon by our clients we make those changes with the waste hauler/recycler.

## **Conclusion.**

If you follow these 5 procedures you will be successful at reducing your waste and recycling costs, increasing your items that you divert from the landfill and helping your school district go green.

The State of Michigan has a program to certify School Districts as "Green Schools" and they offer different levels of certification, helpful hints and award certificates which will help you in your waste audits.

**If your District has any questions about how we achieve these 40% savings results or if you would like to discuss in more detail what we do for Districts (Shared Savings Program where we do all the work and share the savings with the District 50/50) feel free to contact me at any time.**



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Office (586) 726-0022  
Fax (586) 726-0023  
Cell (248) 891-7748  
Toll Free (877) 798-0222



**Jerry Carlin**  
Vice President  
2469 Auburn Rd.  
Shelby Twp., MI 48317  
jcarlin@sunriseofmichigan.com