



Town of Blowing Rock

1036 Main Street ★ Post Office Box 47 ★ Blowing Rock, North Carolina

To: Ed Evans, Town Manager, Mayor, & Town Council

From: Nicole Norman, Finance Officer

Date: September 12, 2017

Subject: Dumpster Rental Service

As previously discussed with Council, the need for a consistent vendor for dumpster lease/rental has been brought to the Public Works Department's attention. Upon receiving notice that customers were dissatisfied with the current containers offered by the sole provider of this service to our area, and some uncertainty as to the future of the company's continuation in the long term, the Town has begun research on possible implementation of a dumpster rental service that could be offered by the Town as an alternate vendor. The only customers without alternative means of contract would be those that require rear load pickup due to limited space, which would be a total of 6-11 businesses. The North Carolina School of Government was consulted on the Town's ability to offer a program such as this and they had no concern from their perspective. We also spoke with the City of Baldhead Island regarding the structure they use for a similar program they offer for commercial storage containers. We also searched for other providers and were able to find none that offer long term commercial dumpster rentals other than the current provider and Republic Services who only offers front load pickup. Also, Republic only offers containers with service.

Following is some information we have gathered about the costs and price points we would propose and some market indicators. Under the proposed price structure we would recover the full cost of the dumpsters in two and a half years and be able to offer the dumpster rental at a comparable to market rate. Following the two and a half year reimbursement of cost period, all fees collected for the life of the dumpster rental would be income only offset by minimal maintenance costs, which would ultimately generate a profit. Part of the profit could be set aside each year to fund the purchase of dumpsters to keep in stock for customer rental needs and the remainder would help better offset current overall costs of sanitation operations and defer cost increases to customers due to the increase in revenues generated from this program. We would ask to be given a thirty day notice from any business who would like to discontinue the service. Due to order lead time from the dumpster vendor of 5-8 weeks, we would propose purchasing the dumpsters in batches each year unless the need arose or there was a lack of need, then that schedule would be adjusted accordingly. We would initially order six dumpsters, with four that we know are currently needing replacement at a total cost of approximately \$5,300 (based on quote of order of 12 dumpsters, price for six may vary slightly).

This information is being provided to Council as information only at this time. We would welcome Council's questions and additional facts needed on the issue in order to bring the program back before Council for a decision of whether or not to initiate the program at the October 10, 2017 Town Council meeting.

Container Costs:

4 Yd. → \$759.00 each → \$25/month over < 2.5 years

6 Yd. → \$896.00 each → \$30/month over < 2.5 years

8 Yd. → \$995.00 each → \$35/month over < 2.5 years

Market Pricing Indicators:

GDS: 4 Yd. → pricing unavailable

6 Yd. → pricing unavailable

8 Yd. → pricing unavailable

Phillips: 4 Yd. → pricing unavailable

6 Yd. → pricing unavailable

8 Yd. → \$31.80/month

Expected Maintenance:

Very Minimal for first 10-15 years, lids & plugs → we are doing this now.

Storage Options:

Wastewater Treatment Plant (Outdoors)

Customer Count:

2 Yd. → 6 (*1 in fair condition all others good*)

4 Yd. → 20 (*4 currently need replacement, 1 in fair condition, all others good*)

6 Yd. → 19 (*4 currently need replacement all others good*)

8 Yd. → 4 (*3 currently need replacement all others good*)

Total: 49

Customer Market Options:

Phillips Container- Business is not certain to continue, so not replacing containers as needed.

Republic Services- Front load capabilities only, 6 businesses of 49 cannot be served by a front load truck due to location.