

Trash Contract Renegotiation Overview

This overview of waste management fees is intended to provide school/business owners with information to assist in the renegotiation and cost reduction of your solid waste disposal contract(s). By participating in a food scrap separation, collection, and composting program you have reduced the weight and volume of your trash and should receive a commensurate reduction in the cost of your trash collection. This document will help you examine how source separation impacts the cost of waste disposal, and therefore, what savings you can reasonably expect to see by renegotiating your waste disposal contract.

Your trash bill will generally reflect one figure – the amount of money you are billed for your waste disposal service. However, this figure is comprised of three fees – container rental fees, collection and hauling fees, and tipping fees paid by the hauler to the landfill for “tipping” or depositing the load of trash at the landfill. Food scraps are a relatively heavy material and commonly represent the heaviest portion of a food service business’ waste. Since food scraps are generally not bulky, source separating food scraps is likely to reduce the overall weight of your trash, while having smaller impacts on the volume. Changes in waste volume may be substantial for a large generator, but may not be detectable for a smaller business. While your waste hauler’s services tend to be volume-oriented, such as your dumpster size or how often the dumpster is emptied, the fees your hauler pays to the landfill for disposal, “tipping fees,” are calculated by weight. Most often, it is through a reduction in the weight of your trash, which decreases your hauler’s tipping fee costs, and thus provides you with an argument for a reduction in your overall trash bill. The various parts of your trash bill are explained in greater detail below to assist you in navigating the contract renegotiation process.

Container Fee for Trash

If you do not own your dumpster, you pay a monthly or annual rental fee to the hauling company for the use of that dumpster. This fee is based on the size of the container. If you



are a large school/business and will be diverting large amounts of food scraps, you may be able to reduce the volume of your trash and therefore rent a smaller container. However, for small and mid-size generators, container fees may not be impacted by source separation.

Hauling and Collection Fees for Trash

Haulers develop their hauling and collection fees differently. However, the cost of these services is generally dependant on the frequency of collection and the size of the container being hauled. While these fees are generally driven by volume and associated time, the removal of compostable materials from your trash may enable you to reduce the frequency of collection. These savings are generally realized by larger generators whose volume reduction is more significant and whose volume of food scraps in a dumpster presents the greatest potential for creating odor issues.

Tipping Fees for Trash

Tipping fees are the fees paid by your hauler in order to dump, or “tip,” trash at the landfill. These fees are based on the weight of the material being dumped and are calculated by the ton. Your hauler likely has an estimated weight for the dumpster you use. They typically bill you based on this estimated weight each time your dumpster is collected regardless of how much it actually weighs.

In addition to the per ton tipping fee charged by the landfill, a state tax and a district surcharge are also part of what each hauler pays per ton of trash. Typically tipping fees paid to the landfill are approximately \$82 per ton. The state tax and district surcharge levied per ton are \$6 and \$22 respectively. In total, tipping fees are roughly \$110 per ton. This does not include the cost of collection and hauling of that trash, which when added to tipping fees averages approximately \$145 per ton for commercial collection in Vermont. By source separating food scraps you are most likely to realize savings through reduced tipping fees. Tipping fees may vary by hauler.

How to Begin Renegotiating your Trash Contract

In order to see cost savings for your participation in a community composting program, an informed renegotiation of your trash hauling contract is critical. Asking questions of your hauler and gathering information before requesting a review of your trash collection charges, will help you become an educated consumer and will strengthen your negotiation. Remember, as a customer you have a right to know and understand what costs are



imbedded and passed on to you through the flat fee you pay each month for the dumpster(s) you use.

Step 1 – Quick Cost Savings: Smaller Dumpster or Less Frequent Collection

If you have clearly seen a reduction in your trash since beginning participation in this composting program (e.g. your dumpster is routinely NOT full), you may be able to quickly reduce your trash costs by switching to a smaller dumpster and/or requesting less frequent collection. Contacting other haulers and shopping around may help you find the cost savings you are looking to achieve. Your Solid Waste District can provide you with a list of licensed haulers in your area. In rare instances you may consider hauling your trash yourself to the local transfer station if the amount is manageable and given the fact that storage of smelly trash will be less of an issue. If this is not the case, the following information will be more useful.

Step 2 – Information Gathering

Here are some examples of information that will be useful:

- 🔄 Try to find out how many tons per month (or tons per dumpster collection) your hauler is collecting from you – OR – how many tons per month or dumpster collection they estimate you produce.
 - This information gives you a point for negotiating a decrease in your trash bill, since you now know how many tons of waste (e.g. tons of food scraps) that are no longer being added to your trash.
- 🔄 Try to find out how much the hauler pays in tipping fees at the landfill.
 - Ask for an explanation of the costs that are embedded in the flat fee you pay each month. Obviously the hauler has to pay for gas and upkeep for their trucks, the salaries and benefits of their drivers, the purchase and upkeep of their containers and administrative overhead costs. They also have to pay a fee for tipping your trash at the landfill. With this information you can argue that over the past X months you have been paying the hauler to dispose of your trash including the tipping fee of X amount per ton, BUT you have reduced the weight of your trash and therefore deserve to see some of those savings to the hauler, passed on to you.

Sample Information Gathering Questions

1. I'm calling with a few questions about my trash collection fees. Can you tell me what costs my payment of \$ _____ per month covers?



2. Can you tell me what the fee is that you pay to the landfill for every ton of trash?
3. Can you tell me how many tons of trash we produced last month? – OR – Can you tell me how much an average ___ yrd dumpster of ours weighs when it is collected?
4. I understand that you have estimated tonnage amounts for many different types of customers, such as restaurants, supermarkets, groceries, schools, etc. Can you tell me what my estimated tonnage is for my school/business for the dumpster(s) we have?

STOP HERE and prepare for your negotiation call or letter requesting a cost reduction.

Step 3 – Requesting a Cost Reduction

If you are able to get information on your amount of tons you are estimated to produce and the costs to the hauler to tip that tonnage at the landfill, you then have points for negotiation as explained earlier. With that information you may call them again to begin the actual negotiation, which may consist of the following statements or questions:

1. I'd like to talk with your customer service representative about my bill. My school/business has been routinely billed \$___ per month for the removal of our trash which is estimated to weigh ___ tons per collection or ___ tons per month according to your information.
2. Over the past ___ months my school/business has changed our habits and we are now separating our food scraps from our trash for composting. We began this practice on _____ and have diverted ___ tons (or pounds) to date which is equal to _____ tons per month.
3. These ___ tons per month of food scraps represent ___% of our old estimated trash tonnage (calculate this by dividing the tonnage of food scraps per month by the estimated tonnage of trash you were supposed to have produced before this composting program took effect and multiply it by 100 to obtain the percentage).
4. Therefore, we are currently paying the same rate, but producing less tonnage. We would like to see a reduction of ___ % in our trash bill commensurate with this reduction in monthly tonnage.

