

Opinion

LOCAL GOVERNMENT

Yorktown shows the way to reduce garbage costs through competition

Yorktown is already finding out what Westchester hopes to achieve with its new garbage hauling licensing law — that competition really pays off.

Thanks to the efforts of Supervisor Linda Cooper and the rest of the Town Board, Yorktown and its residents stand to save almost \$1 million in at least each of the next two years from a new garbage contract effective in January. Other communities that contract out their garbage services should take note. Restructuring contracts and reaching out for competition can work.

Here is how this was accomplished:

The town had a series of five-year contracts with Hudson Waste Haulage of Briarcliff Manor to pick up garbage and recycling materials from town government facilities and residences, as well as recyclables in the past year from public schools and the Putnam-Northern Westchester Board of Cooperative Educational Services. The price escalated in each year of the contract. This year, it was \$2,956,890.

Concerned about rising costs, the town last year hired Great Forest Inc., a consulting firm, to explore alternatives and redesign the contract. Without revealing the name of the community, the consultants solicited haulers and determined which were qualified and interested in business on Yorktown's terms. Rather than just advertise for contract bidders through legal advertisements, as had been done in the past, the town also sent bid requests to firms that had responded favorably to Great Forest and were deemed qualified.

One major change in the specifications was that Yorktown demanded a two-year contract, instead of a five-year one, with no escalation in price the second year. There were options for extensions.

Five firms submitted bids, far more than

in previous years. This week the town awarded the contract to the low bidder, which happened to be Allied Waste Systems, the firm that acquired Hudson Waste Haulage. The yearly cost: \$1,973,832, a savings of \$983,058 for each of two years. That will result in a \$95 drop in yearly rates for each household.

"The bid came in at much less, but for the same amount of work," Cooper said. "In this case, competition certainly made for a lower price."

It did, and this is partly what Westchester's government had in mind when it embarked on a three-year investigation that resulted this year in the approval of a commission to regulate private garbage companies through licensing. The county, in addition to lower prices, wants to rid the industry of organized crime influence, estimating that a "mob tax" imposed through intimidation and cartels added \$50 million to the garbage-hauling bills of communities, residents and commercial customers each year.

County Legislator Thomas Abinanti, D-Greenburgh, who headed the Westchester effort, declared this week: "Yorktown is proof that our approach on competition will save taxpayers money. It's evidence of what we've been talking about. Once haulers lose their fear of doing business in Westchester, prices will drop."

Yorktown's effort was done independently of the county's actions, although the town supported the county's efforts and its officials attended county hearings on the issue. Westchester also used Great Forest as a consultant.

Yorktown's initial success should give Westchester added confidence as it establishes the commission and institutes licensing of haulers based on background checks to weed out mob influences.