



OFFICE OF THE MAYOR
CITY OF CHICAGO

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MAYOR EMANUEL ANNOUNCES COMPETITIVE BIDDING HAS REDUCED TAXPAYERS' RECYCLING COSTS BY \$1 MILLION IN FIRST QUARTER OF COMPETITION

CHICAGO - Mayor Rahm Emanuel announced today that the City of Chicago reduced its recycling costs by \$1 million during the first quarter of competitive bidding, thanks to cooperation between labor unions and City government to increase efficiencies in the City's blue cart recycling program.

"I am committed to protecting every cent of taxpayer money," said Mayor Emanuel. "We launched competitive bidding for recycling in an effort to save money while delivering quality services, and our results have exceeded our expectations. This is a crucial step forward in our ongoing effort to serve the taxpayers of Chicago as efficiently as possible."

The estimated cost for recycling services from July through September 2011 was \$3.15 million. After the competitive bidding process over the last three months, the resulting cost was \$2.16 million – a 31 percent reduction. The City's crews lowered the price-per-cart from \$4.77 at the beginning of the competition to \$3.75 per cart for the month of December – a 21 percent reduction.

The private sector competitors are delivering their services at an average of \$2.70 per cart, which is the average price they bid as part of the City's RFP for recycling services. The City ended up saving approximately \$120,000 more than projected in the first quarter of the competition due to the City crews reducing their costs even more quickly than budgeted expectations for the last three months.

Many of the cost savings resulted from cooperation between the City government and the unions that represent Department of Streets and Sanitation (DSS) workers. By using



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flexible scheduling, more efficient routes, and fewer crews, DSS was able to substantially reduce costs.

Mayor Emanuel has stated that competitive bidding in recycling is the first step toward extending the Blue Cart Recycling program throughout the City of Chicago. In 2012, more than 20,000 additional households will get recycling services, bringing the total households in the program to more than 260,000.

As part of the City's 2012 budget, Mayor Emanuel has indicated that competitive bidding will be used in other areas of City services, including tree trimming and curb and gutter replacement.

The recycling competition is between two private sector companies – Midwest Metal Management and Waste Management – and DSS workers. The city has been divided into six zones, four of which are being serviced by the private sector companies and two that are still serviced by City employees.

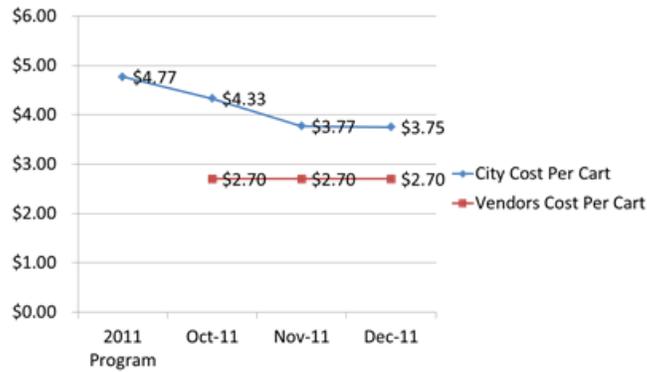
This spring, at the six-month interval, the City will again evaluate the recycling cost data and move forward with the best plan to provide recycling services for the City.

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Cost Per Cart



Recycling Costs for All Households in the Program (220,000)

