

The Little Towns That Thought They Could

Athens, Cleveland, Collegedale, East Ridge, and Signal Mountain jointly purchased shredding equipment and entered an interlocal agreement specifying responsibility for the equipment and shredding.

This is the true story about five cities – Athens, Cleveland, Collegedale, East Ridge, and Signal Mountain – of various sizes and their quest for a good solution to their wood-waste problems. As you all may know, the counties and municipalities of our nation were handed the task of finding ways to save landfill space. One proven method has been eliminating the wood-waste stream that was previously landfill-bound. Of course, that's the easy part. The hard part is determining what to do with the wood waste. Generally, there are only a few options. One is to incinerate. Another is to build a separate landfill for wood waste. Both of these options can be difficult for the local citizens to embrace. A third option that's a little more citizen-friendly is to find a function for the wood waste. One obvious use is landscaping mulch.

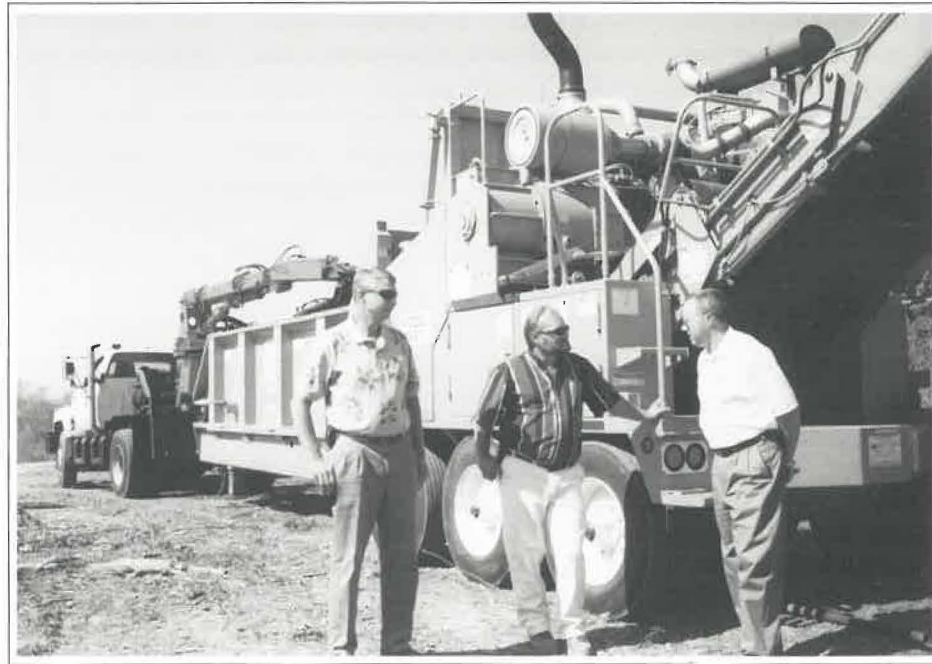
THE JOURNEY

The problem was how to travel down that path. The five cities agreed on an easy solution. They would all share a contract with a company that would handle the wood waste. This company would shred the wood at designated sights and find another company to use the material. The municipalities decided this was the best approach. However, their journey didn't end there.

At this point down the path, the smooth terrain became rocky. The company that contracted to shred and remove the wood waste couldn't find another firm to use the product. And there was another problem. The shredded pieces were too large to use for landscaping. Each city had a massive pile of shredded wood that continued growing and going nowhere. The municipal leaders realized that they needed to revise the program and that it was time to terminate the contract. They stopped and asked each other, "Now what will we do?"

BACKTRACKING

First of all, they didn't give up. They did, however, change direction. They backed up, started over, and closely scrutinized contract details, such as the length of the contract, the means of



Cleveland Public Works Director Don Bowker (left), Collegedale Public Works Director Rodney Keeton (center), and Athens Public Works Director Calvin Clifford represent three of the five cities that jointly purchased shredding equipment and entered an interlocal agreement specifying responsibility for the equipment and shredding.

termination, the size of the screen in the shredder, the number of days the material would be stockpiled before removal, and the shredding schedule for each city. The officials considered several options, including:

- a contract for shredding and material removal as before;
- a contract for shredding only, with each municipality or a company assuming responsibility for removal;
- an agreement among the cities to manage the shredding operation without help from an independent contractor; or
- jointly purchasing shredding equipment and entering an interlocal agreement specifying responsibility for the equipment and shredding.

The details for each option were etched in stone in preparation for the bid process. Then legal counsel filled in the finer points. Also as a prelude to accepting bids, the shredding cost for each city was examined. The bid tabulations included a separate bid item for the mobilization and setup cost for each municipality. The bids came in. Clearly, the plan for the five cities to buy the equipment and pay one of the municipalities for services was the most cost-effective route. The price difference was overwhelming. The bid to contract a company for the entire service was \$176,000, and the shredding-only bid was \$104,000. However, paying one of the municipalities for the service was \$84,000.

At this point in the journey, many city leaders might have ignored the facts and paid the difference. Not these brave adventurers. Knowing they were treading in potentially treacher-

ous water, the municipalities forged ahead.

The officials knew an interlocal agreement was necessary, and they were willing and able to undertake this step by step. A few of the points in the agreement are listed below.

- The contract strategically places liability and responsibility to named parties.
- It directs one of the cities to purchase, operate, and maintain the equipment.
- All of the municipalities pay a predetermined, hourly amount for services. The agreement sets the costs for these services, such as mobilization.
- The predetermined rates are designed to cover the full expense of the system, including insurance, operation, maintenance, depreciation, and debt service.
- The contract specifies a procedure to manage deficiencies and surpluses, which assures this endeavor will be totally fee-supported.
- The agreement sets a work schedule and places the responsibility on the recipient city to communicate any changes in stockpile sites or disruptions in the schedule.
- The agreement, by mutual consent, continues to Dec. 31, 2010.

After the agreement was complete, approved, and executed, the cities were nearly ready to purchase the equipment. Because of their earlier experience with wood-shredding machinery, it was easy to specify the type of equipment needed. The major piece was a 500-horsepower, horizontally fed, brush- and yard-waste recycler. The other two pieces of equipment were a 35,000 GVWR diesel truck chassis and a knuckle boom loader. The total bid amount for the equipment, which was approved, was \$295,821.

DESTINATION REACHED

The five municipalities – Athens, Cleveland, Collegedale, East Ridge, and Signal Mountain – have achieved an incredible accomplishment. We all benefit from their effort. This is an example of regional cooperation to acquire equipment and services that none of the cities could afford or justify alone.

Other municipalities and counties may enter this joint venture later. Several have expressed an interest. The equipment usage time could nearly double before encroaching on the required machinery maintenance time.



In accordance with the interlocal agreement, the city of Cleveland operates, and maintains the equipment. John Pippenger (left) is the operator. Bob Olsen (center) with Bandit Industries sold the equipment to the cities, and Bob Boecher is the Cleveland Fleet Manager.



The agreement sets a work schedule and places the responsibility on the recipient city to communicate any changes in stockpile sites or disruptions in the schedule. Above is the city of Athen's stockpile.

There could be many other equipment-sharing opportunities using this approach. If your city is considering an interlocal agreement and needs help, you can call Mike Tallent at the University of Tennessee's Municipal Technical Advisory Service. Tallent and his team would embrace another chance to help a group of municipalities form an alliance, just as they did here. Tallent's phone number is (865) 974-0411. 