

June 5, 1980

The Honorable George Latimer  
Mayor, City of Saint Paul  
347 City Hall  
Saint Paul, Minnesota 55102

Dear Mayor Latimer:

I thought perhaps a word of support might be in order for your decision to discontinue the collection of refuse from private households in Saint Paul, by city crews. This initiative holds out the promise of considerable saving for the city, in direct expense.

But, beyond this lies the opportunity for still greater savings for the people of the city, through the development of a more rational and cost-effective collection system overall.

Surveys done by the Citizens League in 1975, and updated last year, clearly show that gains lie in two areas. The first is the organization of the collection system itself, which affects the total truck-miles driven. The second is the degree of competition present, among refuse haulers, for the business.

We found that the pattern in use in Minneapolis, involving a negotiated contract with a consortium of haulers, was not the best answer. As we wrote you early in 1979: "In any changes in the waste collection system, the most important thing by far is to avoid any more of the citywide, non-competitive arrangements introduced several years ago, for example, in the city of Minneapolis. This is an especially important consideration, currently, in Saint Paul, where the concept of a citywide master contract is frequently proposed as one element of an ordinance providing for and requiring the mandatory pick-up of garbage and refuse in the city. The assumption seems to be that these two features of a refuse collection system are necessarily tied together. They are not; and they must not be." While truck-miles are reduced, it fails on the test of maintaining competition.

We would urge again now what we urged last year: That Saint Paul follow, not the example of Minneapolis, but the example of a good many of the Twin Cities area suburbs, where -- in those relatively small 'districts' -- the service is bought for a fixed term of years, on a competitive basis (whether bid or negotiated).

Saint Paul now has, we think, a wonderful opportunity to secure for itself both of these types of advantage.

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Since this is now a service bought by private individuals, using private money, to have refuse picked up by private haulers, it is fundamentally a problem in collective private action, probably at the neighborhood scale. There may, however, be a role for the city government, in facilitating this group contracting for service: This is certainly a role the municipal government plays, for its residents, in a number of the suburban communities.

We hope the neighborhoods of Saint Paul can now be stimulated to take the following steps:

1. To suggest an appropriate refuse collection area, within which a real community of interest is felt to exist.
2. To survey the householders in each such area, to determine how many would agree to join together, cooperatively, for a group purchase of refuse collection service.
3. To seek technical and professional help from the city government or from some other large organization experienced in the techniques of purchasing, to assist the neighborhood or community group in preparing the specifications and in conducting the negotiations or the bidding with the prospective vendors.

The Citizens League would welcome an opportunity to discuss with you or with others in Saint Paul the ways in which these objectives could be met, as your discussion proceeds over the next few months. We feel Saint Paul now has an opportunity to develop one of the most responsive and one of the most cost-effective systems of refuse collection in the country -- reducing truck miles driven while using the small refuse collection areas to facilitate the broadest possible participation by vendors of all sizes in the business, and thereby to preserve the fullest benefits of competition. This competition remains, as always, the fundamental guarantee of cost-control and of service quality.

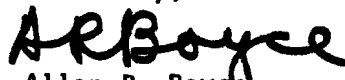
Over the next couple of months there will be new discussions about how the refuse-collection system might be arranged.

I would hope the Citizens League might have an opportunity to take part in those discussions. We would do our best to be helpful -- specific, and constructive -- about the arrangement we have in mind.

Another group that might help, at an early date, would be the managers of those suburban municipalities in which the city acts as 'agent' for its residents, in arranging for the group purchase of this service.

With all best wishes . . .

ARB:VS

Sincerely,  
  
Allan R. Boyce  
President