



# THE PRINCE GEORGE'S COUNTY GOVERNMENT

## Office of Audits and Investigations

March 8, 2016

### MEMORANDUM

TO: Robert J. Williams, Jr.  
Council Administrator

William M. Hunt  
Deputy Council Administrator

THRU: David H. Van Dyke *DHV*  
County Auditor

FROM: Inez N. Claggett *INC*  
Legislative Auditor

RE: Fiscal Impact Statement  
CR-011-2016 Contract Approvals

Pursuant to your request, we have reviewed CR-011-2016 to estimate its fiscal impact on Prince George's County, Maryland.

Section 819 of the Charter for Prince George's County, Maryland requires approval by Resolution of all personal service contracts exceeding an aggregate of one hundred thousand dollars (\$100,000) per contractor, and for all other multi-year contracts exceeding five hundred thousand dollars (\$500,000), by the County Council upon notice and public hearing. CR-011-2016 provides the requisite approval for the multi-year agreements concerning the County's garbage and recycling collection services, as described in Attachments A-1 and A-2 to the proposed Resolution. The contract agreements provide for an aggregate value of approximately twenty-five million dollars (\$25,000,000).

Twenty-nine (29) service contracts currently govern the County's fifteen contracted garbage haulers who collect garbage in one hundred two (102) service areas twice a week, from over one hundred sixty-one thousand (161,000) residences. Fifteen (15) of these contracts will expire in June 2016 and fourteen (14) contracts expire in June 2017. Once a week recycling services are provided by three (3) of the fifteen (15) haulers, whose contracts are due to expire in June 2016. Approximately three hundred (300) people are employed by the County's garbage, refuse and recycling haulers.

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CR-011-2016 proposes to extend the terms of existing contracts, with plans to consolidate trash and recycling services to once a week. Under the proposed terms, Contractors have agreed to set aside 8,340 households, in four service areas, to be competitively bid for trash and recycling services.

Attachment A-1, to the proposed Resolution, provides a summary of the terms of the amended and restated collection contracts. Attachment A-2 provides a list of the collection services areas, with a breakdown by contractor, to include the number of housing units within each area.

The staff of the Department of the Environment have calculated annual savings to the County's Solid Waste Management Fund of approximately six million dollars (\$6,000,000), should the proposed Resolution be adopted and all of the garbage and recycling contracts are ratified. The Office of Audits and Investigations has reviewed DOE's analysis and the calculations appear reasonable. It should be noted that the Solid Waste Management Fund is a County Enterprise Fund that is required to be used for restricted purposes.

Adoption of CR-011-2016 should have a positive fiscal impact to the County. It is estimated that annual savings will be approximately six million dollars (\$6,000,000) annually, within the Solid Waste Management Fund.

If you require additional information, or have questions about this fiscal impact statement, please call me.