

**City of Deerfield Beach – Commercial Office Paper Shredding
Innovative Recycling Grant – State of Florida
2006 – 2008
Final Status Report
October 2008**

In June 2006, the City of Deerfield Beach Recycling Division was awarded a \$200,000.00 Innovative Recycling Grant from the State for the purpose of purchasing an on-site mobile shredding vehicle

The purpose of the grant was to:

- To determine the number of businesses participating private shred markets
- To determine an economic business base for shredding material
- To determine other potential shredding avenues with revenue generating potential
- To determine types of equipment needed to offer shred through city services
- To determine the economics of other cities to implement this program

The City of Deerfield Beach targeted collection of shredded office paper due to the scope of potential customer base with the on-set of new laws requiring destruction of sensitive papers. The City's Recycling Division maintains a significantly large office paper (OP) recycling program and had lost many accounts to private shred industry when the new laws came into effect.

An initial analysis of the number of office paper recycling accounts lost to private shredders revealed approximately 15% of our Office Paper accounts. This was a large enough reduction of accounts to negatively affect our revenue.

The grant allowed for the opportunity to collect valuable information which is applicable to other cities or counties that can use this type of program to increase recycling and generate revenue. [The grant has allowed unique partnerships to evolve between the public sector \(city\) and the private businesses to work together toward compliance of laws concerning identity theft and to offer yet another unique recycling service to our residents in Deerfield Beach that creates an inexpensive and secure outlet to ease the minds of local residents concerning shredding of documents.](#)

The Innovative Grant demonstrated that a municipality can successfully offer an on-site mobile shredding service while recycling and generating revenue.

Implementation

Vehicle –After much research and review process, our team mutually agreed upon purchasing the Vecoplan shredding vehicle. The vehicle arrived in December 2006. Vecoplan sent representatives from North Carolina to Deerfield Beach to train drivers on the use of the vehicle and also trained mechanics from our garage concerning the maintenance on the vehicle.

Cost Structure of Program:

We researched current pricing plans of existing private shred companies. Our goal was to be ever mindful of maximizing the servicing costs while remaining extremely competitive. We agreed upon using a flat rate pricing structure plan eliminating the “per pound” element that many companies operate under since our vehicle does not have a weight scale per tip. We implemented a simple pricing plan extremely competitively hoping this would attract many customers. Four (4) types of collection services are offered: weekly, bi-monthly, monthly or special one time service.

(price sheet table one)

Documents - We contacted our attorney to assist us with managing the legal aspect of the shredding documents. After a few months of researching various official “documents of destructions” and “contracts” for shredding, we crafted our own official documents which were approved by the attorney.

Containers & Decals – We discovered that there are various styles of secured locked containers available for customer use. Since we would be providing containers to the customers, price was an important factor. Attractive pleasant appeal was an important factor but function was equally as vital. Two styles were agreed upon: a locked thirty two (32) gallon wood grain for the attractive high-end look which contains a reusable bag and the locked gray dappled ninety-five (95) gallon roll cart. These two styles provided the customer the choice of a larger capacity and / or smaller capacity but more visually appealing. Overwhelmingly, customers preferred the smaller attractive container than the larger roll carts. Only 2 customers out of fifteen (15) selected the roll carts. Small decals were placed on the containers that denote for *shredding only* and with the city logo.

Program Description

On-site mobile paper shredding service is offered exclusively to City of Deerfield Beach businesses. Customers are charged a flat fee per month based on number, style of containers and frequency of collection (*table one*). Customers determine the frequency schedule that best fits their needs from one of the four (4) collection frequencies choices: weekly, twice per month, monthly or on call. Secured locked collection containers are

provided. The customer chooses from a thirty – two (32) gallon wood grain console with a reusable bag or a sixty-four (64) gallon gray or a combination of any.

Contracts are signed, containers are delivered within one week and collection begins the following Wednesday depending on frequency chosen. Each Wednesday has been designated as shredding collection day. At every collection service stop, the customer signs a copy of the receipt of service done. The receipt includes the official *certificate of destruction*. The customer receives their own copy of the receipt since the document is in duplicate form. Customers are billed monthly from this receipt from the city finance department.

Residential: Once per month, a two hour shredding event is offered to residents within our region. A flat fee of \$10.00 for up to 10 boxes was established.

Outreach

*Local news appeared at our first stop at Hilton Hotel and videoed the first service call. All customers receive a key chain indicating ***City Shred*** service name and phone number. They also receive other recycled content items from the Division as a welcome gift. There is a quarterly follow up with the customers to determine their satisfaction rating.

*Residential: Once per month, a two hour shredding event is offered to residents within our region. A flat fee of \$10.00 for up to 10 boxes was established. Residents from all over Broward County and beyond attend the monthly specifically from 17 different cities. During the 2007-2008 fiscal year, revenue generated ranged from \$250 to \$665.00 per two (2) hour event.

*Chamber of Commerce: Offered businesses opportunity to shred one box for free at a Chamber meeting.

*Century Village (CV) (retirement village population of approximately 2,000) Offered one opportunity for residents to shred for free. Very difficult to advertise although advertisements were placed in CV's own newspaper, the Reporter, in the city's two (2) local newspapers and flyers around CV buildings. The Broward County Sheriff's Office (BSO) began holding event

Challenges

*Advertising:

Throughout our entire period of research, The National Association of Industrial Destruction (NAID) was most helpful with helping us through learning about and developing a program for this unknown territory.

Regrettably, due to the expensive membership dues of NAID, we were not able to join the organization. The organization may have been able to assist us with advertising our service which was greatly needed.

Our budget is not able to absorb the expense of advertising on the same level as private haulers. This has put us at a disadvantage.

Advertising through the City consisted of two half pages ads @ \$330.00 each, two statically placed 3 feet by 5 feet banners at two major intersection which are in view on a daily bases, 6 major press releases along with continuous website calendar event schedule and an on-going recycling division website information.

*Customer Billing

Although significant time was spent with our finance department concerning the new program and establishing the billing system for shred customers, we still face delayed billings to the customers. This is an internal issue that is being managed; however, because of this, revenue indicated (Table two) is much lower than the actual revenue that should have been generated.

*Competition

The Broward County Sheriffs Office (BSO) began holding shredding event for residents for free. Because their events are held quarterly, it does not impact our operation on a regular basis but does give reason for residents or businesses to hold material for the free event.

Results and Findings

During the 2007-2008 fiscal year, recycled shredded paper accounted for 15.3% of total recycled office paper collected. Approximate revenue generated from sale of shred paper \$10,650.00. Fifteen (15) contracted customers generated \$7,060.00. Forty-four (44) special on-call shred customers generated \$8,262.98 Existing staff is used to operate the shred program therefore no additional personnel was required to initiate the program. Due to legal issues, our city attorney recommended that *City Shred* not contract with the County Courthouse that had the potential of generating a significant revenue source (*cost/revenue : table two*).

The shred program is a cost savings benefit for the City of Deerfield Beach. Internal city facilities such as finance, city clerk and human resources use our services which eliminates the cost of paying private shred companies for shredding saving the city a significant amount of money.

More than 65.35 tons of material was diverted from disposal at the incinerator. At \$93.65 per ton for disposal, \$6,120.00 was saved in avoided disposal fee cost.

Clearly, business customers found it to their advantage to utilize the on-call service over a contracted service possibly because our rate structure for that service is low.

The cost of the program has shown to be minimal (*table two*). The \$200,000 vehicle was entirely paid for through the grant. The \$5,200 up-front cost of the containers was the major expense of the program. Since existing personnel is used and the vehicle only travels within the 16 mile radius of the city, fuel use is minimum as well.

The Recycling Division will present a proposal to the City commissioners to raise rates of both the business and residential collection charges after January 2009. How much the rates will be raised is still in question but a flat 10% across the board is being considered. The on-call special shred rate increase of 15% is being considered.

The most surprising component of the program was the overwhelming response from the residential sector. Obviously, there was a pent up need of residents to rid old papers but did not have a cost effective way to do so until our program offered the service. Customers that were forced to discontinue our office paper recycling program due to complying with the new shredding laws were able to return to our services through the opportunity of *City Shred*.

An on- site mobile paper shredding service has proved to be an effective and revenue generating service for a municipality to provide. Offering service to all sectors of the city while educating about the necessity of securing document by shredding, is a welcome benefit to the entire community. Although the Solid Waste Recycling Division operates as an enterprise fund, it has proven to operate competitively without the responsibility to manage the expense overhead that private industry must face. With a dedicated advertising budget and a well-developed business contact source, a municipal shred service is viable.



City Shred
City of Deerfield Beach

Table One

Commercial Office Paper Shredding Rates

Roll Carts

No. of Roll Carts	Weekly Service <i>Charge Per Month</i>	1 st & 3 rd Wednesday Service - <i>Charge Per Month</i>	Monthly (1 st Wed. of the month)- <i>Charge Per Month</i>	Special Pickup <i>Charge per Container</i>
1	\$120.	\$90.	\$50	\$79
2	\$160.	\$100.	\$60	\$100
3	\$200.	\$120.	\$70	\$137
4	\$240.	\$140.	Twice monthly only	\$166
5	\$280.	\$160.	Twice monthly only	\$195
6	\$320.	Weekly collection only	Twice monthly only	\$224
7	\$360.	Weekly collection only	Twice monthly only	\$253
8	\$400.	Weekly collection only	Twice monthly only	\$282
9	\$440.	Weekly collection only	Twice monthly only	\$311
10	\$480.	Weekly collection only	Twice monthly only	\$340

Consoles

Number of Consoles	Weekly Service <i>Charge Per Month</i>	1 st & 3 rd Wednesday Service - <i>Charge Per Month</i>	Monthly (1 st Wed. of the month)- <i>Charge Per Month</i>
1	\$80	\$50.	\$30.
2	\$120	\$70.	\$40.
3	\$160	\$90	\$50.
4	\$192	\$106.	Twice
5	\$224.	\$122.	Twice monthly only
6	\$256.	\$138.	Twice monthly only
7	\$288.	Weekly collection only	Twice monthly only
8	\$320.	Weekly collection only	Twice monthly only
9	\$352.	Weekly collection only	Twice monthly only
10	\$384.	Weekly collection only	Twice monthly only