

Multifamily Housing Operator Increases Asset Value with \$1.4 Million in Lifetime Savings and Effective Overage Mitigation

Utilities Management

Client

Multifamily apartment complex operator with 70 locations.

Challenge

The client was experiencing a large number of waste pick-up overage charges on a portion of their sites. The charges, paid to a waste vendor each time for trash overflows from a container, ranged from hundreds to sometimes more than \$4,000 per month at individual properties. As a result, their waste hauling costs were exceeding annual budgets for certain locations.

Solution

The client engaged SIB's team of waste experts (known to many in the industry as [Vector97](#)) to review their vendor spend for erroneous charges. Using our proprietary [Waste Management SoftwarePlatform](#) (WMS 2.0), our team of analysts identified 29 sites incurring overages. We then analyzed the quantity of waste overages and the associated charges to pinpoint areas for optimization.

Our process included:

- Comparing the cost of overage charges to the cost for increasing service levels (such as adding an extra pick-up day or upgrading to a larger trash container for sites with large volumes of waste).
- Conducting audits of monthly invoices for billing errors driving price creep. We requested pictures and proper documentation from the vendor to verify the validity of the charges in cases where we identified excessive overcharges.
- Disputing erroneous invoices and securing credits on subsequent invoices.
- Renegotiating renewal contracts and securing lower rates to obtain optimal terms and best-in-class pricing across diverse geographic areas.
- Monitoring for ongoing overage charge errors, compliance, and exceptions via our WMS 2.0 platform.

Results

While the focus of this case study highlights how we address and mitigate overages, it is important to note that we have increased assets value through net savings in excess of \$1.4 million over the past seven years. This savings was achieved through rate and contract renegotiation. How and when an overage charge is levied can easily become subject to errors, oversights, and abuse that add unnecessary expense. Results of our review and recommendations:

- Secured \$24,300 in overage charge credits.
- Changed haulers for six locations to vendors that were less prone to billing extra overage charges.
- Adjusted service levels on five properties to mitigate additional overages.

Optimize costs and increase housing portfolio value

Most [Multifamily](#) property owners often lack the internal resources to audit, analyze, and optimize wastemanagement costs. Plus the industry is rife with cost increases and billing errors that cause significant price creep. Our proprietary WMS 2.0 Software helps operators simplify, optimize, and sustain waste management programs with:

- Access to vendor contracts and invoices through a user-friendly client portal.
- Streamlined management with a single point of contact for waste and recycling needs.
- Real-time data on all aspects of waste management by site.
- Competitive vendor rates and contract terms that leverage our three decades of data benchmarks.
- Built-in, standardized ESG reporting and the latest environmental regulation requirements.

Overage Evaluation and Action Report (Sample)

Property	Jan	Feb	Mar	Total 2024	# of Invoices	Avg per	Per Contract?	Category	Action	Result
Property 2	\$750	\$900	\$600	\$2,250	15	\$150	No	Contest / Evaluate	Challenge charges. Change service level.	\$1500 credits and reduction/elimination of overage charges
Property 4		\$150	\$150	\$300	2	\$150	No	Contest / Evaluate	Challenge charges.	\$200 credits and reduction/elimination of overage charges
Property 5	\$4,350	\$1,650	\$3,900	\$9,900	66	\$150	No	Contest / Evaluate	Challenge charges. Replace hauler. Review service level.	\$6600 credits and reduction/elimination of overage level
Property 7	\$450	\$750		\$1,200	8	\$150	No	Contest / Evaluate	Challenge charges. Replace hauler. Review service level.	\$800 credits and reduction/elimination of overage charges
Property 9	\$1,350	\$1,950	\$1,650	\$4,950	33	\$150	No	Contest / Evaluate	Challenge charges. Replace hauler. Review service level.	\$3300 credits and reduction/elimination of overage level
Property 16	\$450	\$150	\$300	\$900	6	\$150	No	Contest / Evaluate	Challenge charges. Replace hauler. Review service level.	\$600 credits and reduction/elimination of overage charges
Property 21	\$300	\$300	\$1,050	\$1,650	11	\$150	No	Contest / Evaluate	Challenge charges. Change service level.	\$1100 credits and reduction/elimination of overage charges
Property 26	\$450	\$600	\$1,650	\$2,700	18	\$150	No	Contest / Evaluate	Challenge charges. Replace hauler. Review service level.	\$1800 credits and reduction/elimination of overage charges
Property 28	\$2,700	\$4,200	\$4,650	\$11,550	77	\$150	No	Contest / Evaluate	Challenge charges. Replace hauler.	\$7700 credits and reduction/elimination of overage hauler