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OAKLAND
2014 MAY 23 AM 10:06

AGENDA REPORT

TO: FRED BLACKWELL
CITY ADMINISTRATOR

FROM: Brooke A. Levin
Interim Director, OPW

SUBJECT: Zero Waste RFP

DATE: May 22, 2014

City Administrator
Approval

Date

5/22/14

COUNCIL DISTRICT: Citywide

RECOMMENDATION

Staff recommends that the City Council accept this supplemental report regarding staff recommendation that the City Council adopt a resolution authorizing the City Administrator to accept the term sheet for Waste Management of Alameda County for the Zero Waste Services franchise contracts, and prepare the rate tables with any City Council directed alternatives selected by City Council for inclusion in the rate tables and bring the Ordinances to City Council for consideration and approval.

ANALYSIS

Staff have prepared the attached Power Point presentation (*Attachment A*) which will be presented at the Special Meeting on the Request for Proposals for Zero Waste Services.

Respectfully submitted,

Brooke A. Levin
Interim Director, Oakland Public Works

Item: _____
Special Meeting City Council
May 29, 2014

Attachment A

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City Council Special Meeting
May 29, 2014

Zero Waste Collection Services RFP



Overview

- Existing franchise expires June 30, 2015
- Council authorized competitive solicitation through RFP for 3 franchise contracts
 - Collection of solid waste and green waste
 - Residential Recycling
 - Disposal
- Council authorized concurrent negotiations with 2 proposers



Critical Path

- Final stage of competitive process involved rigorous concurrent negotiations with 2 proposers
- Conclusion and recommendation best value for rate payer
- New services – maintaining City's Green leadership
- Next Step – prepare rate tables and Ordinances



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Negotiations

- On June 18, 2012 Council directed staff to enter simultaneous negotiations with two firms:
 - California Waste Solutions (CWS)
 - Waste Management of Alameda County (WMAC)
- Objective: to provide the best value to the City and the community.



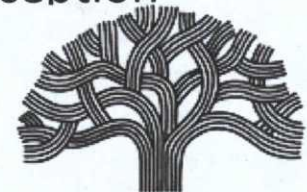
Outcome of Negotiations

Option 1: RECOMMENDED

- Award WMAC all 3 franchise contracts
- Includes discounts for
 - Multi contract (3) award
 - Refuse Rate Index (RR) as negotiated
 - Carts (used/new)
 - Special assessment process
 - Best and Final Offer

Option 2:

- Award CWS Residential Recycling franchise contract
- Award WMAC Disposal, and Mixed Materials & Organics franchise contracts
- Includes discounts for
 - WMAC multi contract (2) award
 - Carts (used/new)
 - RRI per WMAC exception



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Rates

Service	Current Monthly Rate FY 2013/14	Option 1 WMAC: RR/MM&O/ Disposal		Option 2 CWS: RR WMAC: MM&O/ Disposal	
		Monthly Rate	Rate Impact	Monthly Rate	Rate Impact
Single Family (32-gallon cart)	\$29.30	\$43.93	49.93%	\$48.72	66.28%
Multi Family* (20-unit bldg.)	\$466.20	\$583.89	25.25%	\$665.15	42.68%
Commercial (1-cu.yd. bin)	\$137.54	\$167.66	21.90%	\$175.65	27.71%

Recent Rate Increases – Alameda Co.

City	Year	Increase
Albany	2011	45%
Berkeley	2009	25%
Berkeley	2014	25%
Castro Valley	2009	45%
Dublin	2011	27%
Emeryville	2011	45%
Hayward	2007	32%
Livermore	2010-11	38%

Mini Can Savings in New Rates

- 74 % of residents use a 32-gallon garbage cart
- Residents can recycle more and reduce to 20-gallon container service, and decrease costs by 20% or \$8.81 a month



Multi-Family Rate

- New contract MF minimum level of service is 20 gallons per household
- Recycling more can reduce costs

20 vs 32 gallons per unit	Current	Proposed Rate	Percent Increase
Multi Family 20-Unit Residence (20-gal/unit equivalent)	\$ 466.20	\$ 583.89	25.24%
Multi Family 20-Unit Residence (32-gal/unit equivalent)	\$ 466.20	\$ 798.59	71.30%



Benefits of Recommendation

- Advancement of Oakland's Green Principles
- Additional resources for illegal dumping abatement
- Additional services for multi-family households
- Quieter, low-emissions vehicles
- High waste diversion
- In-county processing of materials – local jobs
- Community-based outreach for Zero Waste
- 20% reduction in cost compared to original proposal



Services to Abate Illegal Dumping

- 25 pickups of illegal dumping per day
- New bulky pickup service for all multi-family households
- 4 bulky item drop-off events per year
- Sunday collection service for street litter containers
- Limited Sunday commercial collection services



Multi-Family Buildings Services

- Source-separated organics cart collection
- Compliance with County and State mandatory recycling laws
- Bulky pick-up program
- Pay-as-you-go bulky pick-up



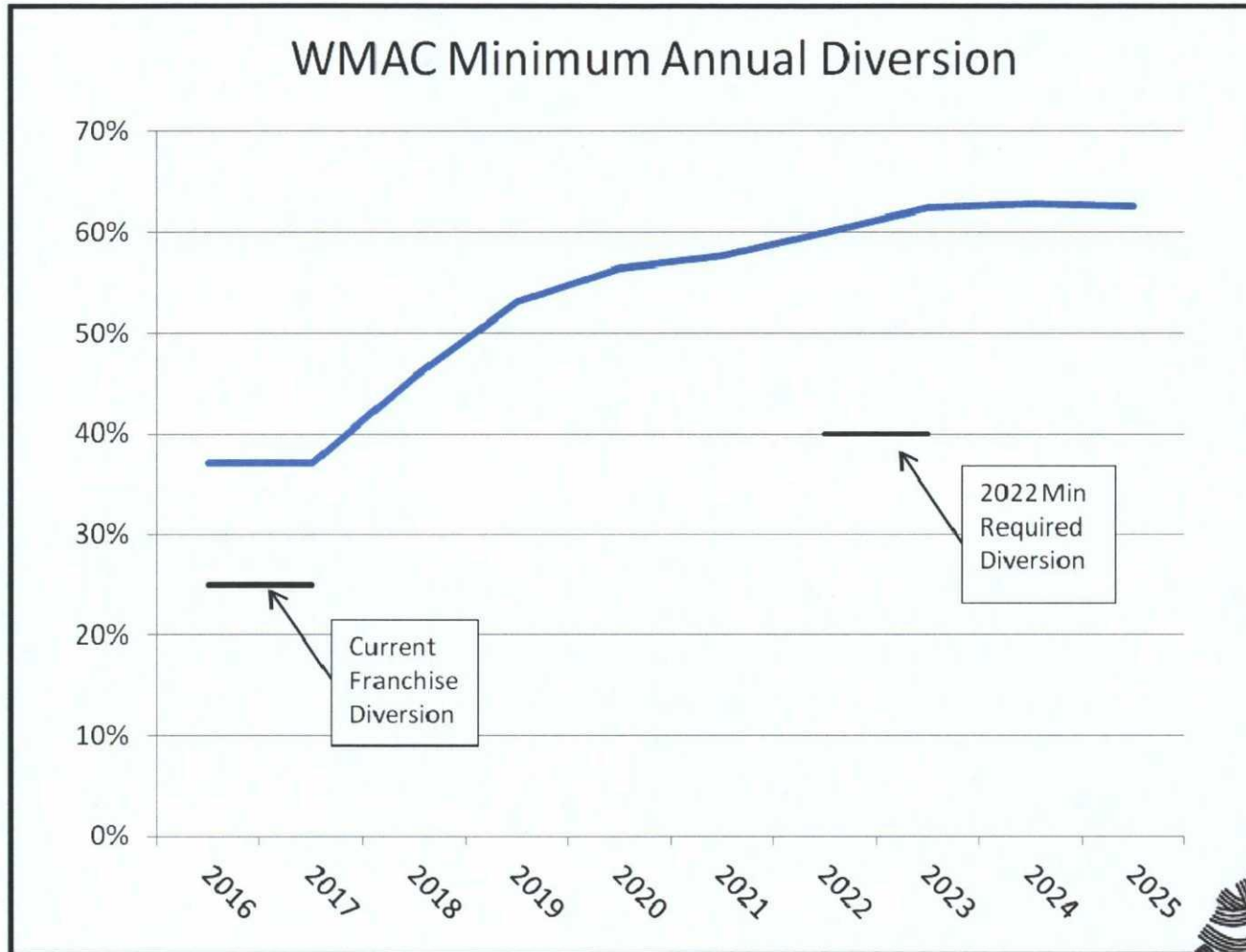
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Greener Collection Vehicles

- Quieter operation
- Lower emissions
- 100% natural gas fleet
- Low-carbon fuel



Diversion from Landfill



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Community Based Outreach

- Partnerships with local stakeholders including youth, community & business leaders
- Community based social marketing
- Grassroots campaign to build zero waste behaviors
- Zero Waste Ambassador Corps



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Economic Benefits

- Local Hire – 50% new hires from Oakland
- Worker Retention – employment preference to current employees of incumbent contracts
- Over 400 jobs in Oakland
- In-county processing of materials – local jobs
- New jobs as new facilities come on-line



Council Alternatives

- “No Lien” process
- Local Call Center; not an alternative under Option 1
- Green Cart Service Alternatives
- Multi-Family Bulky Additional Services
- EBMUD Commercial Organics Processing
- Recycling Worker Wages & Benefits



MF Green Cart Service Alternatives

Multi-Family Green Cart Service Alternative		Option 1
A	RFP Default Anyone that wants a cart can get one Cost is in rate base	\$583.89 Base Rate
B	RFP Alternative ("Opt-In")	Mixed Materials only -\$33.37 -6.06%
		Green cart subscription cost +\$77.16
		Total for subscribers +\$43.79 + 6.98%
C	Council-requested Alternative No. 1 "Opt-Out" – get a cart unless opt out	+\$57.41 + 8.95%
D	Council-requested Alternative No. 2 "No-Opt-Out" – get a cart	+\$60.21 + 9.35%



MF Bulky Pickup Alternatives

Alternatives Tenant Bulky Access	Rate Impact
#1: Each household schedules independently	+ \$132.80 +22.77%
#2: A - Complexes below 30 units – each household schedules independently B - Complexes 30 units and above – one time debris box scheduled by property manager	+ \$177.80 +30.45%
#3: Coupons available for 44,000 households to dispose at Davis Street Transfer Station.	+ \$ 41.80 +7.16%



Commercial Organics

Council Requested Alternative to Add EBMUD processing	Rates
Commercial Organics Rate (1-cu.yd. bin)	\$157.81
To add Commercial Organics Processing at EBMUD (per 1 cu. yd bin)	+\$23.48 +14.9%



Recycling Workers Wages & Benefits

Service Sector	Rate Impact
Single-Family	+\$0.18 per 32 gallon cart/ per month +0.36%
Multi-Family	+\$2.09 per 20 unit building/ per month +0.36%
Commercial	+\$0.81 per 1-yard bin +0.48%



Schedule

- May 29 – Adopt Resolution and Direct Staff to develop Rate Tables and Ordinances
- July 1 – First Reading of Ordinances
- July 15 – Second Reading of Ordinances



Recommendation

Authorize the City Administrator to accept the term sheet for WMAC for the zero waste services franchise contracts and prepare the rate tables with any City Council directed alternatives selected by the City Council and bring the ordinances to City Council for consideration and approval.

