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2014 MAY 19 PM 3:19

AGENDA REPORT

TO: FRED BLACKWELL
CITY ADMINISTRATOR

FROM: Brooke A. Levin

SUBJECT: Zero Waste RFP

DATE: May 16, 2014

City Administrator

Date

Approval

5/16/14

COUNCIL DISTRICT: City-Wide

RECOMMENDATION

Staff recommends 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.

EXECUTIVE SUMMARY

In 2012, the City Council approved the procurement by Request for Proposal (RFP) for the contract services described in the Zero Waste System Design, to replace the existing Solid Waste Franchise and Residential Recycling Agreements that expire on June 30, 2015. This RFP represents one of the City's largest competitive procurements, with an estimated total value over \$110 million per year. Although residential recycling services in Oakland were procured through a competitive process, in 1993 and 1997, all other services provided through the current solid waste franchise agreement have not been subject to a competitive procurement previously.

Public Works Department (OPW) staff, pursuant to policy direction provided by the City Council, developed and issued the Zero Waste Services RFP, which included three fully developed draft franchise contracts. Six firms participated in the RFP process. The City received qualified proposals from two firms, California Waste Solutions (CWS) and Waste Management of Alameda County (WMAC); both firms proposed on the two collection service agreements (Mixed Materials (garbage) and Organics, and Residential Recycling), while WMAC submitted the sole proposal for solid waste Disposal. Staff conducted an evaluation process resulting in proposal ranking, and in June 2013, the City Council directed staff to enter concurrent contract negotiations with CWS and WMAC. Staff has concluded negotiations with the proposers regarding the major contract features and has received a best and final offer (BAFO) from each one.

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This agenda report presents an analysis of the customer rate impacts of the two viable proposal combinations for the three franchise contracts, and an analysis of the two options (Table 1):

- (1) award of all three franchise contracts to WMAC; and
- (2) award of the Residential Recycling (RR) contract to CWS, and award the franchise contracts for Mixed Materials and Organics, and Disposal to WMAC.

Option 1, which would award all three franchise contracts to WMAC, accepts WMAC’s BAFO, and the terms and conditions it contains. This option provides the lowest cost to the ratepayers of any combination of proposals submitted, and is the strongest option relative to meeting the City’s Zero Waste goal and providing reliable, quality service to Oakland. While WMAC has offered discounted pricing for selected contract provisions, their BAFO is conditioned upon staff recommendation that WMAC be awarded all three franchise contracts, and that the City Council award them all three franchise contracts. WMAC is not offering the BAFO as a menu of options, but as a complete package that is available only in its entirety. The negotiated terms on which WMAC’s BAFO is based, are summarized in the Option 1 Term Sheet (Attachment A).

Option 2 would award the Residential Recycling franchise contract to CWS and both the Mixed Material & Organics and Disposal franchise contracts to WMAC. The terms of these agreements are summarized on the Option 2 Term Sheet (Attachment B). This is not the low cost option and is not recommended as the option to bring the best value to the rate payer.

Table 1: Viable Proposal Combinations

Option 1	Option 2
<ul style="list-style-type: none"> • WMAC awarded all 3 franchise contracts 	<ul style="list-style-type: none"> • CWS awarded Residential Recycling franchise contract • WMAC awarded Disposal, and Mixed Materials & Organics franchise contracts
<p>Includes discounts for</p> <ul style="list-style-type: none"> • Multi contract (3) award • Refuse Rate Index (RRI) as negotiated • Carts (used/new) • Special assessment process • BAFO 	<p>Includes discounts for</p> <ul style="list-style-type: none"> • WMAC multi contract (2) award • Carts (used/new) • RRI per WMAC exception

It is recommended that the City Council authorize the City Administrator to accept the Option 1 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 alternative selected by City Council and bring the Ordinances to City Council for consideration and approval to replace the existing contracts, which expire June 30, 2015.

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OUTCOME

Approval of this resolution authorizes the City Administrator to prepare three ordinances for City Council consideration and approval, awarding franchise contracts to WMAC for solid waste disposal, residential recycling, and mixed materials and organics collection to provide service beginning July 1, 2015.

BACKGROUND/LEGISLATIVE HISTORY

In 2006, the City Council adopted the Zero Waste Strategic Plan, which provided a policy-level road map for achieving the City's goal of Zero Waste by 2020. This plan identified development and adoption of a new waste management system design in preparation for Oakland's next collection and disposal franchises as a key strategy to achieving the goal. In 2012, the City Council received a series of agenda reports regarding the Zero Waste System, adopted three resolutions and passed one motion (summarized in Attachment C), establishing the Zero Waste System Design and providing policy direction to staff in conducting the Zero Waste Services RFP procurement process.

The City Council provided policy direction on solicitation of costs for service alternatives and options at three stages: during development of the RFP in June 2012, upon authorizing the City Administrator to enter into negotiations with the top-ranked proposers in June 2013, and shortly before negotiations concluded in March 2014.

The City Council directed alternatives are: (1) system for collecting delinquent bill payments, special assessment or none; (2) customer call center in and out of county; (3) source-separated organics collection from multi-family households; (4) 20-year term pricing discount; (5) pricing to achieve wages for recycling workers comparable to those earned by recycling workers in Fremont, San Jose and San Francisco, and affordable family health benefits; (6) pricing for "Outside the box" bulky waste services for multi-family households that enhance tenant access; and (7) pricing for delivery of source-separated organics to East Bay Municipal Utility District (EBMUD) for processing.

Competitive Procurement Process

Pursuant to Council direction provided in 2012, OPW issued the Zero Waste Services RFP, and received proposals in January 2013. The purpose of engaging in a competitive procurement was to obtain the best value for a package of services that are essential to community health and safety, and that deliver significant benefits relative to the City's Zero Waste and Greenhouse Gas reduction goals.

Participation in the procurement by all major service providers operating in the Bay Area, including six companies for collection and five companies for disposal, indicated that the City's process had fostered an open and competitive environment for proposal submission. The RFP

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incorporated all Council-approved policies and options, and the responsive proposals fully complied with Council direction on specific policies of interest.

The Zero Waste Services RFP was issued in two stages. The first stage, released August 3, 2012, solicited proposals for the Disposal Services franchise contract. The second stage, released September 5, 2012, solicited proposals for the two collection services franchise contracts (Residential Recycling, and Mixed Materials and Organics). On January 9, 2013, the City received qualified proposals from two firms, California Waste Solutions (CWS) and Waste Management of Alameda County (WMAC); both firms proposed on the two collection service agreements (Mixed Materials (garbage) and Organics, and Residential Recycling), while WMAC submitted the sole proposal for solid waste Disposal. Staff conducted a thorough evaluation process, consistent with Council direction, which concluded with ranking of the proposals received for each of the three franchise contracts.

Publication of the RFP, including the three draft franchise contracts it comprised, allowed the City to specify the contract terms and performance standards, including provisions that stabilize rates, address illegal dumping, provide service equity across customer sectors, and achieve solid waste diversion in the short- and long-term.

On June 18, 2013, the City Council authorized the City Administrator to enter concurrent contract negotiations with CWS and WMAC.

ANALYSIS

This report is organized as follows:

- Presentation of negotiation outcomes, and discussion of the key driver for diversion – organic materials
- Overview of the Mixed Material and Organics (M&MO) services proposals
- Overview of the Residential Recycling (RR) services proposals
- Discussion of contract provisions addressing illegal dumping, and economic benefits
- Description of City Council directed alternatives
- Discussion of pricing and rates for Option 1 and 2

Staff began negotiations with the two proposers in July 2013, following authorization from the City Council. These negotiations have been confidential, and the City's team has not revealed information provided by one proposer to the other, nor to City staff or officials not engaged in the project. The focus of the negotiations has been to obtain discounted pricing, compared to originally proposed pricing, for the services and programs required by the RFP. In general, this has involved addressing the proposers' risks and uncertainty related to these long-term contracts. These risks run the gamut from the volatility of fundamental operating costs, such as labor and

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fuel, to unforeseen changes in the economy that could affect the ability of the contractor to meet the diversion requirement.

WMAC cited financial risk as one of the primary drivers of their rate proposal, specifically, those associated with the contract requirements for diversion performance, ability to collect delinquent payments from residential customers, and changes in the economy that could affect the character, quantity, and marketability of waste materials intended for diversion.

As reflected in the Option 1 Term Sheet (Attachment A), the City and WMAC reached agreement on a number of issues requiring clarification, refinement, or significant change to the original language in the draft franchise contracts. These amendments have implications for labor peace, annual rate adjustments, contractor indemnification, and consequences for substandard contractor performance.

Staff spent significant effort negotiating with WMAC regarding changes to the Refuse Rate Index (RRI) published in the RFP, which will be used for annual rate adjustments. City concessions allow for changes in labor costs contained in WMAC's collective bargaining agreements with their represented employees to be included in the rate adjustment process. This concession is projected to have a small effect on rate adjustments, but would contribute to labor peace over the term of the contract.

Option 1, which would award all three franchise contracts to WMAC, accepts WMAC's BAFO, and the terms and conditions it contains. This option provides the lowest cost to the ratepayers of any combination of proposals submitted, and is the strongest option relative to meeting the City's Zero Waste goal and providing reliable, quality service to Oakland.

Opportunity for High Diversion

Diversion of organic materials from landfill disposal represents Oakland's largest opportunity for achieving the Zero Waste Goal. Organic materials make up an estimated 48% of Oakland discards that are sent to landfill. The RFP provided the opportunity for companies to submit proposals for the Mixed Material and Organics (MM&O) collection and processing franchise contract, which use the latest technologies and methods for diverting organic discards, to achieve the fullest available climate and environmental benefits.

The City required proposers to propose and commit to minimum annual diversion rates for each year through 2025, and to meet a minimum diversion rate of 40% by 2022. For the purpose of the MM&O contract "diversion" refers to that portion of all material collected under the contract that is not sent to landfill (whether categorized as "disposal" or "beneficial reuse"), or for transformation (as defined by Public Resources Code Section 40201). MM&O annual diversion as defined in the contract and described in this report is calculated by dividing diversion tonnage by the total tonnage collected under the MM&O contract. This differs from the diversion rate that cities commonly cite as an achievement relative to AB 939 requirements. The AB939

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diversion rate figure encompasses all solid waste generated in a jurisdiction, while the diversion discussed in this report is limited to the materials handled by the MM&O contractor. Calculated on the basis used in the MM&O franchise contract, and adjusted for the slightly different portfolio of materials covered in the current and new contracts, today's diversion rate under the current franchise contract is approximately 26%.

The two responsive proposals for MM&O services, CWS MM&O "Plan B" proposal and WMAC MM&O proposal, are described in the following sections.

CWS Mixed Material & Organics Proposal

CWS submitted responsive proposals for both collection franchise contracts, Residential Recycling (RR) and Mixed Materials and Organics (MM&O). These two proposals were premised on the acquisition of City-owned land at the North Gateway portion of the former Oakland Army Base, and construction of a major solid waste and recycling facility at that site, to be completed by April 2015. The new facility would serve as a processing center for recyclables, mixed materials, and organics collected through the Oakland franchises, and as a transfer facility for solid waste and organics.

Feasibility of the proposed schedule came into focus in September 2013 when it emerged that CWS' acquisition of the land would be delayed by two or three years. Subsequently, CWS submitted "Plan B," an alternative proposal that allows for use of other facilities during the first three years of the contract, while CWS' new facility is being constructed and commissioned. For RR contract Plan B, during the first three contract years, CWS would make use of its two existing recycling plants, with modifications, on 10th Street and on Wood Street in west Oakland. For MM&O, Plan B would involve:

- Direct delivery of mixed materials and organics (yard trimmings and food scraps) via route truck from Oakland to the Golden Bear Transfer Station (Republic Services) in Richmond
- Transfer of mixed materials via long-haul truck from Golden Bear Transfer Station to the Altamont Landfill
- Transfer of organic materials via long-haul truck from Golden Bear Transfer Station to CWS composting subcontractors in Napa and Zamora
- Parking of CWS route trucks on Oakland Army Base property leased to Oakland Maritime Support Services, Inc.
- Delay of Mixed Materials processing until new CWS facility is in operation

CWS made a substantial, cooperative, and good-faith effort to develop Plan B, and respond to the due diligence investigation staff conducted to fully understand the Plan B proposal. Staff believes that CWS is capable of providing the Residential Recycling services under the "Plan B" proposal. However, staff views the "Plan B" proposal for Mixed Materials & Organics franchise contract to be highly problematic and risky. Setting aside the fact that delay in Mixed Materials

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processing would not meet the requirements of the MM&O franchise contract, there is no assurance that the real estate transaction will be completed on the schedule proposed in Plan B. Should the conveyance of the property to CWS occur as proposed in Plan B, for three years, the MM&O services for Oakland's residents and businesses will hinge on a third party relationship with Republic Services at an out-of-county facility. This is a highly risky proposition that staff cannot recommend.

CWS submitted a responsive proposal for the MM&O franchise contract. However, the original proposal and the Plan B proposal are weak, and not backed by a company with strong experience in handling the types of materials specified and by the methods proposed. In addition, CWS has very limited experience in operating a full service call center, or in billing the range of customers for a broad suite of services.

WMAC Mixed Materials & Organics Proposal

Following is a full discussion of the WMAC MM&O proposal components that would be delivered with the selection of Option 1. The City released the RFP for Zero Waste Services with the expectation that proposers would draw upon their innovation, technology, and capital to deliver considerably increased material recovery and landfill diversion than under the current system. The WMAC proposal fulfills this expectation by committing to very high annual diversion rates, and by demonstrating the ability to provide the services and facilities necessary to achieve and potentially exceed those rates.

Minimum Annual Diversion Rates

Figure 1 shows the minimum annual diversion WMAC has proposed and would be required to achieve under the MM&O franchise contract. A schedule of minimum annual diversion for each year after 2025 would be submitted two years in advance of the award of each of the five-year contract extensions.

Figure 1

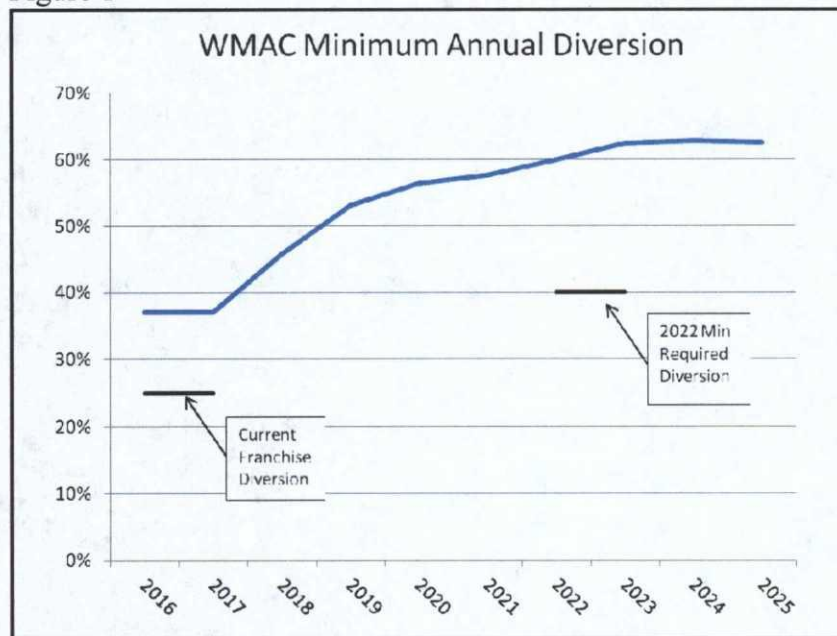


Figure 1 shows an aggressive schedule of diversion that fully complies with the goals of the City's RFP for Zero Waste Services. By comparison, and calculated on the same basis, and adjusted for the slightly different portfolio of materials covered in the current and new contracts, today's diversion rate under the current franchise contract is approximately 26%. WMAC proposes to achieve an aggressive schedule for diversion with a comprehensive program of source-separated collection of residential and commercial organic material, combined with post-collection processing of mixed materials to recover organic material and recyclable items, supported by an extensive community outreach strategy. The following sections describe highlights of these features.

Material Handling and Processing Facilities

WMAC proposes a portfolio of processing facilities at its 52-acre facility on Davis Street in San Leandro, and its Altamont facility in eastern Alameda County. The proposed combination of activities on these sites is sufficient to achieve, and possibly exceed, the diversion performance to which WMAC would be contractually required to achieve. WMAC has well-developed plans, including environmental permitting and financing for additional processing facilities at Davis Street and at Altamont, capable of superior diversion performance.

The WMAC proposal describes that most processing of organic material will occur within Alameda County, using both existing and planned facilities at Davis Street and Altamont. The proposal includes a broad array of processing capabilities for managing diverse organic streams, including residential yard trimmings and food scraps, commercial food scraps, and compostable material recovered from mixed material processing.

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Organic Material Processing

A state-of-the-art, fully enclosed, atmospherically controlled Organics Transfer building was completed at Davis Street in 2012. This building, already in use for handling Oakland's residential and commercial discards, will connect with and become integral to the planned Mixed Materials Recovery Facility (MMRF), scheduled to come on line in 2018-19. This facility will have the capability to process the full spectrum of material streams, from clean, source-separated organics to mixed material that is rich in organics. Organic material recovered at the MMRF would either be sent directly for aerobic composting, or for processing via a high solids anaerobic digestion (HSAD) facility to be located at Altamont (see details in the Commercial Organic Material Processing section below).

Commercial Source-Separated Organics Collection

WMAC would provide source-separated commercial organics collection service for Oakland businesses. This service would enable all Oakland businesses, particularly restaurants, food processors, hospitals and educational institutions with food service, and others, to comply with the Alameda County Mandatory Recycling Ordinance, Phase 2 (for organic material), and with the Alameda County ban on landfilling plant debris. In addition, selecting WMAC to process Oakland's commercial organic material offers a unique opportunity to derive "carbon-negative" vehicle fuel to power its Oakland collection fleet (see Vehicles, Vehicle Fuel and Commercial Organics section).

Commercial Organic Material Processing

WMAC proposes to process Oakland's source-separated commercial organic material via high solids anaerobic digestion (HSAD), a technology that has developed in the past decade specifically for materials handled in municipal discards collection systems. Like anaerobic digesters in municipal wastewater treatment plants, HSAD produces biogas suitable for energy production. However, HSAD accommodates a broader range of the largely solid materials collected by municipal discards systems, without the need and expense of additional pre-processing to produce the slurry required by conventional anaerobic digesters at municipal wastewater treatment plants. HSAD facilities were built and came on line in Monterey and in San Jose in 2013 and 2014, respectively.

The WMAC proposal includes the unique opportunity to refine biogas produced by its HSAD facility to a natural gas vehicle fuel that would be used by WMAC collection vehicles in Oakland, and the transfer vehicles serving Oakland (see details in the Vehicles, Vehicle Fuel and Commercial Organics section). The remaining digestate (solids) from HSAD facility would be further processed via aerobic composting at Altamont into marketable compost.

Mixed Material Processing

In WMAC's proposal, commercial mixed material would be processed for material recovery prior to being transferred for landfill disposal, at its recently upgraded Dry Materials Recovery Facility (Dry MRF) located at Davis Street. This facility primarily recovers items that are not included in commercial recycling programs, such as pallets and other wood, rigid plastic items, film plastic and metal items. Under WMAC's proposal, no commercial material would be sent for landfill disposal without first being processed for recovery, effective July 1, 2015, if not sooner. Mixed Material processing would boost diversion from Oakland's commercial and institutional sector by complementing conventional, source-separated commercial recycling service, not replacing it. WMAC has processed most of the commercial mixed material from Oakland at the Dry MRF since 2008. In 2014 WMAC completed an \$11 million upgrade to this facility, which will increase WMAC's capacity to recover material from Oakland's businesses and institutions well before July 1, 2015.

Diversion – Summary

WMAC will bring on line additional new, state-of-the-art facilities by July 1, 2015, adding to its existing holdings, to maximize recovery from both source-separated and mixed materials. WMAC has well developed plans, permits and financing for proposed processing facilities, which will place its combined Alameda County facilities (Davis Street and Altamont) among the largest and most advanced resource recovery systems in the country, with Oakland positioned as its "anchor tenant". The WMAC proposal fully complies with the goals of the City's RFP for Zero Waste Services, providing the services, outreach campaign, and facilities necessary for meaningful progress toward Oakland's zero waste goals through provision of high performing collection services to all sectors.

Vehicles, Vehicle Fuel and Commercial Organics

WMAC proposes to use natural gas-powered vehicles for all collection services under the MM&O and RR contracts. It would also use natural gas-powered transfer vehicles. WMAC has the unique capacity to produce a fuel for a natural gas vehicle from Oakland's commercial organic material, at its biogas refinery located the Altamont Landfill in eastern Alameda County. Built in 2009, the refinery is a joint venture of Waste Management and Linde North America, a leading gas and engineering company. It is the only facility of its kind in North America. Originally built to refine landfill gas captured at Altamont Landfill, the refinery provides a unique opportunity to derive vehicle fuel from Oakland's commercial organic material via WMAC's proposed HSAD facility, which will be co-located at Altamont. The biogas produced via HSAD would be refined into vehicle fuel along with landfill gas. The remaining digestate (solids) from HSAD would be further processed via aerobic composting into marketable compost.

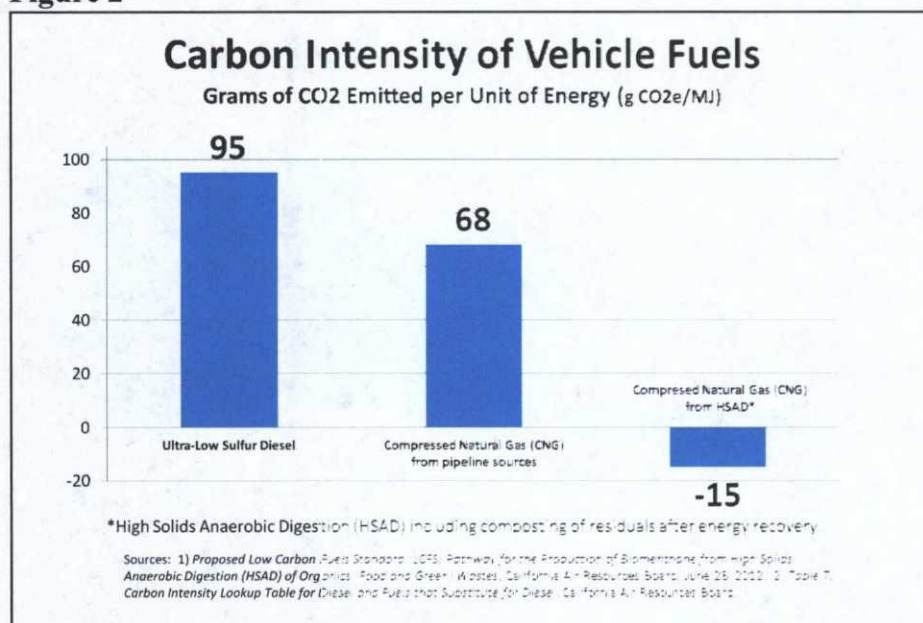
It is important to note that Oakland's residential and commercial organic discards would *not* be placed in the Altamont Landfill to produce landfill gas. WMAC has stated that there is sufficient landfill gas from material already in place in the Altamont Landfill to produce natural gas fuel

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for the next thirty years. HSAD yields a cleaner, more energy-rich gas than landfill gas, making it a premium feedstock for the joint venture refinery.

The California Air Resources Board (CARB) rates vehicle fuels for carbon intensity, a measure of the amount of carbon emissions produced by vehicle fuels. Fuel produced via HSAD, when the residual solids are made into compost, produces the only vehicle fuel rated by CARB as “carbon-negative,” meaning that the production and use of this fuel results in net *negative* carbon emissions. Figure 2 below compares the carbon intensity of fuel produced via HSAD to traditionally extracted and refined “pipeline” natural gas fuel.

Figure 2



The WMAC proposal to process Oakland’s commercial organic material at its HSAD facility at Altamont would enable Oakland to have one of the first discards collection and transfer fleets in the country to run on locally-produced bio-fuel with a carbon intensity rating significantly lower than any other commercially available vehicle fuel.

Bulky Pickup

Appointment-based bulky pickup service for all single-family (SF) and multi-family (MF) households will provide convenient, safe and legal collection of household items that are not typically collected in routine weekly services, as well as larger quantities of items that are typically collected weekly. The service will include a “pay-as-you-go” appointment system for to supplement the services that are provided through the regular rates.

Oakland switched from a neighborhood cleanup style of bulky pickup service, to an appointment-based service in 2005, in order to stem the blight and massive illegal dumping that the neighborhood cleanup style service attracted in the years prior to 2005. Appointment-based bulky pickup service allowed residents to schedule bulky pickup appointments at any time during the year (except January, when bulky service is suspended each year to enable citywide holiday tree collection), at residents’ convenience and as the need arose. Appointment-based service also facilitated dramatically increased recycling of materials set out for bulky pickups. The citywide bulky pickup recycling rate increased from under 10% for the neighborhood cleanup-based service, to 50% under the appointment-based service. Under the neighborhood cleanup-based system, there was rampant illegal dumping in the neighborhoods scheduled for cleanup, by contractors and others who were well versed in the published service schedule.

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Bulky Pickup for Multi-Family Households

Bulky pickup service for multi-family households was included in the draft contract released in the City's RFP. The contract required proposers to provide bulky pickup service to MF households in two ways:

- Each MF household will be eligible for one annual bulky pickup appointment at no charge to the resident, and at no additional charge to the building manager/owner. Annual bulky pickups would be coordinated by building owners/managers, working closely with WMAC customer service and route management staff, for individual or multiple households and move-outs. This could include placement of large debris boxes for bulky pickup appointments scheduled for multiple households and/or move outs.
- MF households that need additional bulky pickup could order pay-as-you-go bulky pickup appointments directly from WMAC, at rates provided in the MM&O contract.

The cost of annual pickup service is included in MF monthly rates. The cost for the pay-as-you-go bulky pickup appointments would be billed to the household ordering the service via credit card.

Bulky pickup service would allow SF and MF households to set out the same items as are currently set out by SF households:

- Non-recyclable bulky items, which include but are not limited to furniture, home remodeling debris, and other household items
- Large household appliances (recycled*)
- Mattresses or box springs (recycled)
- TVs and computer monitors (recycled*)
- Tires including tires on rims (recycled)
- Carpets (expected to be recycled in future, TBD)
- Computers (recycled*)
- Consumer electronic products (recycled)*
- Small appliances (recycled*)
- Scrap metal (recycled)
- Corrugated cardboard (recycled)
- Unpainted wood (recycled)
- Plant debris (recycled**)

**These items banned from landfill by state law*

***These items banned from landfill by Alameda County ordinance*

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In addition to the MF bulky pick up services described above and included in the original contract, the City Council requested that the proposer provide costing for an option that would allow bulky pick up appointments to be ordered by individual households, through direct tenant access, to be included in the monthly rate. WMAC has provided pricing for two options responsive to this request, and an additional alternative service for MF residents. The section titled Pricing & Rates provides information for this option.

Community Outreach Strategy

WMAC proposes a Community Outreach Strategy using community based social marketing to increase participation in source-separated recycling services. It is a comprehensive program that includes the services of Oaklandish, an Oakland-based design collective known for its community work and branding projects, and Cascadia Consulting Group, a Seattle-based firm with offices in San Jose, and staff based in Oakland. Cascadia is currently the lead contractor for the *StopWaste Business Partnership*, a program of StopWaste. They have been on the ground in Oakland helping businesses comply with the Alameda County Mandatory Recycling Ordinance since 2011. Cascadia has extensive expertise in community based social marketing, recycling technical assistance, and waste characterization studies. Cascadia partnered with Waste Management in Seattle and King County, WA to provide recycling technical assistance to businesses and apartment and condominium residents.

WMAC's Community Outreach Strategy involves many other diverse partners, including Oakland Unified School District, East Bay Rental Housing Association, The California Endowment, Youth Uprising, all Chambers of Commerce, Oakland's Business Improvement Districts, Keep Oakland Beautiful, Unity Council, Oakland Association of Realtors, East Bay Habitat for Humanity, YMCA of East Bay, and others.

WMAC's plan includes six key strategies:

1. Understand neighborhood profiles, needs and opportunities
2. Target specific sectors and material streams for maximum return
3. Engage vital community partners
4. Mobilize a Zero Waste Ambassador Corps and provide job training
5. Incentivize participants
6. Utilize technology and social media platforms

With its partners WMAC would implement a grassroots campaign, building zero waste behaviors in a neighborhood-by-neighborhood approach. It would combine conventional outreach strategies with community based social marketing to increase participation (households using recycling services), and utilization (the degree to which households place all their recyclable and compostable items into the appropriate containers). This approach aligns with that being used by StopWaste to pursue 75% recycling in Alameda County, which is based on

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reducing the amount of recyclable and compostable items from household garbage to less than 10%, supported by its *Ready, Set, Recycle* public education campaign.

WMAC's complete 28-page Community Outreach Strategy is included as Attachment D to this report.

Residential Recycling (RR) Proposals

WMAC RR Proposal

Under Option 1, on July 1, 2015 WMAC would process citywide residential recyclables at its Recycle America facility at Davis Street. This facility is currently scheduled to be completely rebuilt with all new, state-of-the-art processing equipment and technology, scheduled for completion in December 2014. WMAC would dispatch all 25 RR collection vehicles, with which it proposes to provide Citywide RR service, from its 15-acre facility on 98th Avenue in Oakland.

CWS RR Proposal

Under Option 2, on July 1, 2015, CWS would process Citywide residential recyclables at its two existing facilities in west Oakland, primarily by adding additional processing equipment and a second shift at its facility located at 10th and Pine Streets. This facility operates under a conditional use permit (CUP) that allows CWS to expand its processing hours to 9 p.m., enabling a second shift. CWS would use additional processing capacity as needed at its Wood Street facility. In addition to expanded processing hours at 10th Street, award of the RR contract to CWS would increase shipments of recycled commodities in overseas shipping containers, and in trucks serving domestic markets. As proposed under Plan B, CWS would shift all RR operations including dispatch, processing, and shipping to its new Gateway facility on the former Oakland Army Base in year four of the contract (2018-19). CWS currently provides recycling services in the west and north half of Oakland using 18 collection vehicles that are dispatched from its 10th Street facility. Because the RR contract starting in 2015 would be for the entire City, award of the RR contract to CWS would increase the number of collection vehicles dispatched from 10th Street to all 43 collection vehicles with which it proposes to provide Citywide RR service, through 2018, or until its Gateway facility comes on line.

Table 2: Residential Recycling Proposal Comparison

WMAC	CWS
Collection vehicles run on locally-produced natural gas fuel	Collection vehicles run on conventional natural gas fuel
All collection vehicles dispatched from 98 th Avenue	All collection vehicles dispatched from 10 th & Pine Streets for 3-years, from Gateway facility thereafter.
All processing at new facility at Davis Street (expected to be completed by end of 2014)	All processing at 10 th & Pine Streets with additional shift for 3 years, from Gateway facility thereafter.

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Non-Exclusive Commercial Recycling

The RFP required proposers to provide rates for commercial recycling collection service that they would provide to businesses on a subscription basis. Award of this non-exclusive line of business will require the selected contractor to provide subscription recycling service at rates. It is recommended that these services be provided through the RR contract.

Contract Provisions – Illegal Dumping and Economic Benefits

MM&O Provisions to Address Illegal Dumping

The Mixed Materials and Organics franchise contract provides several features that could affect the incidence of illegal dumping in Oakland, and that could be significant contributors to a comprehensive City program on illegal dumping. These features include provision of illegal dumping abatement services to supplement OPW services, street litter containers service on Sundays as directed by the City, commercial collection services on Sundays, bulky collection for the entire residential sector, and enforcement of the exclusive franchise to prohibit illegal hauling.

The bulky pickup service for single-family residential (SF) customers is unchanged from the current system. In the new system, the bulky pickup service is extended to multi-family residential (MF) customers. The basic service for SF and MF is one annual bulky collection per dwelling unit, scheduled by the customer. The cost of the service is embedded in the rate, but any resident may order additional bulky service from the contractor on a pay-as-you-go basis. Mattresses remain a part of the bulky pickup service, and state legislation that requires retailer take-back will be implemented July 1, 2014.

The City Council requested alternatives for multi-family bulky pickup options are discussed in the section titled "City Council Directed Alternatives" that follows.

Last, two essential requirements that are addressed in the MM&O franchise contract and in the Oakland Municipal Code are the exclusivity of the franchise and the requirement that residents and businesses obtain collection service that is sufficient for the waste they generate. The MM&O franchise contract acknowledges that the City and the contractor are obligated to defend the exclusivity of the franchise against encroachment by illegal haulers. It is believed that many such haulers are responsible for a significant portion of the illegal dumping activity in Oakland. In addition, a significant portion of illegal dumping can be ascribed to the failure of some businesses and residents to subscribe to adequate service.

Economic Benefits

The City Council set specific policy direction for economic benefits provisions to be included in each of the new franchise contracts. This section provides additional information on competitive wages and benefits, local hire provisions, and the requirement of the new contractors to provide

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employment preference to the current employees of the incumbent solid waste franchise and residential recycling contractor.

Local Hire

The awarded firm is required to hire City of Oakland residents for at least 50% of all new hires. The 50% local hire requirement will be applied to all employees of the proposer, who are associated with the contract for collection and processing, except management. These long-term contracts will have some variability in employment opportunity over time, and the process identified in the contracts ensures compliance over the term of the contracts.

Current Contracts

Overall, WMAC has a total of 832 full-time equivalent (FTE) working at its facilities in Alameda County. Of the 832 FTE, 175 are Oakland residents, or 21%, as shown in Table 3. Currently, WMAC has the equivalent of 273 FTE allocated to work on the Oakland contract. WMAC reports that the average tenure of its employees is seven and a half years for drivers and five and half years for sorters. WMAC reports that in any given year it participates in jobs fairs throughout the county and goes to the union hall for new employees. Under Option 1, it is expected that WMAC will add 70-80 new jobs and as mixed material sorting efforts ramp up.

Table 3: Oakland Residents Employed by WMAC

Facility	# WMAC Employees	# of Oakland residents	Oakland % of Total
98 th Ave.	461	56	12%
Davis Street Transfer	315	115	37%
Altamont Landfill	56	4	7%
Total	832	175	21%

Currently, CWS has a total of 83 employees who work at its two Oakland facilities. Of the 83 employees, 57 are Oakland residents, or 69% of the total work force is composed of Oakland residents, as shown below in Table 4. Of the 83 employees, 58.5 FTE are attributed to the work on the Oakland contract. CWS reports that the average tenure of its employees is 10 years. It also reports that in any given year it may go to the union hall for new employees anywhere from one to four times.

Table 4: Oakland Residents Employed by CWS

Facility	# CWS Employees	# of Oakland residents	Oakland % of Total
10 th Street	54	29	54%
Wood Street	29	28	97%
Total	83	57	69%

At the start of the franchise contract term, it is expected under either option that the selected Residential Recycling contractor will retain a number of qualified workers from the former incumbent contractor.

Compliance of New Franchise Contracts with 50% Local Hire

A two-step process for compliance with the 50% local hire requirement is necessary for these long-term contracts to allow the contractor to correct any short-term failure to meet the goal, and to provide a remedy should the contractor persistently fail to abide by the contract requirement.

The reporting section of the franchise agreement requires the contractor to submit monthly reports on hiring, including total number of positions and total number of vacancies. The contractor will be required to submit an annual report identifying the number of positions that came open during the reporting period, and the number of Oakland residents hired, providing documentation of those employees that includes their address, classification, basic rate of pay, and hire date. The percentage of Oakland residents should be equal to or greater than 50% of the total newly hired staff for the year. If the annual percentage does not meet the standard, then the contractor is required to work with the City's Office of Contract Compliance to develop a plan for corrective action in the following year. The annual hiring reports will allow for oversight on compliance with the 50% local hire requirement, correcting any deficiencies from one year to the following year.

Additionally, there will be an assessment of the contractor's compliance with the 50% local hire provision in year seven of the agreement. The City may at its discretion not grant an extension as a penalty for failing to comply with the 50% local hire requirement and failure to correct compliance.

Worker Retention

The MM&O and RR contractors are required to provide employment preference to the current employees of the incumbent solid waste franchisee and residential recycling contractor. For clarification, the use of the term "preference" instead of "retention" means that the contractor or contractors awarded the Zero Waste Services contracts must *offer* open positions to the current employees of the incumbent companies that do not receive contract awards, and it is up to the employee whether to accept the position offered. Using

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employment preference allows the employee to choose whether to take a position with the new company, stay with the old company, or sever employment.

In these types of contracts, for garbage and recycling services, the job classifications that typically are identified for retention are drivers, sorters, mechanics and customer service representatives. In the case of customer service representatives, only local positions would be subject to preference. There is a 90-day provision for workers who are offered employment, to be dismissed only for cause, otherwise after 90-days the employee is a permanent employee of the company.

Under Option 1, the Residential Recycling displaced employees of CWS would be offered employment preference by WMAC according to the terms described in the franchise contract. Under Option 2, the Residential Recycling displaced employees of WMAC would be offered employment preference by CWS.

City Council Directed Alternatives

The City Council requested a number of alternatives to consider during the award of the three franchise contracts. Following is a list of the alternatives and thereafter a description. The following section Pricing and Rates provides the rates of the alternatives.

- Special Assessment for Delinquent Accounts
- Call Center
- Multi-Family Household Green Cart Service Options
- Additional Bulky Pickup Options
- EBMUD Organics Processing
- Local 6 Wages and Benefits

MM&O Special Assessment for Delinquent Accounts

The City Council provided policy direction that required proposals for the MM&O franchise contract to include two cost options for addressing delinquent bill payment (bad debt) by single-family and multi-family customers: a “no lien” process, in which the MM&O franchise contractor absorbs the bad debt, and an “alternate lien” process that recovers bad debt through a special assessment.

The Oakland Municipal Code requires owners of properties where solid waste is generated to subscribe to not less than weekly garbage collection from the City’s contractor. In addition, it lays out a lien process that ensures the contractor is paid for service, regardless of residential customer bill payment, so that the contractor will continue garbage collection, an essential service to protect the public health and safety. The current process allows the contractor to forward to the City after the close of a billing period, any uncollected amount due from residential customers, while continuing to provide garbage collection service. The City pays the contractor the delinquent amount, then liens the property to collect the unpaid bill and allowable administrative costs.

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Under the recommended special assessment process included in the MM&O franchise contract issued with the RFP, should a residential customer fail to pay their garbage bill, the City would subscribe to service on that customer's behalf to abate the nuisance, and the contractor would continue to provide garbage collection service. The City would then place a special assessment (not a lien) on the property. However, unlike the current system, the contractor would be responsible for collecting the first delinquent bill (the special assessment would apply to the following billing period), and the contractor would not receive payment until the City receives the special assessment proceeds from the County Assessor's Office.

Under the no lien process alternative, the MM&O contractor absorbs the full cost of residential delinquent bill payment "bad debt," while continuing to provide garbage collection service. As addressed in the Pricing and Rates section, this would raise rates and is not recommended.

Call Center

The City Council set policy direction to require proposers for the MM&O contract to identify that the customer service call center be located in Alameda County. The proposers could provide an alternative for a call center outside of the county. WMAC's proposal under Option 1 provides for a call center outside of Alameda County. WMAC's current call center is located in Washington. Under Option 2, the proposed WMAC call center in Alameda County would have a rate impact.

Multi-Family Buildings Green Cart Service Options

The RFP, as published, required proposers to provide rates for source-separated organic material collection service (green carts) at multi-family households (MF) for two alternatives. The first alternative rate (RFP Default) would embed the cost of elective green cart service in the monthly rate for mixed material collection service. The second alternative rate (RFP Alternative – "Opt In") would show the cost of elective green cart service separate from the costs of mixed materials collection. This was intended to provide a transparent comparison of these costs to provide elective green cart service, whether paid by all eligible customers or by subscribers only. In June 2013, upon authorizing staff to negotiate with the top proposers, City Council requested that a rate for a third alternative (City Council Alternative No. 1 – "Opt Out") be required. In March 2014, City Council requested that a rate for a fourth alternative (City Council Alternative No. 2 – "No-Opt") be required. Table 5 summarizes all four alternatives.

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Table 5: Multi-Family Buildings Green Cart Alternatives

A	Default service as required in RFP	Green cart provided upon customer request	Cost embedded in MF rates
B	Alternative as required in RFP "Opt-In"	Green cart provided upon customer request	Cost not embedded in MF rates; subscription rates provided
C	Council-requested alternative No. 1 "Opt-Out"	Green cart provided unless customer opts out	Cost embedded in MF rates
D	Council-requested alternative No. 2 "No-Opt Out"	Green cart to all customers	Cost embedded in MFD rates

City Council Requested Multi-Family Bulky Options

In addition to the MF bulky pick up services described in the earlier section on illegal dumping, and included in the original contract, City Council requested that the proposers provide costing, to be included in the monthly rate, for an option that would allow bulky pick up appointments to be ordered by individual households. WMAC has provided pricing for three options responsive to this request, and an additional alternative service for MF residents:

- (1) tenants in individual units in buildings with 5 or more dwelling units may schedule one annual bulky pickup appointment per dwelling unit;
- (2) tenants in individual units in buildings with 5 to 30 units may schedule one annual bulky pickup appointment per dwelling, and buildings with more than 30 dwelling units may order one roll-off box per year through the property manager; and
- (3) tenants in individual units in buildings with 5 or more dwelling units may request a coupon to dispose at the Davis Street Transfer Station, up to 44,000 coupons per year (approximately 75% of the MF households).

Pricing for these options is provided in Table 10 in the Pricing and Rates section.

EBMUD Processing of Commercial Organic Material

In addition to the organic diversion services requested through the RFP process, upon approving concurrent negotiations, the City Council requested the proposers to meet with EBMUD and seek to develop a business relationship to allow EBMUD to process MM&O franchise contract organic materials at the EBMUD facility. WMAC has confirmed that it has a business relationship and term sheet from EBMUD to process organic materials; CWS is not discussed in this section because any it is not proposed that CWS be awarded the MM&O franchise contract.

EBMUD would accept commercial organic material collected by Oakland's MM&O contractor, to feed anaerobic digesters (AD) at its wastewater treatment plant on Wake Avenue in Oakland. Material delivered to EBMUD would require preprocessing by a third party operating a facility

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co-located on EBMUD's property. Preprocessing would convert delivered commercial organic material into a slurry suitable for use in EBMUD's anaerobic digesters. The digesters would produce biogas that would be converted to electricity via internal combustion generators located on site, and would supply the energy for use in the wastewater treatment facility. The remaining digestate (solids) would be land-applied as a soil amendment on non-food agricultural lands. However, StopWaste has yet to determine if EBMUD's proposal for land-application of digestate would conform to the Alameda County Mandatory Recycling ordinance.

The EBMUD option may nominally benefit their wastewater customers by reducing the cost of energy for the wastewater operations. In addition, the EBMUD option may provide the City with revenues from renewable energy credits should EBMUD share those credits with the City. However, these benefits accrue at the expense of Oakland's businesses, as the EBMUD option would increase the cost of service compared to the base rate proposal in Option 1 and Option 2. The EBMUD proposal would nominally affect truck miles driven in Oakland and outside Oakland. See Table 6 for a summary comparison.

Processing Oakland's commercial organic material at WMAC's high solids anaerobic digestion (HSAD) facility at Altamont represents a unique opportunity to utilize the material collected at Oakland businesses to produce vehicle fuel and compost, all within Alameda County. The cost for this processing is included in WMAC's proposed rates for Oakland's businesses.

Table 6: Processing of Commercial Organic Material

WMAC – HSAD at Altamont	EBMUD – AD at Wake Ave.
Nominally fewer truck miles driven in Oakland	Nominally more truck miles driven in Oakland
Nominally more truck miles driven outside Oakland	Nominally fewer truck miles driven outside Oakland
Produces vehicle fuel for Oakland collection vehicles	Produces electricity for waste water treatment plant
Produces compost from aerobic composting of digestate	Produces soil amendment for land-application from digestate
No additional City revenues	Potential for City to share EBMUD renewable energy credits
No additional cost to Oakland businesses	Additional cost for collection services to Oakland businesses

Competitive Wages and Benefits for Recycling Sorters

On June 12, 2012 the City Council adopted language requiring the new franchise agreements to require contractors to pay competitive wages and benefits, defined as wages and benefits equivalent to or better than collectively bargained contracts in use in Alameda, Contra Costa, San Francisco, Santa Clara and San Mateo counties. This definition provided the flexibility to allow for the workers on the proposers' contracts to have the right to be represented by labor unions of their choice and to collectively bargain labor contracts. It also allowed the companies to propose

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using their existing collectively bargained wages and benefits agreements with the labor union locals that represent their employees. These negotiated franchise agreements provide for competitive and equitable worker wages and benefits.

Representatives and members of ILWU Local 6, which represents the recycling sorters employed by CWS and WMAC, have testified at the Public Works Committee and the City Council that the recycling sorters are inadequately compensated compared to other types of workers in the industry, for work that is hard, dirty, and dangerous. Local 6 currently has open contracts with WMAC and CWS.

On March 18, 2014, the City Council adopted legislation that requires that all workers who provide recycling services to the City of Oakland its residents and businesses, pursuant to any new City exclusive franchise agreement or renewal/extension of any existing exclusive City franchise agreement, be provided wages comparable to those wages that recycling workers in Fremont, San Jose and San Francisco currently earn or are scheduled to earn under existing agreements, while maintaining wage differentials. Additionally, the legislation directed that recycling services franchisees and recycling services franchisees renewing and/or extending their contracts be required to provide quality, affordable family health coverage to all employees.

This language excluded cities in Alameda County served by WMAC as a comparable. It also removed collectively bargained contracts as a comparable, changing the language from what the Council had adopted on June 12, 2012 and what was used in the RFP on which proposers based their rate proposals.

The ILWU Local 6 contracts with WMAC and CWS provide differing wages and benefits to the recycling sorters. The Local 6 contract with WMAC provides starting wages for recycling workers at \$12.50 per hour, while its contract with CWS provides starting wages at \$11.97 per hour. The health benefits are also different for each of these contracts; the Local 6 contract with WMAC includes family health benefits while its contract with CWS provides health benefits solely for the employee.

Both firms were provided the March 18, 2014 Council Resolution and asked to provide the cost to meet the requirement of the resolution for recycling sorter wages and benefits. WMAC provided a figure of an additional 22 cents per 32-gallon can per month for MM&O and RR, for an average total of \$2.64 in the first year per residential customer. This figure includes all work performed by the approximately 170 recycling sorters, while the Oakland work represents only 35% of the total work performed and would apply to Option 1. For Option 2, WMAC provided a figure of an additional 17 cents for MM&O, and CWS provided a figure of an additional 44 cents for RR totaling 61 cents per 32-gallon can per month for MM&O and RR, for an average total of \$7.32 in the first year per residential customer.

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Pricing and Rates

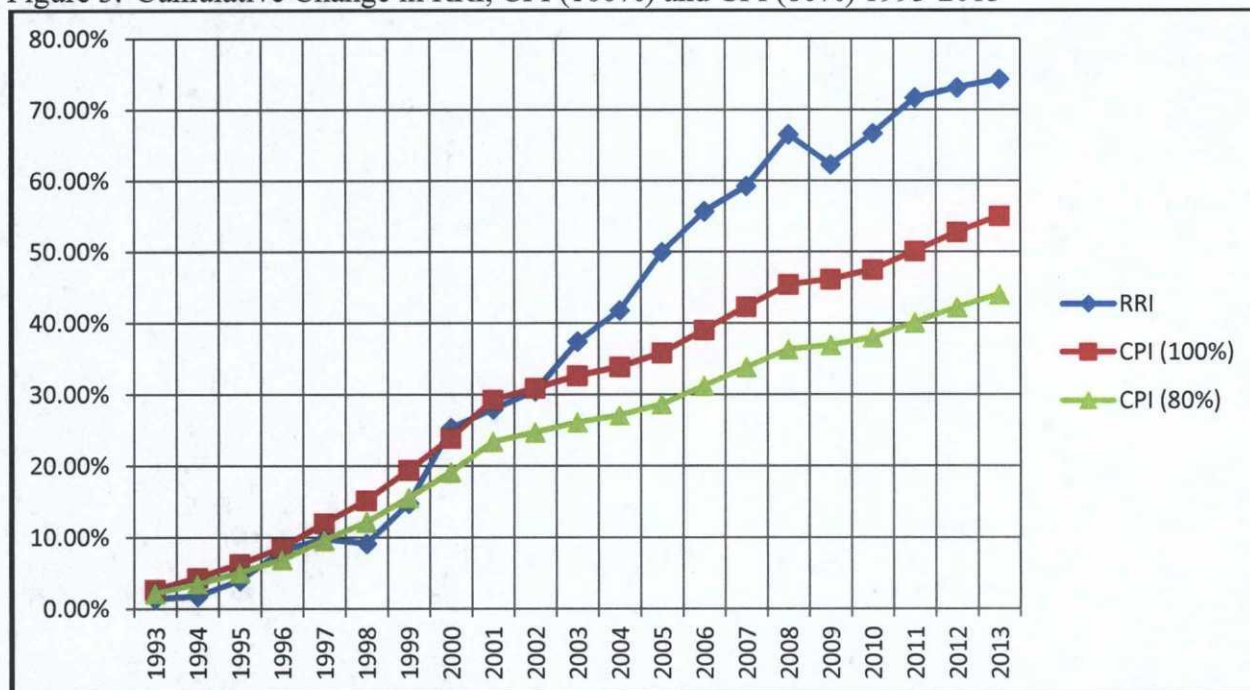
The pricing offered in the fully responsive original proposals submitted to the City would represent about a 75% increase in rates for the typical Oakland residential customer (32-gallon garbage container). This is significantly more than the rate increase range provided to Council by information memo January 12, 2012, which described a 25-45% range of rate increase for local jurisdictions entering new or extended agreements for solid waste and recycling services.

The largest single factor contributing to the proposed rate increase is that since 1995, Oakland garbage rates have been adjusted by 80% of the change in the annual Consumer Price Index (CPI). Though CPI has historically been a common contract escalator, it does not reflect the true costs experienced in the solid waste industry, where the price of fuel and the requirements of collective bargaining agreements are heavily weighted. Over the course of 20 years, Oakland's annual rate increases have not kept pace with service providers expenses. Excluding any changes to current programs and services, a rate "reset" alone may account for an increase of as much as 30% over current rates.

As directed by the City Council, the RFP included annual adjustment of customer rates using a Refuse Rate Index (RRI). RRI is based on multiple published indices that are suited to solid waste industry standards and tie directly to major cost categories of solid waste collection service providers: solid waste disposal, materials processing, labor, fuel, and maintenance, repair and replacement of vehicles and equipment. The RRI component indices are published by agencies that include the federal Bureau of Labor Statistics and the California Energy Commission. Use of the RRI as a price escalator allows service providers to reduce their base pricing because their future financial risk is lower, which is particularly important with longer-term contracts like the two collection contracts included in the RFP.

Figure 3 shows the cumulative percent change over the past 20-years for three methods for adjusting rates; the current method 80% of CPI; 100% of CPI; and using the Refuse Rate Index the method adopted by Council for the new MM&O and RR franchise contracts.

Figure 3. Cumulative Change in RRI, CPI (100%) and CPI (80%) 1993-2013



Source: Bureau of Labor Statistics (BLS) website; CPI - Series ID: cuura422sa0 Consumer Price Index, All Urban Consumers, All Items - Bay Area. RRI consists of 5 indices: Labor Series ID: ceu6056210008 Service Producing Industries; Diesel Fuel Series ID: wpu057303 #2 Diesel Fuel; Vehicle Replacement Series ID: pcu336211336211 Truck, bus, car, and other vehicle bodies, for sale separately; Vehicle Maintenance Series ID: pcu3339243339243 Parts and attachments for industrial work trucks; All Other Series ID: cuura422sa0 Consumer Price Index, All Urban Consumers, All Items - Bay Area.

Compared to CPI, RRI provides a more fair and equitable rate adjustment method that sustains the financial viability of this critical public service, which reduces rate volatility in the long-term. RRI is in widespread and increasing use by jurisdictions in California and throughout the country, while CPI has become an unacceptable contract escalator to service providers in the solid waste and recycling industry.

City concessions during negotiations with WMAC allow for change in labor costs contained in WMAC's collective bargaining agreements with their represented employees to be included in the rate adjustment process. The result is lower initial customer rates, with a projected small effect on future rate adjustments, and a contribution to labor peace over the term of the contract.

Other factors contributing to the proposed pricing are related to capital needs (carts, trucks, facilities), expansion of services (e.g., commercial and multi-family organics), and additional effort to achieve waste diversion goals.

Discussion of Rates for Option 1 & Option 2

Option 1 - This option awards all three franchise contracts to WMAC. Option 1 comprises discounts for award of multiple contracts, negotiated adjustments to the Refuse Rate Index, use

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of existing carts with a higher first year replacement rate, and the special assessment process for residential bad debt, packaged as a best and final offer.

Option 2 – This option awards the Residential Recycling franchise contract to CWS, and the Mixed Material and Organics and Disposal franchise contracts to WMAC. It includes a multi-contract discount from WMAC, use of existing carts with a higher first year replacement rate, use of existing trucks as reserves from CWS, and the Refuse Rate Index as submitted in the WMAC proposal.

Neither proposer offered a discount for changing the franchise contract term to 20 years, although CWS offered a one-time payment of one million dollars for a 20-year Residential Recycling franchise contract, and one and a half million dollars for a 30-year Residential Recycling franchise contract.

Total Rate Impacts

The pricing offered in the original proposals from WMAC represented total annual rate revenue of \$135 million, an overall increase of 64% from current levels. Total annual rate revenue negotiated for Option 1 is estimated to be \$110 million, representing an overall increase of 32% from current levels, cutting the rate impact in half compared to the original proposal.

Single-Family, Multi-Family, and Commercial Service Rate Impacts

Table 7 below shows examples of existing and proposed Mixed Materials (garbage) collection rates, and rate impacts, for a typical single-family customer (SF), multi-family customer (MF), and commercial customer.

- For SF customers, the cost for weekly recycling and organics collection is embedded in rates, shown in this table for 32-gallon weekly Mixed Materials collection.
- For MF customers, the rates for Mixed Materials collection under the new contract will be based on the level of weekly service (e.g., one cubic yard) with a minimum service requirement of 20 gallons of garbage per household, with the cost of weekly recycling collection embedded in the rate.. Current MF rates are based on number of households, with a minimum service requirement of 32 gallons of garbage per household, and overage charges for service above the minimum.

Under the new MF rate structure, customers will have greater flexibility to scale service levels to meet their needs, and to minimize total costs by optimizing recycling and composting services. There are four cost and service alternatives for provision of source-separated organics collection to MF households; in the example in Table 7, the cost of organics collection is embedded in the rate shown, per the RFP default option.

- For commercial customers collection of organics and recyclables is a separate fee-for service activity, and the rate shown for weekly collection of a one cubic yard container applies to Mixed Materials only.

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Table 7: Customer Monthly Rates and Rate Impacts (Base Rate Without Alternatives)

Service	Current Monthly Rate FY 2013/14	Option 1		Option 2 CWS: RR	
		WMAC: RR/MM&O/ Disposal		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%

*MF rate shown is for Multi Family Buildings Green Cart Service Alternative A (RFP Default)

As shown in Table 7, the rate impact for SF customers is greater than for MF and Commercial customers. For a variety of reasons, SF rates are the most affected by a rate “reset” that reflects the true cost of service. The most significant reason is that the SF sector, compared to MF and Commercial sectors where routes serve a greater density of large-volume customers, making it the most fuel and labor-intensive customer sector per ton collected.

Table 8 and Table 9 show the SF and MF rates presented in Table 7, broken down into their MM&O and RR components. These are fully discounted rates that represent the lowest possible rates under Option 1 and Option 2. The discounts include the negotiated discounts detailed in the Term Sheets (Attachments A and B), and the Multi Service Discounts.

Table 8: Single-Family 32-Gallon Cart Monthly Rate – Breakdown MM&O and RR

Service Alternative	Option 1 WMAC All Three Contracts RR/MM&O/ Disposal	Option 2 CWS: RR WMAC: MM&O/Disposal
MM&O Fully Discounted	\$ 36.21	\$ 38.01
RR Fully Discounted	WMAC RR: \$ 7.72	CWS RR: \$ 10.71
Total Fully Discounted Rate	\$ 43.93	\$ 48.72

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Table 9: Multi-Family* (20-unit bldg.) Fully Discounted Monthly Rate – MMO and RR

Service Alternative	Option 1 WMAC All Three Contracts RR/MM&O/ Disposal	Option 2 CWS: RR WMAC: MM&O/Disposal
MM&O Fully Discounted	\$429.39	\$450.94
RR Fully Discounted	WMAC RR: \$154.50	CWS RR: \$214.22
Total Fully Discounted Rate	\$583.89	\$665.16

*MF rate shown is for Multi Family Buildings Green Cart Service Alternative A (RFP Default)

Multi-Family Buildings Green Cart Service Options

The RFP requested cost proposals for two multi-family (MF) green cart service alternatives, and in June 2013 and March 2014, the City Council requested two additional cost proposal alternatives for these services. All four alternatives include recovery of organic materials through post-collection mixed material processing.

The RFP required proposers to provide rates for source-separated organic material collection service (green carts) at MF buildings for two alternatives: “Default” (Service Alternative A in Table 10) with the cost of elective green cart service embedded in the monthly rate for mixed material collection service, and “Opt In” (Service Alternative B) with the cost of elective green cart service separate from the costs of mixed materials collection. In June 2013 the City Council added a third alternative “Opt Out” (Service Alternative C) and in March 2014 the City Council added a fourth alternative “No-Opt” (Service Alternative D), with the cost of green cart service embedded in the monthly rate for mixed material collection service for both added alternatives. The rates shown in Table 10 include recycling and green cart service except for “Opt In” (Service Option B), where green cart service is not included in Mixed Materials (garbage) rates but rather is a separate subscription service rate.

Service Option B (“Opt-In”) is the overall lowest cost MF mixed material (garbage) collection service option; green cart service for Service Option B is provided at an additional subscription cost. The “Default” (Service Option A) is the lowest cost option that includes the green cart service cost embedded in the monthly rate for mixed material collection service. Table 10 shows rates for the four alternatives provided in Option 1 and Option 2, for a 20-unit MF customer.

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Table 10: MF (20-unit bldg.) Green Cart Alternatives

	Green Cart Service Alternative	Mixed Material Processing	Green Cart Distribution Green Cart Cost	Option 1 WMAC All Three Contracts RR/MM&O/ Disposal Monthly Rate	Option 2 CWS: RR WMAC: MM&O/Disposal Monthly Rate
A	RFP Default	Yes	Green cart provided upon customer request. Cost embedded in rate for all customers.	\$583.89	\$665.15
B	RFP Alternative ("Opt-In")	Yes	Green cart provided upon customer request. Base rate for Mixed Materials only. Total for non-subscribers.	\$ 550.52	\$629.68
			Additional green cart subscription cost	\$77.16	\$82.01
			Total for subscribers	\$627.68	\$711.69
C	Council-requested Alternative No. 1 ("Opt-Out")	Yes	Green cart provided unless customer opts out. Cost embedded in rate for all customers.	\$641.30	\$722.55
D	Council-requested Alternative No. 2 ("No-Opt-Out")	Yes	Green cart provided to all customers, no opt-out. Cost embedded in rate for all customers.	\$644.10	\$725.35

Table 11 shows the monthly cost difference between the RFP Default option (MF Green Cart Service Option A) and the other MF green cart service options, for a 20-unit MF building.

Table 11: MF (20-unit bldg.) Green Cart Alternatives – Cost Compared to RFP Default Option

Green Cart Service Alternative		Option 1 WMAC All Three Contracts MM&O/RR/Disposal	Option 2 CWS RR, WMAC MM&O /Disposal
A	RFP Default	\$ 0.00 0.00%	\$ 0.00 0.00%
B	Mixed Materials only	(\$33.37) (6.06%)	(\$35.48) (5.64%)
	RFP Alternative ("Opt-In") Green cart subscription cost	\$77.16	\$82.01
	Total for subscribers	\$43.79 + 6.98%	\$46.54 + 6.54%
C	Council-requested Alternative No. 1 ("Opt-Out")	\$57.41 + 8.95%	\$57.40 + 7.94%
D	Council-requested Alternative No. 2 ("No-Opt-Out")	\$60.21 + 9.35%	\$60.20 + 8.30%

City Council Options and Alternatives

Table 12, Table 13, and Table 14 show the additive rate impacts of the City Council directed alternatives which are discussed in the section of this report titled "City Council Directed Alternatives." All three tables include rate impacts of:

1. Locating the contractor's customer service call center located in Alameda County, which was solicited as an option in the RFP.
2. Having the MM&O contractor absorb the full cost of residential delinquent bill payment "bad debt," while continuing to provide garbage collection service.
3. Requiring that franchise contractor provide recycling workers wages and benefits comparable to recycling workers in Fremont, San Jose and San Francisco, and quality, affordable family health coverage.

In addition, Table 13 shows the additive rate impacts for additional MF bulky services designed to enhance tenant access. Last, Table 14A shows the additive impact to Commercial Organics rates for delivery of source-separated commercial organics to EBMUD's local bio-waste-to-

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energy facility for processing. Electing this option would result in Commercial Organics rates that are higher than Mixed Materials rates.

Table 12: Single-Family City Council Directed Alternatives

Alternative	Monthly Rate Impact
MM&O local call center	+ \$ 0.47
“No Lien” Process – Contractor absorbs delinquent bill bad debt	+ \$ 2.21
Recycling Workers Wage & Benefits – Option 1	+ \$ 0.22
Recycling Workers Wage & Benefits – Option 2	+ \$ 0.17 WMAC + \$ 0.44 CWS + \$ 0.61 Total

Table 13. Multi-Family* (20-unit bldg.) City Council Directed Alternatives

Alternative	Monthly Rate Impact
MM&O local call center	+ \$5.62
“No Lien” Process - Contractor absorbs delinquent bill bad dept	+ \$26.19
Recycling Workers Wage & Benefits – Option 1	+ \$ 2.88
Recycling Workers Wage & Benefits – Option 2	+ \$ 2.03 WMAC + \$ 8.80 CWS + \$10.83 Total
Tenant Bulky Access Option #1: Each household schedules independently	+ \$132.80
Tenant Bulky Access Option #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
Tenant Bulky Access Option #3: Coupons available for each household to dispose at Davis Street Transfer Station. Available for first 44,000 requests (of 58,000 total MF units Citywide).	+ \$ 41.80

*Rate impact shown is for MF Green Cart Service Alternative A (RFP Default)

Table 14: Commercial ** (1-cu. yd./wk.) City Council Directed Alternatives

Alternative	Monthly Rate Impact
MM&O local call center	+ \$ 2.19
“No Lien” Process - Contractor absorbs delinquent bill bad dept	+ \$ 10.21
Recycling Workers Wage & Benefits	+ \$ 0.76 WMAC

**Rate impact shown is for Commercial Mixed Materials service only. For commercial customers collection of organics and recyclables is a separate fee-for service activity.

Table 14A: Commercial Organics *** (1-cu. yd./wk.) City Council Directed Alternatives

Alternative	Monthly Rate Impact
Source-Separated Organics at Local Bio-waste-to-Energy Facility	+ \$23.48

***Rate impact shown is for Commercial Organics service only. For commercial customers collection of organics and recyclables is a separate fee-for service activity.

PUBLIC OUTREACH/INTEREST

This item did not require any additional public outreach other than the required posting on the City’s website.

COORDINATION

Public Works Department staff has coordinated closely with the Office of the City Attorney, the Division of Contract Compliance, the Risk Management Division, and the Revenue Division for this report and the development of the Franchise Contracts.

COST SUMMARY/IMPLICATIONS

The Franchise Fees will be adjusted per the franchise contracts.

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SUSTAINABLE OPPORTUNITIES

Economic: Expanding and actively supporting use of discarded materials drives local economic and workforce development with 'green collar' jobs and value added production.

Environmental: Waste reduction and recycling conserves natural resources, reduces air and water pollution, protects habitat, and reduces greenhouse gas (GHG) emissions.

Social Equity: The rates negotiated are the best value for the rate payer.

For questions regarding this report, please contact Susan Kattchee, Acting Assistant Director, 510-238-6382.

Respectfully submitted,



BROOKE A. LEVIN
Interim Director, Public Works Agency

Reviewed by:
Susan Kattchee, Acting Assistant Director

Prepared by:
Becky Dowdakin, Acting Environmental Svcs. Manager

Attachments:

- Attachment A – ***Option 1 Term Sheet***
- Attachment B – ***Option 2 Term Sheet***
- Attachment C – ***Summary of Council Policies***
- Attachment D – ***WMAC's Community Outreach Strategy***

Item: _____
City Council
May 29, 2014

Option 1
Recommended
City Negotiated Terms
With Waste Management of Alameda County

Description of Contract Requirement	Negotiated Term
<p><u>RFP Requirements</u> The RFP required two pricing options for</p> <ul style="list-style-type: none"> • The Call Center that is associated with the MM&O contract for customer service. Pricing was for a Call Center in-county and out-of-county. • The management of bad debt. Pricing was for the use of the assessment process as defined in the contract, and no assessment process where the contractor would assume all risk. 	<p>Under the Best and Final Offer terms:</p> <ol style="list-style-type: none"> 1. The Call Center would be out-of-county. 2. The City would use the assessment process to address bad debt.
<p><u>Council Directed Alternatives</u> City Council requested alternatives after the RFP proposals were submitted. These options could be selected and added to the base rate submitted by the proposers and subsequently negotiated. These include:</p> <ul style="list-style-type: none"> - 2 additional options for multi-family organics collection - Alternatives for additional multi-family bulky materials collection above the service specified in the RFP - Organic materials directed to EBMUD facility - Local 6 wage and health benefit pass through 	<p>Under the Best and Final Offer terms: the City Council Requested Alternatives could be selected and added to the base rate.</p>
<p><u>Term of Contract</u> Contract term is for 10 years with extension for two 5-year terms at City's sole discretion. Negotiated language recognizes unknown future conditions may affect expected profitability of the company, and allows City to offer extension in year seven and company to accept or reject. If company rejects offer – one year is added to the term, allowing City four years to replace contractor.</p>	<ol style="list-style-type: none"> 1. First extension for 5 years shall be amended to provide notice to contractor allowing contractor to accept or reject extension. If rejected, one year would be automatically added to term. 2. Second extension for 5 years shall be amended to provide notice to contractor allowing contractor to accept or reject extension. If rejected, one year would be automatically added to term.
<p><u>Service Standards</u> Carts - Contract required all new carts to allow for fair cost comparisons between proposals. Since</p>	<ol style="list-style-type: none"> 1. In year one of contract, 20% of each cart type shall be replaced with new. Following years of contract replacement shall be up to 3%.

Description of Contract Requirement	Negotiated Term
<p>company is an incumbent and has existing carts in community, discount was provided and existing carts will be used.</p> <p>Contamination of Materials Collected - Contract requires company to provide public education to assist with customers' proper preparation of materials placed in their recycling and organics (green) carts. Contract also requires company to implement a tag-it-or-take-it program, whereby if a cart is "contaminated by improper materials" company can notice customer to correct and leave the cart behind.</p>	<p>2. To further address potential high levels of contamination in the recycling and organics carts, City and company will meet to discuss and, if necessary, City can direct company to remove organics or recycling containers to abate a nuisance.</p>
<p><u>Charges and Rates</u> Contract language required bi-monthly billing. City Revenue Department, which manages the Special Assessment, and WMAC both requested to use quarterly billing.</p> <p>The Refuse Rate Index (RRI) replaces CPI for annual calculation for rate adjustment in the new contracts. Components of the RRI were negotiated to achieve a lower rate for the customers. Most significantly, rather than using an index for labor, the negotiated RRI ties the labor component to WMAC collective bargaining agreements (CBA).</p>	<ol style="list-style-type: none"> 1. Billing cycle shall be quarterly. 2. Changes to Refuse Rate Index <ol style="list-style-type: none"> a. The annual RRI ceiling will be 6% and anything less than 8% will carry forward to next year b. Floor will be -5% c. Franchise and Government Fees will be included in weighted average and not subject to any cap or carry-forward. d. Any rate increase in Local 70 Labor Cost Category that is greater than what would be allowed under current Local 70 CBA will be included equally over three years. Differential increase will be exempt from annual cap and carry-forward. 3. Diversion requirement adjustment impact will be limited to one year. 4. In any year when Contractor gross revenues decrease from the prior year, substantiated by billing audit funded by Contractor the City will not increase the Franchise Fee component of RRI. 5. First franchise fee payment will be due August 15, 2015. Following payments will be due on 20th of the month.
<p><u>Quality of Performance of Contractor</u> The contract specifies 51 liquidated damages to ensure standards of service are met. Negotiated language either clarified the standard, quantity or time period for correction.</p>	<ol style="list-style-type: none"> 1. Liquidated damages as negotiated. 2. Prior to assessing <u>certain</u> liquidated damages City will give WMAC notice and offer to discuss correcting performance.
<p><u>Insurance</u></p>	<ol style="list-style-type: none"> 1. Exceptions to language reviewed and accepted by Risk Management.

Description of Contract Requirement	Negotiated Term
<p><u>Indemnification</u> Contract language requires company to indemnify City across a broad group of items. Indemnification does not extend to maximum service rates. During a pendency of service rate challenge, the City will bear its losses and the company theirs. The company is required to provide service. Contract provides that if service rates are impacted due to court action, contractor and City will meet and confer over requirement to pay Franchise Fees until determination.</p>	<ol style="list-style-type: none"> 1. If Contractor demonstrates actual losses due to service rate lawsuit, City will take immediate action to attempt to recover proven losses for the services rendered. This could include: modifications to program requirement; adjustment to maximum service rates. 2. Should Contractor not be able to recover their losses in 2 years following a trial court determination affecting its ability to obtain rates set forth in agreement, it could provide 12-month notice to cancel the contract. 3. Should the City find it necessary to procure services, it shall procure services from Contractor at commercially reasonable rates.
<p><u>Defense of Contractor's Rights</u> The franchise contract is exclusive for the collection and disposal of garbage and organic materials. Negotiated language includes City to ensure the exclusive right to these materials are conveyed in the O.M.C., and conveys other certain rights to company to assist City with removal of illegal hauling companies apparatus.</p>	<ol style="list-style-type: none"> 1. City shall set forth, through municipal regulation, Contractor's rights under franchise, to include impounding violator's equipment, and allowing fees to address such actions.
<p><u>Obligation to Provide Service</u> Contract requires company to provide service regardless of any conditions that are not considered <i>Force Majeure</i>, such as natural disasters. The RFP language does not specify specifically that labor disruption qualify as <i>Force Majeure</i>. Negotiated language recognizes circumstances where services may be affected, without being a default on part of company.</p>	<ol style="list-style-type: none"> 1. Force Majeure – does include certain labor disruption labor strike or stoppage initiated by Contractor's Union employees for designated period of time in certain conditions, and certain sympathy strikes unrelated to this contract. 2. Contractor to provide a labor plan for restoring services in the event of a strike prior to start of new services. A short term suspension of liquidated damages will be provided for a labor strike as defined in Force Majeure. 3. During any pendency of labor action, City and Contractor agree to immediately meet and confer to negotiate any modifications to Contractor's obligation to ensure basic collection services.
<p><u>Default of Contract</u> The contract requires company to meet its annual diversion requirements. Failure to meet annual diversion requirement can result in a liquidated damage being assessed. Negotiated language specific percentage for trigger for liquidated damage assessment and the amount.</p>	<ol style="list-style-type: none"> 1. Failure to meet Exhibit 8 annual diversion requirement by more than 5%, City may put Contractor on corrective action plan to achieve compliance. Failure to meet corrective action plan may result in liquidated damages not to exceed \$150 per day. 2. <i>Repetitive Compliance Issues</i> will replace the

Description of Contract Requirement	Negotiated Term
	<p>term <i>Habitual Violator</i>. Under the circumstances of repetitive material compliance issues, City and contractor will meet and confer; contractor will implement a remedial action plan with a compliance date. Only after failure during this process lead to default.</p>
<p><u>Contract Modifications and Changes in Law</u> The contract language required company to meet annual diversion requirement regardless of potential changes in market. Negotiated language recognizes that there may be significant changes in the world economy or legislative impacts that warrant reviewing changes to the diversion goals.</p>	<ol style="list-style-type: none"> 1. Should there be a change in the Mixed Materials and/or Organic Materials quantity, composition, or quality that affects the Contractor's ability to meet the Diversion Requirements, City will negotiate with Contractor, an appropriate modification to the annual Diversion requirement. 2. Should there be a change in the recycling commodities markets that affects the Contractor's ability to meet the Diversion requirements, City will negotiate with Contractor a reasonable modification to the annual Diversion requirement. 3. Should Contractor dispose of material in a landfill, no additional cost will be borne by City rate payers. Should disposal of the material be in conflict with applicable laws, City and contractor shall meet and confer. Should WMAC provide demonstrated additional costs, City shall take action to address.
<p><u>Disposal Contract Franchise Fee</u> The disposal contract requires a \$360,000 franchise fee. WMAC asked to remove the fee because it caused volatility to the disposal portion of the rate in the outer years of the contract due to declining tons.</p>	<p>The franchise fee for the Disposal franchise contract will be removed as a requirement.</p>

Option 2
City Negotiated Terms
With California Waste Solutions and
With Waste Management of Alameda County

Description of Contract Requirement	Option B - Negotiated Term CWS to provide Residential Recycling WMAC to provide Mixed Material & Organics & disposal
<p><u>Service Standards</u> Contract required all new carts to allow for fair cost comparisons between proposals. Since both companies are incumbents and have existing carts in the community, discount was provided and existing carts will be used.</p> <p>Contract required all new trucks to allow for fair cost comparisons between proposals. CWS provided a discount for use of existing trucks as spare in the fleet.</p> <p>RFP allowed proposers to provide a Call Center out of county with pricing.</p>	<p>CWS – Contract would allow for cart replacement of up to 10% per year for 10 years. WMAC - In year one of contract, 20% of each cart type shall be replaced with new. Following years of contract replacement shall be as needed, up to 3%.</p> <p>CWS – Contract will allow use of existing trucks as spares in the fleet.</p> <p>WMAC – Lower pricing with Call Center out of county and higher pricing with Call Center in county.</p>
<p><u>Charges and Rates</u> Contract language required bi-monthly billing. City Revenue Department which manages the Special Assessment and WMAC both requested to use quarterly billing.</p> <p>The Refuse Rate Index (RRI) replaces CPI for annual calculation for rate adjustment in the new contracts. WMAC provided a discount for exceptions to the RRI, most notably the change in labor costs and ability of company to recover labor costs with a change in Local 70 labor agreement.</p>	<p>WMAC - Billing cycle shall be quarterly. WMAC - Changes to Refuse Rate Index</p> <ol style="list-style-type: none"> a. The annual RRI ceiling will be 7.5% b. Any year where adjustment is greater than 7.5% up to 10% will carry forward to following year c. Floor will be 0 d. Franchise and Government Fees will be included in weighted average and not subject to any cap or carry-forward. e. Any rate increase in Local 70 Labor Cost Category that allowed under current Local 70 CBA will be included.
<p><u>Insurance</u></p>	<p>WMAC - Exceptions to language reviewed and accepted by City Risk Management.</p>
<p><u>Other</u></p>	<p>CWS – offered a \$1 million incentive payment for a 20-year contract and \$1.5 million for a 30 year contract.</p>
<p><u>Disposal Contract Franchise Fee</u> The disposal contract requires a \$360,000 franchise fee. WMAC asked to remove the fee because it caused volatility to the disposal portion of the rate in the outer years of the contract due to declining tons.</p>	<p>The franchise fee for the Disposal franchise contract will be removed as a requirement.</p>

Zero Waste System Design and RFP Policy Decisions Summary

January – June 2012

	Policy Decision
1.	<p>Approved the Zero Waste System Design that shall include a single franchise for citywide garbage and organics (G&O) collection services which comprises:</p> <ol style="list-style-type: none"> a. Single family dwelling garbage and organics collection and processing without changes to the existing three-cart system b. Multifamily dwelling (MFD) garbage and organics collection and processing with: <ul style="list-style-type: none"> • a two-container system: one container for recyclables and the other container for all other discards (“mixed materials”), which will be processed at a material recovery facility (MRF) to recover organic materials for composting • three-container service options for collection of source-separated organics from MFDs c. Commercial recycling collection and processing will be required services in the G&O or Residential Recycling (RR) franchise contracts, provided on a non-exclusive basis. d. City services – same collection services as provided presently, with some add-ons, including illegal dumping pick-up services e. Recycling collection services for large public events f. Solid waste transfer and transport to the City’s selected landfill g. Bulky Pickup Service for MFD/Condominiums
2.	Approved the Zero Waste System Design that shall include a single franchise for citywide residential recycling (RR) collection and processing services.
3.	Approved the Zero Waste System Design that shall include landfill capacity procured separately from collection and processing services.
4.	Approved the Zero Waste System Design that shall include a permit system that “licenses” recyclers serving Oakland businesses.
5.	Approved the Zero Waste System Design that shall include a non-exclusive franchise system to regulate construction and demolition (C&D) debris hauling, including both solid waste and recycling.
6.	Approved the Zero Waste System Design that shall include G&O and RR franchise contracts that have 10-year terms plus two 5-year options, and Landfill Disposal franchise contract that has a 20-year term, plus two 5-year options.
7.	Approved the Zero Waste System Design that shall include specialty organics recycling (e.g., animal feed) as a not-exclusively-franchised, fee-for-service activity.
8.	Directed that respondents to the RFP shall be eligible to submit proposals for, and may be awarded, more than one contract. Proposals for each contract shall be evaluated separately, and the City shall accept alternative proposals for multiple contracts.
9.	Directed that the entire RFP process shall be managed by a Project Manager, and conducted by a designated Process Coordinator who shall facilitate the review and evaluation work of several teams composed of City staff, the City’s technical assistance consultant, and other experts in the field.
10.	Directed that the evaluation process shall identify a top-ranked proposal for each of the three

	Policy Decision
	contracts, which shall be published in a City Council report. Staff shall seek City Council authorization to enter into negotiations with the respondent submitting the top-ranked proposal or proposals for each contract in order to finalize contracts. Staff shall return to City Council with a recommendation once negotiations are completed.
11.	Directed that the RFP schedule for establishing new contracts shall be as described in the City Council report dated February 14, 2012.
12.	Directed that the Protocol for Process Integrity shall be as described in the City Council report dated February 14, 2012.
13.	Directed that the RFP process shall be overseen by an Executive Management Team, which shall include the Public Works Director and representatives from the City Administrator's Office, Finance and Management Agency, and Office of the City Attorney.
14.	Directed that the evaluation criteria and weighting for the proposals for the G&O Garbage and Organics franchise and RR franchise shall be as described in the City Council report dated March 27, 2012.
15.	Directed that evaluation criteria and weighting for the proposals for the Landfill Disposal franchise shall be as described in the City Council report dated March 27, 2012.
16.	Directed that Zero Waste System contracts shall provide for a solid waste industry-related index to calculate annual adjustments to customer rates.
17.	Directed that Zero Waste System contracts shall include a provision for withholding full annual adjustment of compensation to the G&O franchise and to the RR franchise if the annual diversion performance requirement is not met.
18.	Directed that Zero Waste System contracts shall include a provision for the denial of contract extension if the G&O or RR franchisee fails to meet the contract diversion performance standard in year seven of the contract.
19.	Directed that the disposal tipping fee shall include payment of Alameda County Measure D fees on franchised Oakland solid waste that may be disposed in a landfill outside of Alameda County.
20.	Directed that G&O RFP responses shall include two options for addressing the impact of the delinquent bill payments on proposed customer rates: the alternate lien process and no lien process, as described in the Public Works Committee Report dated April 24, 2012.
21.	Directed that new Zero Waste System contracts shall include provisions on City policies for Equal Benefits, Living Wage and Campaign Contributions, as they are included in the existing contracts.
22.	Directed that new Zero Waste System Contracts shall require contractors to remove on the initial job application the requirement to disclose felony history as long as it complies with governing laws.
23.	Directed that new G&O and RR Zero Waste System contracts shall require contractors to pay Competitive Wages and Benefits, defined as wages and benefits equivalent to or better than collectively bargained contracts in use in Alameda, Contra Costa, San Francisco, Santa Clara, and San Mateo Counties.
24.	Directed that the Zero Waste System RFP shall encourage maximization of local business presence and participation, including participation by local non-profits and public agencies for the G&O and RR contracts by providing up to three (3) preference points in half-point increments beyond the 100 points established for proposal evaluation based on the economic value to Oakland of their existing and proposed operations in Oakland, with only the most

	Policy Decision
	valuable proposal eligible for the full three (3) points.
25.	Directed that the new G&O and RR Zero Waste System contracts shall require local hiring such that 50% of all new hires must be Oakland residents, and the Zero Waste System RFP shall award up to one (1) local hire preference point in half point increments beyond the 100 points established for the proposal evaluation for commitment to train and hire local disadvantaged workers, and award up to two (2) local hire preference points in half point increments for commitment to maintain a certain total percent of FTEs (full time equivalent positions) who are Oakland residents, in their workforce, including management positions, on a year-by-year basis with initial points taking into consideration the number of FTEs, in addition to percent of workforce.
26.	Directed that new G&O and RR Zero Waste System contracts shall require that employment preference be offered for the qualified displaced employees of the current solid waste franchise and residential recycling contractor. The employees, for at least 90 days, shall not be discharged except for cause.
27.	Directed that the Zero Waste System RFP shall award up to two points for Landfill Disposal proposals including in-county landfills.
28.	Directed that the Zero Waste System RFP shall require proposers to submit labor peace plans for labor disputes or unrest during the franchise term.
29.	Directed that the Zero Waste System RFP shall require proposers for the G&O franchise to submit proposals that include a customer service call center located in Alameda County. Proposers may also submit proposals that include a customer service call center outside of Alameda County and indicate the cost differential.
30.	Directed that the Zero Waste System RFP shall seek proposals for Zero Waste Services from all qualified firms (including those based in Arizona) to establish competition to avoid significant additional costs to City rate payers.
31.	Directed that the Zero Waste System RFP shall require proposers for the G&O franchise to submit proposals that include within the rate structure for Multi-Family Dwellings a third "green" container at no additional charge whenever the property owner requests it. Proposers may also submit proposals that include a third "green" container option for Multi-Family Dwellings at a clearly identified additional charge.
32.	Directed that the RFP and contracts shall include terminology sufficient to ensure compliance with the payment provisions and the economic benefits required by the RFP, in addition to those that are stated in the proposals submitted by the selected G&O and RR proposers. Enforcement mechanisms shall include use of liquidated damages, access to the financial securities posted, and ultimately the potential of early termination. The RFP shall make clear that the failure to maintain compliance with the forgoing provisions may also result in the City denying an extension of the franchise in contract year ten. These enforcement remedies may be cumulative.

5.5 COMMUNITY OUTREACH STRATEGY

Proposers shall provide a detailed public awareness plan that specifies the methods and public education materials that will be used for program start-up and throughout the first eighteen (18) months. Specific attention should be given to methods that achieve high participation and Diversion in Organics Material Collection programs, City special events, and on-going "how to" promotions. This will be appended as part of the signed Mixed Material and Organics Collection Services Contract. If the proposer is proposing on Service Groups 1 and 2, the proposer must describe any change or improvement that combining these services will provide.

The City of Oakland is a recognized leader of sustainable initiatives, serving America's most diverse city. As an early champion of the plastic bag ban, Oakland instituted the Bring Your Own Bag campaign, long before it became a ubiquitous slogan of many retailers. Similarly, staff introduced a dynamic MFD recycling campaign before AB 341 was enacted. Oakland's Zero Waste RFP is the latest example of the City's leadership.

Throughout these and many other initiatives, including the 2005 residential single-stream recycling roll-out, WMAC collaborated with the City to ensure materials were diverted and processed for the highest reuse. As a result, tonnage sent to the landfill was reduced from 400,000 tons in 2005 to approximately 185,000 tons today. Oakland boasts a diversion rate of 65%.

Today, WMAC is poised to help Oakland reach its Zero Waste goals by employing a multi-faceted outreach campaign designed to change behavior through targeted, culturally sensitive and tested methods. We have engaged the services of two local experts, Oaklandish and Cascadia Consulting Group, contingent on the award of the contract to assist with the design and roll-out of the Outreach campaign.

- Oaklandish works to spread the word about what's good in Oakland. It started in 2000 as a wild public art project with the aim of celebrating "local love and original Oakland charm." Today, it has grown into a design collective known for its t-shirts, community work, and branding projects for local partners like the Oakland International Airport, Brown Sugar Kitchen and Waste Management of Alameda County. Oaklandish will provide the marketing creative, including logo, branding, social media and website design. A creative, unifying force Oaklandish transcends neighborhoods to celebrate the people, places and events that are uniquely Oakland and is the perfect marketing partner for Oakland's Zero Waste outreach campaign. The company is also a certified B Corp, meeting the highest standards for socially responsible business practices.
- Cascadia Consulting Group (Cascadia) is a national leader in developing and implementing innovative zero waste programs. Its team brings experience working in every major metropolitan region along the West Coast--from Los Angeles to Vancouver, British Columbia--to assess potential, shape strategies and implement community outreach programs to move toward ambitious waste reduction, recycling, composting and zero waste targets. It has a wealth of research knowledge and best practices as well as local experience. Cascadia has an Oakland office and staff that are currently providing technical assistance for the StopWaste.org Business Partnership Program in Alameda County. Cascadia will provide pilot projects design, implementation and evaluation assistance.

Behavior change is the cornerstone of sustainability and is a key priority. It's the only way to drive real results and enact lasting change. Throughout this Zero Waste transformation, Oakland residents and community groups will be actively engaged in the process to affect tangible results. The City's voice will resonate at the forefront of environmental and economic stewardship. Youth, disadvantaged and displaced workers and others will acquire new skills through positions ranging from community outreach ambassadors and pre-apprentice training for potential Waste Management jobs to summer youth employment and social media videographers.

Changing behavior on a broad scale is not simple; it takes more than conventional outreach approaches like advertising, distributing brochures and writing newsletters. Together, the City and WMAC have already picked the low-hanging fruit. To reach Zero Waste, we will have to embark on a targeted outreach campaign with "boots on the street" and district-by-district strategies that target material streams for diversion and motivate lasting behavioral change.

Summary of Outreach Plan

WMAC's Community Outreach Plan is structured as follows:

- Our Vision
- Dedicated Program Manager
- Our Strategy - Holistic Approach to Drive Zero Waste--Six Key Steps
 - Understand Council District profiles, Needs and Opportunities
 - Target Sectors and Streams for Maximum Results
 - Engage Vital Community Partners
 - Mobilize Zero Waste AmbassadorCorps Provide Job Training
 - Incentivize Participants
 - Utilize Technology and Social Media Platforms
- Community Outreach Timeline
- Listing of Potential Outreach Pilots
- Ongoing Evaluation
- Benefits of Combining Service Groups
- Budget outlined in Table 3, detailing the budget for the transition and on-going expenses

Our Vision

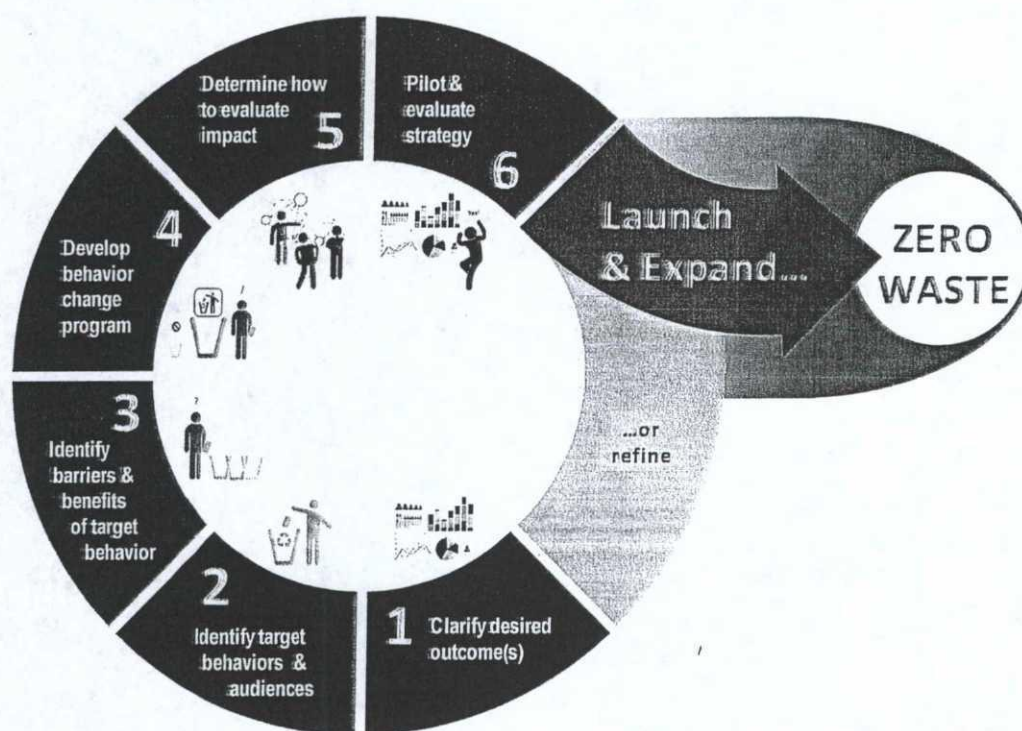
WMAC is the only company that understands the City of Oakland well enough to implement a grass roots campaign that transforms the City--neighborhood by neighborhood, business district by district, building by building--into a place where zero waste behaviors are the norm. We've spent the last 100 years building a strong foundation. Now, with this aggressive Zero Waste RFP, we've taken the opportunity to analyze that foundation and tailor improvements that will take us to the next level.

Community based social marketing (CBSM), based on thorough research, best practices, pilot programs, and subsequent analysis, are the fundamental basis of WMAC's approach for Oakland. The framework for our campaign is based on The Six Steps for Community Based Social Marketing, as adapted from *Fostering Sustainable Behavior*, by Dr. Doug McKenzie-Mohr, environmental psychologist, and founder of community-based social marketing.

Figure 12. Six Steps for Community Based Social Marketing

Six Steps for Community Based Social Marketing

Adapted from *Fostering Sustainable Behavior* by Dr. Doug McKenzie-Mohr



To ensure maximum impact of our strategies and underlying activities, sustainable behavior change in Oakland, WMAC in collaboration with the City and Cascadia will implement a wide variety of pilot programs targeted toward a range of sectors and waste streams during 2014, following final award of the contract. As illustrated by the Six Steps of CBSM, carefully researched and targeted pilot programs with pre-defined goals and outcomes for objective analysis of effectiveness are key to creating lasting, adaptable and relevant education and outreach strategies to promote behavior change. We will regularly review pilot results with City staff to refine our approach to ensure successful roll-out following the July 1, 2015 contract start date.

Dedicated Program Manager

To ensure the success of the proposed Outreach Program, WMAC will dedicate a full-time program manager to coordinate all aspects of this multi-faceted program. In keeping with our Local Hire commit-

ment, the program manager will be an Oakland resident with previous experience in the areas of community organizing and environmental stewardship. We will recruit this individual following our selection and the final negotiations of the contract.

Our Strategy

Overview - The outreach strategy that we have developed is the first of its kind on this scale - we combine conventional outreach strategies with community based social marketing. Utilizing the overarching framework of the Six Steps for Community Based Social Marketing, WMAC has identified four major strategies to implement a successful grassroots full-scale change campaign in Oakland. Figure 1 illustrates these four strategies and how they will transform the Oakland community into a global zero waste leader. The graphic provides a holistic visual of what our plan will accomplish by integrating demographics, segments, community and economic components. All these components need to be present for the community outreach plan to be successful and reach the ultimate goal of changing behavior and driving the zero waste strategies through grassroots efforts that will increase the “buy in” and “stick factor” of change.

Key Strategies of Community-Based Outreach Campaign

1. Understand Council District profiles, needs, and opportunities
2. Target sectors and streams for maximum return
3. Engage Vital Community Partners
4. Mobilize Zero Waste Ambassador Corps and Provide Job Training
5. Incentivize participants
6. Utilize technology and social media platforms

Drive Behavior to Achieve Measurable Changes in Diversion- As shown in Table 5.5.1, our outreach approach is intended to achieve measurable diversion across each of the four waste sectors included in the RFP. Diversion estimates are based on results achieved in comparable communities in the U.S. and abroad. The table was developed using outreach/behavior change-specific tonnage estimates (separately from collection and processing) based on in-house and published research so that the tonnage estimates have integrity.

The method we used to develop the diversion estimates are outlined below.

1. Applied 2008 Alameda County waste characterization data to current tons disposed as listed in the RFP:

Sector	Oakland Tons Disposed – 2011	% Recyclable (AC WCS 2008)	Oakland Tons of Recyclable Material Disposed - 2011	% Organics (AC WCS 2008)	Oakland Tons of Organics Material Disposed - 2011
SFD	61,406	29%	17,504	56%	34,299
MFD	32,165	34%	10,962	51%	16,368
Commercial	79,996	31%	24,796	40%	31,998
City	9,733	31%	3,017	40%	3,893

This page contains Waste Management company confidential and proprietary methods, work product, and information and therefore is not subject to disclosure.

Sector	Oakland Tons Disposed - 2011	% Recyclable (AC WCS 2008)	Oakland Tons of Recyclable Material Disposed - 2011	% Organics (AC WCS 2008)	Oakland Tons of Organics Material Disposed - 2011
	183,300		56,279		86,559

2. Modeled changes in disposed tonnage over time based on population growth (Oakland population projections here: http://www2.oaklandnet.com/Government/o/CityAdministration/d/EconomicDevelopment/s/MerchantOrganizations/DOWD008095_)
3. Applied the following factors that influence the amount of recyclable and organic materials captured by sector as a result of public education programs:
 - Participation Rate (Households/units participating in public education program)
 - Efficiency (% of targeted material participating households/units put into the recycling or organics bin)
4. Applied company and industry knowledge of similar processing operations first within WMAC, second in California, third on the west coast and finally through N. America, and checked outcomes for reasonableness in recovery technology and outreach programs.

Participation and efficiency rates are based on a combination of Cascadia’s primary and secondary research as well as actual results from outreach programs.

A grass roots, community-based social marketing outreach strategy to achieve Zero Waste in the City of Oakland

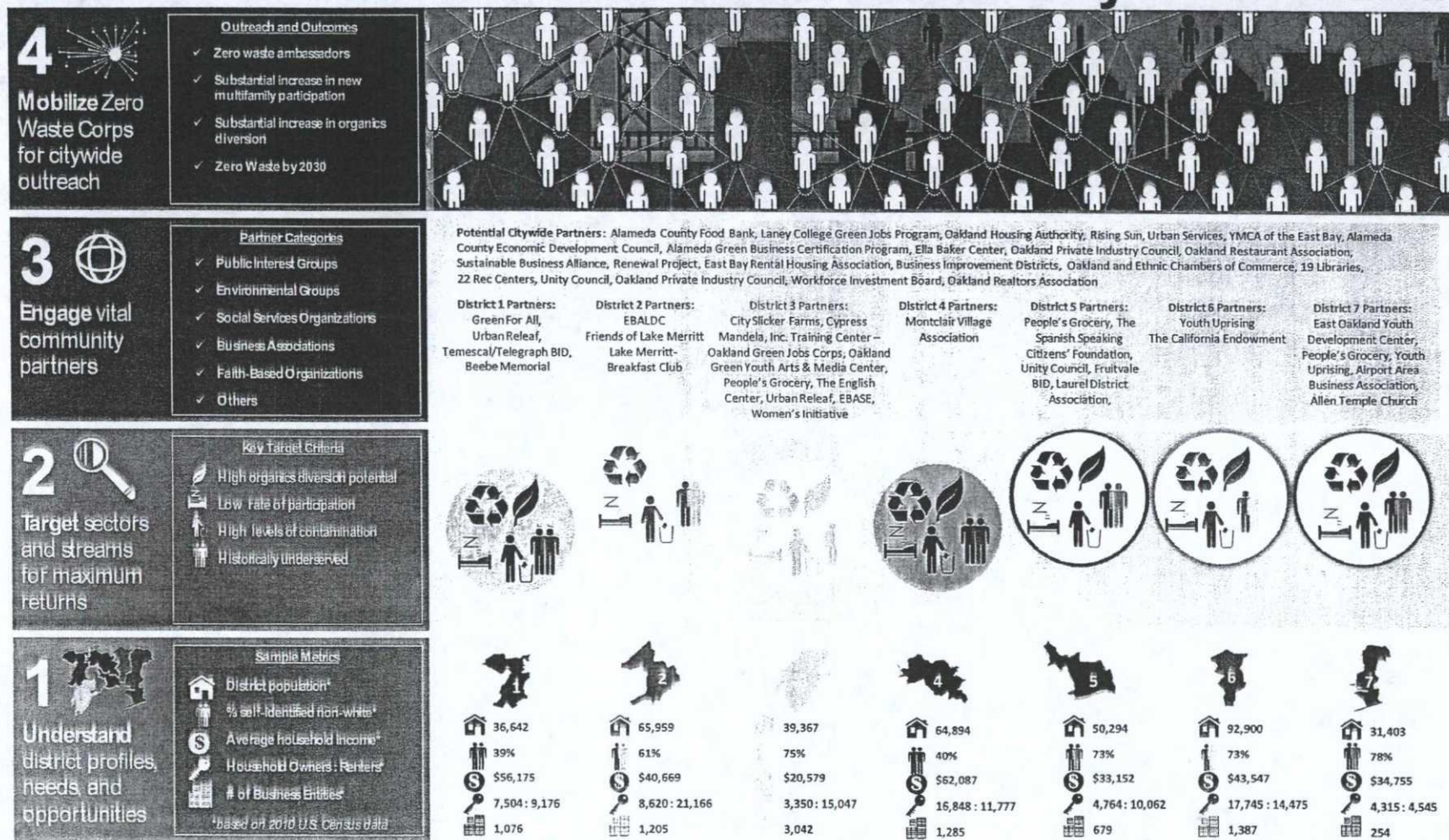


Figure 13. Holistic Strategy to Drive Zero Waste

Step One. Understand Council District Profiles, Needs and Opportunities

Mere speculation about what motivates people to engage in certain activities, such as recycling, composting, or making green purchasing choices won't produce a successful CBSM campaign. Thorough research, conducted by Cascadia, is needed to understand the benefits that motivate various demographic groups in the City, as well as to understand the barriers that hold them back. To better understand the key motivators and barriers that affect the diverse population of Oakland, WMAC will utilize the following activities:

Translate Waste Management's decades of experience designing, implementing, and evaluating zero waste outreach programs across the country based on CBSM principles to Oakland where applicable. Waste Management has spearheaded innovative residential, commercial, and municipal multicultural outreach programs with clients in all major metropolitan regions on the West Coast--from Los Angeles and the Bay Area to Portland, Seattle, and Vancouver, BC. As a company we have years of relevant experience, and a deep archive of best practices. We've seen what's been effective in certain communities, and not so much in others. Working with Cascadia and City staff, WMAC will leverage this vast database of resources to match best practices with the appropriate communities in Oakland.

Conduct community research to uncover personal motivations and priorities for a diverse range of demographics. WMAC is suggesting a combination of market research methods, including focus groups, surveys, and in-home ethnographic research. The research will focus on understanding customer knowledge and awareness of target diversion and zero waste behaviors. Barriers and motivations will also be addressed through this research.

Community-Based Social Marketing Research on Seattle Area Multifamily Customers

As part of a multi-year project aimed at improving recycling outcomes in the multifamily sector, Waste Management Northwest and Cascadia conducted international case study research and coordinated on-the-ground field work in Snohomish and King Counties to inform the development and implementation of innovative multifamily recycling pilot projects. Based on this on-the-ground field work, WM used social marketing research techniques to study the recycling behaviors, motivations and barriers of multifamily residents and property managers in the project area. In the coming year, WM will design, implement, and evaluate pilot projects based on a selection of the strategies identified through international research and tailored to address the specific behaviors and barriers of the target population. The results of the pilot projects will provide valuable insights for recycling programs throughout the West Coast.

This work is also contributing to a larger statewide multifamily recycling research effort led by the Washington State Recycling Association that is poised to identify best practices for improving outcomes in Washington and throughout the Western U.S.

Another valuable tool is waste characterization studies to profile the materials generated by sector and at the individual business or MFD level. Cascadia brings Oakland access to the most comprehensive characterization database in the country, with data for more than 50,000 sorted material samples from across the U.S. Where data gaps exist, in-field research will help to verify customer information, such as participation and contamination rates. WMAC will work with the City to determine the extent to which this research is needed and desired.

Armed with the research findings, WMAC in collaboration with the City and the respective Councilmembers will refine its outreach strategies for pilot projects, target customer groups, and performance goals.

Step Two. Target Sectors and Streams for Maximum Diversion Return

It is clear from our experience in Oakland that one size does not fit all. An effective CBSM strategy is targeted to specific sectors and waste streams. Based on the priorities of the City's Zero Waste RFP, we will focus on the following sectors and waste streams to maximize diversion.

Multi-Family Dwellings

The MFD sector represents a tremendous opportunity to dramatically impact diversion. The City of Oakland has 3,503 multifamily buildings with a total of 57,414 units. Nearly 80% of the buildings have 20 or fewer units. Based on our experience in Oakland and surrounding cities, we have found that residents in buildings with 20 or fewer units are more likely to adopt source separation for both recyclables and organics. A couple of factors contribute to this. One, most buildings this size do not have trash chutes; a feature that hinders source separation. Two, there is usually less amity among residents which helps to foster peer-to-peer support for recycling. These 2,811 buildings represents a significant and immediate diversion opportunity.

Size	Total Number of Buildings	Units Per Group	Percentage of Total Buildings	Percentage of Total Units
All	3503	57414	100.0%	100.0%
5-10 Unit Buildings	2101	13825	60.0%	24.1%
11-15 unit buildings	418	5293	11.9%	9.2%
16-20 unit buildings	292	5194	8.3%	9.0%
21-50 Unit Buildings	532	16122	15.2%	28.1%
51-100 Unit Buildings	113	8045	3.2%	14.0%
101-200 Unit Buildings	33	4885	0.9%	8.5%
201+ Unit Buildings	13	4050	0.4%	7.1%

Working with the East Bay Rental Housing Association, we will design a pilot program to introduce source separation collection services to its Oakland membership with buildings with 20 or fewer units.

Barriers to implementing successful MFD programs in larger buildings include high resident turnover and low property manager buy in. We will also work with community groups to reinforce the behavior. To help overcome these barriers, WMAC plans to build on existing relationships and successful programs already implemented in the City by a variety of community groups. One potential partnership is with the YMCA of the East Bay. Its "Healthy Living" program reaches multifamily residents throughout the City and targets resident in West and East Oakland through its Urban Services in collaboration with the Oakland Unified School District (OUSD).

The OUSD - YMCA Collaborative brings on-site health and fitness programs such as community gardens, physical activities and other extracurricular programs to impart a healthy living lifestyle to families and students. The majority of the families who participate in these programs live in MFDs. In discussions with the YMCA, we propose to expand the definition of Healthy Living to include discussions around the impact of recycling/organics and purchasing habits on an individual's health. The premise is that healthy eating--including fresh fruits and vegetables--not only improves your health, it helps the environment by producing less packaging waste. Purchasing habits also contribute to a healthier lifestyle. By choosing tap water, instead of bottled water or bulk packaged goods instead of individual serving packages, consumers will save money and the environment. These behavioral changes align with zero waste goals. The YMCA also promotes physical activities such as walking, biking, interactive sports. Another engagement activity could be a "litter walk." We would incorporate a beautification litter campaign, incentivize, and reward community groups that log the most miles and collect the most trash. This helps to reinforce the environmental benefits of Zero Waste and Oakland's beautification campaign.

Other potential partners with whom we've initiated conversations are The California Endowment to leverage its Healthy Communities campaign in East Oakland, Youth Uprising to develop educational videos and East Bay Asian Local Development Corporation to reach its tenants. Additional outreach activities will be tailored based on WMAC's best practices research, including MFD resident recycling champions, door-to-door outreach, convenient and attractive on-site collection stations, and in-home kitchen pails and recycling tote bags. These methods have been shown to achieve the highest participation and diversion results in leading communities from Seattle to London.

Organics Recycling

For the mixed materials and organic streams, we propose focusing outreach efforts on the largest generators of organic discards, particularly in the large multi-family buildings. There are nearly 700 buildings with 51 units or more for a total of 33,102 units. These buildings represent a significant portion of organic materials destined to the landfill.

WMAC offers a unique solution that bridges the desire for source separation by residents and the reality of container space and garbage chute limitations as well as resident apathy. All mixed materials collected at MFD dwellings that do not institute the three cart system will be processed at the Davis Street permitted Mixed Material Recovery Facility (MMRF). The MMRF ensures that organics and recyclables are diverted for higher reuse and only residuals are transferred to the landfill. It is a Zero Waste "safety net," because there isn't a one-size fits all solution to reaching Oakland's diversion goals.

Another area rich in organic materials is the commercial sector, in particular restaurants, produce wholesalers and retailers. Our outreach team brings a strong understanding of these customer groups, specific solutions to barriers and motivations unique to the organics stream, and experience increasing customer participation in organics zero waste programs. For example, in the commercial sector our experienced team members have successfully:

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- Educated food service businesses (FSB) on procurement, storage, and kitchen prep best practices to eliminate food waste at the source
- Leveraged technological solutions, such as LeanPath, an automated food waste tracking system that has cut customers' waste by as much as 80%; for FSBs to track discard quantities in the kitchen
- Connected wholesalers and retailers with food banks, meal programs, and soup kitchens to safely donate surplus food to those in need.
- Trained and equipped hundreds of FSBs of all sizes and cultural backgrounds to compost organic discards that are not suitable for donation, recommending on-site options where feasible.
- Closed the loop by bringing compost made from recycled yard debris and food scraps back on-site for business and community use.

Businesses

WMAC will target and provide on-site technical assistance to businesses with high diversion potential. Businesses will be grouped by business district and outreach staff will deliver on-site technical assistance, such as audits, trainings, internal containers and signage, and offer public recognition for diversion achievements (i.e., zero waste window clings). We will work with business organizations to help deliver the Zero Waste message via newsletters, membership meetings, website links and more. Among the organizations we will target are the Oakland and ethnic Chambers of Commerce, Business Improvement Districts and the Community Benefit Districts.

We will also reach out to the loose network of mobile food vendors and farmers markets to be sure they are diverting food scraps for composting. WMAC will leverage existing tools from the U.S. EPA, Natural Resources Defense Council, LeanPath, and Portland's Fork it Over program to promote food waste prevention.

Events "Zero Waste Community Events"

Community events are a fantastic opportunity to highlight sustainable practices at a variety of venues and to a wide range of audiences. The City of Oakland already has a well-developed Zero Waste Event Toolkit, *Recycling at Large Event in Oakland: A Compliance and Planning Guide*. WMAC proposes to build on this sound approach by providing additional resources. As part of the proposed Oakland Zero Waste website described in Section 5.4, Customer Service, a portion of the website will be dedicated to Zero Waste Community Event Planning.



Keep Oakland Beautiful Great American Cleanup at Verdese Carter Park.

This one-stop shop website will provide event planners with the City's guide along with an online calculator to help them determine the size and quantity of collection containers, recycling signage and

access to staff to assist with material sorting and customer education at the event. The site will also include the phone number and email of a WMAC Sustainability Coordinator to answer any additional questions about planning for a Zero Waste event. To help promote this service, WMAC proposes a link from City department websites, Chambers, the Oakland Convention & Visitors Bureau and more to ensure event planners have ready access to the information. The website lends itself to easy updates to ensure Helpful Hints are timely and the information is always relevant.

Supporting Oakland Beautification

Community cleanups provide a valuable service to Oakland residents, and are already well established in the City. WMAC will build on this successful program to take it to the next level by:

- Extending existing services to provide additional collection containers to qualifying non-profits that host community cleanup events.
- Allocating WM EarthCare™ compost and mulch products for public space and community beautification. These contributions would be in addition to the compost give-back quantities required in the RFP.
- Targeting partner organizations with similar goals, such as Adopt-a-Spot, Keep Oakland Beautiful, Friends of Oakland Parks and Recreation and various Creek Restoration Organizations.

SFDs and Other Traditional Sectors

While WMAC's Community Outreach approach focuses on new priority targets to reach previously underserved populations, it is also very important to continue education and outreach to SFDs and other traditional sectors and waste streams, like single stream recycling and other continued diversion programs like bulky item collection. To maintain and build awareness in these sectors, WMAC will engage in a variety of activities as outlined in Table 3, Suggested Outreach Pilots.

Step Three - Engage Vital Community Partners

Sociological research suggests that many of our decisions are strongly affected by a process known as social diffusion. In contrast with non-personal sources of information, such as brochures or advertising, conversations that we have with others, and particularly with those whom we trust and perceive as similar to ourselves, have an inordinate influence. Therefore, to successfully influence decisions and behaviors in the Oakland community, it is vital to engage established community partners that are well-regarded and have a direct line on the pulse in the communities they serve.

In addition to the community and business organizations mentioned earlier, WMAC will reach out to a diverse network of organizations such as the Oakland Unity Council, Oakland Realtors Association, and Friends of the Gardens at Lake Merritt to engage them in promoting the principals of Zero Waste to their membership.

Celebrating the diversity of Oakland and reaching out to various communities is an important part of our Outreach strategy. Oaklandish provides both social media and grassroots venues for reaching a cross-section of Oakland residents and businesses.

We will leverage our deep knowledge of and connections in the Oakland community to hit the ground running to affect meaningful change over time. WMAC brings a number of strong and established relationships working with organizations on community events such as Keep Oakland Beautiful Clean Up Days, East Bay Regional Park District Martin Luther King Jr. Service Day and Creek to Bay Clean Up events, National Night Out block parties, Oaktobersfest in the Diamond, Rebuilding Oakland Together restoration events, Habitat for Humanity projects and many more. Each of these events and organizations provides a venue and audience for Zero Waste outreach. We will engage with these and other community partners to move towards a zero waste Oakland together.

Step Four - Mobilize Zero Waste Ambassador Corps and Provide Job Training

Behavioral change research demonstrates that the major influence upon our attitudes and behavior is not the media, but rather our contact with other people. The actions and attitudes of our friends, neighbors, and perceived social groups play an important role in influencing our own behaviors. To effectively leverage these community norms and affect change on the ground, WMAC will put together a robust grassroots campaign. It will include activities that provide many benefits to Oakland, including job creation and training, incentives and education to bring the zero waste message to the diverse Oakland community.

Job Creation and Training -The Zero Waste Ambassador Corps will be the heart of the grassroots Zero Waste campaign. Membership will be comprised of young people, business leaders and community activists. They will be volunteers as well as paid positions, depending on the job. Being a member of the Zero Waste Ambassador Corps will be a sought-after position and a symbol of one's commitment to greening Oakland and achieving zero waste.

WMAC will build on existing relationships with community-based partners, such as Cypress Mandela, Laney College, and YMCA of the East Bay to enhance local green jobs training programs and provide zero waste ambassador employment opportunities for interns and graduates. The ambassadors will serve as our boots on the ground, delivering outreach services to and influencing behaviors within their community.

WMAC will recruit, train, and mobilize this corps of zero waste community ambassadors through our community-based partners. Ambassadors will deliver outreach services in their homes, apartment buildings, workplaces, neighborhoods and events. The corps will be comprised of both volunteer and hourly staff, based on responsibilities, time commitment, and performance in meeting outreach targets. Interns and volunteers will gain on-the-job training and transferable soft and hard skills. We have included a budget for ambassador positions that will be paid for via grants and stipends to our community partners. We have begun conversations with The California Endowment to explore how we can leverage these funds to go further as zero waste creates healthier communities.

The Zero Waste Ambassador Corps will be recruited through:

- Local green jobs training programs
- Mayor's Summer Youth Program

WMAC is Committed to making the Vision a Reality - Creating Green Jobs

"Making Green Work: Best Practices in Green-Collar Job Training," - Ella Baker Center for Human Rights, Green-Collar Jobs Campaign, 2010.

The Oakland Green Job Corps Program (OGJC) began in 2008 as a green-collar job training program enabling trainees to pursue jobs, primarily in the clean energy sector. The program is a partnership of Cypress Mandela, Laney College, and Growth Sector, and offers a 38-week college accredited job training program in partnership with local employers. Wrap-around social support services are also provided as an integral part of the program.

The Oakland Apollo Alliance, a OGJC employment partner "believes that Oakland can become a shining national example of a blue-collar town transformed into a green-collar powerhouse. Oakland can be a model sustainable city that creates high quality jobs for its residents while cleaning up the environment, improving public health and helping America achieve energy independence."

WMAC wants to contribute to this vision. We are in conversation with OGJC program managers about expanding the curriculum and instruction to address zero waste. We also plan to dedicate zero waste ambassador positions for OGJC interns and graduates to build transferable skills and support them in their transition to permanent employment. This would likely happen through the Oakland Green Employer Council or Oakland Apollo Alliance, groups already partnered with this program.

In addition to generous seed funding from the City of Oakland, OGJC has benefitted from financial contributions from the State of California, federal Department of Labor, and Yahoo! For Good grants. As federal stimulus funds are set to sunset in the summer of 2013, WMACs is prepared to infuse financial support and zero waste job options for graduates whose energy-related opportunities may be more limited.

- WMAC and City staff networks
- Signups from the communications campaign activities and kick-off events.
- Proactive recruiting via community-based, environmental, and other related organizations

We will work with our community partners to facilitate an intake process with each ambassador to understand their skills and interests, community connections and influence, geographic location, and ties to specific sectors or buildings targeted for outreach. This information will inform their assigned responsibilities and outreach focus as well as the focus of their training.

All ambassadors will be required to complete a zero waste ambassador certification program designed by our team. The training will likely cover:

- The City's zero waste hierarchy and goals for outreach efforts
- The important role of the corps of Oakland zero waste ambassadors.
- New contract services and options, including all sectors and material streams
- Special services and material streams, including illegal dumping, HHW and sharps collection, electronics recycling, and community clean-up
- Information on Oakland customer knowledge, barriers, and motivations
- Communications campaign and resources available to customers
- Frequently asked questions from customers

Based on interests and skills, ambassadors will be assigned to perform specific outreach tasks--from administration and direct customer outreach to staffing events and evaluating data and results.

WMAC intends to reward star ambassadors for their good work. We envision accomplishing this through recognition events, performance incentives, rewards programs, and good old-fashioned hand-written

thank you notes. Our community partners will compensate their ambassadors based on a stipend or grant provided from our Outreach budget.

WMAC will also partner with local green jobs training programs to help build local green job capacity. Examples of these programs include the Oakland Green Job Corps and SEE Green Careers. Key partner organizations would likely include Cypress Mandela, Laney College, Oakland Private Industry Council, Spanish Speaking Citizens' Foundation, The English Center, and Urban Services YMCA. Please see above for more details on the Oakland Green Job Corps program and our ideas for partnership.

Step Five - Incentivize Participants

Incentive programs help to drive behavior as proven in communities around the country. One such approach could be to recruit block leaders, similar to political campaigns, to mobilize their neighborhoods in maximizing diversion. Working with our community partners, WMAC will provide training, supplies, block and in-home events to educate selected neighborhoods on zero waste behaviors. (Waste Management has partnered with the City of Seattle on a similar program.)

National Night Out would be a natural partner to kick-off this campaign. In 2012, 605 block parties were held in Oakland. Neighborhoods that reduce waste disposal the most over a designated time period will receive rewards. Rewards would be directed toward projects that benefit the collective community, such as improvement projects for parks or public places.

Reward Individuals - Through the nine Business Improvement Districts and Community Benefit Districts, a campaign can be launched to encourage businesses to adopt Zero Waste practices along the same lines as Clean Streets/Clean Storefronts. They will be provided a window decal and randomly will be selected to receive OaklandGrown.com rewards. A program for single family residents could be similarly designed along the lines of StopWaste.Org's "Ready, Set, Recycle!"

Diversity - "Multi-Cultural How-To Videos for a Personalized Appeal." WMAC will work with Youth Uprising, an existing outreach partner, to create online zero waste how-to videos for use in direct one-on-one outreach, trainings, at events, and for other outreach purposes. Videos will be designed in a way that is culturally relevant for diverse Oakland viewers as well as to address community values such as cleanliness, preventing illegal dumping and litter, and building community pride. Some could focus on single family and multifamily residential audiences, while others more on businesses. All will be available on the Zero Waste website. We would also work with our ethnic chamber partners to ensure the videos are designed for their constituents.



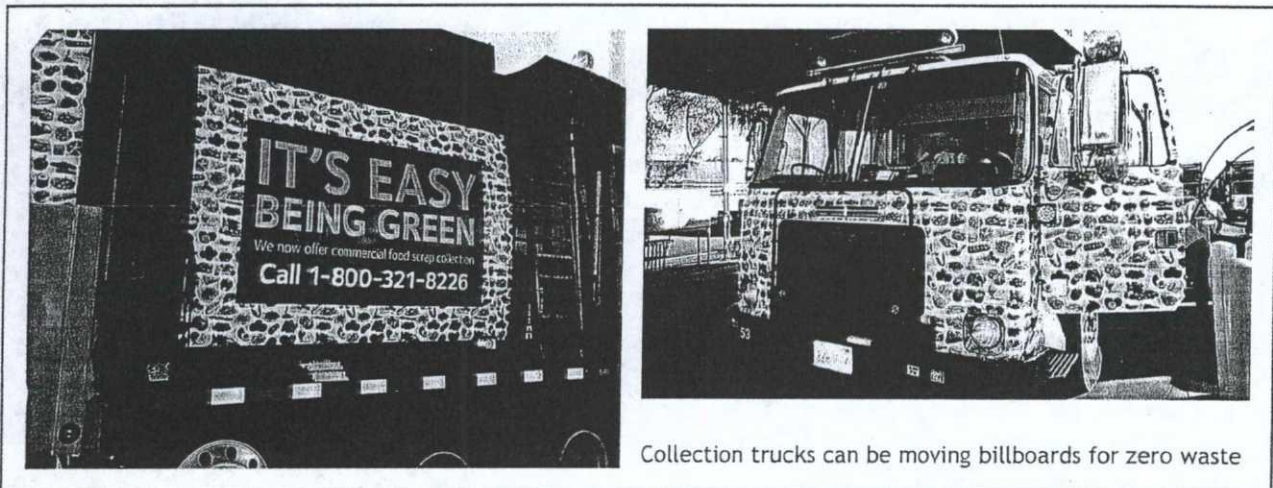
Bring Zero Waste to the Community - Modeling the successful Oaklandish campaign, WMAC will work with the City, Oaklandish, business districts and City Councilmembers to design Zero Waste messages and images to hang in empty storefronts. These posters will serve to educate, inspire, and equip targeted communities to adopt desired behaviors. Storefronts will be designed to reflect the overall zero waste brand developed in Step 6.

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Customer Service Strategies - As noted in Section 5.4, Customer Service, WMAC will deploy numerous tools and technology to drive behavior to achieve zero waste strategies. We plan to work with Oaklandish and City staff to create a website design interface that captures the excitement of the Oakland Zero Waste endeavor. The integrated customer experience will ensure that all customer touches deliver consistent messaging to support zero waste efforts.

Step Six - Utilize Technology and Social Media Platforms

Zero Waste Branding and Communications Campaign - Our team will collaborate with the City to develop a creative and locally relevant branding and communications platform to inform all program communications. Based on the platform, our team, led by Oaklandish, will develop new logo, look-and-feel, and tagline that will speak to City residents and businesses in a meaningful way about zero waste. Logos and brand messaging will guide website development, advertising, social media as well as community blog posts, posters at our zero waste storefronts, and other communication channels to receive feedback from the community.



Collection trucks can be moving billboards for zero waste

We will ensure the campaign is appropriate and engaging for the diverse cultures represented in Oakland. In addition to the MM&O/RR material streams, the campaign will address HHW, electronics, illegal dumping, and sharps. Our team will look to innovative campaigns from other parts of the country and abroad, such as the food waste prevention campaign highlighted in the text box below.

Key elements of our branding and communications campaign include the following.

- **Website:** A website designed to engage a diversity of customers and prompt them to take zero waste actions. WMAC envisions a highly interactive site that takes advantage of new technological opportunities for better engaging with customers, such as video, games, and custom tools. WMAC will also leverage and coordinate with existing online tools that align with Oakland's goals, like StopWaste.

Org's "Ready Set Recycle" game. The site will also be designed for easy viewing on handheld devices, such as cell phones and tablets.

- Apps, social media, and other innovative online communication formats that reach large numbers of Oakland residents and businesses
- Diverse Communication Channels: TV, print, radio, online, billboards, signs on public transit, and others. WMAC will provide City staff sufficient time to review and approve all media relations activities per the contract requirements.
- Collateral Materials: Engaging, highly visual, and multicultural collateral materials developed in conjunction with the City and distributed to all of Oakland's residents and businesses. Materials, such as brochures and zero waste guides will be developed according to the City's contract requirements for language translation, recycled content, the City's hotline number and logo, and ADA needs. Drivers and customer service staff will serve as an extension of our outreach team, and will be trained and equipped with materials as appropriate. Automated Reminders - An automated series of reminder phone calls, emails, and/or text messages as well as billing inserts will be deployed to prepare customers for service changes in advance of the July 1, 2015 contract start date. Between now and then, WMAC will conduct customer outreach to determine their preferred form of communication. Multilingual and TDD services will be provided wherever needed to ensure equal access to the outreach services.
- Booths and outdoor media at local public and business events, high traffic intersections and public places, farmers markets, flea markets, swap meets, and places that reach large numbers of Oakland residents and businesses.
- Community Outreach Events - Informational updates at regularly scheduled community, business, and environmental group meetings throughout Oakland. Include a community calendar on the Oakland Zero Waste website to encourage attendance.
- Speakers Bureau - WMAC staff and volunteers will be trained to speak about Oakland's Zero Waste campaign. We will actively promote the speakers bureau to business and civic organizations as well as to the Oakland Office of Adult Education as a topic in the "English as a Second Language" course.

WMAC will work in conjunction with the City to finalize the communications and branding campaign methods, materials, activities, and associated budgets.

Outreach Impact on Diversion

Based on the activities and programs outlined in our outreach plan, we expect to drive diversion in multiple streams and sectors. The table below tracks with our Diversion Plan in Section 5.3 and provides benchmarks for each stream and sector over the life of the contract.

Table 31. Annual Tons Diverted Contributed to Public Education Programs

Program Type - Sector and Material Stream	Annual Diversion for Public Education Programs														
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
SFD Recyclable Materials (Single Stream)	290	310	330	360	380	410	430	450	480	500	530	550	580	600	630
SFD Organic Materials	790	860	930	1,010	1,080	1,150	1,230	1,300	1,370	1,450	1,530	1,600	1,680	1,760	1,830
MFD Recyclable Materials (Single Stream)	180	200	210	220	240	250	270	280	300	320	330	350	360	380	390
MFD Organic Materials	380	410	450	480	510	550	580	620	660	690	730	760	800	840	880
Commercial Recyclable Materials (Single Stream)	640	700	770	840	900	970	1,040	1,100	1,170	1,240	1,310	1,380	1,450	1,520	1,590
Commercial Organic Materials	840	940	1,030	1,130	1,240	1,340	1,440	1,540	1,650	1,750	1,850	1,960	2,070	2,170	2,280
City Recyclable Materials (Single Stream)	40	40	50	50	50	60	60	70	70	80	80	80	90	90	100
City Organic Materials	70	80	80	90	100	110	120	130	130	140	150	160	170	180	190
	3,230	3,540	3,850	4,180	4,500	4,840	5,170	5,490	5,830	6,170	6,510	6,840	7,200	7,540	7,890

Community Outreach Timeline

The timeline below chronicles the activities of WMAC's community outreach plan, as well as key milestones from the transition period through the first 18 months of the contract.

As the incumbent hauler in Oakland, WMAC will be ready on day one to begin setting up our program. Immediately following a contract award, WMAC will hire a program manager to manage the outreach plan. Working with Cascadia, Oaklandish and City staff, we can begin to design and implement pilots and programs, such as site visits and website development. We will also begin working with community partners to hire our Zero Waste Ambassador Corps. Starting in 2014, we will begin to identify zero waste storefront locations and design cart swap and new service public education materials. The updated brand platform and supporting campaign materials will begin development. The branded marketing campaign and trained Zero Waste Ambassador corps will be ready to start promoting new contract changes a full year prior to the contract start date.

Following the contract start date, WMAC will continue to implement, administer, evaluate, and improve pilot programs. Effective pilot programs will be expanded and extended as applicable. We will continually train our zero waste ambassadors, form new community partnerships, and maintain a presence at City events.

Please see Figure 2, Outreach Timeline, for more information.

Table 32. Detailed Timeline

WMAC proposes the following timeline to accomplish the transition and ongoing outreach activities as proposed in this section.

OUTREACH TIMELINE		2013												2014												2015												Ongoing (2015-2025)											
		Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec		
0	Conduct Pre-contract pilots and corps program	[Shaded]																																															
1	Clarify outcomes, behaviors, audiences	[Shaded]																																															
2	Refresh Best Management Practices and fill in Oakland info gaps	[Shaded]																																															
3	Best practices research	[Shaded]																																															
	Local market research	[Shaded]																																															
	Characterization targeting analysis	[Shaded]																																															
	In-field research	[Shaded]																																															
4	Develop brand platform	[Shaded]																																															
5	Launch kick-off events	[Shaded]																																															
6	Execute multi-media campaign	[Shaded]																																															
7	Interactive website	[Shaded]																																															
	Social media	[Shaded]																																															
	Other collateral materials	[Shaded]																																															
	Automated call/emails/text messages	[Shaded]																																															
	Community booths	[Shaded]																																															
	Presentations	[Shaded]																																															
8	Develop zero waste ambassador corps/partnerships	[Shaded]																																															
9	Design and test pilot outreach strategies	[Shaded]																																															
10	Ongoing outreach	[Shaded]																																															
11	Select pilots to expand	[Shaded]																																															
	Continue research	[Shaded]																																															
	Recommend & launch new pilot projects	[Shaded]																																															
	Grow ambassador corps & job training opportunities	[Shaded]																																															
	Continue & grow outreach efforts	[Shaded]																																															
	Nurture partner organization relationships	[Shaded]																																															
Further integrate with related program efforts	[Shaded]																																																
12	Maintain presence at City events	[Shaded]																																															

Activities in Progress ★
Action/Milestone ★

Complete Listing of Potential Outreach Pilots “Confirming Effectiveness”

Table 3, Suggested Outreach Pilots, presents a broad listing of potential outreach pilots by waste sector and material stream.

By structuring our program around pilot campaigns, followed by thorough evaluation and relevant expansion, the City and its ratepayers are getting the most bang for their buck. Pilots ensure that the cost effectiveness, viability, flexibility and relevance of outreach programs are maximized before rolled out on a large scale. Implementing pilots will help boost diversion in the long run by identifying the activities that are producing desired results and which have a viable return on investment.

The following outreach activities will be considered for pilots. WMAC will collaborate with the City for the final pilot selections. We are planning for at least two pilots per Council District (residential, multi-family, etc), plus one city-wide pilot during the transition period. We aim to

advance the body of zero waste knowledge through our work with the City of Oakland. For this reason, we propose publishing the results of pilot projects wherever feasible to drive excitement.

We also propose a kick-off event to coincide with the new contract in July 2015. The venue, format and partners for the event will be developed in conjunction with City staff and Oaklandish.

Table 33. Suggested Outreach Pilots

Outreach Activities	Summary Description	Sector					Material stream			
		SF	MF	Comm	City	Mixed mats	Organics	Recycling	Other (bulky, sharps, HHW, electronics, etc.)	
Citywide Kick-off Event	Inaugurate the Zero Waste campaign in July 2015 with a citywide kick-off event that showcases Oakland's diversity, community support and Oakland commitment to Zero Waste.	X	X	X	X	X	X	X	X	
Recruit ambassadors from community-based organizations	Recruit Oakland zero waste ambassadors from community-based organizations in districts throughout the city. Provide grants or stipends to partner organizations to compensate ambassadors.	X	X	X	X	X	X	X	X	
Web-based reward game	Use a web-based game to educate ambassadors, pilot participants, and potentially the public at large on zero waste. Every time a player completes 1 level of the game, they receive an opportunity to pledge to take a new zero waste action or receive incentives, such as Oakland Grown gift cards or Oakland Bucks.	X	X	X	X	X	X	X	X	
Zero Waste jobs partnership with CA Endowment	Explore partnership with the California Endowment to promote Zero Waste and healthy communities, with specific focus in East Oakland. Would likely focus on illegal dumping, litter removal, and community cleanup. Seek to leverage Outreach funds for job training and employment.	X	X	X	X				X	

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Outreach Activities	Suggested Outreach Pilots Summary Description	SF	Sector				Material stream			
			MF	Comm	City	Mixed mats	Organics	Recycling	Other (bulky, sharps, HHW, electronics, etc.)	
Multifamily partnership with Oakland Public Housing Authority	Conduct pilot projects with OPHA, with specific focus on historically underserved multifamily buildings.		X			X	X	X	X	
Zero waste neighborhood-based rewards program	Incentive program that rewards customers on the same collection route for reducing MM without contaminating the organics and recyclables materials streams. Reward points could go to purchases at local businesses, arts, and cultural organizations. Funds could also be used for community improvement projects like illegal dumping and litter mitigation. Community gardens/ murals	X				X	X	X		
Door-to-door outreach	Target customer groups with the greatest diversion potential; i.e., multi-family buildings, commercial properties, and City departments. Pilot and then implement successful strategies more broadly. Outreach could include distributing educational materials, providing in-home or on-site business training, delivering on-site waste assessments, providing on-site composting lessons, gaining reduce and reuse pledge signups, and more.	X	X	X	X	X	X	X		

Outreach Activities	Summary Description	Sector					Material stream			
		SF	MF	Comm	City	Mixed mats	Organics	Recycling	Other (bulky, sharps, HHW, electronics, etc.)	
Multifamily resident zero waste champions	Champions receive incentives for signing up to be stewards of their multifamily building's zero waste program. Responsibilities of champions would be determined by WMAC and the City. WMAC would provide support through the zero waste ambassador corps. Incentives could go to purchases at local businesses, arts, and cultural organizations.		X				X	X	X	X
Single-family zero waste block leaders	Block leaders receive incentives for signing up to be stewards of their neighborhood block zero waste program. Responsibilities of block leaders would be determined by WMAC and the City. WMAC would provide support through the zero waste ambassador corps. Incentives could go to purchases at local businesses, arts, and cultural organizations. Technology tools like nextdoor.com could be used to facilitate neighbors connecting with neighbors.	X	X			X	X	X	X	
City zero waste department leads	Department leads receive incentives for signing up to be stewards of their department's zero waste program. Responsibilities of department leads would be determined by WMAC and the City. WMAC will host symposiums similar to OUSD Green Gloves to train zero waste leaders. Incentives could go to purchases at local businesses, arts, and cultural organizations. WMAC would propose hosting annual meetings for recognizing star performers and share best practices and tips with peers.				X	X	X	X	X	

Zero Waste Services
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Community Outreach Strategy

Outreach Activities	Suggested Outreach Pilots Summary Description	SF	Sector			Material stream			
			MF	Comm	City	Mixed mats	Organics	Recycling	Other (bulky, sharps, HHW, electronics, etc.)
Zero waste business leaders	Business leads receive incentives for signing up to be stewards of their business or commercial property's zero waste program. Responsibilities of business leaders would be determined by WMAC and the City. Incentives could go to business or community improvement projects, arts, and cultural organizations. Business leads could be recognized through industry groups, chambers, and by Oakland's elected officials.			X		X	X	X	X
Community Beautification with Raiders, Warriors, or A's	Partner with local teams to sponsor community beautification projects. On game days, host "Zero Waste Challenge" with give-aways.					X	X	X	X
Neighborhood cleanup events	Partner with neighborhood organizations to lead cleanup efforts related to illegal dumping, litter removal, and graffiti abatement. Donate hauling services and WM EarthCare compost and/or mulch for 501-c-3s. Incentives could be made available for those who contribute a minimum number of hours. These events will also provide opportunities for engaging with customers on adopting zero waste behaviors.	X	X	X	X				X
Keep It Clean/ Fight Graffiti	Provide kits to MFD to decorate dumpster to make areas more inviting and artistic. MF building champions would be provided with kits upon request and residents would be encouraged to work together on a dumpster décor project. Competitions and rewards could be involved. Provide spay cans of green paint to businesses so they can keep their bins free of graffiti.		X			X	X	X	

Suggested Outreach Pilots		Sector				Material stream			
Outreach Activities	Summary Description	SF	MF	Comm	City	Mixed mats	Organics	Recycling	Other (bulky, sharps, HHW, electronics, etc.)
Zero waste public demonstration sites	Work with community groups to create public displays in high traffic places to engage and educate the public on the benefits and ease of adopting zero waste behaviors, addressing key customer barriers and motivations.	X	X	X	X	X	X	X	X
Events zero waste toolkit	Expand upon the City's existing Events Guide, to provide an online calculators to determine numbers of bins, a searchable database for best practices and recoverable food packaging options, bin stations including multilingual signage, and a zero waste public education booth, where desired. Provide sustainability coordinator to answer questions via e-mail or phone.	X	X	X	X	X	X	X	
Community closed loop gardens	Partner with groups such as Keep Oakland Beautiful, Oakland Parks and Recreation, Oakland Community Gardens, OUSD school gardens, and the Bay Friendly Program to create and expand closed loop community gardens by providing compost, educational displays, and training by zero waste ambassadors.	X	X	X	X		X		
Zero waste business districts	Partner with Business Districts and Chambers to deliver multilingual/multicultural outreach services district by district, provide zero waste toolkits, refer businesses to related utility or conservation programs. Sharefunding opportunities by combining outreach with other environmental programs, such as Bay Area Green Business and PG&E commercial energy efficiency programs.			X		X	X	X	

Zero Waste Services
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 Community Outreach Strategy

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Suggested Outreach Pilots		Sector					Material stream			
Outreach Activities	Summary Description	SF	MF	Comm	City	Mixed mats	Organics	Recycling	Other (bulky, sharps, HHW, electronics, etc.)	
'Food: Too Good to Waste' campaign	Apply EPA's Sustainable Food Management: 'Food: Too Good to Waste' toolkit as part of a pilot project, and expand effort more broadly if successful.	X	X				X			
Commercial surplus food rescue	Explore a surplus food rescue program with the Oakland Restaurant Association. Second Harvest, Alameda County Food Bank, and the Health Department are all viewed as key stakeholders to involve in the discussion.			X			X			
Commercial food waste prevention	Leverage StopWaste.Org grant funds dedicated to preventing food waste in commercial settings. Consider utilizing technologies, such as LeanPath to measure reductions in food waste generation. Develop case studies and/or guidebooks for Oakland's food service industry.			X			X			
Bulky item sales/swaps	WMAC would work with the City to utilize existing websites, such as freecycle and Craig's List to sell or donate bulky items suitable for reuse.	X	X	X	X				X	
Zero waste public cultural events	Make zero waste ambassadors available to staff sorting stations and provide zero waste information at high attendance community events, such as Art Murrur, Eat Real Festival, Art and Soul, Dunsmuir Hellman Historic Estate events, City of Oakland Parks and Rec programs.	X	X	X	X	X	X	X	X	

Outreach Activities	Suggested Outreach Pilots Summary Description	Sector					Material stream			
		SF	MF	Comm	City	Mixed mats	Organics	Recycling	Other (bulky, sharps, HHW, electronics, etc.)	
HHW Education	Promote safe collection or drop-off services for sharps, HHW, electronics, and bulky items. Host special drop-off events in Council Districts. Ensure all customer communication channels include information about how to handle these materials at the end of their useful life.	X	x						X	
Stop illegal dumping campaign	Promote See Click Fix webpage on Zero Waste website. Distribute Bagster to multifamily properties for hosting scheduled cleanup events. Explore other district-specific services.	X	X	X					X	
Develop and launch a zero waste apps	Leverage Apps under development at Waste Management to include an image recognition recyclable item database or a zero waste behavior tracker tool. Apps will link with social media sites wherever possible.	X	X	X	X	X	X	X	X	
Supply multi-family food pails	Provide Oakland zero waste branded food pails for MF residents to transport materials to designated collection points.		X			X	X	X		

Ongoing Evaluation

WMAC is committed to bringing innovation and ingenuity throughout the contract to transform the Oakland community into a global zero waste leader. We will also employ efficiency effectiveness principles for continuously monitoring and improving Oakland’s zero waste outreach efforts. A nimble, easily adaptable program is key to maintaining and growing participation in Zero Waste programs. Based on the success of the pilot projects, WMAC will collaborate with the City to review outcomes and identify those strategies best suited for broad scale implementation because they are predicted to accomplish the following:

- Results - Yield the most promising and lasting zero waste behavior change outcomes,
- Needs - Meet needs of historically underserved communities,
- Goals - Achieve these goals at the least cost to the City and its ratepayers.

WMAC will take the following steps to thoroughly analyze pilots to identify successful strategies to implement broadly.

Strategy	Description
Ongoing research	Monitor customer knowledge, and barriers and motivations to increasing the adoption of zero waste behaviors annually.
Recommend and launch new pilot projects	Further City’s zero waste goals through the adoption of desired behaviors by City residents and businesses.
Sustain and grow the corps of zero waste ambassadors and job training opportunities	In addition to growing partnerships with local green jobs training programs, we will continue to recruit, train, and motivate ambassadors from the community at large. Additionally, WMAC may consider recruiting public or private sponsors to help support individuals or groups of ambassadors.
Continue and grow outreach efforts	Target all City Council districts and focus on target groups that meet City-specified priorities. Meet relevant contract requirements including bill inserts, bulky item collection notices, and compost give-back events.
Nurture relationships with community-based partner organizations	Regular outreach and communication, publicly recognizing key partners, volunteer contributions, and sponsorship. Seek endorsements from influential organizations and sponsorship for job training and ambassadors.
Integrate and leverage related City and regional environmental, community, or jobs programs	Cost effectively further program reach and achieve broader sustainability goals
Maintain strong presence at high-impact City special events	Deliver public outreach, hosting displays and booths, and offering fun, interactive games and hauling trucks to attract more customers
Sustain communications and outreach campaign	Keep brand consistent and fresh over time, build out new website content and functionality, and keep collateral current, engaging, and maximizing new media opportunities.

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Strategy	Description
Measure and report on key performance metrics	<ul style="list-style-type: none"> ▪ Align with City goals and the Oakland zero waste hierarchy, ▪ Target strong diversion potential, ▪ Identify low participation areas, ▪ Target high contamination area, ▪ Leverage influential community partners or ambassador corps, ▪ Reach historically underserved communities, ▪ Identify synergy and potential to pool resources with regional agencies, environmental groups, or other City programs.

Benefits of Combining Service Groups

- Combining the outreach services for MM&O and RR collections offers significant economies of scale, efficiency and direct benefits to both City staff and Oakland residents. From a purely logistical point of view, the combined services provides a “one stop shop” for all zero waste programs and service questions. Residents, community partners and businesses will know there is one hauler responsible for helping them achieve zero waste. There will be clear, consistent messaging, branding and program offerings plus only one phone number to call with service inquiries.
- This holistic approach will benefit the adoption and maintenance of zero waste behavior, leading to early and sustained diversion. It will also maximize the \$1.5 million budget for the first 18-month transition period and the ongoing outreach budget. By coordinating outreach under one service provider with a dedicated Project Manager, synergies will be found, existing programs will be leveraged and community partners will have one point of contact for supporting zero waste in their neighborhoods.
- For the community, one provider allows for more engaged civic partnerships with a trusted partner vested in Oakland. WMAC will provide educational resources and adeptness to foster community pride grounded in compassion and respect of Oakland’s communities from Montclair (Oaktoberfest) to International Blvd (Cinco de Mayo) to East Oakland (East Oakland Youth Development Center) and West Oakland (City Slicker Farms). Additionally, selecting WMAC as the single provider, provides more opportunity for us to tap our network of operations to identify potential local job opportunities and apprenticeship training with our labor partners. Our legacy in the community combined with our role in the Zero Waste initiative allows us to continue expanding nontraditional alliances with groups such as the Martin Luther King Jr. Freedom Center, founded by Congresswoman Barbara Lee to promote non-violence amongst our youth in Oakland or the Oakland Workforce Investment Board “One Stop Shop.”
- For City staff one provider saves valuable time and results in direct savings. Working with a single provider means staff only has one monthly meeting to discuss the zero waste program, has only one diversion report to review and only one vendor to contact in the event a Council member, business or resident calls with a service issue. Staff is already aware of the time lost sorting out customer confu-

sion in West Oakland where WMAC collects trash and organics and another vendor collects recyclables.

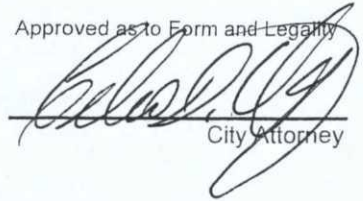
- One collector also means that diversion efforts are targeted and coordinated for MFD and other high-volume, low-participation customers. Providing a single voice and directions to MFD property owners will ensure greater participation. Coordination of bin placement, collection days and waste audits will provide better service, consistent monitoring of zero waste participation and ultimately higher diversion. Further, WMAC offers the safety net of the Davis Street Mixed Materials Recovery Facility to process both MM&O and RR materials collected from customers with high contamination or poor participation to ensure the highest reuse and diversion.
- The selection of WMAC to provide both MM&O and RR collection and outreach provides the City with the best partner to achieve zero waste. We have the local knowledge, community relationships, collection resources and processing capabilities to launch and executive a zero waste campaign to reach Oakland's goals in advance of 2030. As the incumbent, WMAC is also able to begin piloting zero waste programs in the seven council districts, working with community and business organizations in advance of the July 1, 2015 contract start date. This seamless approach will enable the City to launch its Zero Waste initiative on July 1, 2015 to tremendous fanfare throughout the state, country and even the world. WMAC will begin working on the City to implement the outreach strategy as soon as the final contract negotiations are completed.
- The City of Oakland and WMAC have a long history that in the end facilitates the launch of this ambitious Zero Waste initiative. Our staffs have worked together to achieve 65% diversion and the implementation of numerous curbside recycling and special collection initiatives. We understand the diversity of the City, its unique districts and the communities that make Oakland great. With the help of Oaklandish and Cascadia, in collaboration with City staff, we have the talent to create an outreach program that will drive diversion and put Oakland on the map as the first Zero Waste city with model programs and measurable, transparent results

Table 34. Community Outreach Budget

The proposed budget is a working document to be refined in collaboration with City staff, Oaklandish and Cascadia as the final pilot programs and outreach activities are defined.

Budget Item	MM&O		RR		TOTAL		Notes
	Transition	Ongoing	Transition	Ongoing	Transition	Ongoing	
Oakland-based zero waste ambassadors and green jobs training program partnerships	\$ 200,000.00	\$ 140,000.00	\$ 130,000.00	\$ 750,000.00	\$ 330,000.00	\$ 215,000.00	Includes grant funds, and 1 FTE program manager; ambassador job responsibilities will include delivering outreach and education at events and on-site, door-to-door with residents and businesses, pilot projects, working City events, and supporting other outreach activities
Green jobs training program partnerships	\$100,000.00	\$70,000.00	\$35,000.00	\$40,000.00	\$135,000.00	\$110,000	Stipends, training material, equipment/tools, recruitment
Multi-media campaign	\$ 200,000.00	\$ 70,000.00	\$ 100,000.00	\$ 50,000.00	\$ 300,000.00	\$ 120,000.00	Includes Oaklandish as professional partner leading marketing aspects of campaign; campaign itself includes brand and logo development, website, social media, advertising, kick-off and other community outreach events, presentations at meetings and videos/social media by Youth Uprising and other organizations
Civic Engagement	\$70,000.00	\$90,000.00	\$25,000.00	\$25,000.00	\$95,000.00	\$115,000.00	Community Capacity building, educational program development, zero waste incentive grants/prizes
Planning, coordination with City and partners, evaluation, and reporting	\$ 50,000.00	\$ 30,000.00	\$ 20,000.00	\$ 20,000.00	\$ 70,000.00	\$ 50,000.00	Includes Cascadia to provide planning and coordination with City and community partners; annual performance reviews with community-based partners and other subcontractors; work with City to develop program evaluation methods, diversion and other performance metrics, and reporting frequency and format; coordinate and leverage other local and regional zero waste and sustainability-related efforts (i.e. StopWaste.Org, Bay Area Green Business, etc.)

Budget Item	MM&O		RR		TOTAL		Notes
	Transition	Ongoing	Transition	Ongoing	Transition	Ongoing	
Outreach supplies and collateral	\$ 130,000.00	\$ 50,000.00	\$ 70,000.00	\$ 20,000.00	\$ 200,000.00	\$ 75,000.00	Supplies includes kitchen pails and tote bags upon request and as giveaways at events, event-related and other outreach supplies; collateral includes printing and distribution costs, using an Oakland-based vendor for: 3 sets of service brochures - 1 per sector, quarterly billing inserts, annual collection service notice, 2 bulky goods mailers. All materials will be provided in English with Spanish, Vietnamese, and Chinese translations available. Includes training videos by Youth Uprising
Pilot project research, implementation, and evaluation	\$ 70,000.00	\$ 50,000.00	\$ 30,000.00	\$ 20,000.00	\$ 100,000.00	\$ 70,000.00	Pilot selection process with City and stakeholders; Market research to inform outreach strategy selection in a way that is appropriate and effective specifically for Oakland residents, businesses, and City employees; Transition period: Up to 2 pilots project per sector and 1 citywide pilot; professional consulting services to help design, manage, and evaluate pilots; pilots will be selected based on market research and City guidance; Ongoing: Up to 1 pilot per sector and 1 citywide pilot
TOTAL	\$820,000.00	\$490,000.00	\$390,000.00	\$250,000.00	\$1,210,000.00	\$750,000.00	



City Attorney

2014 MAY 19 RESOLUTION No. _____ C.M.S.

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 ORDINANCE TO COUNCIL FOR CONSIDERATION AND APPROVAL.

WHEREAS, the City of Oakland's Franchise Agreement for Solid Waste and Yard Waste Collection and Disposal Services with Waste Management of Alameda County, and the Agreement for Residential Recycling Service with California Waste Solutions expire on June 30, 2015; and

WHEREAS, on December 5, 2006 through Resolution No. 80286 C.M.S. the City Council adopted a Zero Waste Strategic Plan; and

WHEREAS, on January 17, 2012 through Resolution No. 83689 C.M.S the City Council adopted a Zero Waste System Design that provides the framework for developing new Contracts under a single franchise for citywide garbage and organics collection services, a single franchise for citywide residential recycling, and landfill capacity procured separately from collection and processing services; and

WHEREAS, on February 21, 2012 through Resolution No. 83729 C.M.S. the City Council adopted a process and schedule for releasing a Request for Proposals (RFP) for three new zero waste service franchise contracts for solid waste/organic, recycling, and landfill disposal ("Franchise Contracts"), which included a provision for staff to return to City Council for authorization to enter negotiations with top-ranked proposers; and

WHEREAS, on April 3, 2012 through Resolution No. 83783 C.M.S. the City Council adopted a resolution establishing proposal evaluation criteria and weighting; and

WHEREAS, on June 19, 2012 the City Council approved a motion establishing 13 economic benefit provisions to be included in the Contracts and as preference points in evaluation of the proposals for a total of 32 policy directives; and

WHEREAS, the City developed a RFP for Zero Waste Services, which included model service contracts containing provisions adopted by City Council for this procurement;

WHEREAS, on August 3, 2012 the City issued the RFP for Zero Waste Service for Disposal Services, and on September 5, 2012 issued the RFP for Zero Waste Service for Collection Services; and

WHEREAS, on January 9, 2013 the City received responses to the RFP for Zero Waste Services; and

WHEREAS, on June 18, 2013 through Resolution No. 84461 C.M.S. the City Council authorized the City Administrator to enter into contract negotiations with the two top-ranked proposers in each of the three service groups identified in the RFP for Zero Waste Services in order to comply with the 32 policy directions established by the City Council through; and

WHEREAS, by a motion of the City Council on June 18, 2013, the Council requested staff to ask the two firms in negotiations for costing for: 10- and 20-year term options; organics to go to EBMUD digesters; tenant access to bulky pickup; mattress diversion; third bin for source-separated organics to be default service at multi-family housing, with opt-out allowed; enforcement of franchise; and strategy for illegal dumping.

WHEREAS, on March 18, 2014 through Resolution No. 84898 C.M.S. the City Council added requirements for the two firms in negotiations to provide cost proposals addressing recycling worker wages and benefits, multifamily bulky services, a mandatory third bin for source separated organics for multifamily collection services, and use of a local non-combustible bio-waste-to-energy facility; now therefore be it

WHEREAS, staff have concluded negotiations and have received a best and final offer from each firm in negotiations; and

WHEREAS, staff has presented the best rate possible, obtained through the competitive process to bring value to the Oakland community over the term of the contract;

WHEREAS, the City Council reviewed cost proposals for additional services requested of the firms in negotiations, which would be added to the best rate; now for there be it

RESOLVED: City Council authorizes 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 and bring the ordinances to City Council for consideration and approval.

IN COUNCIL, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, GALLO, GIBSON MCELHANEY, KALB, KAPLAN, REID, SCHAAF and PRESIDENT KERNIGHAN

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____

LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California