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CITY OF OAKLAND



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Dan Kalb
City Council Member, District 1

Lynette Gibson McElhaney
City Council Member, District 3

Noel Gallo
City Council Member, District 5

Dear Chairperson Kaplan and Members of the Public Works Committee,

We hereby submit for your consideration a resolution setting forth a City of Oakland policy for future waste/garbage collection, disposal, or recycling franchise agreements, or the renewal or extension of any such existing agreement, to (1) provide for good, family-supporting wages and benefits to all workers who provide recycling services to the city of Oakland, its residents and businesses; (2) provide that source-separated third bin services for organics/ compostable materials be provided, as the minimum default outcome, to all Oakland residents, including those in multi-family buildings, with the council receiving a costed-out option for mandatory organics bin services; (3) provide curbside bulky waste pick-up for all Oakland residents, including tenants residing in multi-family buildings; and (4) provide to the council a costed-out option to be included in the scope of services for handling source-separated organics at a local waste-to-energy facility.

Oakland is committed to being a livable and green city with high environmental standards, such as those defined in our Zero Waste Strategic Plan and Energy and Climate Action Plan. Waste contracts are long term, lucrative business contracts which offer cities a major opportunity to legislate the outcomes they desire to see. Thus, it is imperative that the next franchise agreement reflects and stipulates these values through City policies.

Respectfully,

A handwritten signature in cursive script, appearing to read "Dan Kalb".

Dan Kalb
Councilmember, District 1

A handwritten signature in cursive script, appearing to read "Lynette Gibson McElhaney".

Lynette Gibson McElhaney
Councilmember, District 3

A handwritten signature in cursive script, appearing to read "Noel Gallo".

Noel Gallo
Councilmember, District 5

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(1) GOOD, FAMILY-SUPPORTING WAGES AND BENEFITS TO ALL WORKERS WHO PROVIDE RECYCLING SERVICES TO THE CITY OF OAKLAND, ITS RESIDENTS AND BUSINESSES

According to preliminary calculations from ILWU Local 6, we believe it will require only a negligible increase for Oakland residents to ensure fair wages for hard working recyclers. However, the wage increases will be life changing for recycling workers. Currently, the lowest paid workers who sort City of Oakland's recyclables earn between \$11.97 and \$12.50 per hour. Their goal is to reach a wage of \$21 per hour by 2019, while also ensuring they receive quality, affordable health coverage for their families.

The City of Fremont recently approved a small rate increase to improve the wage package for recycling workers at the Fremont Transfer Station. The increase to Fremont rate payers, which is helping to fund the wage package for 2014 and 2015, was just \$.32 per month per household.

The cost of raising workers wages packages in Oakland:

- Implementing a series of wage package increases if CA Waste Solutions' (CWS) is chosen, starting July 1, 2015 to get 52 current workers to a wage of \$21 per hour by 2019 with full family health benefits, would cost Oakland rate payers an average of about \$.22 more per month in each of five successive years. CWS estimated costs for 52 workers are shown in *Appendix A*
- If the number of CWS workers increase *up to 95 or even 110 employees* to accommodate future needs the estimate for the increased cost is an average of \$.41 per household per month for 95 workers. See *Appendix B* for an estimate for 95 workers.
- If Waste Management is awarded the recycling franchise agreement according to one scenario which we consider to be viable, the average increase in rates would average just \$.33 per month per household over five years. See *Appendix C* for an estimate.
- Thus, the potential increases for rate payers would range from \$.22 to \$.41 per month, or \$2.64 to \$4.92 per year, respectively. **Please refer to Appendices A, B, and C for more information.**

(2) A SOURCE-SEPARATED THIRD BIN SERVICES FOR ORGANICS/ COMPOSTABLE MATERIALS BE PROVIDED, AS THE MINIMUM DEFAULT OUTCOME, TO ALL OAKLAND RESIDENTS, INCLUDING THOSE IN MULTI-FAMILY BUILDINGS, WITH THE COUNCIL RECEIVING A COSTED-OUT OPTION FOR MANDATORY ORGANICS BIN SERVICES

Oakland prides itself on being one of the greenest and more progressive cities in the nation (See *Appendix D*). There are many practices from which to choose when implementing sustainable practices in dealing with compostables (green, food waste) there is little disagreement among specialists that source-separation of organic materials is the best way to achieve best quality end materials suitable for diverse uses and to include all citizens in taking responsibility for their waste¹.

¹ Source Separation of Waste,
The Waste Authority (Australia) Position Statement on Source Separation of Waste

Recognizing this, the City of Oakland mandated source separation for organic materials for all single family buildings².

All the same arguments in favor of source separation still stand for multi-family residential buildings within our City. No one will argue that it won't take effort and education of the general public to achieve the same levels of participation and diversion rates as in single family homes, but this is consistent with adopted overall educational goals for composting that Oakland set forth in its ECAP.

Currently, multi-family units are not automatically enrolled in Oakland's organic waste collection services, effectively excluding 51.9%³ of Oakland's households from having an opportunity to exercise environmentally responsible behavior. Multi-family units (MFUs) produced 48% of all residential solid waste in 2008 (51,621 tons) and 48% of that was organics went into landfill (24,778 tons) as MFU's did not have organics pick up services.

The expanded organics collection system will:

- Preserve Oakland's reputation as one of the greenest cities in the nation and advance true Zero Waste outcomes. Oakland has been ranked among the ten greenest cities in America several times in the last five years⁴. Recent accomplishments include:
Implemented food scraps composting program. In achieving and exceeding the state-mandated goal of 50% waste reduction by 2000, Oakland has reduced its disposal by 180,000 tons per year over the past 15 years. In addition many Oakland residents have used available franchised recycling and composting services to recycle more and more each year as indicated in Waste Reduction Programs and Achievements.⁵
- Create end-use material that can be used for more than just median and roadside cover
- Provide equal opportunity to all Oakland residents
- Protect workers from sorting organic matter from other contaminated waste
- Advance sustainability education on the importance and impact of sorting our waste and avoid sending conflicting messages

(3) CURBSIDE BULKY WASTE PICK-UP FOR ALL OAKLAND RESIDENTS, INCLUDING TENANTS RESIDING IN MULTI-FAMILY BUILDINGS

Currently, the bulky pick up service is provided to single family homes and 2-4 unit buildings with property owners and property managers being the only ones able to schedule an appointment. This process is burdensome for both tenants and landlords, thus it does not encourage usage of the bulky waste services. We believe providing the bulky pick up service for all Oakland residents will (1) significantly reduce illegal dumping and (2) improve public safety as bulky waste pick up provides access for residents to appropriately, legally, and conveniently rid themselves of large items such as

http://www.wasteauthority.wa.gov.au/media/files/documents/Source_Separation_of_Waste_2014.pdf

² <http://www2.oaklandnet.com/Government/o/PWA/o/EE/s/GAR/OAK024616>

³ Housing units in multi-unit structures, United States Census 2008-2012, State & County QuickFacts:
<http://quickfacts.census.gov/qfd/states/06/0653000.html>

⁴ Oakland Energy and Climate Action Plan. Rep. N.p.: n.p., n.d. Web. 31 Dec. 2013. Page 4 and 6.
<http://www2.oaklandnet.com/oakca/groups/pwa/documents/report/oak039056.pdf>

⁵ Oakland Zero Waste Strategic Plan, Page 11

<http://www2.oaklandnet.com/oakca/groups/pwa/documents/policy/oak025986.pdf>

mattresses and furniture, which are regularly found on Oakland streets. Illegal dumping poses a threat to the environment and public health. In FY 2012-2013 alone, Public Works received 17,624 reports of illegal dumping which reflects a 34% increase in requests. The Public Works Agency annually spends hundreds of thousands of dollars on illegal dumping removal.

(4) PROVIDE TO THE COUNCIL A COSTED-OUT OPTION TO BE INCLUDED IN THE SCOPE OF SERVICES FOR HANDLING SOURCE-SEPARATED ORGANICS AT A LOCAL WASTE-TO-ENERGY FACILITY

After green waste and food waste is collected by a service provider in the "third bin," the material is then processed to produce compost, which can be utilized for agriculture or landscaping, as well as to create energy through methane collection.

When the City of Oakland is in negotiations with potential waste service providers, it is important that they evaluate all the environmental impacts of processing food and green waste. The Council should thus have full knowledge of the options available for service providers to process the green and food waste, along with the costs for these options.

Oakland has a food waste digester facility in West Oakland at the East Bay Municipal Utility District, which has immediate capacity to process most Oakland's food and green waste. Through this process, methane from Oakland's green and food waste will be captured to supply power to other needs, thus reducing our carbon footprint as methane is 20 times more potent of a greenhouse gas than carbon dioxide.

For questions about this report, please contact:

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Appendix A – Estimated Rate Increase for Oakland Residents, CWS as Recycling Franchisee (52 Workers)

Wages						
	07/01/15 - 12/31/15	01/01/16- 12/31/16	01/01/17- 12/31/17	01/01/18- 12/31/18	01/01/19- 12/31/19	Average
Wage Increase	\$3.71	\$1.18	\$1.26	\$1.36	\$1.46	
Total Hours	1,176	2,352	2,352	2,352	2,352	
Number of Employees	52	52	52	52	52	
Total Employer Increase Expense (Wages and Taxes @ 25%)	\$283,592	\$463,991	\$192,629	\$207,917	\$223,205	
Number of Units	165,239	165,239	165,239	165,239	165,239	
Cost Increase per Unit per Year	\$1.72	\$2.81	\$1.17	\$1.26	\$1.35	
Cost Increase per Unit Per Year Over the Current Year	\$1.72	\$4.52	\$5.69	\$6.95	\$8.30	
Cost Increase Per Month	\$0.14	\$0.23	\$0.10	\$0.10	\$0.11	\$0.14
Cost Increase per Unit per Month Over the Current Year	\$0.14	\$0.38	\$0.47	\$0.58	\$0.69	
Health Insurance						
	07/01/15 - 12/31/15	01/01/16- 12/31/16	01/01/17- 12/31/17	01/01/18- 12/31/18	01/01/19- 12/31/19	Average
Average Monthly Cost per Employee	\$899	\$1,352	\$1,500	\$1,665	\$1,849	
Average Monthly Cost Increase per Employee	\$377	\$453	\$149	\$165	\$183	
Number of Employees	52	52	52	52	52	
Total Annual Cost Increase for All Employees	\$234,958	\$282,707	\$92,776	\$102,981	\$114,309	
Number of Units	165,239	165,239	165,239	165,239	165,239	
Cost Increased per Unit per Year	\$1.42	\$1.71	\$0.56	\$0.62	\$0.69	
Cost Increased per Unit per Year Over the Current Year	\$1.42	\$3.13	\$3.69	\$4.32	\$5.01	
Cost Increased per Unit per Month	\$0.12	\$0.14	\$0.05	\$0.05	\$0.06	\$0.08
Cost Increased per Unit per Month Over the Current Year	\$0.12	\$0.26	\$0.31	\$0.36	\$0.42	
Total Wages and Health Insurance						
	07/01/15- 12/31/15	01/01/16- 12/31/16	01/01/17- 12/31/17	01/01/18- 12/31/18	01/01/19- 12/31/19	Average
Total Annual Cost Increase Expense for All Employees	\$518,550	\$746,698	\$285,404	\$310,898	\$337,514	
Number of Units	165,239	165,239	165,239	165,239	165,239	
Cost per Unit per Year	\$3.14	\$4.52	\$1.73	\$1.88	\$2.04	
Cost per Unit per Year Increase Over the Current Year	\$3.14	\$7.66	\$9.38	\$11.27	\$13.31	
Cost Increase per Unit per Month	\$0.26	\$0.38	\$0.14	\$0.16	\$0.17	\$0.22
Cost Increase per Unit per Month Over the Current Year	\$0.26	\$0.64	\$0.78	\$0.94	\$1.11	

Appendix B - Estimated Rate Increase for Oakland Residents, CWS as Recycling Franchisee (95 Workers)

Wages						
	07/01/15 - 12/31/15	01/01/16- 12/31/16	01/01/17- 12/31/17	01/01/18- 12/31/18	01/01/19- 12/31/19	Average
Wage Increase	\$3.71	\$1.18	\$1.26	\$1.36	\$1.46	
Total Hours	1,176	2,352	2,352	2,352	2352	
Number of Employees	95	95	95	95	95	
Total Employer Increase Expense (Wages and Taxes @ 25%)	\$518,102	\$847,675	\$351,918	\$379,848	\$407,778	
Number of Units	165,239	165,239	165,239	165,239	165,239	
Cost Increase per Unit per Year	\$3.14	\$5.13	\$2.13	\$2.30	\$2.47	
Cost Increase per Unit Per Year Over the Current Year	\$3.14	\$8.27	\$10.40	\$12.69	\$15.16	
Cost Increase Per Month	\$0.26	\$0.43	\$0.18	\$0.19	\$0.21	\$0.25
Cost Increase per Unit per Month Over the Current Year	\$0.26	\$0.69	\$0.87	\$1.06	\$1.26	
Health Insurance						
	07/01/15 - 12/31/15	01/01/16- 12/31/16	01/01/17- 12/31/17	01/01/18- 12/31/18	01/01/19- 12/31/19	Average
Average Monthly Cost per Employee	\$898	\$1,351	\$1,499	\$1,664	\$1,847	
Average Monthly Cost Increase per Employee	\$376	\$453	\$149	\$165	\$183	
Number of Employees	95	95	95	95	95	
Total Annual Cost Increase for All Employees	\$428,837	\$515,981	\$169,393	\$188,026	\$208,709	
Number of Units	165,239	165,239	165,239	165,239	165,239	
Cost Increase per Unit per Year	\$2.60	\$3.12	\$1.03	\$1.14	\$1.26	
Cost Increase per Unit per Year Over the Current Year	\$2.60	\$5.72	\$6.74	\$7.88	\$9.14	
Cost Increase per Unit per Month	\$0.22	\$0.26	\$0.09	\$0.09	\$0.11	\$0.15
Cost Increase per Unit per Month Over the Current Year	\$0.22	\$0.48	\$0.56	\$0.66	\$0.76	
Total Wages and Health Insurance						
	07/01/15 - 12/31/15	01/01/16- 12/31/16	01/01/17- 12/31/17	01/01/18- 12/31/18	01/01/19- 12/31/19	Average
Total Annual Cost Increase Expense for All Employees	\$946,939	\$1,363,656	\$521,311	\$567,874	\$616,487	
Number of Units	165,239	165,239	165,239	165,239	165,239	
Cost per Unit per Year	\$5.73	\$8.25	\$3.15	\$3.44	\$3.73	
Cost per Unit per Year Increase Over the Current Year	\$5.73	\$13.98	\$17.14	\$20.57	\$24.31	
Cost Increase per Unit per Month	\$0.48	\$0.69	\$0.26	\$0.29	\$0.31	\$0.41
Cost Increase per Unit per Month Over the Current Year	\$0.48	\$1.17	\$1.43	\$1.71	\$2.03	

Appendix C - Estimated Rate Increase for Oakland Residents, WM as Recycling Franchisee (130 Workers)

	07/01/15 - 12/31/15	01/01/16 - 12/31/16	01/01/17 - 12/31/17	01/01/18 - 12/31/18	01/01/19 - 12/31/19	Average
Wage Increase	\$3.18	\$1.18	\$1.26	\$1.36	\$1.46	
Total Hours	1,176	2,352	2,352	2,352	2,352	
Number of Employees	130	130	130	130	130	
Total Employer Increase Expense (Wages and Taxes @ 25%)	\$607,698	\$1,058,694	\$481,572	\$519,792	\$558,012	
Number of Units	165,239	165,239	165,239	165,239	165,239	
Cost Increase per Unit per Year	\$3.68	\$6.41	\$2.91	\$3.15	\$3.38	
Cost Increase per Unit Per Year Over the Current Year	\$3.68	\$10.08	\$13.00	\$16.14	\$19.52	
Cost Increase Per Month	\$0.31	\$0.53	\$0.24	\$0.26	\$0.28	\$0.33
Cost Increase per Unit per Month Over the Current Year	\$0.31	\$0.84	\$1.08	\$1.35	\$1.63	

Appendix D. Background & legislative history on sustainability related resolutions and ordinances adopted in the City of Oakland

Date	Legislation	Outcome
1989	AB 939 "California Integrated Waste Management Act"	Required that all California jurisdictions achieve a 50% diversion rate by 2000, and reduce, reuse, recycle and compost all discarded materials to the maximum extent feasible before any landfilling or other destructive disposal method is used
1990	Ballot Measure D "The Alameda County Waste Reduction and Recycling Initiative Charter Amendment"	Set requirement for the County to reduce land filling by 75% by 2010
1990	Resolution #66253 C.M.S	Established solid waste reduction goals, including returning discarded materials to the local economy through reuse and recycling; applying the waste management hierarchy in priority order (reduce, reuse, recycle and compost) to the maximum extent; and promoting recycling market development
1992	Resolution #68780 C.M.S	Authorized establishment of a state designated City Recycling Market Development Zone
2001	Zero Waste Goal by California Integrated Waste Management Board	Zero Waste goal in strategic plan for state
2002	Resolution #77500 C.M.S	Established the goal of 75% reduction of waste disposal landfills by 2010 for the City of Oakland in alliance with the countywide 75% waste reduction requirement
03/07/2006	Resolution #79774 C.M.S	Public works agency in conjunction with the Mayor's office, to provide a Zero Waste Strategic Plan to achieve the City's Zero Waste Goal
12/5/2006	Resolution #80286 C.M.S.	Resolution adopting Zero Waste Strategic Plan to achieve the City Council goal of Zero Waste by 2020 for the city of Oakland
01/17/2012	Resolution #83689	Zero Waste System Design framework- develop new contracts under single franchise for city wide garbage and organics collection services
06/19/2012	Approved motion	Economic benefit provisions to be included in the contracts/ preference point in evaluation of proposals
6/07/2013	Resolution #84461	Resolution authorizing the city administrator to enter into negotiations with the top ranked proposers for the zero waste services request for proposals

The following link provides more information:

<http://www2.oaklandnet.com/Government/o/PWA/s/SO/OAK025298>

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