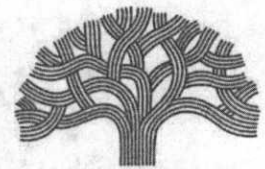


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CITY OF OAKLAND

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Lynette Gibson McElhaney

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COUNCILMEMBER ~ DISTRICT 3

July 24, 2014

Dear Council President Kernighan and Members of the Council:

We are submitting this memorandum in reference to the City of Oakland's Zero Waste Franchise agreements under consideration at our July 30th special Council meeting.

Based on the most recent staff report for the proposed Zero Waste franchise agreements, we believe that there are some relevant pieces of information missing from that report. We have requested that the Administration provide the following information *prior to* the July 30th meeting in order to better inform our decision-making:

- Since multi-family building bulky waste pick-up was not addressed in the staff report, we have requested information on the possible costs to ratepayers of incorporating scheduled quarterly bulky waste curbside pick-ups at larger multi-family buildings in addition to the building owner initiated pick-ups already incorporated into the base franchise agreement.
- Costs to ratepayers, if any, for the use of the EBMUD waste-to-energy facility in Options 1 or 2 within the staff report. We understand that the EBMUD option is already incorporated into the base rates under Option 3.
- The various options for the provision of a 3rd 'organics' bin for multi-family green waste were not fully costed out in the most recent staff report. We had previously expressed to Waste Management our desire for them to work to bring their cost estimates down for the 'Opt-out alternative. We realize that CWS has incorporated the source-separated green organics bin for multi-family buildings into their proposed multi-family base rates.

We are asking that the Council favorably consider the option of genuinely phasing in the organics green bin at multi-family buildings as follows:

In the first two years of the franchise agreement, the City would allow for an opt-in for the green bin at no additional cost (this is the base rate



for multi-family buildings); in years three through seven of the franchise agreement, we would allow for an opt-out such that all multi-family buildings would be provided with a green cart/bin unless they affirmatively opt out (for any reason); in years eight through ten of the franchise agreement, we would have a stronger opt-out such that the green cart/bin would be mandatory, except that multi-family building owners could opt out for specified reasons through a simple waiver process that would be developed in cooperation between the franchisee and the City.

At the May 29th Council meetings, we collectively requested an “apples to apples” comparison of the two bidding companies, but the staff report did not appear to wholly reflect that request. We understand that the proposal from California Waste Solutions (CWS) includes the following options, but it is not clear what the cost would be to include these same options in the proposal from Waste Management of Alameda County (WM):

- Living wages and benefits for all their recycling workers effective July 1, 2015
- Use of the EBMUD facility for dealing with Commercial Organic waste
- Working with Civicorps on Collection of Commercial Organics (see separate resolution)
- Third Bin for multi-family buildings as a default option
- In-County call center
- Allowing for an extension of any Zero Waste Franchise Agreement(s) by the City of Oakland

Additionally, in the lower-cost option 3 proposal, CWS has clearly indicated that they are not asking for relief from liquidated damages due to a company-initiated 'lock-out'. We feel strongly that if CWS can offer these conditions the same provisions should be offered by WM.

We respectfully call for your favorable vote to include the following provisions into the Zero Waste Franchise contract(s):

- (A) Good Living wages and benefits for all Oakland recycling workers effective July 1, 2015
- (B) Allocation of citywide commercial source-separated organics collection and disposal services to Civicorps to be handled at the EBMUD local waste-to-energy facility;
- (C) Multi-family buildings curbside bulky pick-up services to be performed quarterly at times coordinated with building management by the franchisee(s) at no additional or negligible cost to building residents;
- (D) At a minimum, multi-family buildings organics collection services be performed as follows: Opt-in incorporated into base rates through June 30, 2017; Opt-out from July 1, 2017 through June 30, 2021; mandatory with a waiver for cause option from July 1, 2021 forward;
- (E) Use of the EBMUD local waste-to-energy facility for handling source-separated organics;
- (F) Reject agreement(s) that exempt the franchisee from having to pay liquidated damages due to company 'lock-outs';



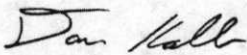
(G) Allow for the extension of any Zero Waste Franchise agreements by the City of Oakland.

(H) In-County call center

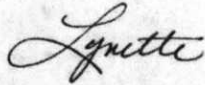
The Zero Waste franchise agreements present a rare opportunity for the City Council to enhance the local, sustainable, and collaborative nature of our city while providing the best value to our residents.

Thank you very much for your consideration.

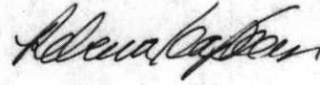
Respectfully,



Dan Kalb
Councilmember, District 1



Lynette Gibson McElhaney
Councilmember, District 3



Rebecca Kaplan
Councilmember At-large

cc: Mayor Jean Quan

