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OFFICE OF THE CITY CLERK
OAKLAND

2015 APR 16 AM 3:00

AGENDA REPORT

TO: John A. Flores
INTERIM CITY ADMINISTRATOR

FROM: Brooke A. Levin

SUBJECT: Supplemental Informational Report
on Status of Zero Waste Implementation

DATE: April 13, 2015

City Administrator

Date

Approval 

4/16/15

COUNCIL DISTRICT: City-Wide

REASON FOR SUPPLEMENTAL

On March 31, 2015, the City Council directed that the Informational Report on Status of Zero Waste Implementation be continued to the April 21, 2015 City Council agenda. After presenting information contained in the March 31, 2015 Agenda Report, staff responded to questions from the City Council regarding implementation of the Zero Waste franchises. Specifically, the City Council requested that staff present a supplemental report that included a breakdown of funds allocated to this implementation and how these funds are being spent.

EXECUTIVE SUMMARY

On March 31, 2015, Staff presented to Council an Informational Report describing that in then-recent weeks, the City had executed and was implementing contracts with WMAC for Mixed Materials and Organics (MM&O) Collection Services and Disposal Services. Those contracts are posted on the www.ZeroWasteOakland.com website. Staff also reported that it is now working with CWS to finalize and execute the Residential Recycling (RR) Collection Services Contract. Highlights of the RR contract will be provided in a future informational report.

This supplemental report details what funding the City is using to accelerate transition work within a compressed timeframe so that services transition smoothly on July 1, 2015. To date \$1,250,000 has been appropriated for FY2014-2015 and of that, \$800,000 has been encumbered to bring contractors on board and hire staff. This report also provides updated details on implementation of the new services and outreach work underway by the City, WMAC, CWS, and subcontractors. This report also includes additional information on upcoming changes needed for Oakland Municipal Code to support the new Zero Waste services.

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BACKGROUND/LEGISLATIVE HISTORY

On August 13, 2014, the City Council adopted Resolution No. 85155 C.M.S. that authorized the City Administrator to increase the budgeted revenue in the Recycling Program (Fund 1710) by one million five hundred thousand dollars (\$1,500,000), and appropriate to the adopted fiscal year (FY) operating budget 2014-2015. Resolution 85155 C.M.S. allowed the City Administrator to appropriate one million two hundred fifty thousand dollars (\$1,250,000) of the total one million five hundred thousand dollars (\$1,500,000) to budget for professional services contracts and add two Exempt Limited Duration Employees (ELDE) to the Recycling Program FY 2014-2015 operating budget.

The source monies are cost reimbursement fees for expenditures incurred during the City of Oakland's Zero Waste Procurement Process. WMAC was awarded the Disposal and the MM&O Contracts and paid the cost reimbursement fees of one million dollars (\$1,000,000) to the City in March 2015, 30 days after execution of those two agreements. CWS will reimburse the City five hundred thousand dollars (\$500,000) when the RR contract is executed.

ANALYSIS

Transition Team Funding

The budget appropriations authorized by Resolution 85155 C.M.S. were designated for the development of a City transition team of staff and professional consultants. One million five hundred thousand dollars (\$1,500,000) was appropriated to increase the Recycling Program revenue budget for FY 2014-2015. Of that, one million two hundred fifty thousand dollars (\$1,250,000) was allocated in the Recycling Program operating budget for support related to the transition to the new Zero Waste contracts, referred to as the "Transition Team." The remaining two hundred fifty thousand dollars (\$250,000) was ear marked for the City Attorney's Office for legal expenses. This report details how the \$1,250,000 is being implemented.

Eight hundred thousand dollars (\$800,000) has been encumbered in FY 2014-2015 for the professional services contracts and the cost for one ELDE. Staff projects the remaining \$450,000 will be encumbered in FY 2015-2016. Transition team appropriations, encumbrances for FY 2014-2015, and projected expenditures for FY 2015-2016 are shown in Table 1 (page 3).

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Table 1- Transition Team Budget

	FY 2014 – 2015 Appropriations	Consultants & ELDE	Tasks	FY 2014-2015 Contract Amounts - Encumbrances	FY 2015-2016 Contracts Amounts - Encumbrances
Professional Services Contracts	\$750,000	ESA	Monitor and assess planning, permitting & start-up of contractors facilities	\$75,000	\$50,000
		HF&H Consultants	Monitor and assess transition of billing, customer service & other activities; develop non-exclusive systems for C&D & commercial recycling	\$425,000	\$100,000
		RJ Proto Consulting	Monitor and assess acquisition of trucks and equipment, collection re-routing & other activities	\$75,000	
Exempt Limited Duration Employees (2)	\$500,000	Zero Waste Outreach Program Manager	Lead and coordinate community outreach campaign(s) around new services	\$200,000	\$300,000
Total	\$1,250,000			\$800,000	\$450,000

The budget appropriations authorized by Resolution 85155 C.M.S. were designated for the development of a City transition team of staff and professional consultants. Under the direction of and in partnership of Oakland Public Works staff, the team is overseeing the transition of programs and services from the current service agreements to the new Zero Waste contracts that begin July 1, 2015. The transition team ensures that milestones, deliverables and performance standards are met for the delivery of the Zero Waste services under the new franchise agreements. Professional services contracts have been established with Environmental Science Associates, HF&H Consultants and RJ Proto Consulting, and one ELDE was hired in January 2015 to serve as Zero Waste Communications Manager.

Transition Team Activities

The Transition Team is working with WMAC, CWS, Civicorps and EBMUD to ensure they are prepared to provide Zero Waste services beginning July 1, 2015, by reviewing their plans for and monitoring their progress towards completion of the critical tasks. The City, WMAC, CWS, Civicorps and EBMUD are working under an extremely compressed timeframe to prepare for the July 1, 2015 transition. Accordingly, the Transition Team is making every effort to most efficiently and effectively move through the necessary transition items for service delivery on July 1, 2015.

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CWS and WMAC Collaboration

CWS and WMAC are collaborating in following activities:

- Transition of Residential Recycling services in East Oakland from WMAC to CWS
- Coordination of collection routing
- Re-labeling of all carts
- Coordinated and collaborative outreach efforts detailed in the “Community Outreach” section below.

WMAC Activities

The Transition Team is monitoring WMAC’s implementation of the following:

- Acquisition of new collection vehicles
- Acquisition of new carts
- Rerouting of collection routes for all services
- Hiring of drivers and compliance with hiring and job retention requirements
- Relabeling of approximately 300,000 garbage, organics and recycling carts and bins, including collaboration with CWS
- Green cart services at multi-family buildings
- Bulky pickup services at multi-family buildings
- Construction of or modification to facilities that will be used for materials processing, and truck fueling and parking
- Establishment of local call center, including construction of facilities, hiring of customer service representatives, and selection of technology platforms
- Transition of new billing procedures to ensure correct application of rates and accuracy of customer invoices
- Assisting City Revenue operations transition from lien system to special assessment system for delinquent garbage bills
- Transition of street litter container maintenance and services
- Coordination of illegal dumping abatement
- Transition of Small Business Recycling customers to the non-franchised commercial recycling market
- Development of reporting and contract compliance processes
- Establishment of staging facilities for new vehicles, carts and bins
- Construction of new CNG truck fueling facility at the Davis Street Transfer Station
- Modifications to the Dry Materials Recovery Facility at Davis Street Transfer Station, to accommodate the required processing multi-family dwelling (MFD) mixed materials

Civicorps and EBMUD Activities

Civicorps and WMAC are actively engaged in negotiating the contract for Civicorps to provide organic materials collection services to Oakland businesses. Staff is in regular contact with Civicorps.

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EBMUD and WMAC are actively engaged in negotiating the contract for EBMUD to provide organic materials processing services. Staff is in regular contact with EBMUD. EBMUD released a request for proposals to design, build and operate a food waste pre-processing facility necessary to receive Oakland's franchised commercial organic material collected by Civicorps, and is reviewing proposals.

CWS Activities

CWS is engaged in transitional activities and negotiations of the final contract with the City. On April 9, 2015, CWS made the following commitments to provide the City deliverables to complete the contract:

Deliverable	Date expected
Begin meeting with Transition Team consultant on transition activities	Week of April 20
Meet with City consultant to discuss labor component of rate adjustments	Met o April 15
Submit plan and timing, including Exhibit 8 Customer Service Plan, for Call Center that will be partially up and running May 1	April 15, with regular follow up thereafter
Submit revised Form 14 vehicle list including delivery dates for new vehicles	April 15
Submit Community Outreach Plan	April 17
Submit Contract Exhibit 9 Operations Plan	April 17
Submit Contract Exhibit 7 Diversion Recovery Plan	April 20
Submit Transition Plan	April 20
Submit plan for CNG fueling	April 30
Transition to Gateway Schedule	April 30
Driver hiring	To be scheduled –weekly updates
Outreach/contamination Audits	Weekly updates

Community Outreach

The Zero Waste Communications Manager coordinates and leads the combined community outreach program, which is a collaborative effort of the City, CWS and WMAC. Staff is coordinating weekly meetings with the CWS and WMAC to produce a wide array of outreach materials to connect with several different audiences. Strategies include multiple campaigns specifically tailored to single-family dwelling (SFD) residents, multi-family dwelling (MFD) residents, MFD property owners and managers, and business customers. Methods of outreach being developed include:

- A co-branded campaign highlighting the City's Oakland Recycles brand together with CWS and WMAC

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- Mailings and bill inserts
- Fact sheets and FAQs
- Neighborhood newsletters
- Carts being re-labeled and service materials delivered, including brochures
- Kitchen food scraps pails, recycling caddies and more for multi-family residents
- In-person outreach through several venues, including: a major kickoff event to be held in June; neighborhood event tabling; visits to community and neighborhood groups; events with organizations including East Bay Rental Housing Association (EBRHA), Oakland's chambers of commerce, City Slicker Farms, and Acta Non Verba
- A grassroots ambassador program and direct service counseling coordinated by Cascadia Consulting, which is offering MFD property managers site visits and technical assistance
- Advertising through local publications and outlets including the Oakland Tribune, The Oakland Post, El Mundo, Sing Tao, the East Bay Express, and videos produced for Comcast
- Social and digital media contact through Facebook, Twitter and NextDoor, and a new independent OaklandRecycles.com website
- A professional media campaign throughout the month of June drawing public attention to the new services and Oakland's environmental leadership

Additional WMAC Outreach Activities

In addition to contracting with EBRHA and Cascadia Consulting, WMAC has executed additional contracts with the Oakland African American Chamber of Commerce, the Oakland Chinatown Chamber of Commerce, and Youth UpRising to provide neighborhood outreach services. WMAC is also bringing collaborations with Northern California Recycling Association, City Slicker Farms, and Acta Non Verba, and anticipates actively engaging with more community-based organizations in May.

Changes to O.M.C. and New Programs

Amendments to the Oakland Municipal Code (O.M.C.) are also required to incorporate changes related to the Zero Waste franchise contracts, including the special assessment system for delinquent payment and the transition of commercial organics collection from open market to exclusive franchise. As reported by staff on March 31, 2015, an Agenda Report recommending changes to the OMC by ordinance for the implementation of the Zero Waste System Design, will be scheduled to the Public Works Committee on May 26, 2015.

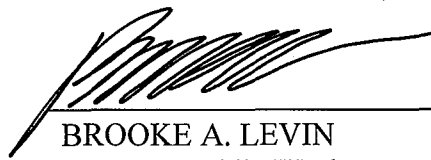
In addition to establishing the three exclusive franchise contracts for MM&O, RR, and Disposal services, the Zero Waste System Design includes changes to the City's regulation of commercial recycling, and construction and demolition debris hauling. Staff is working with consultants on design and drafting of non-exclusive franchise contracts and procedures for construction and demolition debris hauling, and the related changes to the O.M.C. to accommodate this new service.

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Next Report

Staff recommends the next follow-up report be presented on May 19, 2015.

Respectfully submitted,



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