



# AGENDA REPORT

**TO:** John A. Flores  
INTERIM CITY ADMINISTRATOR

**FROM:** Joe DeVries

**SUBJECT:** Excess Litter Fee Contract

**DATE:** June 8, 2015

City Administrator

Date

Approval

6/10/15

**COUNCIL DISTRICT:** City-Wide

## RECOMMENDATION

Staff recommends that Council adopt:

**A Resolution Authorizing a Three-Year Services Agreement, with Two One-Year Options to Renew, with Oakland Venue Management for Implementation of the Excess Litter Fee Program in an Amount Not To Exceed \$400,000 Each Year.**

## OUTCOME

Adoption of the proposed resolution would allow the City Administrator to enter into a three-year contract with Oakland Venue Management to implement the Excess Litter Fee (ELF) Program with two (2) one-year options for renewal.

## BACKGROUND/LEGISLATIVE HISTORY

The Excess Litter Fee was established and implemented in 2006 to raise revenue to abate litter created by fast food businesses, liquor stores, convenience markets and gasoline station markets. These types of establishments pay an Excess Litter Fee based on the size of their business.

Revenue generated from the fee is used to defray the cost of litter and trash clean-up resulting from the operation of these businesses. In 2006, the City Council authorized a two-year agreement with Youth Employment Partnership (YEP) for implementation of the Excess Litter Fee Program. That agreement ended on September 15, 2008.

Item: \_\_\_\_\_  
Public Works Committee  
June 23, 2015

A Request for Proposals (RFP) for continued implementation of the Excess Litter Fee Program was issued in 2008 and Civicorps Schools was selected as the group to provide this service to the City from 2009-2013.

In 2014 a new Request for Qualifications (RFQ) for continued implementation was released and three proposals were received and considered by staff. There was a written evaluation and oral interviews were conducted on November 21, 2014. Based upon the proposals submitted, Oakland Venue Management (OVM) was selected as the group most qualified to provide this service to the City.

**ANALYSIS**

The City Council adopted the "Excess Litter Fee" ordinance (Ordinance No. 12727 C.M.S.) on February 21, 2006 with the goal of creating and maintaining clean city sidewalks, streets and public spaces. On June 20, 2006, the City Council adopted amendments to the Master Fee Schedule, effective July 1, 2006, to add a series of fees associated with the removal of excess litter in the areas around businesses that generate a disproportionate amount of litter.

The Excess Litter Fee is billed annually to 867 fast food businesses, liquor stores, convenience markets and gasoline station markets. The fee is based on an establishment's annual gross receipts as follows:

|   | <u>Annual Fee</u> |
|---|-------------------|
| • Small Business (annual gross receipts between \$5,000 and \$500,000)      | \$ 230            |
| • Medium Business (annual gross receipts between \$500,001 and \$1,000,000) | \$ 910            |
| • Large Business (annual gross receipts over \$1,000,000)                   | \$3,815           |

In Fiscal Year 2012-13 (FY 13) the Excess Litter Fee Ordinance collected \$337,847.59, in FY 14 it collected \$467,640.46 and as of the end of May in FY 15: \$315,172. At the end of FY 14 there was a fund balance remainder of \$311,765.

Upon the expiration of the contract with Youth Employment Partnership, and subsequently Civicorps Schools the City released a Request for Qualifications (RFQ) was released in September of 2014 and three proposals were received. Proposals were evaluated based upon the following criteria:

**Relevant Experience**

- Past, recently completed, or on-going projects that substantiate experience
- Prior experience and ability to work with City staff, community groups, and other stakeholders, addressing the various interests in developing a successful project

Item: \_\_\_\_\_  
Public Works Committee  
June 23, 2015

Qualifications

- Professional background and qualifications of team members

Organization

- Current workload
- Available staff
- Resources
- Capacity and flexibility to meet schedules, including any unexpected work

Approach

- Understanding of the nature and extent of the services required
- A specific outline of how the work will be performed
- Awareness of potential problems and providing possible solutions
- Special resources offered that are relevant to the successful completion of the project

Other Factors

- Presentation, completeness, clarity, organization, and responsiveness of proposal

An oral interview of all three applicants was conducted on November 21, 2014 and based upon the results of the written proposal review and oral interview process, Oakland Venue Management (OVM) in partnership with Block By Block (BBB), was ranked as the most qualified to provide this service to the City. OVM and BBB have a proven track record managing three of the City of Oakland's largest Business Improvement Districts (BIDs): the Uptown, Downtown, and more recently the Jack London BIDs.

The OVM/BBB proposal was ranked the highest by all four panelists who conducted the written assessment and the oral interviews. Their proposal exhibited a deep understanding of the program goals, the need to be responsive to the business community that funds the program, and a superior tracking system to hold employees accountable and provide accurate progress reports to the City. Also, the OVM/BBB proposal exhibited a detailed plan for reaching all portions of the City in an equitable way, ensuring that every area is served consistently.

The OVM/BBB proposal also embraced the City's local hiring priority by placing an emphasis on hiring within Oakland to activate and develop a local workforce. Furthermore, the OVM proposal underscored the importance of establishing a recognizable branding of the program, and the need to hit the ground running to make a noticeable difference in the neighborhoods the program serves.

OVM/BBB will implement a litter collection effort that will include:

Item: \_\_\_\_\_  
Public Works Committee  
June 23, 2015

- Collection of litter from sidewalks, gutters, storm drains and tree wells on a year round basis.
- Litter collection from areas within 50 feet of every fee payer citywide based on the current trash and litter heat map generated by Oakland Public Works.
- Tracking and reporting the number of bags of litter collected from each location and using this data to make schedule adjustments to be more responsive to high-need areas.
- Utilization of See-Click-Fix to report illegal dumping sites and need for other City services as they observe them.

OVM/BBB will be responsible for the recruitment, hiring and training of all crew members and will develop a branding for their trucks and uniforms in collaboration with the City's Cultural Affairs and Marketing Division to better identify crew members as Oakland Excess Litter Fee Program participants.

The program will be administered by the City Administrator's Office and a comprehensive status report on the activities of this program will be provided to the City Council at the end of each fiscal year.

Staff recommends acceptance of this report and approval of a resolution authorizing the City Administrator to execute a three-year professional service agreement, with two one-year options for renewal, with Oakland Venue Management for implementation of the Excess Litter Fee Program in an amount not to exceed \$400,000 each year. As in previous years, this contract would be funded by revenue generated from the fee.

### **PUBLIC OUTREACH/INTEREST**

The RFQ was publicized in the Oakland Tribune, the Oakland Post, El Mundo, and the East Bay Express and was also sent directly to several youth-serving organizations and all of the Business Improvement Districts in an effort to engage a broad number of potential applicants.

### **COORDINATION**

The City Administrator's Office Contract Compliance Division, Oakland Public Works Department's Keep Oakland Clean and Beautiful, Storm Water Management, Clean Water Program, and the Alameda County Clean Water Program all participated in the review and

Item: \_\_\_\_\_  
Public Works Committee  
June 23, 2015

selection process. Additionally, the Office of the City Attorney and the Controller's Bureau reviewed this report and resolution.

### **COST SUMMARY/IMPLICATIONS**

In Fiscal Year 2012-13 (FY 13) the Excess Litter Fee Ordinance collected \$337,847.59, in FY 14 it collected \$467,640.46 and as of period 11 in FY 15: \$315,172. Based on these revenues and the available fund balance of \$311,765 from not having a contract in place in FY 15, the City will be able to fund a service level of \$400,000 per year over the next three years. Based on these revenues, the expenditures are accounted for in the current and future budget. The contractor developed the Scope of Services based on this annual amount. Any increase in costs must first be negotiated with the contractor and brought back to Council for approval.

### **SUSTAINABLE OPPORTUNITIES**

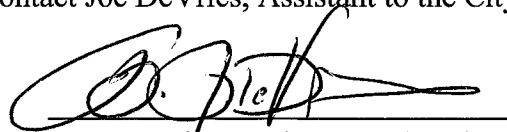
**Economic:** This program allows for a local, small business to contract with the City for the direct provision of services with an emphasis on hiring Oakland residents. It will also enhance the aesthetics of Oakland's commercial corridors promoting increased economic development and investment.

**Environmental:** This program will reduce the amount of trash on City Streets, in storm drains, and the San Francisco Bay by capturing the litter before it can get to the bay. This will improve the City's Storm Water management ratings and protect critical habitat that is negatively impacted by excess amounts of litter generated by convenience stores and fast food restaurants.

**Social Equity:** Providing jobs for local residents to improve the condition of the neighborhoods in which they live will create an immeasurable sense of community pride and allow for increased positive economic activity in areas often perceived as less attractive due to excessive litter.

For questions regarding this report, please contact Joe DeVries, Assistant to the City Administrator at (510) 238-3083.

Respectfully submitted,



Joe DeVries, Assistant to the City Administrator

Reviewed by: Donna Hom

Item: \_\_\_\_\_  
Public Works Committee  
June 23, 2015

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

2015 JUN 11 AM 9:20

Approved as to Form and Legality

  
Deputy City Attorney

**OAKLAND CITY COUNCIL**  
**RESOLUTION No. \_\_\_\_\_ C.M.S.**

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**RESOLUTION AUTHORIZING A THREE YEAR SERVICES AGREEMENT, WITH TWO ONE-YEAR OPTIONS TO RENEW, WITH OAKLAND VENUE MANAGEMENT FOR IMPLEMENTATION OF THE EXCESS LITTER FEE PROGRAM IN AN AMOUNT NOT TO EXCEED \$400,000 EACH YEAR**

**WHEREAS**, on February 21, 2006, the City Council adopted Ordinance No. 12727 C.M.S. establishing the Excess Litter Fee Program; and

**WHEREAS**, a Request for Proposals for continued implementation of the Excess Litter Fee Program was issued on September 11, 2014, with three proposals received on October 6, 2014; and

**WHEREAS**, staff evaluated all proposals received and selected Oakland Venue Management as the most qualified to provide this service to the City; and

**WHEREAS**, the City Council finds and determines that this contract is temporary in nature, and the performance of this contract shall not result in the loss of employment or salary by any person having permanent status in the competitive services; and

**WHEREAS**, the Excess Litter Fee Program is funded from revenues collected from the Excess Litter Fee which are deposited to the Excess Litter Fee Fund (Fund 2417); now therefore be it

**RESOLVED:** That the City Administrator is authorized to negotiate and execute an agreement with Oakland Venue Management to implement the Excess Litter Fee Program for a three year period, with options to renew for two additional one-year periods; in an amount not to exceed \$400,000 each year; and be it

**FURTHER RESOLVED:** That the City Administrator is authorized to exercise the options to renew the agreement for two additional one-year periods without returning to Council, provided that such option shall be exercised through a signed contract amendment, reviewed and approved by the City Attorney and filed with the City Clerk's office.

IN COUNCIL, OAKLAND, CALIFORNIA \_\_\_\_\_, 2015

**PASSED BY THE FOLLOWING VOTE:**

AYES- KALB, GUILLEN, CABELL WASHINGTON, GALLO, BROOKS, REID, KAPLAN, and  
PRESIDENT GIBSON McELHANEY

NOES-

ABSENT-

ABSTENTION-

ATTEST: \_\_\_\_\_  
LaTonda Simmons  
City Clerk and Clerk of the Council  
of the City of Oakland, California