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AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Brooke A. Levin
Director, Public Works

SUBJECT: Zero Waste Collection Multi-Family
Push Service Costs

DATE: December 7, 2016

City Administrator Approval

Date:

2/16/17

RECOMMENDATION

Staff Recommends That Public Works Committee Receive An Informational Report On The Outcomes Of Efforts And Strategies To Reduce Zero Waste Collection Push Service Costs For Multi-Family Buildings.

EXECUTIVE SUMMARY

On July 1, 2015, the City implemented new collection service contracts for trash and organics with Waste Management of Alameda County (WMAC), and for residential recycling with California Waste Solutions (CWS). Both contractors are required to provide on-premises collection of containers to multi-family dwelling (MFD) customers, called "push" services when applied to bins and "backyard" services when applied to carts.

Rates associated with these collection services were implemented concurrent with the contracts, except for push service charges, which were applied to trash service for the first time in October 2015 and to recycling service in January 2016.

This is an informational report and no recommendation for action is made.

BACKGROUND / LEGISLATIVE HISTORY

At a Special Meeting on August 13, 2014, the City Council approved Ordinance No. 13254 C.M.S., granting a franchise for Residential Recycling (RR) Collection Services to CWS. At a Special Meeting on September 29, 2014, City Council approved Ordinance No. 13258 C.M.S., which in part, granted a franchise for Mixed Materials and Organics (MM&O) Collection Services to WMAC and established maximum service rates for the MM&O Contract. On December 9, 2014, the City Council approved Ordinance No. 13273 C.M.S., which amended Ordinance No. 13258 C.M.S. to add contamination rates, and approved Ordinance No. 13274, which amended Ordinance No. 13254 to extend the term of the RR Contract to 20 years.

The MM&O Contract was executed on February 20, 2015, and the RR Contract was executed on May 22, 2015. Implementation of services began on July 1, 2015.

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On October 6, 2015, City Council approved Ordinance No. 13331 C.M.S., which amended Ordinance No. 13258 C.M.S. to amend maximum service rates as set forth in new rate tables, in part to adjust commercial organics collection rates that discouraged participation in commercial composting efforts. On October 12, 2015, the City Administrator executed the First Amendment to the MM&O Contract, which, in part, incorporated the amended maximum service rates as set forth in Ordinance No. 13331 C.M.S.

On January 12, 2016, the Public Works Committee received an information report and recommendations on “efforts and strategies to reduce zero-waste ‘push\pull’ service costs for multi-family buildings, including information provided by Waste Management of Alameda County. On July 12, 2016, the Public Works Committee received a second information report and recommendations on the same topic. This Agenda Report provides updated information on push service costs for multi-family buildings.

ANALYSIS AND POLICY ALTERNATIVES

The MM&O and RR contracts specify push service charges consistent with the rates approved by City Council through the adoption of Ordinance No. 13331 C.M.S., and as adjusted annually according to the provisions of these two contracts.

WMAC On-Premises Collection and Charges

The current charges for on-premises collection, or “push” service, of trash bins are shown in **Table 1**. For on-premises collection of MFD trash carts, WMAC charges for “backyard” service, which is \$29.87 per cart per month for weekly service.

Table 1. MFD Push Service Rates for Trash (effective July 1, 2016)

Distance	0-25 ft	26-50 ft	51-75 ft	76-100 ft	100+ ft
Cost/bin/month	\$ 192.23	\$ 389.78	\$ 587.34	\$ 779.57	\$ 977.13

WMAC began charging for push services in October 2015, after completing field audits and site surveys three months into the new contract. Although outreach and notification efforts were made in this service sector, many MFD customers were unaware of the charges for the on-premises services, having received such services at no charge under the previous contract. Starting in October 2015, hundreds of MFD customers availed themselves of the on-site technical assistance offered by WMAC to help the property owners and managers reduce charges by relocating containers, changing container types, or cancelling on-premises services altogether.

Table 2 provides a summary of MFD customers with WMAC push charges for December 2016, based on data provided by WMAC. WMAC provides collection services to 3,441 MFD buildings in Oakland, of which, 807 MFD (23%) were billed for push services in October 2015. Since then, WMAC has reduced the number of customers receiving MFD push services by 65% to 285 customers, and now only 8% of MFD buildings subscribe to WMAC push services.

Table 2. Multifamily On-Premises Services for Trash Bins

MULTI-FAMILY	No. of Customers
TOTAL (push service and no push service)	3,441
Push services charged in October 2015	807
Push services charged in December 2016	285
Push services stopped/unsubscribed since October 2015	522

CWS On-Premises Collection and Charges

The RR contract and the Council-approved MFD push services charges for recycling bins are shown in **Table 3**.

Table 3. MFD Push Service Rates for Recycling (effective July 1, 2016)

Distance	0-25 ft	26-50 ft	51-75 ft	76-100 ft	100+ ft
Cost/month	\$ 160.61	\$ 325.66	\$ 490.74	\$ 651.35	\$ 816.41

To assess these charges to MFD customers, CWS invoices WMAC, and WMAC is obligated by the MM&O contract to bill in advance for CWS' push services. CWS first invoiced WMAC for MFD push service charges for the month of October 2015, when they invoiced for several hundred MFD accounts. However, WMAC raised objections to CWS' application of MFD bin push fees to on-premises cart service, and did not initially bill customers according to the CWS invoices, but in January 2016 billed for CWS push charges retroactively for October, November, and December 2015. The City has initiated the dispute resolution process specified in the RR contract to resolve the underlying issue of proper rate application by CWS.

Table 4 provides a summary of MFD customers with CWS on-premises services for December 2016, based on data provided by CWS. CWS offers collection services to 3,441 MFD buildings in Oakland, of which, 1,541 MFD (45%) were billed for push services in January 2016, retroactive to October 2015. Since then, CWS has reduced MFD on-premises services by 69% to 488 customers, and now only 14% of MFD buildings subscribe to CWS on-premises collection services.

Table 4. Multifamily On-Premises Services for Recycling Containers

MULTI-FAMILY	No. of Customers
TOTAL (push service and no push service)	3,441
Push services charged in October 2015	1,541
Push services charged in December 2016	488
Push services stopped/unsubscribed since October 2015	1,053

Third-Party Services

Some MFD customers are now using independent third-party companies to move their trash, compost, and recycling containers to the curb for collection by WMAC and CWS. Currently, BA

Waste and Bay Area Bin Support are the only known companies providing these services in Oakland. In addition, some property owners have made arrangements with their tenants to move containers to the curb for collection.

FISCAL IMPACT

No fiscal impacts are associated with this informational report.

PUBLIC OUTREACH / INTEREST

This item legally did not require any additional public outreach other than that required by the State Brown Act and City's Sunshine Ordinance.

COORDINATION

The Office of the City Administrator and City Attorney were consulted in preparation of this report.

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: Increased diversion of materials from the landfill through recycling and compost programs adds jobs to the local economy.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that Public Works Committee receive an informational report on the outcomes of efforts and strategies to reduce zero waste collection push service costs for multi-family buildings.

For questions regarding this report, please contact Becky Dowdakin, Environmental Services Manager, at 238-6981.

Respectfully submitted,



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