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## MEMORANDUM

**TO:** HONORABLE MAYOR &  
CITY COUNCIL

**FROM:** Brooke A. Levin

**SUBJECT:** Zero Waste Services Contract Negotiations    **DATE:** January 3, 2014

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City Administrator

Date

Approval                    /s/ **Deanna J. Santana**

**1/3/14**

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### INFORMATION

This purpose of this memo is to provide information on the Zero Waste Services Request For Proposals (RFP) process. Negotiations with the top-ranked proposers, authorized by City Council Resolution No. 84461 C.M.S. in June 2013, have not yet concluded. The RFP process explicitly included all policy direction provided by City Council, including multiple provisions for wages and benefits, and for collection of organic materials at multi-family dwellings (MFD).

This memo provides clarification in response to a letter dated December 2, 2013, from Councilmembers Gallo, Kalb, and McElhaney to Mayor Quan and City Administrator Santana, addressing the following two subjects (Attachment A):

- Family-supporting wages and affordable family health benefits for recycling workers included in the recycling franchise agreement; and,
- “Third bin” for organic materials at MFD.

#### **Wages and Benefits**

Through a motion passed on June 19, 2012, City Council provided policy direction on labor provisions to include in the RFP and subsequent Franchise Contracts, including competitive wages and benefits, local hire requirements, and employment preferences for any displaced employees. The City Council’s specific direction for wages and benefits was the following:

Competitive Wages and Benefits defined as wages and benefits equivalent to or better than collectively bargained contracts in use in Alameda, Contra Costa, San Francisco, Santa Clara, and San Mateo Counties, will be required of proposers of the Garbage and Organics and Residential Recycling Contracts.

In addition, the motion specified that failure to meet this obligation could subject the franchisee to orders for corrective action and liquidated damages.

## **Multi-Family Organics Recovery**

Pursuant to City Council policy direction provided by Resolution 83689 C.M.S approved on January 17, 2012, the aforementioned motion approved on June 19, 2012, and Resolution 84461 C.M.S. approved June 18, 2013, the proposers are required to present cost proposals for three variations of MFD “third bin” service for source-separated organics, which would be provided in addition to recovery of organic materials from mixed materials, as follows:

- Base RFP Third cart for organics is an “opt in” service included in rate; the third cart is provided when the property owner/manager requests this service.
- Alternative 1 Third cart for organics service is an “opt in” service, not included in rate, but available for an additional fee; the third cart is provided when the property owner/manager requests this service.
- Alternative 2 Third cart for organics service is included in rate and provided by default, unless the property owner/manager “opts out.”

Negotiations on the cost proposals provided for these services are continuing, and the outcomes of these discussions will be reported to City Council when staff returns with a recommendation for awards of contracts. The City Council has established formal policy positions on the two matters raised in the attached letter and staff will continue to implement/negotiate accordingly.

Respectfully submitted,

/s/

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BROOKE A. LEVIN  
Interim Public Works Director

All public information regarding the Zero Waste Services RFP is published online at [www.zerowasteoakland.com](http://www.zerowasteoakland.com). For questions please contact Susan Kattchee, Acting Assistant Director, Public Works Agency, Department of Facilities and Environment, at (510) 238-6382.

Attachment (1):

- Letter from Councilmembers Noel Gallo, Dan Kalb, and Lynette Gibson McElhaney to Mayor Jean Quan and City Administrator Deanna J. Santana, dated December 2, 2013

CITY OF OAKLAND



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*City Council*

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December 2, 2013

Mayor Jean Quan and City Administrator Deanna Santana  
1 Frank H. Ogawa Plaza  
3rd Floor  
Oakland, CA 94612

Dear Mayor Quan and Ms. Santana,

We understand the Public Works staff will soon provide you with an update regarding the status of negotiations between the city and Waste Management and CA Waste Solutions, the two companies seeking Oakland's garbage/organics and recycling franchise agreements.

We would like to take this opportunity to share our priorities for the city's recycling franchise agreement.

First, we believe it is imperative for recycling workers – who provide an essential service to our city – to be guaranteed family-supporting wages and affordable family health benefits, just as recycling workers in San Francisco and San Jose do. The vast majority of workers who currently perform these services for Oakland through our agreement with Waste Management are paid only \$12.50 per hour, and those employed by CA Waste Solutions are paid just \$11.97 per hour. While Waste Management provides affordable family health insurance, CA Waste Solutions covers only workers and those employees cannot afford to pay for family coverage, so most go without.

The best way to ensure that Oakland's recycling workers receive family-supporting wages and affordable family health benefits is by including such a standard in the franchise agreement itself. We believe that the tiny rate increase needed to provide recycling workers with family-supporting wages and affordable family health benefits (estimated to be roughly 1 penny per household per day) will be a negligible amount for ratepayers but will provide important benefits for our community.

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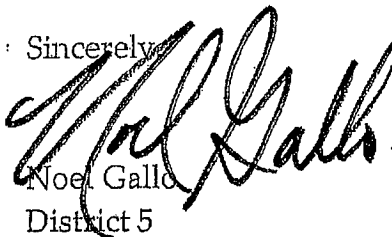
Second, Oakland should ensure that residents in multi-family homes are provided with a "third bin" to recover their organic materials. The City needs all residents – not just home owners – to participate in the recovery of organic "green" waste in order to reach Oakland's goal of Zero Waste. Many families in multi-family homes already are sorting their organics. Denying these families a third bin will make it difficult or impossible for them to participate in organics diversion.

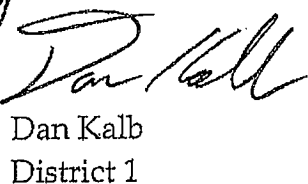
There are also important issues of equity and fairness at stake, because the occupants of multi-family residences are generally lower-income and more likely to be people of color than homeowners. Denying these residents the same environmental services as homeowners is therefore unfair, unjust and inequitable. Oakland residents deserve equal access to waste and recycling services, and providing all residents with access to a "third bin" is the simplest and best way to accomplish this goal.

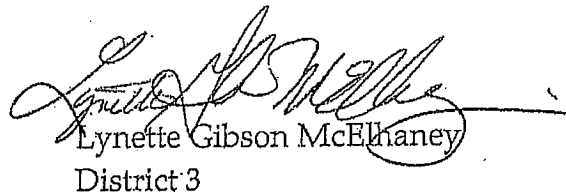
Finally, providing multi-family residents with green bin access will allow tons of organics to be recovered each day and put to their highest and best use – instead of being wasted in landfills where they also contribute to climate change. Recovery will allow these materials to be transformed into high-quality compost for use by Oakland residents, or used as feedstock for anaerobic digesters that can generate energy at facilities like the one operated by East Bay MUD.

The waste and recycling franchise agreements we're negotiating today are likely to remain in place for the next twenty years, so we can't afford to stumble or ignore obvious problems. We need to get this right for all Oakland residents, for our recycling workers, and the environment. We look forward to working with you to meet all these goals.

Sincerely,

  
Noel Gallo  
District 5

  
Dan Kalb  
District 1

  
Lynette Gibson McElhaney  
District 3