

OAKLAND ZERO WASTE (GARBAGE) SERVICES

Beginning July 1st, our new Zero Waste contracts will kick-in offering new and expanded services as part of Oakland Recycles' collection of garbage, green bin organics and recycling materials for all residents in our city. There will be some level of rate increase to go along with it. The Council last year rejected a proposed deal that would have raised rates nearly 50%, opting instead for a strong package that includes enhanced services along with an approximately 24% rate increase. This brings our rates on par with many Bay Area jurisdictions.



So, I've been asked, how did we get to this point?

A few years ago, the City Administration hired a consultant to help develop a Request For Proposal (RFP) to promote competition and ultimately get a good deal for the city's ratepayers. Unfortunately, the RFP, which sought bids for three separate contracts—Mixed Materials & Organics; Recycling; and Landfill disposal—only attracted two bidders.

Staff reviewed the two bids and sought authority from the City Council in 2013 to use the bids as a basis for negotiations with both companies to come up with the best deal for the city. We granted that authority to the Administration. Meanwhile, the City Council developed and further refined a list of needs, criteria and options that helped guide the Administration as to what the Council wanted and expected in the final contracts in terms of services to Oakland residents.

After some unexplained delays, in late May 2014, staff presented information and a recommendation to the Council on the three zero-waste contracts. Their recommendation was to give all three contracts to one company—Waste Management—coupled with a rate increase of nearly 50%. Moreover, this recommendation did not include some of the items and services that the Council had asked for, or those services were presented with unfavorable prices. However, it did include a few harmful and ridiculous provisions such as allowing Waste Management to initiate a lockout of its employees, not to pick up the garbage for several days and *not* have to pay liquidated damages to the city.

The Council could not in good conscience accept the recommendation of a 50% rate increase. Moreover, the staff report making that recommendation did not present a comprehensive apples-to-apples comparison of the two negotiated offers from each of the companies—Waste Management and California Waste Solutions.

At the end of May, 2014, the Council directed staff to go back to both companies and renegotiate a better deal for the city and its ratepayers, and to come back to the Council with a more thorough and fair comparison between the offers by the two companies. Council asked staff to make sure that each company was given a fair opportunity to make a revised offer that allowed us to make an apples-to-apples comparison.

About two months later, staff returned to the Council with additional information and revised offers from each of the companies. Staff again recommended that the Council award all three contracts to Waste Management, even though their proposed rates were higher and some of the proposed services that the City Council sought were either not included or were more expensive.

I had said from the beginning of this process that I didn't care which company got which contract, as long as (a) Oakland residents received good service, (b) the environmental and other benefits that the Council asked for were incorporated into the contracts, and (c) the rate increase was as low as reasonably possible.

After thoroughly reviewing the negotiated proposals for each of the contracts, the Council decided to go with the company—California Waste Solutions (CWS)—that provided the lower rates and the better package of services. CWS is a local company with extensive experience in recycling. They provided documented back-up plans to ensure they would be fully up and running by July of this year. The Council approved this package in August 2014 and directed staff to finalize the contracts and start the process of preparing for the July 1, 2015 transition.

Shortly thereafter, Waste Management decided to file a baseless lawsuit and seek signatures for a voter referendum. Sadly, many of their paid signature-gatherers misled voters with false messages of lower rates. Due to the disappointing tactics and delays caused by Waste Management, CWS faced the risk of losing all three contracts at the ballot box. Waste Management's behavior was reprehensible, but ultimately we on the Council had to think first about our city's residents/ratepayers and about making sure services were uninterrupted come July 2015. In September of last year, CWS agreed to a compromise with Waste Management and city leaders as follows:

Waste Management would be awarded the Mixed Materials (garbage) and Organics contract and the Landfill contract, and CA Waste Solutions would be awarded the Recycling Contract for the entire city. Additionally, Waste Management would have to (a) accept the lower residential rates that CWS has agreed to, (b) contract out with CivicCorps for much of the commercial organics collection to provide skilled jobs to young adults, and (c) ensure that all residents have convenient access to an Organics 'green' bin. We will also receive additional pick-ups of illegally dumped garbage.

While the process was lengthy, the Council's actions led to what is ultimately a very good deal for the city's residents. We kept the rate increase to a reasonable amount and we will receive increased services for our residents.

Starting July 1st, there will be additional services provided due to the new Zero Waste agreements. For [more information, click here](#).