

### Guidance on Commercial Non-Exclusive Recycling Franchise

It is the City's intention that through the Commercial Non-Exclusive Recycling franchise, any and all Oakland businesses that want or are required by law to subscribe to recycling service, may obtain recycling services at reasonable rates. For all services, the RFP provides Proposers with the latitude to propose Maximum Service Rates that encourage waste diversion, including rates for Commercial Non-Exclusive Recycling services.

These services are necessary to ensure compliance with the state and county mandatory recycling provisions, and to contribute to the City's waste diversion goals. The Contractor selected by the City to provide Commercial Non-Exclusive Recycling services shall be required to provide these services to any business that requests it, for not more than the Maximum Service Rate. Contractor need not provide these services to businesses unless they subscribe, and there is no requirement that Contractor continue providing service if Customer fails to maintain payment. In addition, Contractor may discontinue service where Customer habitually fails to properly prepare Recyclable Materials for Collection, and Contractor has exhausted reasonable remedies to correct Customer behavior.

The following further describes the Non-Exclusive Commercial Recycling franchise:

1. If the MM&O Contractor is awarded the Non-Exclusive Commercial Recycling Franchise:
  - a. Every commercial recycling customer served by the Contractor is considered a Non-Exclusive Commercial Recycling Franchise customer and must be offered service at rates that do not exceed the Maximum Service Rates.
  - b. Contractor will be exempt from the open-market commercial recycling permit fees to be established by the City.
  - c. Franchise Fees paid to City by the MM&O Contractor will not be affected by award of the Non-Exclusive Commercial Recycling Franchise.
  - d. Commercial recycling tonnage collected by Contractor counts towards diversion (MM&O Contract Exhibit 8, Table B, Line 9).
  - e. Contractor may charge less than Maximum Collection Service Rates.
  - f. Contractor may use customer contracts that are consistent with provisions of the MM&O Contract (duration TBD).
  
2. If the RR Contractor is awarded the Non-Exclusive Commercial Recycling Franchise:
  - a. Every commercial recycling customer served by the Contractor is considered Non-Exclusive Commercial Recycling Franchise customer and must be offered service at rates that do not exceed the Maximum Service Rates.
  - b. Contractor will be exempt from the open-market commercial recycling permit fees to be established by the City.
  - c. Franchise Fees paid to City by MM&O Contractor will not be affected by award of the Non-Exclusive Commercial Recycling Franchise.
  - d. Contractor must count commercial recycling tonnage separately from residential recycling tonnage.
  - e. Contractor may charge less than Maximum Collection Service Rates.
  - f. Contractor may use customer contracts that are consistent with provisions of the RR Contract (duration TBD).

3. If the Non-Exclusive Commercial Recycling Franchise is awarded to a Contractor that has been awarded both the MM&O and RR Contracts:
  - a. Every commercial recycling customer served by the Contractor is considered Non-Exclusive Commercial Recycling Franchise customer and must be offered service at rates that do not exceed the Maximum Service Rates.
  - b. Contractor will be exempt from the open-market commercial recycling permit fees to be established by the City.
  - c. Franchise Fees paid to City by MM&O Contractor will not be affected by award of the Non-Exclusive Commercial Recycling Franchise.
  - d. Commercial recycling tonnage collected counts towards MM&O diversion (Exhibit 8, Table B, Line 9).
  - e. Contractor may charge less than Maximum Collection Service Rates.
  - f. Contractor must count commercial recycling tonnage separately from residential recycling tonnage.
  - g. Contractor may use customer contracts that are consistent with provisions of the Contract. The City will make a determination on the maximum length for such client contracts.

Should the MM&O or RR contractor that is *not* awarded the Non-Exclusive Commercial Recycling franchise choose to offer commercial recycling services on the open market as an independent recycler, it will be subject to commercial recycling permit fees under the commercial recycling permit system to be established by the City as part of the Zero Waste System.