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OFFICE OF THE CITY CLERK
OAKLAND
2015 JUL 17 AM 10:03

AGENDA REPORT

TO: Sabrina B. Landreth
CITY ADMINISTRATOR

FROM: Brooke A. Levin

SUBJECT: A Resolution and Amendment of
Ordinance Setting Zero Waste
Maximum Service Rates

DATE: July 17, 2015

City Administrator
Approval

Date

7/17/15

COUNCIL DISTRICT: City-Wide

RECOMMENDATION

Staff recommends that the City Council adopt following legislation:

1. Resolution Authorizing The City Administrator To Negotiate An Agreement With Waste Management Of Alameda County (WMAC) That Includes The Following Provisions: 1) Effective August 1, 2015, WMAC Will Charge Rates For Commercial Organics Collection That Are Not More Than 90 Percent Of The Maximum Service Rates For Commercial Mixed Materials Collection; 2) In September 2015, Staff Will Return To City Council With An Ordinance For Consideration That Would Adjust The Maximum Service Rates For Commercial Mixed Materials Collection, Effective July 1, 2016, To Allow WMAC To Recoup Losses That Result From Lowering The Commercial Organics Collection Rates In The Preceding 11 Months; And 3) Beginning July 1, 2016, WMAC Will Provide Up To \$100,000 Annually For A Residential Rate Discount Program For Low-Income Seniors
2. An Ordinance Adding Rates For Additional Single Family Organics Cart Collection, Garbage Compactor Bin Collection, Commercial Cart Push Service, Roll-Off Organics Tipping Services, Roll-Off Ancillary Services, Lock And Key Services, And Commercial Cart And Bin Collection Six And Seven Times Per Week, By Amending Ordinance No. 13258 C.M.S., Which Amended Ordinance No. 13253 C.M.S. To Among Other Things, Grant A Franchise For Mixed Materials And Organics Collection Services To Waste Management Of Alameda County And Approve Maximum Service Rates For Mixed Materials And Organics Collection, Residential Recycling And Disposal Services

Item:

4

City Council
July 20, 2015

OUTCOME

Approval of the resolution will authorize the City Administrator to negotiate terms with WMAC to achieve rate relief for Oakland businesses that subscribe to commercial organics collection services, and to secure funding for continuation of a low-income senior discount.

Approval of the ordinance would amend Ordinance No. 13258 C.M.S., which established the maximum service rates for the Zero Waste System, to add several specific usual and customary non-residential service rates that were omitted at the time of approval.

BACKGROUND/LEGISLATIVE HISTORY

At a Special Meeting on September 29, 2014, the 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 Waste Management of Alameda County (WMAC) and established maximum service rates for the MM&O contract and the Residential Recycling Collection Services 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.

ANALYSIS

Low Income Senior Discount

Approximately 1,500 residential customers received a low-income senior discount prior to new contract implementation on July 1, 2015, which provided a 12.5% discount below the regular rates. This discount was discontinued in the new contract. A rate for this service was not solicited nor provided during the Request For Proposals process. However, on July 7, 2015 through Resolution No. 85683 C.M.S., the City Council approved allocation of \$100,000 of Community Development Block Grant funding to support a low-income senior discount program for garbage service. The annual cost of this subsidy is about \$80,000 with the current rates. WMAC has stated that it will provide a low-income senior subsidy from its corporate giving division of up to \$100,000 annually through the end of the Franchise Agreement, should the City approve the missing rates and should WMAC and the City reach agreement on lowering the rates for commercial organics collection.

Staff is currently in discussions with WMAC on the logistics of applying the low-income senior discount to the first quarter bills and how the discount will be applied in the future. The parameters of the program will stay the same – low-income seniors that qualify for the PG&E CARE program are eligible for the discount.

Item: _____
City Council
July 20, 2015

Commercial Organics (Compost) Rates

The City Council and City staff have received many emails and calls from restaurants and food establishments regarding the compost service rates being higher than garbage rates and their dissatisfaction with the rate structure. The commercial sector rates adopted by Council on September 29, 2014 (Ordinance No. 13258 C.M.S.) set compost maximum service rates at a higher than garbage maximum service rates, for identical service levels (e.g. comparing 64-gallon organics cart to 64-gallon garbage cart). The rates adopted on August 11, 2014 (Ordinance No. 13253 C.M.S.), when Council awarded the MM&O contract to California Waste Solutions, reflected the same structure, with compost service rates higher than garbage service rates.

Ideally, compost service rates would be at a lower rate than garbage, incentivizing commercial customers to move organic material from their garbage bin into the compost bin and eventually reducing the size of the garbage bin. Staff brought this issue to WMAC and expressed the level of customer dissatisfaction with the compost service rate asking WMAC to help the City address.

WMAC has proposed to adjust the commercial compost rates, effective upon agreement with the City, to be 10% lower than garbage rates for the equal size container and recoup the cost differential beginning in July 2016. An analysis of this change, at today's service levels, the rate impact would be approximately 4.08% on the commercial garbage customers' rate.

In 2016, the Alameda County mandatory recycling ordinance will become effective for Oakland businesses. It is proposed that beginning July 2016 the commercial compost rates be 5% lower than the garbage rates to continue the incentive to move material from the garbage bin to the compost bin to meet the City's Zero Waste goal, yet acknowledging that it would be the law to have the compost service.

The compost collection service is a new service and the number of customers, cart and bin sizes has been changing daily proving it difficult to establish a baseline which to calculate the revenue impact. Staff is proposing to come back to Council in September with the specific language to amend the Franchise Agreement that would describe how the one-time adjustment would be calculated and applied to the rate adjustment for July 1, 2016.

Missing Rates

In June 2015, WMAC notified City staff that they had identified several rates as "missing" from the rate tables that were approved by City Council through Ordinance No. 13258 C.M.S. WMAC discovered these omissions when uploading rates into their billing system for testing. By letter dated June 25, 2015 (Attachment 1), WMAC formally requested the City to approve the rates identified as missing. These missing rates are for charges that are typical for solid waste services that may be elected by the customer, and WMAC charged rates for some of these services to Oakland customers under the solid waste franchise agreement that expired June 30, 2015. WMAC also identified rates for services not previously provided that are authorized under the MM&O contract, but had not been solicited or provided during the RFP proposal process.

Item: _____
City Council
July 20, 2015

As a result there are a number of rates that never appeared in any of the reports or ordinances prepared by staff for City Council consideration. Finally, in raising these issues, WMAC has notified that they will not provide any of the services for which rates have not been established.

The proposed rates are shown in Exhibit 1 Rate Table, and include rates for: additional single family organics carts, compactor bin collection, commercial cart push, Saturday collection of commercial organics carts, Sunday collection of commercial organics and garbage carts and bins, roll off organics tipping, roll off ancillary services, and lock and key services. Descriptions of these services, proposed rates, and projected revenues are described below, in order.

Additional Single Family Organics Cart Collection

Approximately 5,000 single family dwelling (SFD) residences currently subscribe to an additional green cart for organics. MM&O contract section 9.03.5 authorizes WMAC to charge for this service, but a rate was not solicited nor proposed during the RFP process. WMAC proposes a rate for the additional green cart that is 33% percent over the rates that expired on June 30, 2015, commensurate with the increase to SFD collection rates. The revenue associated with his rate increase is estimated by WMAC to be approximately \$17,000 per month.

Compactor Bin Collection

Approximately 50 businesses and multifamily dwelling (MFD) buildings use compacting equipment to compress garbage into front-loading bins for collection by WMAC. Compacting bins are cited in MM&O contract sections 1.04, 1.25, and 6.06.2. Businesses and MFD building managers use compacting bins to address on-site space constraints, and to reduce the potential of litter on City streets full or overflowing conventional bins. WMAC has proposed that rates for compacting bins be double the rate charged for non-compacting bins, which is consistent with WMAC's practice in Oakland under the previous franchise agreement, and a typical industry practice. The additional revenue associated with this rate increase is estimated by WMAC to be approximately \$40,000 per month. Because the proposed rate represents a continuation of past practice regarding a service of significant value to a select group of customers, approval would be unlikely to cause any service disruption or concern to affected customers.

Commercial Cart Push Service

A "push" charge is a rate applied for the service of moving a container from an on-premises collection point to the truck, where the container is unloaded. Through Ordinance No. 13258 C.M.S., City Council approved push charges for commercial and MFD bins, and MFD carts, but not for commercial carts. It is typical industry practice to charge for push services, but such rates were not charged to Oakland customers under the previous franchise agreement. Approval of these rates may compel commercial customers to push their own carts to the curb for collection service in order to avoid additional costs.

Item: _____
City Council
July 20, 2015

Roll-off Organics Tipping Service

A roll-off tipping rate is a charge related to the disposal or processing of materials that are “tipped” from a roll-off box at a disposal or processing facility. The Zero Waste RFP explicitly solicited roll-off fee proposals for pick-up only. However, as approved by City Council through Ordinance No. 13258 C.M.S., the final rate that a customer pays for roll-off service is a combination of the pick-up rate and the cost to tip the material. The tipping rate for mixed materials under the MM&O contract is simply the approved disposal rate, charged by the ton. However, no tipping rates were proposed for organic materials, which are banned from landfill disposal and therefore require separate handling. WMAC has proposed roll-off organics tipping rates, based on costs embedded in the Council-approved rate tables, that are significantly less than the tipping rate for Mixed Materials. Pricing the tipping service for organics lower than the cost for mixed materials is favorable to the City’s Zero Waste goals and compliance with the landfill ban on organic materials. The MM&O contract requires WMAC to provide organics collection service using roll-off bins, and addition of this tipping rate allows for a complete rate for this service. Approval of this rate may encourage separation of organic materials from garbage by the customer.

Roll-off Ancillary Services

WMAC provides services that are ancillary to the basic roll-off collection and tipping services for which rates are already approved, except as described above, through Ordinance No. 13258 C.M.S. Those services included demurrage, provision of safety lights, and box relocation. WMAC charged City Council approved rates for these same services under the previous franchise agreement. WMAC proposes that rates for these ancillary service be increased by 44 percent over the rates that expired on June 30, 2015, commensurate with the increase to the roll-off collection rates. The additional revenue associated with the proposed increases to these fees is approximately \$15,000 per month. Approval of this rate increase would be unlikely to cause any service disruption or concern to affected customers.

Lock and Key Services

A “lock” or “key” charge is a rate applied for the service of providing a master lock and key for the customer’s container or trash enclosure. Through Ordinance No. 13258 C.M.S., City Council approved lock and key charges for non-exclusive commercial recyclable service, but not for MFD or commercial service. These rates are authorized by MM&O sections 10.01.3 (MFD) and 11.01.3 (commercial). It is typical industry practice to charge for this service, but such rates were not charged to Oakland customers under the previous franchise agreement and not solicited or provided during the RFP proposal process. This charge does not apply to customer-provided locks where push rates are charged.

Commercial Cart and Bin Collection

Section 6.02.2 of the MM&O Contract requires WMAC to provide commercial collection services Monday through Saturday, with limited collection on Sunday. This gives commercial customers access to services up to seven times per week. Through Ordinance No. 13258 C.M.S.,

Item: _____
City Council
July 20, 2015

City Council approved commercial collection rates, for organics and mixed materials, applied to carts and bins, which were incomplete. The missing rates in this case are commercial cart organic material collection six and seven times per week, commercial bin organic material collection seven times per week, and commercial five-cubic yard bin collection one to seven times per week.

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

Public Works Department staff has coordinated closely with the Office of the City Administrator and City Attorney for this report, ordinance and resolution.

COST SUMMARY/IMPLICATIONS

There are no cost implications associated with 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.

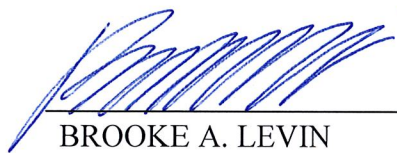
Social Equity: Increased jobs through additional diversion of materials from the landfill.

CEQA

City staff determined that the City Council's actions are exempt from the California Environmental Quality Act (CEQA), pursuant to CEQA Guidelines Section 15273: City approval to change the rates.

For questions regarding this report, please contact Becky Dowdakin, Environmental Services Manager, 510-238-6981.

Respectfully submitted,



BROOKE A. LEVIN
Director, Public Works Department

Reviewed by:
Susan Kattchee, Assistant Director

Prepared by:
Becky Dowdakin, Environmental Services Manager

Attachment 1: Letter from WMAC dated June 25, 2015



WASTE MANAGEMENT of
ALAMEDA COUNTY, INC.
172 98th Avenue
Oakland, CA 94603
(510) 383-2404

VIA EMAIL (cityadministrator@oaklandnet.com)
AND U.S. MAIL

June 25, 2015

John A. Flores
City Administrator
1 Frank Ogawa Plaza, 3rd Floor
Oakland, CA 94612

Dear Mr. Flores:

We have discussed with City staff certain WMAC fees, which were inadvertently omitted from the Maximum Service Rates in Exhibit 1 of the MM&O agreement. Last Friday, Becky Dowdakin indicated in an email that City staff does not have the authority to approve such omitted rates, that the omitted rates would have to be approved by council, and that staff plans on submitting the omitted rates to council in December for council's consideration and approval.

Unfortunately, delaying any required action until December for such rates to be approved means the services covered by those necessary rates cannot be provided, and alternative services at potentially higher rates will be the only available option. Given this result, we are prepared to work cooperatively and expeditiously with the staff and City Administrator in order to promptly provide the anticipated services at approved rates. I know Greg Ong has already described the four categories of fees, which still must be approved, but for sake of convenience, I have included an explanation below.

Rate for collection of compactor bins for commercial and multi-family

Material collected from compactor containers is three times heavier than materials collected from non-compactor containers. This results in significant additional transportation and disposal costs, thus requiring a higher rate than non-compactor bin service.

The MM&O agreement states that bins (Sections 1.04 and 1.25) and bin service (Section 6.06.2) include compactors, but there is no rate for compactor bin service in Exhibit 1 (Maximum Service Rates). There is a compactor roll-off rate, but no compactor bin rate. The failure to include a separate compactor bin rate was clearly an inadvertent mistake on the part of the contracting parties as the City is aware of WMAC's service history with respect to the use and management of compactor bins for Oakland commercial and MFD customers and there is a separate compactor rate (twice the regular rate) in the expiring Oakland/WMAC franchise agreement. Indeed, WMAC has for 20 years charged a compactor bin rate of two times the normal bin rate under the current Oakland/WMAC franchise agreement expiring on June 30, 2015. This is true of other franchise agreements in Alameda County, as well. Additionally, as there is a separate rate for compactor roll-offs in Exhibit 1 of the MM&O agreement, the parties clearly recognized the increased costs associated with collection and disposal of compacted Mixed Materials, and that a higher rate is warranted.

THINK GREEN.®



Therefore, Exhibits 1B-1 and 1C-1 should be modified to add a “Compactor Rate” for each bin size and service levels that would be equal to two times the “Total Monthly Unit Collection Service Rate.” For example, the following should be added for 6 CY Bins in Exhibit 1C-1:

	<u>1 x/week</u>	<u>2 x/week</u>	<u>3 x/week</u>	etc...
Compactor Rate	\$1,655.44	\$3,310.88	\$4,966.32	

Commercial cart push/pull

Exhibit 1C of the MM&O agreement does not include a push rate for commercial carts, yet Exhibit 1C-1 does include a push rate for commercial bins. Although the weight of carts are obviously less than bins, WMAC nevertheless has additional costs associated with manually moving commercial carts to a position where collection may be made. As such, Exhibit 1C should be modified to include a push rate. WMAC proposes the following push rates per month per cart (once per week service), which are based on WMAC’s estimated labor costs to provide the push/pull service. You will notice that they are lower than the bin push rate to account for the lower weight.

<u>Feet</u>	<u>Push Rate</u>
0 – 25	\$64.95
26 – 50	\$77.95
51 – 75	\$90.95
76 – 100	\$103.95
Over 100	\$116.90

Roll-off tip fees

The expiring Oakland/WMAC agreement allows WMAC to charge roll-off customers a haul rate for the pick-up of a roll-off box, plus a tip fee. Under the new MM&O agreement, roll-off customers will similarly be charged a “pull rate” for the pick-up of a roll-off box, plus a per ton tip fee for disposal. The pull rates contained in the MM&O rate sheets are the same for Mixed Materials, C&D, and Organic Materials (e.g., \$797.11 for a 6 CY container).

Exhibit 1 of the Disposal Agreement provides for a \$45.01 per ton (the \$44.24 amount has been adjusted pursuant to the Disposal Agreement) tip fee for Mixed Materials. This per ton fee would be the tip fee component for Mixed Materials collected via roll-off. However, the MM&O agreement does not address the tip fee for material which is not sent to Altamont Landfill for disposal, namely C&D and Organic Materials.

Exhibits 12A, 12B, and 12C of the MM&O agreement provide a “processing fee” for the Mixed Materials, C&D/MFD Mixed Materials, and Organics, respectively. The \$50.63 “processing fee” in Exhibit 12A is a fee to pay for the management of the materials at Davis St. This fee is included in the “pull rate.” The processing fee in Exhibits 12B and 12C includes a component to pay for WMAC’s cost



to receive and manage those materials. As such, we propose that the \$50.63 Exhibit 12A processing fee be subtracted from the Exhibit 12B and 12 C processing fee to calculate the "tip fee." Therefore, the tip fee for C&D and Organic Materials would be calculated as follows:

C&D/MFD Mixed Material: \$83.06 Processing Fee in Exhibit 12B - \$50.63 Processing Fee in Exhibit 12A = \$32.43

Organic Materials: \$76.98 Processing Fee in Exhibit 12C - \$50.63 Processing Fee in Exhibit 12A = \$26.35

Roll-off ancillary fees

The expiring Oakland/WMAC agreement allows WMAC to charge roll-off customers certain ancillary fees, such as trip charges, placement charges, demurrage fees, safety light fees, and relocate-box fees. Such fees, which are typical in the industry, were inadvertently omitted from the Exhibit 1 Maximum Service Rates. As with the other rates omitted due to mistake of the contracting parties, these ancillary fees should be included in the MM&O rates. WMAC proposes the following:

Trip Charge:	\$194.50
Placement Charge:	\$113.11
Demurrage Fee:	\$54.39
Safety Light Fee:	\$56.44
Relocate Box Fee:	\$168.73

These proposed roll-off ancillary fees are based on the current fees charged and increased by the average percentage rate increase in the roll-off haul rates under the MM&O contract. For 20 years, WMAC has charged these fees to customers under the expiring Oakland/WMAC franchise agreement.

WMAC understands City staff's position that the rates discussed above will need City Council approval. We are not aware of the processes available to fix clear mistakes or issues. However, WMAC will not wait until December for Council to address the issue. Not charging these fees to customers will have a material impact on the financial performance of the MM&O contract. There is ample legal support for WMAC's position that the omitted rates should be included in the MM&O contract. As such, we expect that they approved by the City by July 14, 2015 and retroactive to July 1, 2015. If Council has failed to approve the rates proposed by WMAC herein by July 14, 2015, WMAC will have no choice but to discontinue collection from compactor bins and quickly migrate customers to regular bins. Obviously, WMAC does not wish to go down that path, and feels that we should be able to reach an agreement on the omitted rates based on our excellent working relationship.

Yours truly,

A handwritten signature in black ink, appearing to read 'Barry Skolnick'. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Barry Skolnick

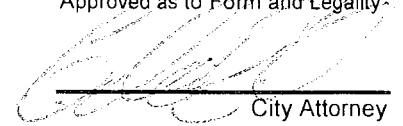


President, Waste Management of Alameda County, Inc.

Cc: Brooke Levin
Susan Kattchee
Mark Gagliardi
Becky Dowdakin
Peter Slote

FILED
OFFICE OF THE CITY CLERK
OAKLAND

OAKLAND CITY COUNCIL


City Attorney

2015 JUL 17 AM **RESOLUTION No.** _____ **C.M.S.**

RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO NEGOTIATE AN AGREEMENT WITH WASTE MANAGEMENT OF ALAMEDA COUNTY (WMAC) THAT INCLUDES THE FOLLOWING PROVISIONS: 1) EFFECTIVE AUGUST 1, 2015, WMAC WILL CHARGE RATES FOR COMMERCIAL ORGANICS COLLECTION THAT ARE NOT MORE THAN 90 PERCENT OF THE MAXIMUM SERVICE RATES FOR COMMERCIAL MIXED MATERIALS COLLECTION; 2) IN SEPTEMBER 2015, STAFF WILL RETURN TO CITY COUNCIL WITH AN ORDINANCE FOR CONSIDERATION THAT WOULD ADJUST THE MAXIMUM SERVICE RATES FOR COMMERCIAL MIXED MATERIALS COLLECTION, EFFECTIVE JULY 1, 2016, TO ALLOW WMAC TO RECOUP LOSSES THAT RESULT FROM LOWERING THE COMMERCIAL ORGANICS COLLECTION RATES IN THE PRECEDING 11 MONTHS; AND 3) BEGINNING JULY 1, 2016, WMAC WILL PROVIDE UP TO \$100,000 ANNUALLY FOR A RESIDENTIAL RATE DISCOUNT PROGRAM FOR LOW-INCOME SENIORS

WHEREAS, in 1990 the Alameda County Waste Reduction and Recycling Initiative Charter Amendment established a county-wide solid waste diversion rate goal of seventy five (75) percent by 2010; and,

WHEREAS, in 2002 the City Council of the City of Oakland approved Resolution No. 77500 C.M.S., to adopt a goal of 75% reduction of waste going to landfills by 2010 in support of the Measure D goal, and the implementation date established by the Alameda County Source Reduction and Recycling Board; and,

WHEREAS, in 2006 the City Council of the City of Oakland approved Resolution No. 79774 C.M.S. which adopted a Zero Waste Goal by 2020; and

WHEREAS, in 2006 the City Council of the City of Oakland approved Resolution No. 80286 C.M.S., adopting a Zero Waste Strategic Plan; and,

WHEREAS, in 2012 Alameda County Waste Management Authority adopted a Mandatory Recycling Ordinance 2012-01 that requires businesses, institutions and multi-family properties with five or more units to sort their recyclables and organics from their trash; and

WHEREAS, on August 13, 2014, the City Council of the City of Oakland approved Ordinance No. 13254 C.M.S., granting a Franchise For Residential Recycling (RR) Collection Services And Non-Exclusive Commercial Recycling Collection Services to California Waste Solutions, Inc. (CWS); and

WHEREAS, on September 29, 2014, the City Council of the City of Oakland approved Ordinance No. 13258 C.M.S., granting a Franchise for Mixed Materials and Organics (MM&O) Collection Services to Waste Management of Alameda County (WMAC); and

SPECIAL MEETING OF
THE OAKLAND CITY COUNCIL

JUL 20 2015

4.1

WHEREAS, through Ordinance No. 13258 C.M.S., the City Council authorized the MM&O Franchisee to charge customers, beginning July 1, 2015, the maximum service rates set forth in the Rate Tables contained in the City Administrator Agenda Report dated September 26, 2014 to the City Council, or such higher or lower rates as approved by City Council pursuant to request by the Franchisee, for the various MM&O Collection Services outlined in the MM&O Contract attached to the same Agenda Report and as specified and further described in the Contract; and

WHEREAS, on December 9, 2014, the City Council of the City of Oakland approve Ordinance No. 13273 C.M.S., amending Ordinance No. 13258 C.M.S. to add contamination rates; and

WHEREAS, on or about July 1, 2015, WMAC billed Oakland customers the maximum service rates for MM&O and RR services; and

WHEREAS, a rate discount program for low-income seniors that had been available under the solid waste franchise agreement that expired June 30, 2015, but was discontinued in the MM&O contract that began July 1, 2015; and

WHEREAS, business participating in organic materials collection service in an unregulated open market, were confronted with significant cost increases for such services when these services were assumed by WMAC through the MM&O; and

WHEREAS, in nearly all cases, the maximum service rates for commercial organics collection exceeds the maximum service rates for commercial mixed materials collection, which provides a disincentive for waste disposal rather than waste diversion; therefore be it

RESOLVED: The City Council of the City of Oakland authorizes the City Administrator to negotiate an agreement with WMAC that provides rate relief to low-income seniors and commercial organics collection customers; and be it

FURTHER RESOLVED: This agreement will include, effective August 1, 2015, that WMAC will charge rates for commercial organics collection services that are not more than 90 percent of the corresponding maximum service rates for commercial mixed materials collection; and be it

FURTHER RESOLVED: Staff will return to City Council with an ordinance for consideration that would establish a method for adjusting the maximum service rates for commercial mixed materials collection, effective July 1, 2016, to allow WMAC to recoup losses that result from lowering the commercial organics collection rates in the preceding 11 months; and be it

FURTHER RESOLVED: Beginning July 1, 2016, WMAC will provide up to \$100,000 annually to support a residential rate discount program for low-income seniors and amend the Franchise Agreement to reflect this offer.

IN COUNCIL, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

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

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____

LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California

4.1

SPECIAL MEETING OF
THE OAKLAND CITY COUNCIL
JUL 20 2015

2015 JUL 17 AM 9:41

APPROVED AS TO FORM AND LEGALITY

City Attorney

OAKLAND CITY COUNCIL
ORDINANCE No. _____ C.M.S.

AN ORDINANCE ADDING RATES FOR ADDITIONAL SINGLE FAMILY ORGANICS CART COLLECTION, GARBAGE COMPACTOR BIN COLLECTION, COMMERCIAL CART PUSH SERVICE, ROLL-OFF ORGANICS TIPPING SERVICES, ROLL-OFF ANCILLARY SERVICES, LOCK AND KEY SERVICES, AND COMMERCIAL CART AND BIN COLLECTION SIX AND SEVEN TIMES PER WEEK, BY AMENDING ORDINANCE NO. 13258 C.M.S., WHICH AMENDED ORDINANCE NO. 13253 C.M.S. TO AMONG OTHER THINGS, GRANT A FRANCHISE FOR MIXED MATERIALS AND ORGANICS COLLECTION SERVICES TO WASTE MANAGEMENT OF ALAMEDA COUNTY AND APPROVE MAXIMUM SERVICE RATES FOR MIXED MATERIALS AND ORGANICS COLLECTION, RESIDENTIAL RECYCLING AND DISPOSAL SERVICES

WHEREAS, on August 13, 2014, the City Council of the City of Oakland approved Ordinance No. 13254 C.M.S., granting a Franchise For Residential Recycling Collection Services And Non-Exclusive Commercial Recycling Collection Services to California Waste Solutions, Inc. (CWS); and

WHEREAS, on September 29, 2014, the City Council of the City of Oakland approved Ordinance No. 13258 C.M.S., granting a Franchise for Mixed Materials and Organics Collection Services to Waste Management of Alameda County (WMAC); and

WHEREAS, through Ordinance No. 13258 C.M.S., the City Council authorized the mixed materials and organics Franchisee to charge customers, beginning July 1, 2015, the maximum rates set forth in the Rate Tables contained in the City Administrator Agenda Report dated September 26, 2014 to the City Council, or such higher or lower rates as approved by City Council pursuant to request by the Franchisee, for the various Mixed Materials and Organics Collection Services outlined in the MM&O Contract attached to the same Agenda Report and as specified and further described in the Contract; and

WHEREAS, on December 9, 2014, the City Council of the City of Oakland approve Ordinance No. 13273 C.M.S., amending Ordinance No. 13258 C.M.S. to add contamination rates; and

WHEREAS, specific rates for certain usual and customary services related to mixed materials and organic materials collection provided by the Mixed Materials and Organics contractor were omitted from Ordinance No. 13258 C.M.S.; and

4.2

**SPECIAL MEETING OF
THE OAKLAND CITY COUNCIL**

JUL 20 2015

WHEREAS, the City Council finds and determines that the requirements of the California Environmental Quality Act (“CEQA”) have been satisfied, and this action on the part of the City Council is exempt from CEQA pursuant to CEQA Guidelines section 15273; and

NOW, THEREFORE, THE COUNCIL OF THE CITY OF OAKLAND DOES ORDAIN AS FOLLOWS:

Section 1. The City Council has independently reviewed and considered these environmental determinations and finds and determines that the action complies with the CEQA; readopts EBMUD’s 2011 Mitigation Monitoring and Reporting Program, as revised by the 2013 addendum, and directs the City’s Environmental Review Officer to file a Notice of Determination/Exemption.

Section 2. The City Council does hereby find and declare that the above recitals are true and correct, and does hereby authorize amending Ordinance No. 13258 C.M.S., to include maximum rates set forth in the Rate Tables attached to this Ordinance as Exhibit 1.

IN COUNCIL, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, CAMPBELL WASHINGTON, GALLO, GUILLEN, KALB, KAPLAN, REID, and PRESIDENT GIBSON
MCELHANEY

NOES-

ABSENT-

ABSTENTION-

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

DATE OF ATTESTATION: _____

Exhibit 1

Maximum Monthly Collection Service Rates Consolidated SFD and MFD Additional Rates							
A	Additional SFD Rates						
1	Additional Organics Cart	Total Monthly Rate					
a	Organics Cart Sizes (gallons)	20	32	64	96		
b	Total Monthly Additional Curbside Organics Cart Rate	\$ 13.00	\$ 13.00	\$ 13.00	\$ 13.00		
c	Total Monthly Additional Backyard Organics Cart Rate	\$ 34.66	\$ 34.66	\$ 34.66	\$ 34.66		
B	Additional MFD Rates						
1	MFD Compactor Bin Collection Service	Total Monthly Rate					
The following rates include 1 time per week UNLIMITED subscription to Organic Materials Collection							
a	1 CY Compactor Bin	1 x/week	2 x/week	3 x/week	4 x/week	5 x/week	6 x/week
1	Disposal Charge Per Ton - Mixed Materials	\$44.25	\$44.25	\$ 44.25	\$ 44.25	\$ 44.25	\$ 44.25
2	Monthly Unit Generation Factor (Tons per Month)	0.622	1.244	1.866	2.488	3.110	3.732
3	Disposal Element	\$ 27.52	\$ 55.05	\$ 82.57	\$ 110.09	\$ 137.62	\$ 165.14
4	Collection Element	\$ 403.72	\$ 807.43	\$ 1,211.15	\$ 1,614.87	\$ 2,018.58	\$ 2,411.15
5	Total Monthly Unit Collection Service Rate	\$ 431.24	\$ 862.48	\$ 1,293.72	\$ 1,724.96	\$ 2,156.20	\$ 1,376.29
b	1.5 CY Compactor Bin	1 x/week	2 x/week	3 x/week	4 x/week	5 x/week	6 x/week
1	Disposal Charge Per Ton - Mixed Materials	\$44.25	\$44.25	\$ 44.25	\$ 44.25	\$ 44.25	\$ 44.25
2	Monthly Unit Generation Factor (Tons per Month)	0.934	1.868	2.802	3.736	4.670	5.604
3	Disposal Element	\$ 41.33	\$ 82.66	\$ 123.99	\$ 165.32	\$ 206.65	\$ 247.98
4	Collection Element	\$ 638.67	\$ 1,277.34	\$ 1,916.01	\$ 2,554.68	\$ 3,193.35	\$ 3,832.02
5	Total Monthly Unit Collection Service Rate	\$ 680.00	\$ 1,360.00	\$ 2,040.00	\$ 2,720.00	\$ 3,400.00	\$ 4,080.00
c	2 CY Compactor Bin	1 x/week	2 x/week	3 x/week	4 x/week	5 x/week	6 x/week
1	Disposal Charge Per Ton - Mixed Materials	\$44.25	\$44.25	\$ 44.25	\$ 44.25	\$ 44.25	\$ 44.25
2	Monthly Unit Generation Factor (Tons per Month)	1.244	2.488	3.732	4.976	6.220	7.464
3	Disposal Element	\$ 55.05	\$ 110.09	\$ 165.14	\$ 220.19	\$ 275.24	\$ 330.28
4	Collection Element	\$ 810.75	\$ 1,621.51	\$ 2,432.26	\$ 3,243.01	\$ 4,053.77	\$ 4,864.52
5	Total Monthly Unit Collection Service Rate	\$ 865.80	\$ 1,731.60	\$ 2,597.40	\$ 3,463.20	\$ 4,329.00	\$ 5,194.80
d	3 CY Compactor Bin	1 x/week	2 x/week	3 x/week	4 x/week	5 x/week	6 x/week
1	Disposal Charge Per Ton - Mixed Materials	\$44.25	\$44.25	\$ 44.25	\$ 44.25	\$ 44.25	\$ 44.25
2	Monthly Unit Generation Factor (Tons per Month)	1.866	3.732	5.598	7.464	9.330	11.196
3	Disposal Element	\$ 82.57	\$ 165.14	\$ 247.71	\$ 330.28	\$ 412.85	\$ 495.42
4	Collection Element	\$ 1,216.13	\$ 2,432.26	\$ 3,648.39	\$ 4,864.52	\$ 6,080.65	\$ 7,296.78
5	Total Monthly Unit Collection Service Rate	\$ 1,298.70	\$ 2,597.40	\$ 3,896.10	\$ 5,194.80	\$ 6,493.50	\$ 7,792.20
e	4 CY Compactor Bin	1 x/week	2 x/week	3 x/week	4 x/week	5 x/week	6 x/week
1	Disposal Charge Per Ton - Mixed Materials	\$44.25	\$44.25	\$ 44.25	\$ 44.25	\$ 44.25	\$ 44.25
2	Monthly Unit Generation Factor (Tons per Month)	2.490	4.980	7.470	9.960	12.450	14.940
3	Disposal Element	\$ 110.18	\$ 220.37	\$ 330.55	\$ 440.73	\$ 550.91	\$ 661.10
4	Collection Element	\$ 1,614.74	\$ 3,229.48	\$ 4,844.21	\$ 6,458.95	\$ 8,073.69	\$ 9,688.43
5	Total Monthly Unit Collection Service Rate	\$ 1,724.92	\$ 3,449.84	\$ 5,174.76	\$ 6,899.68	\$ 8,624.60	\$ 10,349.52
f	5 CY Compactor Bin	1 x/week	2 x/week	3 x/week	4 x/week	5 x/week	6 x/week
1	Disposal Charge Per Ton - Mixed Materials	\$44.25	\$44.25	\$ 44.25	\$ 44.25	\$ 44.25	\$ 44.25
2	Monthly Unit Generation Factor (Tons per Month)	3.113	6.225	9.338	12.450	15.563	18.675
3	Disposal Element	\$ 137.73	\$ 275.46	\$ 413.18	\$ 550.91	\$ 688.64	\$ 826.37
4	Collection Element	\$ 2,018.42	\$ 4,036.84	\$ 6,055.27	\$ 8,073.69	\$ 10,092.11	\$ 12,110.53
5	Total Monthly Unit Collection Service Rate	\$ 2,156.15	\$ 4,312.30	\$ 6,468.45	\$ 8,624.60	\$ 10,780.75	\$ 12,936.90
g	6 CY Compactor Bin	1 x/week	2 x/week	3 x/week	4 x/week	5 x/week	6 x/week
1	Disposal Charge Per Ton - Mixed Materials	\$44.25	\$44.25	\$ 44.25	\$ 44.25	\$ 44.25	\$ 44.25
2	Monthly Unit Generation Factor (Tons per Month)	3.734	7.468	11.202	14.936	18.670	22.404
3	Disposal Element	\$ 165.23	\$ 330.46	\$ 495.69	\$ 660.92	\$ 826.15	\$ 991.38
4	Collection Element	\$ 2,422.21	\$ 4,844.42	\$ 7,266.63	\$ 9,688.84	\$ 12,111.05	\$ 14,533.26
5	Total Monthly Unit Collection Service Rate	\$ 2,587.44	\$ 5,174.88	\$ 7,762.32	\$ 10,349.76	\$ 12,937.20	\$ 15,524.64
h	7 CY Compactor Bin	1 x/week	2 x/week	3 x/week	4 x/week	5 x/week	6 x/week
1	Disposal Charge Per Ton - Mixed Materials	\$44.25	\$44.25	\$ 44.25	\$ 44.25	\$ 44.25	\$ 44.25
2	Monthly Unit Generation Factor (Tons per Month)	4.356	8.712	13.068	17.424	21.780	26.136
3	Disposal Element	\$ 192.75	\$ 385.51	\$ 578.26	\$ 771.01	\$ 963.77	\$ 1,156.52
4	Collection Element	\$ 2,825.93	\$ 5,651.85	\$ 8,477.78	\$ 11,303.71	\$ 14,129.64	\$ 16,955.56
5	Total Monthly Unit Collection Service Rate	\$ 3,018.68	\$ 6,037.36	\$ 9,056.04	\$ 12,074.72	\$ 15,093.40	\$ 18,112.08
2	Additional MFD Services				Rates		
a	Key Service	\$50.65	each month/customer				

Exhibit 1

Maximum Monthly Collection Service Rates Consolidated Commercial Additional Rates							
The following rates DO NOT include subscription to Organic Materials Collection							
A	Additional Commercial Rates						
1	Commercial Compactor Bin Collection Service			Total Collection Rate			
a	1 CY Compactor Bin	1 x/week	2 x/week	3 x/week	4 x/week	5 x/week	6 x/week
1	Disposal Charge Per Ton - Mixed Materials	\$44.25	\$44.25	\$ 44.25	\$ 44.25	\$ 44.25	\$ 44.25
2	Monthly Unit Generation Factor (Tons per Month)	0.582	1.164	1.746	2.328	2.910	3.492
3	Disposal Element	\$ 25.75	\$ 51.51	\$ 77.26	\$ 103.01	\$ 128.77	\$ 154.52
4	Collection Element	\$ 362.45	\$ 724.89	\$ 1,087.34	\$ 1,449.79	\$ 1,812.23	\$ 2,174.68
5	Total Monthly Unit Collection Service Rate	\$ 388.20	\$ 776.40	\$ 1,164.60	\$ 1,552.80	\$ 1,941.00	\$ 2,329.20
b	1.5 CY Compactor Bin	1 x/week	2 x/week	3 x/week	4 x/week	5 x/week	6 x/week
1	Disposal Charge Per Ton - Mixed Materials	\$44.25	\$44.25	\$ 44.25	\$ 44.25	\$ 44.25	\$ 44.25
2	Monthly Unit Generation Factor (Tons per Month)	0.874	1.748	2.622	3.496	4.370	5.244
3	Disposal Element	\$ 38.67	\$ 77.35	\$ 116.02	\$ 154.70	\$ 193.37	\$ 232.05
4	Collection Element	\$ 454.85	\$ 909.69	\$ 1,364.54	\$ 1,819.38	\$ 2,274.23	\$ 2,729.07
5	Total Monthly Unit Collection Service Rate	\$ 493.52	\$ 987.04	\$ 1,480.56	\$ 1,974.08	\$ 2,467.60	\$ 2,961.12
c	2 CY Compactor Bin	1 x/week	2 x/week	3 x/week	4 x/week	5 x/week	6 x/week
1	Disposal Charge Per Ton - Mixed Materials	\$44.25	\$44.25	\$ 44.25	\$ 44.25	\$ 44.25	\$ 44.25
2	Monthly Unit Generation Factor (Tons per Month)	1.164	2.328	3.492	4.656	5.820	6.984
3	Disposal Element	\$ 51.51	\$ 103.01	\$ 154.52	\$ 206.03	\$ 257.54	\$ 309.04
4	Collection Element	\$ 593.23	\$ 1,186.47	\$ 1,779.70	\$ 2,372.93	\$ 2,966.17	\$ 3,559.40
5	Total Monthly Unit Collection Service Rate	\$ 644.74	\$ 1,289.48	\$ 1,934.22	\$ 2,578.96	\$ 3,223.70	\$ 3,868.44
d	3 CY Compactor Bin	1 x/week	2 x/week	3 x/week	4 x/week	5 x/week	6 x/week
1	Disposal Charge Per Ton - Mixed Materials	\$44.25	\$44.25	\$ 44.25	\$ 44.25	\$ 44.25	\$ 44.25
2	Monthly Unit Generation Factor (Tons per Month)	1.746	3.492	5.238	6.984	8.730	10.476
3	Disposal Element	\$ 77.26	\$ 154.52	\$ 231.78	\$ 309.04	\$ 386.30	\$ 463.56
4	Collection Element	\$ 847.28	\$ 1,694.56	\$ 2,541.84	\$ 3,389.12	\$ 4,236.40	\$ 5,083.68
5	Total Monthly Unit Collection Service Rate	\$ 924.54	\$ 1,849.08	\$ 2,773.62	\$ 3,698.16	\$ 4,622.70	\$ 5,547.24
e	4 CY Compactor Bin	1 x/week	2 x/week	3 x/week	4 x/week	5 x/week	6 x/week
1	Disposal Charge Per Ton - Mixed Materials	\$44.25	\$44.25	\$ 44.25	\$ 44.25	\$ 44.25	\$ 44.25
2	Monthly Unit Generation Factor (Tons per Month)	2.328	4.656	6.984	9.312	11.640	13.968
3	Disposal Element	\$ 103.01	\$ 206.03	\$ 309.04	\$ 412.06	\$ 515.07	\$ 618.08
4	Collection Element	\$ 1,089.07	\$ 2,178.13	\$ 3,267.20	\$ 4,356.26	\$ 5,445.33	\$ 6,534.40
5	Total Monthly Unit Collection Service Rate	\$ 1,192.08	\$ 2,384.16	\$ 3,576.24	\$ 4,768.32	\$ 5,960.40	\$ 7,152.48
f	5 CY Compactor Bin	1 x/week	2 x/week	3 x/week	4 x/week	5 x/week	6 x/week
1	Disposal Charge Per Ton - Mixed Materials	\$44.25	\$44.25	\$ 44.25	\$ 44.25	\$ 44.25	\$ 44.25
2	Monthly Unit Generation Factor (Tons per Month)	2.910	5.820	8.730	11.640	14.550	17.460
3	Disposal Element	\$ 128.77	\$ 257.54	\$ 386.30	\$ 515.07	\$ 643.84	\$ 772.61
4	Collection Element	\$ 1,361.33	\$ 2,722.67	\$ 4,084.00	\$ 5,445.33	\$ 6,806.66	\$ 8,168.00
5	Total Monthly Unit Collection Service Rate	\$ 1,490.10	\$ 2,980.20	\$ 4,470.30	\$ 5,960.40	\$ 7,450.50	\$ 8,940.60
g	6 CY Compactor Bin	1 x/week	2 x/week	3 x/week	4 x/week	5 x/week	6 x/week
1	Disposal Charge Per Ton - Mixed Materials	\$44.25	\$44.25	\$ 44.25	\$ 44.25	\$ 44.25	\$ 44.25
2	Monthly Unit Generation Factor (Tons per Month)	3.492	6.984	10.476	13.968	17.460	20.952
3	Disposal Element	\$ 154.52	\$ 309.04	\$ 463.56	\$ 618.08	\$ 772.61	\$ 927.13
4	Collection Element	\$ 1,500.92	\$ 3,001.84	\$ 4,502.76	\$ 6,003.68	\$ 7,504.60	\$ 9,005.51
5	Total Monthly Unit Collection Service Rate	\$ 1,655.44	\$ 3,310.88	\$ 4,966.32	\$ 6,621.76	\$ 8,277.20	\$ 9,932.64
h	7 CY Compactor Bin	1 x/week	2 x/week	3 x/week	4 x/week	5 x/week	6 x/week
1	Disposal Charge Per Ton - Mixed Materials	\$44.25	\$44.25	\$ 44.25	\$ 44.25	\$ 44.25	\$ 44.25
2	Monthly Unit Generation Factor (Tons per Month)	4.074	8.148	12.222	16.296	20.370	24.444
3	Disposal Element	\$ 180.27	\$ 360.55	\$ 540.82	\$ 721.10	\$ 901.37	\$ 1,081.65
4	Collection Element	\$ 1,755.93	\$ 3,511.85	\$ 5,267.78	\$ 7,023.70	\$ 8,779.63	\$ 10,535.55
5	Total Monthly Unit Collection Service Rate	\$ 1,936.20	\$ 3,872.40	\$ 5,808.60	\$ 7,744.80	\$ 9,681.00	\$ 11,617.20
2	Commercial Cart Organic Materials Collection			Total Monthly Subscription Rate			
a		1 x/week	2 x/week	3 x/week	4 x/week	5 x/week	6 x/week
b	20 Gallon Cart Organic Materials Rate						\$ 203.04
c	32 Gallon Cart Organic Materials Rate						\$ 272.40
d	64 Gallon Cart Organic Materials Rate						\$ 594.00
e	96 Gallon Cart Organic Materials Rate						\$ 856.80
3	Commercial Bin Organic Materials Collection			Total Monthly Subscription Rate			
a		1 x/week	2 x/week	3 x/week	4 x/week	5 x/week	6 x/week
b	Total 1 CY Organic Materials Collection Service Rate						\$ 1,499.14
c	Total 1.5 CY Organic Materials Collection Service Rate						\$ 2,550.06
d	Total 2 CY Organic Materials Collection Service Rate						\$ 3,333.96
e	Total 3 CY Organic Materials Collection Service Rate						\$ 4,777.85
f	Total 4 CY Organic Materials Collection Service Rate						\$ 6,156.99
g	Total 6 CY Organic Materials Collection Service Rate						\$ 6,639.30
h	Total 7 CY Organic Materials Collection Service Rate						\$ 9,987.75
4	Commercial Cart Push Rates			0-25 ft	26-50 ft	51-75 ft	76-100 ft
a	Push Rate			\$ 64.95	\$ 77.95	\$ 90.95	\$ 103.95
						100+ ft	\$ 116.90

Exhibit 1

Maximum Monthly Collection Service Rates Consolidated Commercial Additional Rates			
A	Additional Commercial Services		
1	Additional Commercial Cart and Bin Services		Rates
a	Key Service	\$50.65	each month/customer
2	Additional Commercial Roll-Off Box Services		Rates
a	Trip Charge	\$194.50	per event
b	Demurrage Fee	\$7.77	per day
c	Demurrage Fee	\$54.39	per week
d	Safety Light	\$56.44	per pull
e	Re-locate Box	\$168.73	per event
f	Roll-Off Box Cleaning Charge	\$131.94	per event
g	Placement Charge	\$131.11	per delivery
h	Organic Materials Roll-Off Tip Fee	\$26.35	per ton

4.2

SPECIAL MEETING OF
THE OAKLAND CITY COUNCIL