

CITY OF OAKLAND

AGENDA REPORT

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2009 FEB 26 PM 3: 03

TO: Office of the City Administrator
ATTN: Dan Lindheim
FROM: Public Works Agency
DATE: March 10, 2009

RE: **Resolution Adopting Evaluative Criteria For Assessing Solid Waste
Management System Designs Responsive To The Zero Waste By 2020 Goal**

SUMMARY

The City of Oakland's Franchise Agreement for Solid Waste and Yard Waste Collection and Disposal Services (Franchise Agreement) with Waste Management of Alameda County (WMAC) expires on December 31, 2012, as does the Agreement for Residential Recycling Services with California Waste Solutions (CWS). These two agreements form the backbone of the City's solid waste management system, and their pending expiration provides the City with the opportunity to develop and implement new programs and services in alignment with Mayor and City Council goals and policies adopted after these contracts commenced.

On December 5, 2006, the Oakland City Council approved Resolution #80286 C.M.S., adopting a Zero Waste Strategic Plan (Plan). The Plan calls for a 90% reduction in annual tons sent to landfills from the current 400,000 tons per year to 40,000 tons per year by 2020. Strategy 2 of the Plan states: "Development and adoption of a new waste management system design in preparation for Oakland's next collection and disposal contract is key to the goal of reducing waste."

Although expiration of the solid waste franchise and recycling agreements is nearly four years away, the process to design, approve, and implement the transition to a Zero Waste system will take all of the time available. In order to develop a new system designed for Zero Waste, staff proposes to develop models of different system design options, and test these models using Evaluative Criteria that align with Mayor and City Council goals. Proposed Evaluative Criteria are presented in this report for consideration and adoption by the City Council. Based on the results of the modeling and testing process, staff will identify preferred Zero Waste system options for consideration and adoption by the City Council.

This report presents key background information that is critical for the Zero Waste system design decision-making process, including the vision for a Zero Waste system for Oakland and a system design implementation timeline, and a resolution adopting evaluative criteria for a zero waste system design. A Zero Waste system will provide residents and businesses with comprehensive waste reduction programs and services, position Oakland to stay ahead of anticipated environmental waste reduction mandates and rules, and keep the City at the forefront of the urban sustainability movement.

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The proposed Evaluative Criteria for the Zero Waste system design fall into eight categories:

- Customer Benefits
- Health and Safety
- Environmental
- Economic Development
- Financial
- Innovation
- Regulatory
- Viability

The Evaluative Criteria will be used to assess the ability of various Zero Waste system design options to implement Mayor and City Council goals and policies identified in the Zero Waste Strategic Plan and elsewhere. This report recommends that the City Council approve the proposed Evaluative Criteria for Zero Waste system design.

FISCAL IMPACT

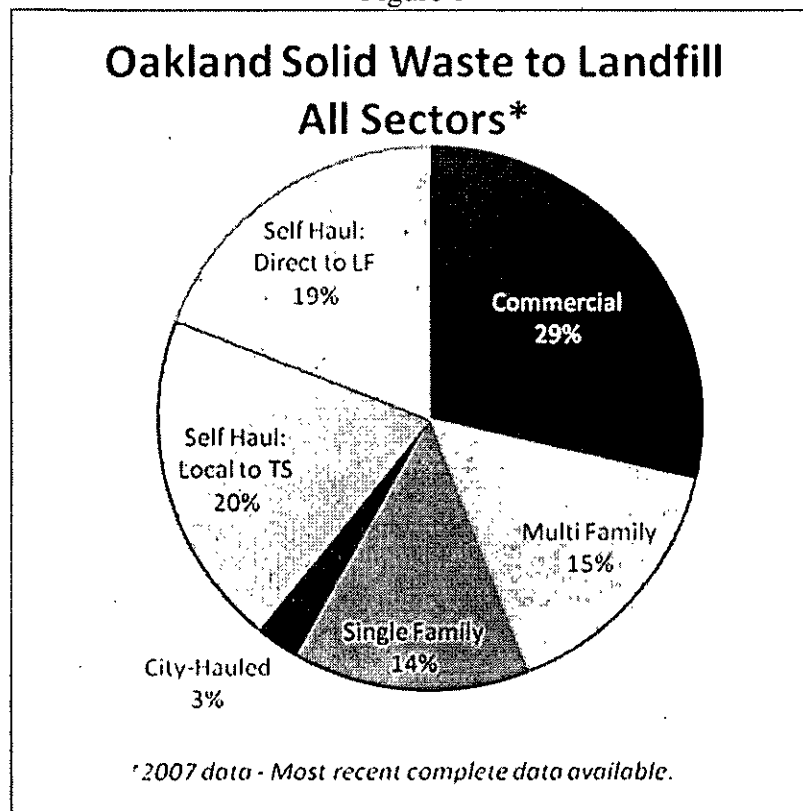
No fiscal impacts are associated with approving the Evaluative Criteria.

BACKGROUND

The Zero Waste Strategic Plan adopted by the City Council anticipated the expiration at the end of 2012 of the current recycling agreement and Franchise Agreement, with CWS and WMAC respectively, calling for the “development and adoption of a new waste management system design.” The Plan established a goal of 90% reduction in annual tons sent to landfills, from the current 400,000 tons per year to 40,000 tons per year by 2020.

Figure 1 shows the major sources of Oakland’s solid waste, divided into sectors (e.g., single family and multi-family residential, commercial). It includes all waste from Oakland that is disposed in landfills, including waste collected by WMAC under the Franchise Agreement, and waste that is self-hauled by contractors, businesses, and residents directly to local transfer stations including Waste Management’s Davis Street Transfer Station in San Leandro, the City of Berkeley Transfer Station, and to area landfills. The chart shows that the single-family residence sector, where most of the City’s recycling programs and resources have been focused traditionally, constitutes only 14% of Oakland’s total disposal to landfill. The remaining 86% of the waste is generated in sectors that do not enjoy the same universal access that single-family residences have to recycling services.

Figure 1



A Zero Waste system may allow for greater City control of disposal and recycling options, and increased diversion performance in all sectors (i.e., commercial, self-haul, residential). It could provide universal opportunity for residents and businesses to participate in cost-effective waste reduction solutions such as leading edge recycling and other waste diversion services, as well as answer the growing demand for access to services that deliver significant greenhouse gas (GHG) reduction benefits. It could facilitate a shift away from landfill disposal, and toward recovering discarded products and materials to return them to the economy. A Zero Waste system could support green collar jobs and contribute to local and regional economic development, help Oakland stay ahead of anticipated environmental waste reduction mandates and rules, and keep the City at the forefront of the urban sustainability movement.

The vision of a Zero Waste system is one in which complementary incentives for waste reduction reward ratepayers and service providers alike. Innovation and a focus on the specific needs of the historically low-diversion sectors could result in significant improvement in waste diversion performance in those sectors particularly.

Although expiration of the solid waste franchise and recycling agreements is nearly four years away, the process to design, approve, and implement the transition to a Zero Waste system will take all of the time available. Transition to the selected Zero Waste system design in 2013 will feature execution of new service agreements in the initial phase, followed by program development in the following years, progressing toward the Zero Waste Goal.

KEY ISSUES AND IMPACTS

Under Oakland's existing system for handling discarded products and materials, the City has met and exceeded the State of California mandate of 50% waste diversion by 2000. However, Oakland's diversion rate has increased at a much slower rate since 2000, despite the successes of new programs such as one-cart residential recycling, food scraps collection, and the Construction and Demolition Waste Reduction and Recycling Ordinance, which raised Oakland's diversion rate to 59% in 2006. Although the City's existing recycling programs provide an important contribution toward achieving Oakland's Zero Waste Goal, the City will need to develop the full waste diversion potential of all sectors through a wider range of waste reduction efforts and alternatives.

In order to make significant progress towards the Zero Waste Goal, the City needs to develop and implement a Zero Waste system that is organized around the Environmental Hierarchy for 'highest and best use' of products and materials established in the Zero Waste Strategic Plan, and that features services that result in high diversion performance in all sectors. The Zero Waste system could contribute significantly to reducing negative environmental impacts while sustaining and enhancing economic and social benefits to Oakland residences and businesses, consistent with established Mayor and City goals and policies. Establishing Evaluative Criteria for assessing various Zero Waste system models will allow staff to engage in developing a preferred system design option with clear policy objectives that take into account broader community and environmental benefits.

The City's waste reduction efforts have historically focused on residential recycling programs, particularly for single-family residences where the most significant waste reduction results have been achieved through incremental recycling service improvements. While this course has served the City well to date, other sectors need to be addressed in order to make further progress toward the City's Zero Waste goal.

The principle focus of the Zero Waste system will be recovery and reintroduction of discarded materials into the economy. The modeling process will allow staff to work through various system design challenges, and identify opportunities to address the following issues:

- **Eliminating landfilling as the default option for discarded materials.** Contract and rate structures and incentives can be used to reward recycling; a shift from the current system in which landfilling is the lowest cost option and recycling represents added cost.

- **Providing for universal access to recycling services in the commercial sector.** Contract and franchise services could complement open market services that thrive in Oakland, filling the existing recycling service gaps in the business sector in a manner that mimics residential services.
- **Improving performance in the low-diversion sectors (businesses and multi-family dwellings).** Providing recycling service options and rate incentives could allow customers in all sectors to optimize customer satisfaction while minimizing waste, and may correct historic low diversion in sectors where recycling service availability, customer education, or incentives have been lacking.
- **Increasing investment in local and regional processing capacity for traditional recycling, organics recycling, hard-to-recycle items, and reuse/refurbishment enterprises.** Oakland's discards could represent investment profit opportunities under new system structures. In response to demand from Bay Area cities with Zero Waste goals, the regional waste and recycling processing services industry offers more models and options each year, and investment in innovative processing capacity is growing. Oakland's transition to a Zero Waste system could present a watershed opportunity for greater growth and innovation.
- **Meeting the City's revenue requirements.** In addition to offering fees that encourage ratepayers to reduce waste, the financial components of the new system must continue to meet the City's revenue needs and properly compensate the service providers in the system, as solid waste disposal declines toward the 2020 goal.
- **Influencing the self-haul sectors that are outside the current Franchise Agreement to improve waste reduction and recycling.** The City historically has had little control or influence over residents, businesses, and contractors who haul their own waste from Oakland directly to disposal facilities such as Waste Management's Davis Street Transfer Station in San Leandro, the City of Berkeley Transfer Station, and to area landfills. Designing a new system provides an opportunity to develop new rules and incentives to reduce waste disposal from these sectors, and to do so in ways that complement resource recovery market and regulatory developments.

PROGRAM DESCRIPTION

Staff proposes to develop models of different Zero Waste system design options, and test these models using the Evaluative Criteria presented in this report for consideration and adoption by the City Council. Table 1 presents proposed Evaluative Criteria in several performance categories. Assessing system design options using Evaluative Criteria is critical to identifying a preferred option that fulfills Oakland's Zero Waste system vision and provides community benefits beyond waste reduction.

Modeling and testing work will investigate the ability of various system design options to meet challenges and opportunities, as well as the availability and costs of potential technologies, services, and service providers. A consulting team will be hired to support staff by providing specialized and technical services in modeling and testing. Staff will engage participants from multiple City agencies including the Office of the City Attorney, Code Compliance, Community and Economic Development, and the Finance and Management Agency to provide input and review feedback. Additionally, staff will continue to engage with StopWaste.Org, the regional recycling and solid waste agency, whose staff has assisted with preliminary explorations of system models, and with staff from other jurisdictions that are adopting Zero Waste policies, programs, and services. The results of modeling and testing work will be used to formulate recommendations for a preferred Zero Waste system.

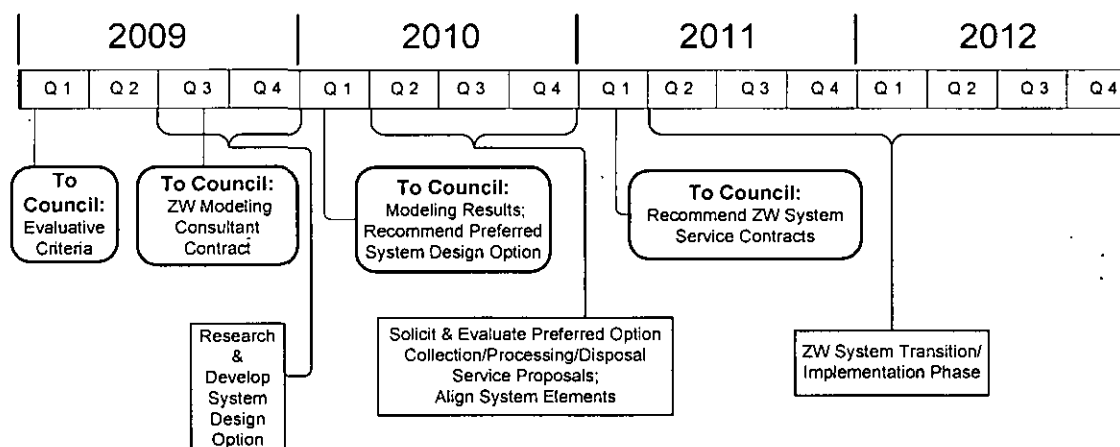
Table 1
Proposed Evaluative Criteria for Assessing Zero Waste System Design Options

Category	Evaluative Criteria
Customer Benefits	High quality, reliable and convenient services
	Universal access to recycling services, including organics recycling
	Opportunity for residents & businesses to reduce greenhouse gas emissions (GHG) through use of recycling services
	Value to rate payers
Health & Safety	Enhances public health and safety
	Sanitary management of all discarded materials
	Air quality impacts
Environmental	Reduction in tons to landfill
	Adheres to <i>Environmental Hierarchy</i> of resource conservation established in <i>Zero Waste Strategic Plan</i>
	GHG emissions reductions/carbon footprint (local and outside of community inventory)
Economic Development	Job creation - net employment gain
	Compatibility w/existing commercial recycling market
	Supports development of diverse employment opportunities associated with processing, manufacture, and sales by discards-based businesses
Financial	Revenue to City
	Cost to City to administer system
	Avoid future City liabilities
	Cost to ratepayers
	Clear, consistent and progressive pricing signals to customers/ratepayers and service providers, to incentivize waste reduction & increased recycling
	Resilient to recycling commodities markets fluctuations
Innovation	Allows for and encourages system innovation & evolution over time
	Utilizes local, available, capitalized public or private infrastructure
	Ability to meet current & future market needs for recycled materials
	Ability to incorporate reuse
Regulatory	Ability to accommodate mandatory recycling and landfill material bans
	Ability to adapt to changing needs, conditions, applicable laws, ordinances, regulations and permit requirements
Viability	Ability of waste & recycling services industry to provide services as envisioned

Table 2 provides a timeline of staff activities and deliverables.

Table 2

Zero Waste System Design Implementation Schedule



SUSTAINABLE OPPORTUNITIES

Economic: Implementing a Zero Waste system in Oakland will help Oakland businesses and residents reduce waste and mitigate long-term trend of increased disposal costs associated with landfill-based systems. Expanding and actively supporting use of discarded materials drives local economic and workforce development with 'green collar' jobs and value added production.

Environmental: Implementing a Zero Waste system will promote sustainability, conserve natural resources, reduce air and water pollution, protect habitat, and reduce GHG emissions. Recycling reduces the demand on virgin material extraction and processing, which are significant sources of GHG emissions. Recycling of organic materials into compost reduces GHG emissions in a number of ways, including reducing the demand on irrigation, reducing demand on petroleum-based fertilizers, and reducing landfill gas emissions.

Social Equity: Implementing a Zero Waste system in Oakland will help provide new living-wage jobs for the community, as well as preserve and enhance natural systems that provide basic ecological services such as clean water, clean air, and safe food.

DISABILITY AND SENIOR CITIZEN ACCESS

This report and resolution will not have any direct impact on access for persons with disabilities or senior citizens.

RECOMMENDATION AND RATIONALE

Staff recommends that the City Council approve a resolution adopting the Evaluative Criteria for the Zero Waste system design. Development of Zero Waste system models is a key step to achieving Oakland's Zero Waste Goal by 2020. Establishing Evaluative Criteria allows staff to proceed with clear policy objectives that include community needs broader than waste diversion, as staff works toward recommending a zero waste system before the associated contracts for services expire at the end of 2012.

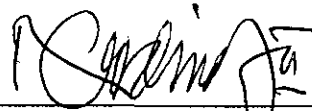
Oakland can develop a Zero Waste system that provides cost-effective and leading edge waste reduction and recycling services, and which moves the City toward its sustainability and waste reduction goals, supporting sustainable local economic development. A new Zero Waste system for Oakland would, over time, reduce the landfilling of discarded products and materials as the primary management option, and encourage recovery of materials for reintroduction to value-added processing into economically viable products. This shift away from landfilling and towards value-added resource recovery would create green collar jobs and provide a significant contribution to climate protection.

The Zero Waste Strategic Plan adopted by the City Council recognized that the goal of reducing landfill disposal to 40,000 tons by 2020, and replacing the current landfill-based system with a Zero Waste system is by far the most significant action the City can take to progress toward the 40,000 tons per year goal.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council approve the Resolution Adopting Evaluative Criteria for Zero Waste system design.

Respectfully submitted,



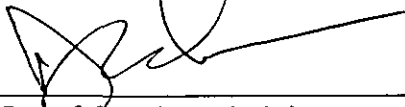
Raul Godinez II, P.E.
Director, Public Works Agency

Reviewed by:
Brooke A. Levin, Assistant Director

Reviewed by:
Susan Kattchee, Environmental Services Manager

Prepared by:
Peter Slote, Recycling Specialist
Environmental Services Division

APPROVED AND FORWARDED TO THE
PUBLIC WORKS COMMITTEE



Office of the City Administrator

Item #: _____
Public Works Committee
March 10, 2009

FILED
OFFICE OF THE CLERK
OAKLAND

OAKLAND CITY COUNCIL


City Attorney

2009 FEB 26 RESOLUTION NO. 3193 C.M.S.

**RESOLUTION ADOPTING EVALUATIVE CRITERIA FOR ASSESSING
SOLID WASTE MANAGEMENT SYSTEM DESIGNS RESPONSIVE TO
THE ZERO WASTE BY 2020 GOAL**

WHEREAS, the City of Oakland's Franchise Agreement for Solid Waste and Yard Waste Collection and Disposal Services with Waste Management of Alameda County, and the Agreement for Residential Recycling Services with California Waste Solutions expire on December 31, 2012; and

WHEREAS, on March 6, 2006 the Oakland City Council approved Resolution #79774 C.M.S. which adopted a Zero Waste Goal by 2020 and directed Public Works Agency staff to prepare a Zero Waste Strategic Plan for the City of Oakland; and

WHEREAS, on December 5, 2006 the Oakland City Council approved Resolution #80286 C.M.S which adopted a Zero Waste Strategic Plan that included Strategy 2, Develop and Adopt New Rules and Incentives to Reduce Waste Disposal, which states: "Development and adoption of a new waste management system design in preparation for Oakland's next collection and disposal contract is key to the goal of reducing waste;" and

WHEREAS, establishing Evaluative Criteria for assessing Zero Waste system models allows for development of the new system with clear policy objectives that include broader community benefits beyond waste reduction and diversion; now, therefore be it

RESOLVED, that the City Council hereby adopts the following Evaluative Criteria for Zero Waste System Design:

Category	Evaluative Criteria
Customer Benefits	High quality, reliable and convenient services
	Universal access to recycling services, including organics recycling
	Opportunity for residents & businesses to reduce greenhouse gas emissions through use of recycling services
	Value to rate payers
Health & Safety	Enhances public health and safety
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	Ability to adapt to changing needs, conditions, applicable laws, ordinances, regulations and permit requirements
Viability	Ability of waste & recycling services industry to provide services as envisioned

and be it

FURTHER RESOLVED, that City Council directs staff to use these criteria in assessing Zero Waste system models and to present a preferred model to Council for consideration.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 20____

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, QUAN, REID, and PRESIDENT BRUNNER

NOES -

ABSENT -

ABSTENTION -

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