



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

August 12, 2014

Honorable Mayor Jean Quan
Members of Oakland City Council
Henry Gardner, City Administrator
Zero Waste Committee
City of Oakland
1 Frank H. Ogawa Plaza, 3rd Floor
Oakland, CA 94612

Re: Supplemental Response to WMAC's letter dated August 11, 2014
Response to Staff's Report Dated August 11, 2014 for Zero Waste Services

Dear Mayor Quan, Council Members, City Administrator Henry Gardner and Zero Waste Services Staff:

Waste Management of Alameda County, Inc. offers the following clarification to its letter dated August 11, 2014 regarding proposed rate adjustments and likewise responds to the City's staff report dated August 11, 2014.

Clarification to WMAC's letter dated August 11, 2014

1. Award a franchise agreement for Mixed Materials and Organics Collection Services and Landfill Disposal to WMAC. Said contracts shall include Rate Table Option 1C.
 - a. The 32-gallon residential container shall be further reduced by \$1.18/month off the MMO rate.
 - i. For 32-gallon residential container: MMO Base rate is \$28.57 plus \$.18 for local 6. Total MMO rate for 32-gallon: \$28.75
 - b. Multi-Family Bulky Pickup:
 - i. Optional Multi-Family Unit annual Bulky Waste Pick-up: Reduced from \$6.64/unit/month to \$3.31/unit/month -or-
 - ii. Optional Annual Coupon Program: Reduced from \$2.09/unit/month to \$1.21/unit/month.
2. Award Residential Recycling franchise to CWS. Said contract shall be with Rate Table of Option 2-D less 4%.
 - a. Residential Recycling rate is \$8.50 base rate plus \$.28 for Local 6. Total Residential Recycling rate is \$8.78
3. All in rate for 32-gallon residential MMO & RR services is \$37.53 (Our earlier letter of August 11, 2014 indicated a rate of \$38.70, which has since been revised).
 - a. This represents an increase of 1.93% over CWS' proposed rate of \$36.82, but it includes all services required under the RFP, with no delays in achieving the required diversion and/or meeting the specified Zero Waste goals. It also includes all of the equipment and infrastructure required under the RFP, and/or necessary to achieve the Zero Waste objectives on day one of the contracts, including the purchase and deployment of clean-fuel vehicles for all service routes, and permitted facilities necessary to start multi-family, mixed material processing. This

THINK GREEN:



- rate also includes 25 illegal dumping service pick-ups per day, as opposed to CWS' proposal of 4 pickups)
- b. WMAC rate impact over current rate: 25.94%
 - c. CWS rate impact over current rate: 23.56
4. WMAC shall take its collected commercial organics to EBMUD at no additional cost to the ratepayer and shall enter into a separate processing agreement with EBMUD.
 5. WMAC shall use CivicCorps for Outreach. CivicCorps shall contract separately with the City of Oakland for up to two (2) commercial Organic routes. CivicCorps shall take its commercial organics to EBMUD and shall execute a separate processing agreement. Under its Collective Bargaining Agreement with Teamsters Local 70, WMAC is prohibited from subcontracting bargaining unit work. However, we will work with Local 70 to develop an apprentice for CivicCorps members as a path to employment at WMAC.

Response to Staff's Report Dated August 11, 2014 for Zero Waste Services

The updated staff report dated August 11, 2014 highlighted several aspects of the CWS proposal that we believe are important for the Council to consider, particularly in light of CWS' demand that the proposals be reviewed on an "apples to apples" basis when considering pricing and whether Zero Waste objectives will be met. These points include the following:

- **Illegal Dumping Services** (page 3): WMAC proposed 25 pickups per day as part of the embedded rate. CWS proposed four pickups per day with additional pickups through "On-Sight" if Council selected the optional multi-family bulky service for an additional cost of \$6.67/unit or an increase of \$133.40 for a 20-unit multi-family dwelling. Contrary to Joel Corona's representation to the Council on July 30, 2014, Kristina Duong confirmed that there would be an additional cost for such services
 - Including "On-Sight" for illegal dumping would increase CWS' rate for Multi-Family 20-unit building from \$546.97 to \$680.37 versus WMAC's rate of \$566.47.
 - WMAC's illegal dumping plan is to sweep the City by zones Monday through Friday and collect up to 25 illegal dumps/day. This is a proactive approach resulting in the City being "cleaned" of illegal dumping on a weekly basis.
- **Diversion:** CWS has proposed minimum Diversion of 52% achieved in Year 9 and 10 of the contract. This is a result of Gateway not being constructed until 2020, at the earliest, meaning there will be no processing of Multi-Family on Day One as required under the MMO RFP as a key element of meeting the Zero Waste goal. As staff reported, Joel Corona represented to the Council on July 30, 2014 that CWS "will assure 65% diversion". However, there has been no revised plan submitted to the City, nor any other information provided that demonstrates the means by which CWS can possibly achieve 65% diversion under the MMO contract.
 - WMAC's ability to achieve 60%+ diversion by 2022 is a result of the following:
 - Public Outreach to ensure increased source separation (ready to implement)
 - Wet/Dry routing of commercial customers (in place)



- Processing of commercial organics (2015) through EBMUD or Redwood/Altamont CASP/RAC for backend processing of organics
- Use of Davis Street's High Diversion Dry Waste MRF (in place)
- Use of Davis Street's C&D line (in place)
- Use of Davis Street's Public Area MRF (in place)
- Use of Davis Street's Multi-Family processing line MRF (7/1/2015)
- Use of Davis Street's enclosed Organics Processing building (in place)
- Use of Redwood CASP (in place) and Altamont CASP (2016) for processing backend residential and source separated organics
- Use of Davis Street's Public Drop-Off facility (in place)
- Use of Davis Street's the Mixed Materials MRF (2017/2018)
- An Award of MMO under the Council's current plan to CWS would likely reduce Diversion below WMAC's current levels, a step backward for Zero Waste
- **Access to Disposal Facilities:** In the event the Interim Transfer Facility at EBMUD (Wake Avenue) is not ready by July 1, 2015, all Oakland collected waste by CWS and the City of Oakland would be diverted to Gold Bear Transfer Station in Richmond. This additional cost will be borne by CWS. The likelihood of CWS opening the Interim Transfer Facility at EBMUD by July 1, 2015 is remote for the following reasons:
 - New CEQA will be required. Existing EIR contemplates light use on temporary leased area to include container storage and truck parking.
 - Area contemplated by EBMUD and CWS has an engineered asphalt cap to address lead contaminated soils. The asphalt cap is not capable of accommodating multiple, loaded trucks typical of a transfer station.
 - The proposed area is on bay mud and with a seismic zone and will require significant engineering and geotechnical consideration.
- **CivicCorps** (page 2)-As of 8/11, staff does not have a plan or draft agreement for CWS to use services that would be provided by CivicCorps. Under CWS' current collective bargaining agreement with Teamsters' Local 70, subcontracting of jurisdictional work is prohibited. Where is the agreement allowing for subcontracting and has it been approved by all Local 70 employees in Alameda County?
- **Assurances:** All the terms and conditions of the MMO, RR and Disposal contracts have been completed between WMAC and the City of Oakland. We are ready to sign now. CWS and the City have a "general" agreement for each service contract but the final terms have not been negotiated. Furthermore, additional "assurances" will need to be negotiated to *"assure the City to the greatest extent possible that the transition occurs without substantial service interruptions"*. It is apparent not all contracts have been fully negotiated and/or executed with CWS. In addition, there does not appear to be any contract in place between CWS and Republic, or Republic and the City. By raising this question, we are not suggesting that it would be



appropriate to award any part of the service or disposal contracts to Republic, as any proposal made by Republic is admittedly untimely and non-compliant.

We believe an award of MMO to WMAC would achieve Oakland's Zero Waste goals and Oakland would become one of the greenest cities in the Country. For this to happen, we ask the Council to follow the objectives of the Zero Waste services process and ensure that the specified services, equipment and infrastructure is ready, available, and deployed on day-one of the contracts. Allowing any proposer to delay or fail to timely implement those services means the City will not achieve its Zero Waste objective.

We believe, as the staff indicated on two separate occasions, that WMAC is the only service provider who can meet the RFP requirements on day one of the contracts. The issues raised in the most recent staff report seem to support this conclusion. Based on WMAC review of the Council's approved scope of services involving all request providers, WMAC has been able to modify its pricing to again confirm that it is the best value to rate payers because it can meet all contract requirements for the lowest pricing and lowest risk. We trust the Council will seriously consider how to best meet all of the express contract requirements for Zero Waste Services on day one of those contracts, and to do so for best value to Oakland residents. Please let us know if you have any questions.

Regards,

A handwritten signature in black ink, appearing to read 'Barry Skolnick'.

Barry Skolnick
President, Waste Management of Alameda County, Inc.
Northern California-Nevada Area Vice President