



**DATE:** November 9, 2020

**TO:** Council Sustainability Committee

**FROM:** Director of Public Works

**SUBJECT:** Possible Elements of a New Solid Waste Franchise Agreement: Review and Provide Direction to Staff

## **RECOMMENDATION**

That the Council Sustainability Committee (CSC) reviews and comments on this report regarding possible elements of a new solid waste franchise agreement and provide direction to staff.

## **SUMMARY**

The City holds a franchise agreement with Waste Management of Alameda County (WMAC) to provide solid waste, recycling, and organic materials, collection, and processing services. The current agreement commenced March 1, 2015 and is scheduled to expire March 1, 2022. The agreement includes the option to extend it for three 12-month periods, so if the City decides to extend the contract the maximum numbers of times, the agreement will expire March 1, 2025. In June 2020 Council authorized staff to enter into exclusive negotiations with WMAC. This report provides an update on negotiations regarding potential elements to include in a new franchise agreement to provide Hayward with solid waste, recycling, and organic materials, collection, and processing services.

## **BACKGROUND**

WMAC has been the City's solid waste and recycling services franchisee since at least the mid-1970s. WMAC provided the service under a different business name initially (Oakland Scavenger Company) and has, in the past thirty years, subcontracted with Tri-CED Community Recycling for residential recycling services.

At the March 9, 2020<sup>1</sup> CSC meeting, the Committee discussed possible approaches to the new solid waste franchise agreement, and recommended the City start exclusive negotiations with WMAC. The Committee also expressed a desire for the City to partner with Hayward schools,

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<sup>1</sup> <https://hayward.legistar.com/LegislationDetail.aspx?ID=4389835&GUID=EFF0E6BA-0F1F-4CA3-B275-1B18D86FF2EE&Options=&Search=>

if possible, so that solid waste services and outreach would be consistent throughout Hayward. The Committee also directed staff to be innovative and sustainability-minded in negotiations.

At its June 23, 2020<sup>2</sup> meeting, Council approved a period of exclusive negotiations with Waste Management of Alameda County through October 31, 2020. A request to extend the negotiating period be placed on the November 10 Council agenda to request approval to extend the exclusive negotiating period until June 30, 2021.

## **DISCUSSION**

Staff and WMAC have had productive meetings and have discussed potential elements for consideration in a new franchise agreement. These elements include implementation of Senate Bill 1383, short-lived climate pollutants (SLCP)<sup>3</sup>, increasing organics diversion, and monitoring for contamination. Staff and WMAC are also discussing the possibility of including the Hayward Unified School District in the agreement as well as feasibility of adding electric waste collection trucks to the fleet serving Hayward. In addition, staff and WMAC are exploring potential methods to reduce contamination in recycling and organics, increase participation in bulky collection services, reducing illegal dumping, and increase the number of public litter cans in the City. An overarching goal of a new agreement is to preserve and enhance the services that the community is currently receiving under the franchise agreement, while maintaining competitive and reasonable service fees.

At the November 9 meeting, staff and WMAC will jointly present information about sustainability challenges facing jurisdictions today, including the impacts of China's National Sword policy and climate change, as well as compliance demands, including SB1383. Staff and WMAC will also share some technologies and services enhancements that could potentially help meet the challenges, such as cameras in trucks, and a processing center than can extract organics from trash.

Staff is seeking feedback from the Committee on potential franchise agreement enhancements, including the following:

- Potential positive and negative effects of using cameras in trucks to monitor contamination
- Enabling the franchisee to assess surcharges on businesses and residents for excessive contamination in containers designated for organics and recycling
- Piloting an all-electric-powered collection vehicle or support vehicle, such as a cart delivery vehicle or supervisor's vehicle.

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<sup>2</sup> <https://hayward.legistar.com/LegislationDetail.aspx?ID=4576643&GUID=060523BF-B23D-49D7-A78E-F40F4DB335C4&Options=&Search=>

<sup>3</sup> [http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=201520160SB1383](http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201520160SB1383)

- Processing a portion of Hayward's trash through a new processing facility that can extract recyclables and organic material from trash.

If exclusive negotiations are not successful, the City could prepare and issue a request for proposals (RFP) and call for new proposals from any qualified and interested service provider, including WMAC.

## **FISCAL/ECONOMIC IMPACTS**

Maintaining reasonable solid waste and recycling service fees and improving service levels would have a positive impact on the community. Regardless of the path chosen, the negotiation of a new franchise agreement is likely to require significant staff time, however, such staff time will be absorbed by already budgeted positions. If rates are increased, Franchise Fees will also increase, which will benefit the City's General Fund, Recycling Fund, Stormwater Fund, and Street System Improvement Fund.

## **STRATEGIC ROADMAP**

This agenda item does not directly relate to any of the six priorities outlined in the Council's Strategic Roadmap. It is possible that a new franchise agreement could support the following projects in the *Support Quality of Life* and *Combat Climate Change* Strategic Priorities:

### Support Quality of Life

- Project 7: Implement targeted illegal dumping prevention program
- Project 7a: Pilot programs and analysis
- Project 7b: Roll out permanent program

### Combat Climate Change

- Project 5: Work with StopWaste to promote a Circular Economy and Explore Regulation of Single Use Products
- Project 5a: Conduct outreach regarding single-use disposables
- Project 5b: Develop ordinance regulating single-use food ware in restaurants and coordinate with county-wide efforts

## **SUSTAINABILITY FEATURES**

Solid waste management involves the safe and responsible management of discarded material from generation through processing to disposal. Reducing waste landfilled by maximizing the reuse, recycling, and composting of materials increases diversion, conserves natural, resources, and plays an important role in making a community sustainable.

## **PUBLIC CONTACT**

No public contact has been conducted.

## **NEXT STEPS**

Upon direction from the Committee, City staff will continue to discuss with WMAC innovative approaches to compliance with state law and maximizing landfill diversion. Staff will report back to the CSC and Council as needed.

*Prepared by:* Jeff Krump, Solid Waste Program Manager  
Erik Pearson, Environmental Services Manager

*Recommended by:* Alex Ameri, Director of Public Works

*Approved by:*

A handwritten signature in black ink, appearing to read 'K. McAdoo', is positioned above a horizontal line.

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Kelly McAdoo, City Manager