



Office of the City Manager

INFORMATION CALENDAR  
MARCH 26, 2019

To: Honorable Mayor and Members of the City Council  
From: Dee Williams-Ridley, City Manager  
Submitted by: Philip Harrington, Director, Public Works  
Subject: Zero Waste Division's Integration of the Non-Exclusive Waste Hauler  
Commercial Franchisees Commercial Customers Update

INTRODUCTION

This is the final Information Calendar update on the Department of Public Works – Zero Waste Division's collection routes integration of more than 440 commercial community members into the existing refuse, fiber, mixed plastic containers and green/food waste routes serving more than 4,500 commercial accounts. These 440+ commercial customers' materials had been previously collected by City Council Approved Non-Exclusive Waste Hauler Commercial Franchise Agreement holders.

BACKGROUND.

At the City Council's May 26, 2015<sup>1</sup> meeting, Council authorized the Department of Public Works – Zero Waste Division (ZWD) to provide all commercial collection services for: refuse, dual stream recyclables (fiber and mixed containers/mixed plastic are collected separately), and green waste/food waste. This authorization initiated the process for City assuming collection services that had been previously provided by the non-exclusive commercial haulers. This expanded collection service would not include providing roll-off box containers (larger than 7 cubic yard capacities) and compactors to commercial customers.

The non-exclusive commercial haulers had only offered single stream recycling and not dual stream recycling collection. This expansion of services, from single stream to dual stream, would expand the City's recycling volumes for fibers (old corrugated cardboard and mixed papers), mixed plastic containers and green/food waste.

In addition, and per the Berkeley Municipal Code, the non-exclusive commercial haulers cannot collect wet waste, such as green waste and/or food waste. Therefore, this additional source separated recycling is a new service option for these commercial accounts and would increase landfill diversion volumes. This expansion of the City's commercial collection services was reaffirmed at the City Council's October 18, 2016<sup>2</sup>

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<sup>1</sup> [https://www.cityofberkeley.info/Clerk/City\\_Council/2015/05\\_May/Documents/2015-05-26\\_Item\\_29\\_Scheduling\\_July\\_14,\\_2015.aspx](https://www.cityofberkeley.info/Clerk/City_Council/2015/05_May/Documents/2015-05-26_Item_29_Scheduling_July_14,_2015.aspx)

<sup>2</sup> [https://www.cityofberkeley.info/Clerk/City\\_Council/2016/09\\_Sep/Documents/2016-09-13\\_Item\\_18\\_Non-Exclusive\\_Rubbish.aspx](https://www.cityofberkeley.info/Clerk/City_Council/2016/09_Sep/Documents/2016-09-13_Item_18_Non-Exclusive_Rubbish.aspx)

public hearing for the award of three non-exclusive commercial waste hauling franchise agreements to Waste Management, Inc., Republic Services, Inc. dba Berkeley/Richmond Sanitary Services, and Biagini Waste Reductions Systems, Inc.

### CURRENT SITUATION AND ITS EFFECTS

These non-exclusive commercial waste haulers had only offered single stream recycling (one container for all recyclables) containers to their commercial customers. The City has a dual stream collection system, also called source separated recyclable collection, which increases quantity of recycling participation and produces less contaminated volume of the materials collected. The separate collection of these material types supports the City's commitment to its Zero Waste Goal.

With a dual stream collection system, the City needed to provide metal containers or plastic carts to accept and collect separately: 1) refuse; 2) fiber, cardboard, mixed paper, etc.; 3) bottles and cans; and 4) plant debris (green waste) and/or food waste.

During April through June 2017, ZWD performed customer site inspections to verify information provided by the non-exclusive haulers, such as customer name, location, and container/carts required. The non-exclusive hauler provided only single stream recycling containers and prohibited from collecting wet waste, so ZWD had to estimate the volumes for fiber, mixed plastic containers/bottles and green/food waste based on site inspections.

In October 2017 and based on ZWD's site inspections, container/cart sizing, number of containers and/or carts required for material to be collected and service times, ZWD's equipment needs for these 440+ commercial customers collection services were estimated to cost as follows:

<u>Equipment</u>	<u>Estimated Cost</u>
• Metal bins 106-1 cubic yard (cy) capacity, 148 - 2 cy, 90 – 3 cy, 96 - 4 cy, 30 – 6 cy.	\$ 322,000 <sup>3</sup>
• Carts 43 - 32 gal. capacity, 188 - 64 gal., 144 - 96 gal.	\$ 19,000 <sup>3</sup>
• Placement Services of Container and Carts	\$ 75,000 <sup>4</sup>
• One Tractor-Trailer Unit	\$ 243,962 <sup>3</sup>
• Two Front End Loader Collection Trucks	\$ 615,998 <sup>3</sup>
Total Equipment Costs	\$1,275,960

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<sup>3</sup> Cost based on previous IFBs and Council approved purchases

<sup>4</sup> ZWD management cost estimate

As of this Information Calendar Report update, the equipment actual costs are as follows:

<u>Equipment</u>	<u>Actual Cost</u>
<ul style="list-style-type: none"> <li>• Metal containers 106 – 1 cubic yard (cy), 148 – 2 cy, 90 cy, 96 – 4 cy, 30 – 6cy</li> <li>• Carts 43 – 32 gal., 188 – 64 gal., 144 – 96 gal.</li> <li>• Placement Services of Container and Carts</li> <li>• Two (2) Front End Loader Collection Trucks</li> </ul>	<p>\$ 321,924</p> <p>\$ 19,000</p> <p>\$ 84,008</p> <p><u>\$ 739,160</u></p>
 Total Equipment Costs	 \$1,164,092

At this update, the existing tractor-trailer fleet (8 units) have had sufficient capacity to transport the additional commercial refuse volumes collected, and ZWD is assessing the option to purchase an additional Tractor-Trailer unit included in the October 2017 assessment.

In August 2017, ZWD requested its routing software system contractor, RouteSmart™, to provide a cost and time completion estimate to assist ZWD to integrate these 440+ commercial accounts into the existing commercial account routes. After more than 3 months of work, the existing RouteSmart™ routing system support proved to be unreliable and ineffective to integrate the 440+ accounts into the existing 4,500+ commercial customer routes. Therefore, ZWD staff completed this routing integration by one account and material type at a time.

With an initial November 2017 notice, two December 2017 notifications, and January 2018 confirmation of service day(s) and service material type, the goal of ZWD’s outreach (the goal of the integration) and education (what and how to sort) program was to ensure these customers received in-depth and complete information. In addition, a mailer was sent in February 2017 welcome new customers to Berkeley’s ZWD and to provide phone numbers to request follow-up or education site visits.

On January 28, 2018, Zero Waste Division and the City Council authorized container and/or cart placement company<sup>5</sup> commenced delivery of more than 800 containers (1, 2, 3, 4, and 6 cubic yard capacity) and carts (32, 64 and 96 gallon capacity) at the more than 440 commercial customers’ locations.

On March 1, 2018, ZWD commenced collection of these 440+ commercial accounts with account verification work continuing through May 2018. In addition, commercial customers were requesting to downsize their refuse containers; reducing and increasing recycling metal containers and carts; and adding and/or increasing green/food waste

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<sup>5</sup> [https://www.cityofberkeley.info/Clerk/City\\_Council/2017/12\\_Dec/Documents/2017-12-19\\_Item\\_13\\_Contract\\_Container\\_Pros.aspx](https://www.cityofberkeley.info/Clerk/City_Council/2017/12_Dec/Documents/2017-12-19_Item_13_Contract_Container_Pros.aspx)

containers and/or carts. By late May and early June 2018, the vast majority of commercial customers' issues/complaints had been resolved.

#### ENVIRONMENTAL SUSTAINABILITY

According to the 2008 State Wide Characterization Data, the commercial business sector generates nearly 75% of the solid waste in California<sup>6</sup>. To support the increase recovery of recyclable materials and pursuant to State law, Alameda County implemented a mandatory commercial recycling and waste reduction to reduce landfill use and address growing environmental concerns of landfill disposal.

With the integration of these commercial accounts, the City's efforts towards its goal of Zero Waste is more broadly promoted and expanded to Berkeley's commercial community members. This effort also expands the continued reduction in the volume of materials buried forever in landfills and is consistent with the City's 2009 Climate Action Plan's Goals.

#### FISCAL IMPACTS

The costs of equipment and manpower required to assume these collection services from the non-exclusive commercial waste hauler franchisees customers have been within the HF&H study estimates presented to the City Council at its February 10, 2015 Worksession<sup>7</sup>. Due to the limitations of the FUND\$ system, the Finance Department has been unable to verify the actual additional revenues generated by the 440+ new commercial accounts.

However, an overall financial analysis of all ZWD commercial account revenues that is a comparison of quarterly revenues of existing commercial accounts prior to the integration of the 440+ accounts to quarterly revenues will be completed after the final integration. The additional revenues will offset the increased capital and budget impacts to the Zero Waste Enterprise Funds associated with these commercial customers.

#### CONTACT PERSON

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<sup>6</sup> Zero Waste Commercial Franchise Study, February 10, 2015 <http://bit.ly/2aalRe2B>

<sup>7</sup> [https://www.cityofberkeley.info/Clerk/City\\_Council/2015/02\\_Feb/Documents/2015-02-10\\_WS\\_Item\\_01\\_Zero\\_Waste\\_Commercial.aspx](https://www.cityofberkeley.info/Clerk/City_Council/2015/02_Feb/Documents/2015-02-10_WS_Item_01_Zero_Waste_Commercial.aspx)