

ENERGY AND ENVIRONMENT COMMITTEE REPORT relative to the multi-family and commercial refuse collection franchise staffing plan.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. APPROVE the Bureau of Sanitation's (BOS) Franchise System Organization Plan, attached to the Council file, with the following elements:
 - a. Management
 - b. Administration/Finance/Audit
 - c. Facility Certification
 - d. Field Inspection
 - e. Call Center
 - f. Zero Waste and Systems
2. APPROVE resolution authority for 16 new positions, subject to allocation by the Civil Service Commission and paygrade determination by the Employee Relations Division, for the period January 24, 2015 through June 30, 2015 as follows:

<u>Code</u>	<u>Classification</u>	<u>No.</u>
Franchise Division Management		
4126-2	Solid Resources Manager II	1
4126-1	Solid Resources Manager I	1
1368	Senior Clerk Typist	1
Facility Certification		
9184-2	Management Analyst II	1
2330	Industrial Hygienist	1
Field Inspection		
4289-1	Chief Environmental Compliance Inspector I	1
7213	Geographic Information Systems Specialist	1
Call Center		
9171-1	Senior Management Analyst I	1
Admin/Finance/Audit		
9171-1	Senior Management Analyst I	1
9184-2	Management Analyst II	3

Zero Waste

7310-3 Environmental Specialist III	1
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Systems

1431-5 Programmer Analyst V	1
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1431-4 Programmer Analyst IV	1
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1470 Database Architect	1
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Total New Positions 16

3. INSTRUCT the Personnel Department to assist the BOS in expediting allocating and hiring the positions described above in Recommendation No. 2.
4. INSTRUCT the City Administrative Officer (CAO) to assist the BOS in expediting the establishment of paygrades for the positions described above in Recommendation No. 2 and the appropriate modification of the Sanitation Management Hiring Plan.
5. INSTRUCT the BOS to:
 - a. Expedite the submission of information required by the Personnel Department and the CAO to establish these new positions and paygrades.
 - b. Evaluate the use of existing vacancies to assist with implementation of the second and third phases of the staffing plan, attached to the Council file.
6. AUTHORIZE the CAO to make technical corrections to the above recommendations, consistent with the intent of the Council and Mayor.

Fiscal Impact Statement: The CAO reports that approval of the above recommendations will result in 16 new positions and an estimated additional cost of \$927,000 (\$562,000 in salaries and \$365,000 in related costs) for the remainder of Fiscal Year 2014-15. Annual costs of the new positions are estimated at \$2,390,000 (\$1,687,000 in salaries and \$703,000 in related costs). There is no fiscal impact to the General Fund. Sufficient funds are available within the Citywide Recycling Trust Fund and within the current year Bureau Budget to cover the incremental costs during the current year. Therefore, additional appropriations are not required. The recommendations contained in the January 16, 2015 CAO report, attached to the Council file, are in compliance with the City's Financial Policies as sufficient revenues have been identified to support proposed expenditures.

Community Impact Statement: None submitted.

(Personnel and Animal Welfare Committee waived consideration of the above matter)

Summary:

On December 3, 2014, your Committee considered an October 16, 2014 BOS report relative to the multi-family and commercial refuse collection franchise staffing plan. According to the BOS, on November 14, 2012, Council established the Zero Waste LA Commercial and Multifamily Franchise System (Council File Nos. 10-1797, 10-1797-S1 through 10-1797-S6). At that time, the BOS was directed, among other actions, to return with a timeline and staffing requirements for the

new exclusive franchise system. Development of a plan that included staffing requirements was difficult at that time, due to the many factors that still had to be decided regarding the overall program.

The BOS proceeded with the development of an Implementation Plan, which was adopted by the Mayor and City Council in April 2013 (Council File No. 10-1797-S15). In addition, the BOS completed the preparation, release, and certification of a Final Environmental Impact Report, along with the adoption of the accompanying ordinance, in May, 2014 (Council File No. . Finally, on June 11, 2014, LA SAN requested and received permission from the Board of Public Works to release a Request For Proposals (RFP) for the new system with the proposals from potential franchisees having been due on October 29, 2014.

The development of the staffing requirements and resources needed to implement a new program of this magnitude required a significant effort to obtain benchmark information and calculate workloads to accomplish the many goals of the new system. Subsequently, the BOS hired CH2M Hill to prepare a Staff Resources Plan, which was completed in August 2014. Among CH2M Hill's findings were that inadequate staffing and training would create consequences that would be unacceptable. These consequences include poor customer service with long wait times and inadequate staff coverage for 24/7 operation; inadequate contractor oversight leading to excessive collection issues and unsafe working conditions at facilities; under reporting of fees due to the City and the failure of contractors to meet waste diversion requirements. Staffing resources in the new Zero Waste LA system will be deployed regionally as well as centrally. It is more cost effective to have field resources, such as inspectors, deployed in three 'regions'. Management of the contracts will also be regional. This allows the Regional Manager to learn each contract they will manage, as well as become familiar with customer sites and major employers in each region. The land area and size of the City of Los Angeles creates the need to subdivide areas to make sure that excellent service is provided. In preparation for the notification of customers, the interaction with the franchise holders upon the execution of the contracts, and the transition of the customers into the new Zero Waste LA system, it is critical to achieve staffing levels and prepare program elements as soon as possible. After consideration and having provided an opportunity for public comment, the Committee moved to continue this matter pending a report from the CAO in regard to the staffing plan.

Subsequently, on January 21, 2015, your committee reconsidered the October 16, 2014 BOS report along with January 9, 2015 Board of Public Works and January 16, 2015 CAO reports. According to the CAO, the goal of the BOS's proposed staffing plan for the Exclusive Multi-family and Commercial Refuse Collection Franchise System is to:

- a. Successfully support the Franchise System
- b. Actively enforce franchise requirements
- c. Advance the City Zero Waste goals
- d. Maximize customer service
- e. Collect Franchise Fee revenues.

In its October 16, 2014 report, the BOS proposed the creation of a new division and recommended 112 positions for the "steady" state workload and 85 as-needed positions to address the increased workload with the "transition" state (18-month transition period from multiple haulers to a single

hauler per zone). Of the 112 positions for the "steady" state, 70 are new regular positions, 31 are long-term contract positions, and 11 are existing positions reassigned from within the BOS.

The BOS proposes to implement staffing in three phases. This will allow the Bureau to properly train employees and install the necessary systems and protocols prior to the January 1, 2017 implementation date for the Franchise System. The first phase of the staffing plan includes a request for resolution authority for 16 positions in the current fiscal year. The remaining two phases of the staffing plan will be implemented through the 2015-16 and 2016-17 budget process. The BOS's staffing request is summarized in Attachment A of the January 16, 2015 CAO report, attached to the Council file.

The BOS is asking for approval for the Franchise Division Manager and Assistant Manager and for staff required to establish franchise agreements, create policies, procedures and systems and set the Franchise framework in place. The CAO's review of the requested staffing resulted in the following:

- a. The span of control for supervisors proposed by the BOS appears to be consistent with its Solid Resources Citywide Recycling Division.
- b. The duties proposed by the BOS for the 16 new positions are required for implementation.
- c. The elements of the Franchise Program proposed by the BOS are relevant and practical. The elements are: Management, Administration/Finance/Audit, Facility Certification, Field Inspection, Call Center, Zero Waste and Systems.
- d. The BOS's request reflects the distinction between workload that is projected to be temporary in nature and workload that is projected to be ongoing and permanent. It is consistent with existing practice and appropriate to review the second and third phases of the staffing plan in the context of the development of the Budget for 2015-16 and 2016-17. As the BOS proceeds to gather additional information, select contractors, and negotiate franchise terms and service requirements the actual amount and classification of staff may change.

After further consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the recommendations contained in the January 16, 2015 CAO report and detailed in the above recommendations. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

ENERGY AND ENVIRONMENT COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
FUENTES:	YES
BLUMENFIELD:	YES
LABONGE:	YES

HUIZAR: YES
KORETZ: YES

ARL
1/21/15

-NOT OFFICIAL UNTIL COUNCIL ACTS-