

Date: 4/10/12  
Submitted in AD 170 CWASTE Committee  
Council File No: 10-1797  
Item No.: 1  
Deputy: Adam R. Lid

**BRIEFING NOTES**

**AD HOC WASTE REDUCTION AND RECYCLING COMMITTEE**

April 10, 2012  
Room 1010 - City Hall

**1. 10-1797 Motion Assessing Commercial Waste Redesign in San Jose**

*This item has also been referred to the Energy and the Environment Committee.*

**ISSUES:** Motion (Huizar - Koretz - Perry et al.) relative to directing the City Administrative Officer and the Bureau of Sanitation to report with an assessment of the Commercial Solid Waste System Redesign Program recently initiated by the City of San Jose.

**RECOMMENDATION:** CONTINUE item, and INSTRUCT the CAO to include issues brought up at this meeting in its analysis of the Board of Public Works proposal on adopting a franchise system for private waste-hauling in the City, and to present that analysis and related recommendations to the City Council upon its completion.

**SUMMARY:**

This item pertains to Motion (Huizar - Kretz - Perry - rosendahl - Alarcon - Reyes - Garcetti), which instructs the CAO and Bureau of Sanitation to report with an assessment of the Commercial Solid Waste System Redesign program recently put in place by the City of San Jose, and to include in that report whether including the commercial sector in the proposed multi-family franchise would help the City achieve its environmental goals.

The Motion notes that San Jose has embarked on establishing a franchising program for commercial trash collection, and that a similar approach in Los Angeles that would result in fewer waste hauling companies operating in the City could lead to greater efficiency and lower air contamination.

No direct written response to this Motion has been received. In November of last year, the City issued a 5-year notice to waste haulers in the City that it intends to consider moving to a franchise system for waste hauling. Since that issuance, the Board of Public Works has adopted a report that recommends the City adopt a franchise system based on 11 'waste-sheds' in the City that would each be served exclusively a single waste-hauler. That report has not yet been transmitted to Council; the CAO is currently analyzing that report, and plans to issue a report with recommendations related to that report later this year.

**Background**

At present, privately run waste haulers provide service to the City's multi-family buildings and commercial facilities. There are over 130 such haulers that are currently operating in the City.

The Bureau of Sanitation currently provides curbside collection services for single-family dwellings and apartment complexes of 4-units or less, as well as bulky-item pickup for all residences in the City. Larger residences of over 4 units and commercial buildings have largely been served by private waste-haulers, although several buildings that had received services from the City in the past have been grandfathered in and continue to serve services from Sanitation.

Sanitation has reported that private businesses in the City have demonstrated a high recycling rate with voluntary programs, and that City staff has worked with businesses to provide assessments of and assistance with those voluntary programs.

The Ad Hoc Committee on Waste Reduction and Recycling last heard this issue on October 11<sup>th</sup>, and recommended approval of the 5-year notice that Council approved last November. At that meeting, concern was expressed by several waste-haulers that moving the City to an exclusive franchise system could chill investment by existing haulers in newer and greener infrastructure.

**QUESTIONS:**

- 1) **I understand that we issued a 5-year notice on moving to a franchise system at the end of last year. What has been done since that notice was issued, and what are the next steps in this process?**
- 2) **What is the CAO looking at as it is preparing its report on the Board recommendations for franchising?**
- 3) **How would the proposed system affect commercial facilities in the City? How would it affect the City's existing waste-hauling firms?**
- 4) **What additional requirements (safety, worker compensation, etc) can the City put on waste-haulers under a franchise system?**
- 5) **Is there any revenue to be generated by moving to a franchise system, and what would the net fiscal effect of such revenue be to the City?**

AD-HOC COMMITTEE ON WASTE REDUCTION AND RECYCLING

*AGENDA*

April 10, 2012, 1 p – 3 pm, Room 1050, City Hall

**Council File 10-1797**

1. Overview of proposed commercial waste collection and recycling through exclusive franchising (15 minutes)
  - Bureau
  - HF&H Consultants
  
2. Overview of worker safety and safety oversight (20 minutes)
  - Shirley Alvarado de Aguila, So Cal COSH Director
  - Karla Campos, former sorter, American Reclamation
  - Alex Salgado, former employees
  
3. Overview of environmental impacts of commercial waste collection practices (20 minutes)
  - Adrian Martinez, NRDC
  - Bill Gallegos, Communities for a Better Environment
  - Hillary Gordon, Sierra Club
  - Lisa Gritzner, Angelenos for a Clean Environment
  - Lauren Akhiam, Pacoima Beautiful
  
4. Impact of proposed exclusive, franchised commercial waste collection and recycling on small haulers (30 minutes)
  - Bureau
  - Ron Saldana, LA CDA
  - Matthew Kotanjian, AAA Disposal
  - Steve Tucker, Pacific Coast Waste & Recycling
  - Greg Good, Don't Waste LA
  
5. Public Testimony (1 minute, 15 speakers on each side)
  
6. Committee comments, recommendation/s
  - Chair, Members

### Goals of the hearing

#### **1. Establish the benefits of the proposal:**

- Better air quality
- Higher diversion rates and lower impact on landfills
- Better safety for workers
- *Possible: lower costs*

### Suggestions for Mambers

1. We will do the hearing by panels. We have 4 panels.
2. Each panelist will have 2-3 minutes to highlight their key issue or issues
3. Each panelist will be able to submit written comments
4. We have time for you to ask questions of each panelist
5. Public comment will be at the end with 15 minutes for each side, 1 minute per speaker, total of thirty speakers and thirty minutes

### Directions for audience

1. We will hear from the public at the end of the session with 15 speakers for each side, total of thirty minutes of public comments. First come first served.
2. This hearing is part of a long process with multiple opportunities for everyone to be heard – in Committees (Ad-Hoc, Energy and Environment, Budget), in Council, and at Bureau hearings.

**Opening panel**

1. Bureau
2. HF & H Consultants (did the study for Bureau)

**Directions to panelists**

1. You have about 5 minutes each
2. Please be ready for questions

**Questions for panelist**

1. Please give us an overview of the proposal.
2. What are the timelines for the proposal to move forward?
3. How are you seeking input from businesses, haulers, waste facilities, workers, and the community?
4. When do you expect to have the Report back to the Council?

## Worker Safety & Safety Oversight Panel:

### Directions to panelists

1. Please keep to 3 minutes to allow everyone to speak

Overview of worker safety and safety oversight  
(20 minutes)

- Shirley Alvarado de Aguila, So Cal COSH Director
- Karla Campos, former sorter, American Reclamation
- Alex Salgado, former employees

### QUESTIONS

- Training: Can you speak to the amount of training received/provided to yourself/workers at your place of work? Both in terms of safety equipment and effective diversion practices?
- To Karla: Is the treatment you speak of for sorters at American Reclamation limited to sorters?. Can you speak to conditions for drivers and helpers?
- To Shirley: Is there adequate enforcement taking place at work places you've been interacting with through your work? Does Cal-OSHA have adequate resources to meet the need?

## **Environmental Panel:**

### **Directions to panelists**

1. Please keep to 3 minutes to allow everyone to speak

Overview of environmental impacts of commercial waste collection practices (20 minutes)

- Adrian Martinez, NRDC
- Bill Gallegos, Communities for a Better Environment
- Hillary Gordon, Sierra Club
- Lisa Gritzner, Angelenos for a Clean Environment
- Lauren Akhiam, Pacoima Beautiful

### **QUESTIONS**

According to the HF&H study, an exclusive franchise is the best way for the City to minimize the environmental footprint of this industry.

1. Could you speak to some of the environmental concerns you would like to have addressed?
2. How would a non-exclusive franchise system achieve the same environmental footprint without the routing efficiencies from having one hauler per zone?
3. How would a non-exclusive franchise system achieve the same diversion standards as an exclusive system?

### Small Hauler Impacts:

Impact of proposed exclusive, franchised commercial waste collection and recycling on small haulers (30 minutes)

- Bureau
- Ron Saldana, LA CDA
- Matthew Kotanjian, AAA Disposal
- Steve Tucker, Pacific Coast Waste & Recycling
- Greg Good, Don't Waste LA

### Questions

- To Bureau:
  - 1. What are the market shares currently held by various haulers in the City?
  - 2. What is your assessment of the impact on small haulers? When will you have a better assessment?
  - 3 Can we create "enterprise zones" for small haulers?
- To Matthew Kotanjian (after he talks about effective AAA is):
  - o We understand that you're a very good company – and everyone here seems to believe so as well. My question, though, is: Do all the members of the LA County Disposal Association (on whose Board you sit) adhere to the same standards as AAA?
- Who is impacted: It seems as though there's been some misunderstanding about which haulers are impacted by the proposed policy. The policy will not impact construction and demolition haulers. Can you speak to who will be impacted by the policy? Can most of these remaining companies bid for zones?
- Since the amount of work that will be needed under these contracts will remain constant if not grow, what are possible policy solutions for workers to be retained or to make sure they will have the choice to continue to work in the commercial sector in LA?
- To Steve Tucker:
  - o What kind of business do you do?
  - o Do you operate in LA? Why not?

- What prevents you from operating in LA?
- Why would you be more interested in competing in an exclusive system?
- In your opinion, can the city effectively reach its goals in terms of Zero Waste, truck, congestion and emission, and job standards in a non-exclusive system?

## MOTIONS

### **1. Diversion standards must follow the trash**

Given what we've heard about the need for credible and substantive accounting of the recycling and diversion that's *really* happening, it seems like only addressing the hauling misses a big piece if we're really trying to get to Zero Waste and these ambitious diversion goals:

- Given that, I want to recommend that we create a certification process for facilities that receive LA City's trash. I understand that the city has the interest and right, under its AB939 and, ultimately, AB341 obligations, to require those that contract to pick up its waste take it to facilities whose diversion standards it approves of.
  - o That makes sense to me if we really care about getting to Zero Waste and diversion standards.
- I have a Motion to do that (#1)

### **2. Small haulers**

- It is important that we recognize the role of small business
- They are critical to our success in reaching Zero waste
- The small businesses are a part of the City's history
- The small haulers have many employees
- I have Motion to ask the Bureau to come back with a Report on setting aside some of the proposed Zones and also to provide financial assistance, at no cost to the City, to upgrade their equipment and facilities

### **3. Incentives**

We are undertaking a very significant change in our waste management practices.

There will be many difficulties in reaching our goals

Therefore, it is important that we offer incentives to those businesses and haulers that exceed our goals for environmentally-beneficial waste management

I have a Motion for the Bureau's response in its Report.

### **4. Special businesses**

We have two types of businesses that merit special attention due to their unique nature and their contributions to our City, its economy and quality of life: filming businesses and hospitals

Therefore, I have two Motions that address these special needs but both take the same approach of requiring the successful bidder to address the needs of these businesses.

A. My Motion for the filming business asks the Bureau to develop specific requirements for bidders for the filming businesses when the waste is generated on site e.g. at a studio. The Motion also exempts on-location sites because by their very nature they are temporary and geographically diverse.

B. Hospital waste is governed to a great extent by federal and state statutory and regulatory schemes due to the hazardous or toxic nature. Therefore, it is important for the Bureau to develop criteria for the REGP or Bid to require the successful bidder to meet the needs of a hospital.

## MOTION

The Bureau of Sanitation has proposed changes in the City's commercial and multi-family waste collection in order to achieve a number of significant goals, including greater safety, oversight, accountability and quality of life in the City's efforts to reach a Zero Waste future.

Given the geographical dispersion of the waste collection, sorting, and diversion process due to business, transportation, safety, and environmental requirements, it is important that the City's proposed commercial and multi-family waste collection system ensure that its goals are met and that those results are verifiable, irrespective of the local jurisdiction where the waste is handled.

We, therefore, instruct the Bureau of Sanitation to include in its Report to the Council on the proposed new system for commercial and multi-family property waste, to have a requirement that future LA City commercial and multifamily waste franchise-holders take the City's "non-source separated" commercial and multifamily waste only to certified processing facilities; and that those facilities be certified by the Board of Public Works to ensure maximum diversion in service pursuant to AB 939 and AB 341 requirements.

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RICHARD ALARCÓN, 7<sup>th</sup> District

## MOTION

The Bureau of Sanitation has estimated that over ninety-five percent of the commercial and multi-family waste stream is handled by 10 companies, with another 10-15 handling the remaining work.

The City's proposed new system for commercial and multi-family waste collection is to be based on certain "zones" that will be served by exclusive franchisees. This new system has the potential to exclude "rogue operators" from participating in our market as noted in the HF&H Consulting report (*City of Los Angeles: Solid Waste Franchise Assessment, Final Report*), while also excluding some responsible small companies that currently operate in the City.

It is therefore very important that the proposed new system allow responsible small companies that currently operate in the City a fair and full opportunity to compete.

We, therefore, instruct the Bureau of Sanitation to include in its Report to the Council on the proposed new system for commercial and multi-family property waste, a proposal to designate a certain number of the City's proposed exclusive zones as "small enterprise" zones, designed and targeted to provide competitive opportunities for small hauling companies.

We also instruct the Bureau to include in its Report a proposal to assist and facilitate small companies, selected for the "small enterprise" zones, in securing loans or other capital assistance to facilitate and make realistic their participation in the exclusive franchise system. The assistance must come at no financial cost to the City.

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RICHARD ALARCÓN, 7<sup>th</sup> District

## MOTION

The Bureau of Sanitation's proposed changes in the City's commercial and multi-family waste collection will require changes in the current business practices. In order to achieve the proposed goals under the proposal, business will need to work with a new model. The Bureau will monitor the businesses for adherence to a number of significant goals, including greater safety, oversight, accountability and quality of life in the City's efforts to reach a Zero Waste future.

It is therefore important that the businesses that operate under the new model also receive incentives to motivate them to meet and, more importantly, exceed the City's proposed goals for reducing the City's waste going to landfills to Zero, reduce air pollution by a measurable amount and provide safer, cleaner, and more remunerative work environment for the workers. These goals, if met, will significantly improve the quality of life of all residents of Los Angeles and any business that helps bring about such positive impacts should be encouraged through an incentive program that rewards the business for its beneficial contributions.

We, therefore, instruct the Bureau of Sanitation to include in its Report to the Council on the proposed new system for commercial and multifamily waste program incentives and similar programs to businesses that meet or exceed the goals of the proposed program.

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RICHARD ALARCÓN, 7<sup>th</sup> District

## MOTION

The filming business is a uniquely Los Angeles business. It is rooted in the City and it has played an historic role in the development and life of the City. Its business practices are subject to unique conditions and terms that require the City to address its needs in a manner that continues to strengthen the production of entertainment in its various forms.

The proposed Exclusive Franchise for Commercial and Multifamily Waste Program is likely to have a significant impact on the filming business' current business practices.

According to the filming businesses; they have many different kinds of waste such as hazardous waste, medical waste, construction and demolition waste, office waste, etc.. Depending on the type and volume of production on a studio lot, the amount of waste can vary on a daily basis, and the studios require a hauler who can respond quickly when necessary, handle several different waste streams, and conduct the appropriate sorting to achieve the high levels of diversion set by the studios. Further, studios claim to have an excellent recycling rate (over 73% of waste is diverted from landfills). Further, studios state that many of the streets on the studio lots are not large enough to accommodate a standard dump truck, requiring arrangements for custom vehicles to be used for pickups.

Further, when filming on location, a filming business may film in several locations in the city on a single day and would be forced to contract with different waste haulers in different locations. In addition, productions need immediate responsiveness on location to ensure that waste is promptly removed. This is especially important when filming in neighborhoods where the industry is served by several smaller vendors who know the business, can respond within an hour or so, and operate smaller vehicles that can effectively remove waste without disrupting neighborhoods.

We therefore instruct the Bureau of Sanitation to seek input from the filming industry and include in its Report to the Council:

1. Specific directions in the Request for Proposals or Bids to respond to the needs of studios, including such factors as quality of service, timeliness, and responsiveness to the specific demands of the studios' work.
2. Exemption of temporary filming locations from the Proposal, due to the temporary nature of the work site

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RICHARD ALARCÓN, 7<sup>th</sup> District

## MOTION

Hospitals play a unique and critical role in every community. Hospitals are subject to unique conditions and terms for their waste stream that require the City to address its needs in a manner that continues to strengthen hospital services while enhancing our environmental goals.

The proposed Exclusive Franchise for Commercial and Multifamily Waste Program needs to address is likely to have a significant impact on the filming business' current business practices.

We therefore instruct the Bureau of Sanitation to seek input from the hospitals and the hospital industry and include in its Report to the Council to provide specific directions in the Request for Proposals or Bids to respond to the needs of studios, including such factors as quality of service, timeliness, and responsiveness to the specific demands of the hospitals' work.

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RICHARD ALARCÓN, 7<sup>th</sup> District