

## IMPACT STATEMENT

**Legislation title:** Direct Bureau of Planning and Sustainability to review Portland's franchise system for collecting residential solid waste, recycling and composting (Resolution)

**Contact name:** Arianne Sperry

**Contact phone:** 503-341-5916

**Presenter name:** Bruce Walker and Arianne Sperry

**Purpose of proposed legislation and background information:**

The purpose of the proposed resolution is to initiate midterm review of the residential solid waste and recycling collection franchise system.

Since 1992 BPS has overseen a residential franchise system where private garbage and recycling collection companies provide residential curbside collection to households living in single-family homes through four-unit complexes. Some cities use exclusive contracts or municipal systems to manage curbside collection programs. The City of Portland Franchise Agreement establishes geographic areas for residential collection services and limits truck traffic in neighborhoods. It is intended to enable affordable, efficient and effective collection service while implementing waste reduction and recovery policies as directed by City Council.

The current agreement between the City of Portland and fourteen garbage and recycling collection companies is governed by a ten year Franchise Agreement that took effect February 2013 and runs through February 2023. The Franchise Agreement states that four years into the ten-year agreement, the City may embark on a midterm review of the franchise agreement. The franchise review is:

1. An opportunity to ensure the franchise system is still in the public interest and to identify improvements to help the system better meet Portland's goals.
2. A required first step in order to renew the Franchise Agreement. Typically, the Franchise Agreement is renewed for another ten-year term and the new agreement (including any changes) supersedes the remaining five years of the current agreement.

If the City does not conduct the franchise review and recommend renewal, the franchise will expire at the end of the current term (Feb 2023) and another system for collecting residential discards must be identified and established.

The Franchise Agreement states that once launched, the review must be completed within 180 days.

**Financial and budgetary impacts:**

If City Council votes to initiate midterm franchise review, BPS staff will seek to hire a consultant for up to \$40,000 to provide research and facilitation services during the six-month review process. If City Council does not vote to initiate franchise review and opts to allow the current franchise to expire in 2023, BPS staff will seek to hire a consultant to provide assistance

in developing and analyzing alternatives to the franchise system for collecting residential garbage, recycling, and composting.

**Community impacts and community involvement:**

The proposed review of the Franchise Agreement will include an evaluation of the system for collecting residential garbage, recycling, and yard debris / food scraps from single-family through fourplex dwellings, affecting approximately 157,000 households across the city from a variety of different communities.

On June 13, 2017, BPS proposed a set of guiding principles for the franchise review at a Planning and Sustainability Commission hearing. PSC voted unanimously to support the review and the guiding principles, particularly two aimed at improving the equity of the franchise system:

- Increase participation of women and minority workers.
- Reduce barriers to economic opportunities for local and minority-owned and women-owned companies.

At the June 13 hearing, the PSC received testimony from five individuals who raised concerns regarding the difficulty for minority-owned firms to gain access to the residential franchise system. The testifiers urged the City to improve the equity of the franchise system and noted appreciation for the inclusion of equity-related guiding principles. The Portland Haulers Association also testified, representing the fourteen current franchisees.

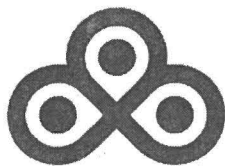
If initiated by City Council through the proposed resolution, the franchise review process will include discussions with current franchisees, interested parties, and groups that work to develop opportunities for minority and women workers and firms. The process will include public hearings at both PSC and City Council to provide opportunity for Portlanders to comment on the draft and final recommendations.

**Budgetary Impact Worksheet**

**Does this action change appropriations?**

- ☐ YES: Please complete the information below.  
☒ NO: Skip this section

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount



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June 30, 2017

Mayor Wheeler and Portland City Commissioners  
Portland City Hall  
1211 SW 4<sup>th</sup> Avenue  
Portland, OR 97204

RE: Support for launching review of franchise agreement for residential garbage, recycling and composting collection

Mayor Wheeler and Commissioners:

The PSC supports the adoption of the proposed resolution directing BPS to review Portland's franchise system for collecting residential solid waste, recycling and composting, which Council will consider on August 3, 2017. The franchise review is an opportunity to step back and ensure the franchise system is helping Portland meet its goals and is also a required step in order to renew the franchise agreement.

The PSC received presentations outlining the review process and timeline as well as the principles proposed to guide staff review. The PSC also heard testimony from individuals who urged the City of Portland to find ways to improve the equity of the franchise system and indicated encouragement that the following two guiding principles are included in Exhibit A to the resolution:

- Increase participation of women and minority workers.
- Reduce barriers to economic opportunities for local and minority-owned and women-owned companies.

The PSC appreciates that the franchise review process will identify opportunities to improve the equity of the franchise system and looks forward to working with BPS throughout the review process. The PSC unanimously supports the adoption of the resolution to launch a review of the residential garbage, recycling, and composting franchise system.

Sincerely,

Katherine Schultz, AIA  
Chair



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