

## Residential Garbage and Recycling Collection Franchise Review

Planning & Sustainability Commission Briefing, January 9, 2018

### Process and timeline

Phase	Timeline
Research and RFI	January – April
Draft report	April – May
Share findings with stakeholders / get feedback	May - June ( <b>PSC briefing</b> )
Present recommendations	July <b>City Council</b>

### Recommendations to increase participation of women and minority workers and reduce barriers to economic opportunity for minority- and women-owned companies

*Staff recommend moving forward with these measures, independent of other changes to the system.*

**Workforce 1.** Establish an agreed upon baseline and goals for women and minority participation in the workforce across all organizational levels. Set up regular data collection processes to evaluate progress towards goals.

**Workforce 2.** Partner with workforce development organizations to implement best practices for increasing workforce diversity, including:

Conduct outreach to targeted populations through partnerships with workforce agencies that serve diverse populations. Connect employers to pools of qualified job candidates. Provide technical support and training to prospective job candidates.

Offer trainings to address internal culture issues that can make recruitment and retention of minorities and women more difficult and less effective.

**Economic Opportunities 1.** Improve capital access through partnerships with capital providers

**Economic Opportunities 2.** Provide technical assistance to build capacity

**Economic Opportunities 3.** Reconfigure the contracts for collection from City facilities and public garbage and recycling containers to facilitate participation by smaller companies

**Options Packages to reduce barriers to economic opportunities for minority- and women-owned companies**

*Staff will work with stakeholders to further explore these options packages, assess potential impacts, and return to Council in July with a recommended approach.*

OPTIONS	INTENDED OUTCOMES	RESEARCH QUESTIONS
<b>Package 1: Create more opportunity for new entrants within the current residential franchise system</b>		
Create a “right of first refusal” for the City to purchase a territory and subsequently bid it out	Has potential to make available territories that new entrants could compete to serve	<ul style="list-style-type: none"> <li>• How can the City structure the competitive process to create a level playing field for minority-owned and women-owned businesses?</li> <li>• Are there currently minority- and woman-owned companies with the interest and ability to competitively bid on a territory?</li> </ul>
Establish a process for dividing franchise territories that could be sold	Has potential to create additional territories and in combination with the above “right of first refusal,” make available territories that new entrants could compete to serve	
Incentivize or require subcontracting	Creates pathways toward building relevant experience as well as dependable revenue streams for future new entrants.	<ul style="list-style-type: none"> <li>• What is an effective mechanism for incentivizing subcontracting in the franchise system?</li> </ul>
Lengthen the term of the franchise agreement to 15 years	Improves access to capital by offering current and new franchisees a longer-term source of revenue.	

OPTIONS	INTENDED OUTCOMES	RESEARCH QUESTIONS
<b>Package 2: Package 1 + Create one or more zones for new entrants</b>		
<p>Create one or more franchise territories for new entrants, either by redistributing customers in the current residential franchise or by conducting a process to explore expanding regulation of a customer base not currently franchised.</p>	<p>Makes available one or more territories that new entrants could compete to serve (occurs once, then the opportunity remains fixed as it is now).</p>	<ul style="list-style-type: none"> <li>• What size territory would be most viable for new entrants?</li> <li>• What are the benefits and challenges of expanding regulation beyond the residential customer base?</li> <li>• How can we assess potential impacts to customers in terms of disruption, cost, and customer service?</li> </ul>
<b>Package 3: Do not renew the franchise agreement. Plan to put collection service for residential garbage, recycling, and composting out to bid in a competitive RFP.</b>		
<p>Create new service territories that encourage small companies to compete in the bidding process, provide points for social responsibility, and encourage subcontracting as a pathway toward building relevant experience</p>	<p>Regularly makes available territories that new entrants could compete to serve (opportunity is ongoing at regular intervals, though smaller firms may still face considerable challenges to submit a competitive bid)</p>	<ul style="list-style-type: none"> <li>• What is best approach for optimizing City's goals in a contract system?</li> </ul>