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191534

Ordinance

Grant residential solid waste collection franchises in the City of Portland

Passed

Amended by Council

The City of Portland ordains:

Section 1. The Council finds:

1. In 1991, the City Council granted residential solid waste, recycling, and yard debris collection franchises in the City of Portland to introduce services and implement standards and rates to encourage increased recovery of recyclable material from the waste stream (Ordinance No. 164701).
2. The Council has periodically directed Bureau of Planning and Sustainability (BPS) staff to review the residential franchise system.
3. Effective in January 2019, the Council granted a 12-year renewal of residential solid waste, recycling, and composting collection franchises (Ordinance No. 189242).
4. The franchise renewal ordinance allows the Council to initiate a review of the franchise system during a six-month period beginning 48 months after the ordinance became effective (Ordinance No. 189242 Section 19.A.).
5. On March 22, 2023, the Council directed BPS to review the residential franchises in Resolution No. 37614 and report back to Council within 180 days, which was September 22, 2023.
6. BPS conducted the franchise review and has presented its report to Council and revised the franchise as set forth in Exhibit A – Residential Solid Waste Collection Franchise Agreement.
7. Due to a scheduling conflict with the Commissioner-in-Charge and BPS Director, the report presentation to Council could not be heard until October 11, 2023.
8. The Council authorized a transfer of the residential solid waste collection franchise from S&C Licensing, LLC to Recology Clackamas Inc. via Ordinance No. 191438 on September 6, 2023, which transfer is reflected in Exhibit A to this ordinance.

NOW, THEREFORE, the Council directs:

Introduced by

[Commissioner Carmen Rubio](#)

Bureau

[Planning and Sustainability \(BPS\)](#)

Contact

Eben Polk

Solid Waste & Recycling
Manager

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Requested Agenda Type

Time Certain

Date and Time Information

Requested Council Date

December 6, 2023

Requested Start Time

10:30 am

Time Requested

15 minutes

- A. Grants Residential Solid Waste Collection Franchises to each of the separately named Grantees listed and on the terms set forth in Exhibit A.
- B. Directs the Bureau of Planning and Sustainability to administer the Residential Solid Waste Collection Franchise as set forth in Exhibit A.

Documents and Exhibits

-  [Exhibit A - As Amended](https://www.portland.gov/sites/default/files/council-documents/2023/exhibit-a-as-amended.pdf) 957.22 KB
(<https://www.portland.gov/sites/default/files/council-documents/2023/exhibit-a-as-amended.pdf>)
-  [Attachment A - Franchise Review Report](https://www.portland.gov/sites/default/files/council-documents/2023/2023-residential-garba.pdf) 2.03 MB
(<https://www.portland.gov/sites/default/files/council-documents/2023/2023-residential-garba.pdf>)
-  [Amended Ordinance - Strikethrough / Underline Version](https://www.portland.gov/sites/default/files/council-documents/2023/proposed-amended-ordinance-strikethrough-underline-version.pdf) 132.64 KB
(<https://www.portland.gov/sites/default/files/council-documents/2023/proposed-amended-ordinance-strikethrough-underline-version.pdf>)
-  [Amended Exhibit A - Strikethrough / Underline Version](https://www.portland.gov/sites/default/files/council-documents/2023/proposed-amended-exhibit-a-strikethrough-underline-version.pdf) 959.13 KB
(<https://www.portland.gov/sites/default/files/council-documents/2023/proposed-amended-exhibit-a-strikethrough-underline-version.pdf>)

An ordinance when passed by the Council shall be signed by the Auditor. It shall be carefully filed and preserved in the custody of the Auditor (City Charter Chapter 2 Article 1 Section 2-122)

Passed as amended by Council
December 6, 2023

Auditor of the City of Portland
Simone Rede

Impact Statement

Purpose of Proposed Legislation and Background Information

This ordinance proposes to renew residential solid waste collection franchises in the City for a twelve-year term. Solid waste consists of landfill-bound garbage, mixed recycling, glass recycling and organics composting. The proposed ordinance incorporates within Exhibit A (the proposed franchise agreement) changes based on findings from the franchise review process that initiated with City Council Resolution No. 37614 dated March 22, 2023, which directed BPS to review and report back to Council on the City's residential solid waste, recycling, and composting program. The

franchise review report, Attachment A of this Council packet, summarizes the review process and recommendations.

Since 1992, the Bureau of Planning and Sustainability (BPS) has overseen a residential franchise system authorizing and regulating garbage and recycling collection companies providing residential curbside collection to households living in single-family homes through four-unit complexes. The City's franchise establishes geographic areas for residential collection services and limits truck traffic in neighborhoods. Through annual fee-setting and the City's administrative rules, the system 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 and nine garbage and recycling collection companies is governed by a twelve-year franchise. The last franchise agreement was effective in January 2019 and subject to a review in the fifth year of the term, which City Council initiated in March 2023, with the possibility that the franchise would be extended for a new 12-year period through adoption of the proposed franchise agreement.

Financial and Budgetary Impacts

n/a

Community Impacts and Community Involvement

The residential solid waste collection franchise provides collection services for landfill-bound garbage, mixed recycling, glass recycling and organics composting from single-family through fourplex dwellings, serving approximately 157,000 households across the city from a variety of different communities citywide.

The residential franchise system ensures that solid waste collection services are universally available for a clearly defined and publicly set price while maintaining an incentive to provide service cost effectively. It provides the City and our community opportunities to continue advancing goals to promote recovery and recycling of valuable materials and reduce the environmental and safety impacts of collection.

Through the establishment of service areas and terms of service, it promotes efficient collection and use of city roadways by heavy duty trucks. To accomplish these benefits, the franchise system grants exclusive rights for residential collection service. The franchise review is one of the opportunities available to the City to identify ways to continue to improve how the system delivers on environmental, community, and equity values.

BPS staff created numerous community engagement opportunities through the franchise review process and used that feedback to propose changes to the franchise agreement, and additional recommendations for proposed changes to the Residential Solid Waste and Recycling Administrative Rules

and other programmatic changes, which will begin after the franchise review project is completed. For detail about the community involvement process for this project, see the Franchise Review Report (Attachment A). Community involvement efforts included the following:

Community survey – BPS offered the opportunity for residential customers to provide feedback on their satisfaction with services delivered through a survey distributed in July. Over 5,000 Portland residents responded; most respondents gave high marks for service delivery and cost. Some of the themes within comments included more reliable communication during inclement weather disruptions, weekly garbage collection and adding more materials for recycling.

Hauler engagement – BPS staff facilitated meetings with current residential solid waste collection providers to review the existing franchise agreement with a lens using the franchise review guiding principles approved by Council in March. Improvements to the franchise agreement included areas of equity, employee and customer safety, and customer service improvements.

Public comment period – BPS published notice of the franchise review process with the Oregonian and via Oregon Live and sent notifications to neighborhood associations, business districts and other interested parties about the franchise review process and included documentation on the BPS website with instructions on providing public comment. See website: [Residential Waste Collection Review | Portland.gov](https://www.portland.gov/tps/garbage-recycling/garbage-review) (<https://www.portland.gov/tps/garbage-recycling/garbage-review>).

Feedback provided through the public comment period included having more options for frequency of service and size of container and providing recycling opportunities for more materials.

The proposed franchise agreement and associated recommendations resulting from the review will have several outcomes, summarized here and detailed in the franchise review report and the proposed franchise agreement, including but not limited to:

- Continuing use of the franchise system to administer residential garbage and recycling collection.
- Elevating attention to customer service performance.
- Encouraging partnership between the city and haulers to prepare for and implement the Plastic Pollution and Recycling Modernization Act.
- Continuing to reduce emissions from garbage and recycling trucks.
- Encouraging contracts with minority- and women-owned companies in support of collection service.
- Requiring all haulers to participate in planning and preparing for interruptions and disasters.

100% Renewable Goal

Previously, the City has used its franchise regulatory authority to increase renewable energy use and improve air quality through requirements for biodiesel or renewable diesel fuel and newer reduced emissions vehicles. A recommendation of the franchise review is to open discussion on further movement towards zero-emissions collection vehicles. It is also worth noting that the residential garbage and recycling collection franchises help minimize energy use tied to collection through more efficient use of heavy-duty collection vehicles.

Agenda Items

863 Time Certain in [October 11, 2023 Council Agenda](https://www.portland.gov/council/agenda/2023/10/11) (<https://www.portland.gov/council/agenda/2023/10/11>)

Passed to second reading

Passed to second reading November 15, 2023 at 9:30 a.m.

963 Regular Agenda in [November 15, 2023 Council Agenda](https://www.portland.gov/council/agenda/2023/11/15) (<https://www.portland.gov/council/agenda/2023/11/15>)

Passed to second reading as amended

Motion to amend Ordinance and Exhibit A to reflect transfer of residential solid waste collection franchise from S&C Licensing, LLC to Recology Clackamas Inc.: Moved by Rubio and seconded by Wheeler. (Y-5)
Passed to second reading as amended on December 6, 2023 at 10:30 a.m.
Time Certain

992 Time Certain in [December 6, 2023 Council Agenda](https://www.portland.gov/council/agenda/2023/12/6) (<https://www.portland.gov/council/agenda/2023/12/6>)

Passed

Commissioner Mingus Mapps Yea

Commissioner Carmen Rubio Yea

Commissioner Dan Ryan Yea

Commissioner Rene Gonzalez Yea

Mayor Ted Wheeler Yea