



# 2023 RESIDENTIAL WASTE COLLECTION FRANCHISE REVIEW

City Council Hearing  
October 11, 2023

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Director

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**PLANNING &  
SUSTAINABILITY**

# Agenda

- Purpose and Scope of Review
- Engagement Results
- Recommendations for Franchise Agreement
- Additional Recommendations
- Next Steps



# Why We're Here

## We collected feedback

5,000 residents, plus waste collection companies and COBID businesses.



## We're proposing changes to improve the system

Based on feedback from the public & stakeholders.

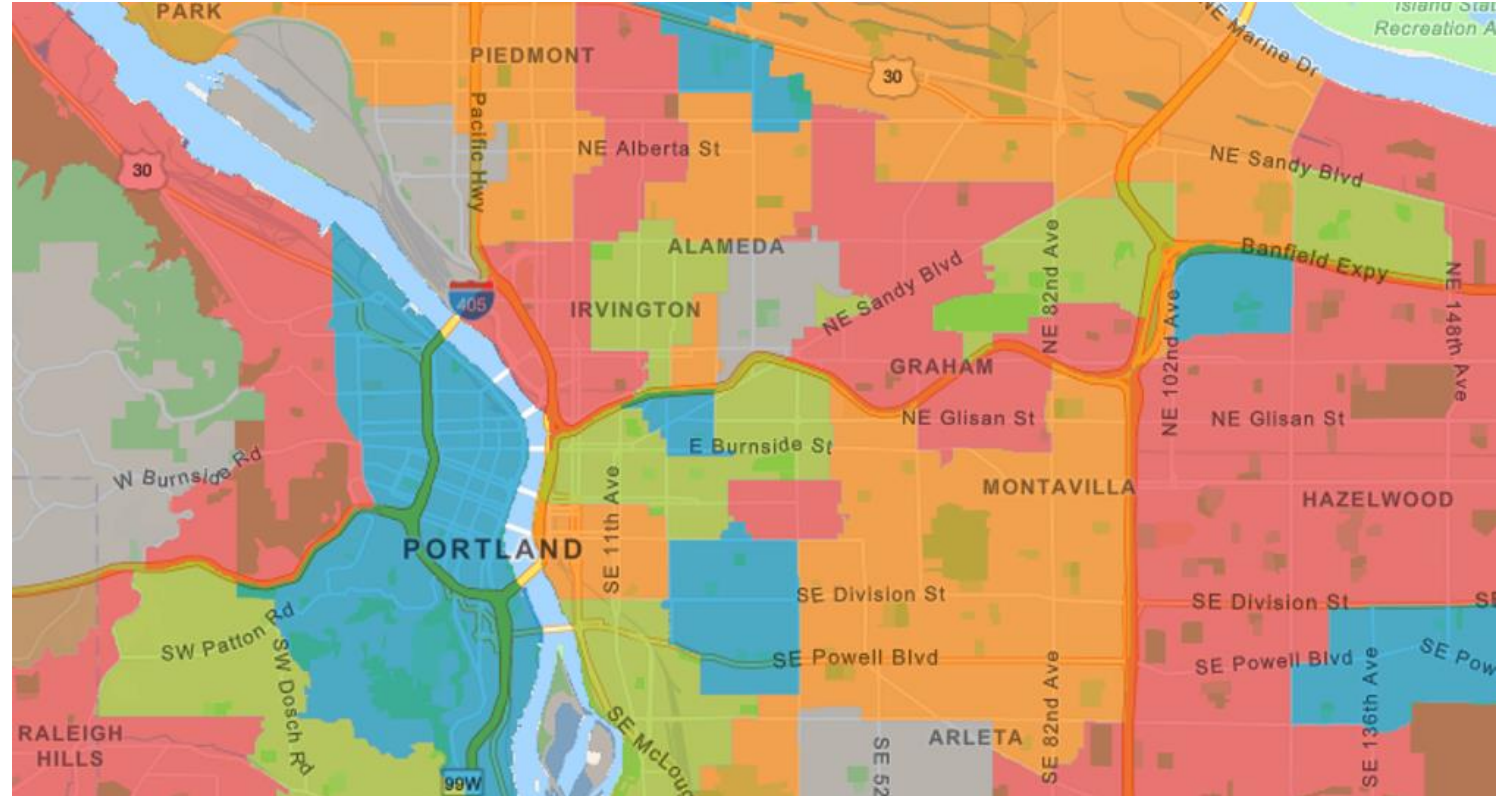


We recommend adopting a revised franchise agreement with a new term.



### Background

- 9 waste haulers serve 163,829 households
- Residential waste collection franchise system serves single-family houses up to 4-plexes.





# Purpose & Scope of Review



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# Franchise System Administration



Franchise Agreement is an ordinance that includes:

- Haulers must follow administrative rules
- Annual rate review methodology
- Franchise fee and target operating margin
- Franchise transfer process
- Process for renewal

# Franchise Review: Scope

Among other elements identified in the resolution, the review process may consider:

System performance indicators and progress towards goals

Measurements of customer satisfaction

Comparative analysis of programs in other cities

Equity in the franchise system

Overall public interest





# Franchise Review: Legal Requirements

## Who initiates the review?

- City Council (or Franchisees representing 50% of customers)
- This took place in March 2023

## How?

- Council resolution
- Bureau of Planning and Sustainability reports back within 6 months
- Council decides whether to renew

## Outcome?

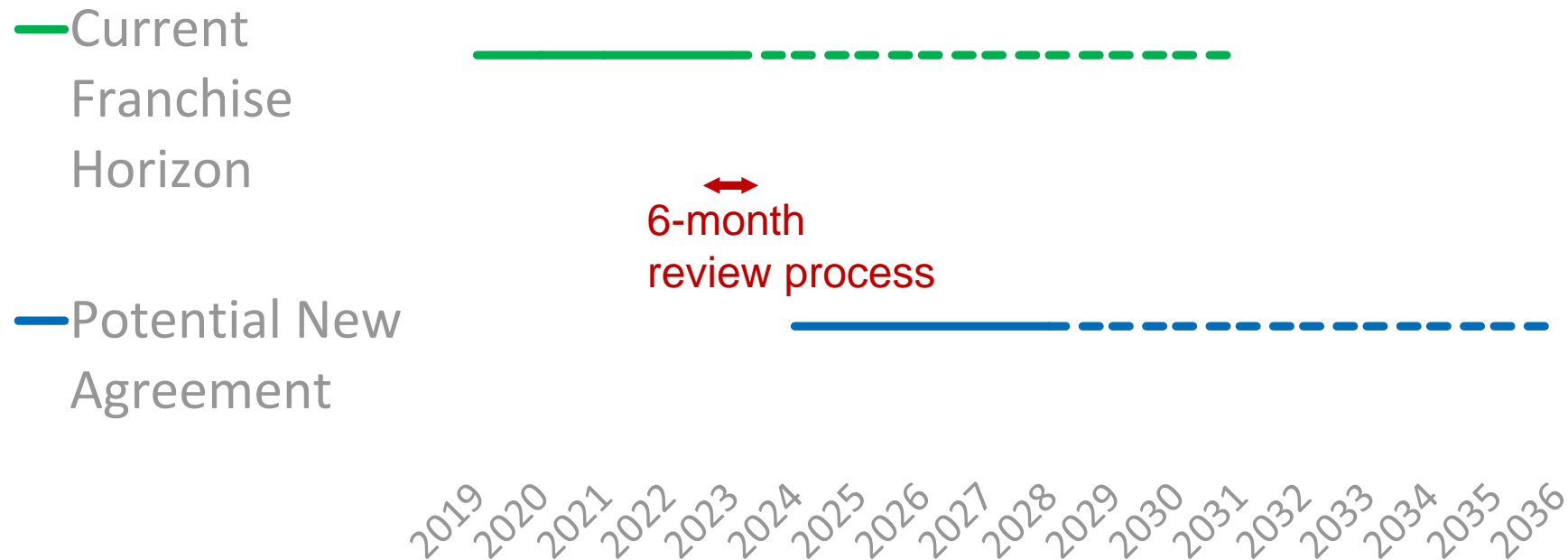
- New franchise agreement and 12-year term, **OR**, decision to defer until 12 year period ends
- Ideas or priorities that may subsequently be detailed in code or admin rule





# Franchise Review: Renewal Process

- 12-year agreement expires 2031
- Mid-term review provides the City an option to renew after 5 years
- Council direction initiates and concludes the review process



# Guiding principles as adopted by Council

1. Advance sustainability and climate goals.
2. Ensure cost-effective, safe, and environmentally sound operations.
3. Provide exemplary customer service.
4. Develop an equitable and resilient system.



# Engagement Results

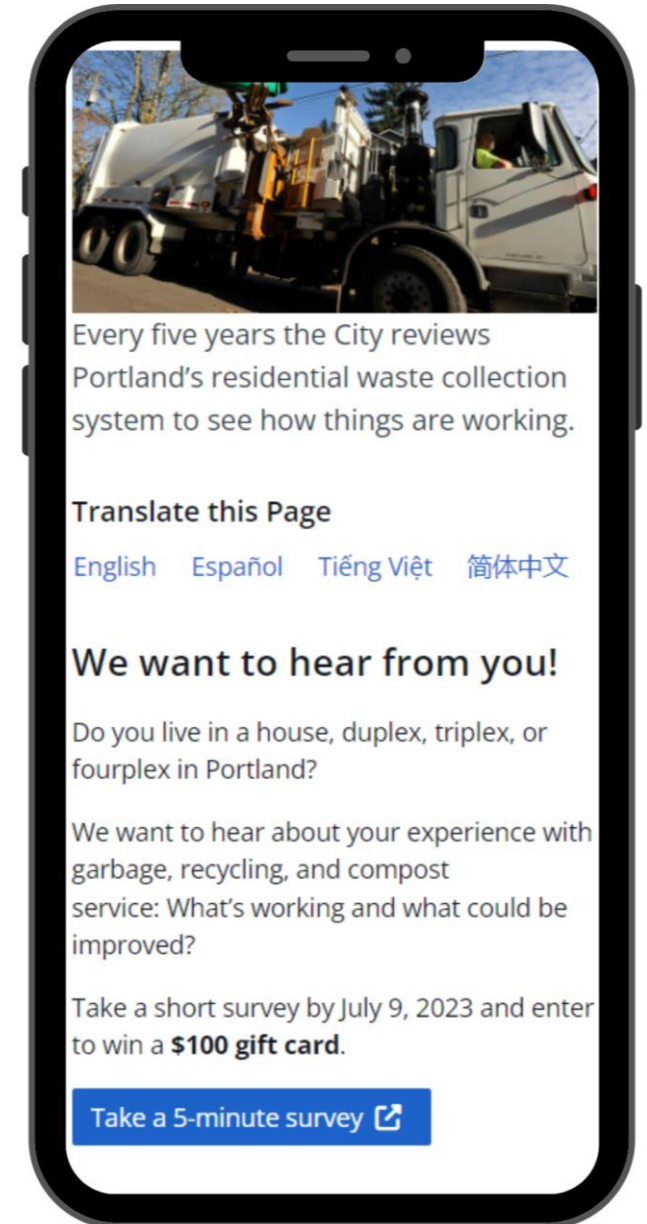


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# Customer survey

**Over 5,000 responses.**

- Offered in multiple languages.
- Open June – July 2023
- Promoted through print, email, and at community events.





**"Our pickup folks are amazing. We greatly appreciate the service."**

**"Great staff & very friendly collectors."**

# Survey: Overall satisfaction is high

Q) Are you satisfied with your garbage, recycling, and compost service?



# Survey: High satisfaction with customer service & communication

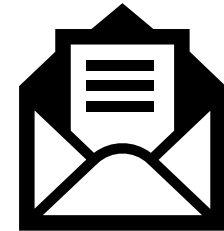
## Hauler customer service

- **91%** satisfied with quick response time.
- **86%** satisfied with the effectiveness.



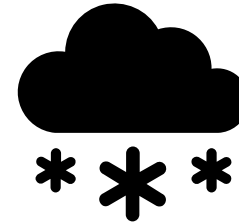
## Hauler communications: Easy to understand

- **91%** satisfied with understanding their bill
- **89%** satisfied with other communications from hauler



# Survey: Areas for improvement

**Weather delay communications** from haulers can be more reliable.



## **Speed of resolving customer service issues**

One hauler received poorer ratings for customer satisfaction, customer service response times, and resolution. Staff are working on performance improvement options for this hauler.



**Do a better job explaining why we have every other week garbage service and options for cart sizes.**





# Engagement: COBID Stakeholders

## Recommendation:

Amend the franchise agreement to acknowledge and encourage expanded opportunities for COBID\* companies in contracting with haulers for ancillary and/or supporting services

(COBID - Certification Office for Business Inclusion and Diversity, within Business Oregon)

# Engagement: Waste haulers

- What's working well?
- What can be improved?
- How can the review's guiding principles be better reflected in our system?
- What is our system's role in enhanced recycling collection?





# Recommendations for Franchise Agreement



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## Primary Staff Recommendation

### **Renew the franchise agreement with proposed amendments**

- Franchise term extended by 5 years to 2035.
- Possibility for another review in 5 years (2028) or if the city reviews commercial sector collection services.



# Franchise Agreement Proposed Amendments

Guiding Principle 1: Advance sustainability and climate goals.

- Implement Recycling Modernization Act.

Guiding Principle 2: Ensure cost-effective, safe, and environmentally sound operations.

- Renewable Fuel Standard.
- Align with Oregon Public Records Law.

Guiding Principle 3: Provide exemplary customer service.

- Elevate Attention to Customer Service.

Guiding Principle 4: Develop an equitable and resilient system.

- Lay groundwork for a low-income discount.
- Encourage opportunities for COVID contractors, suppliers and vendors.
- Disaster Preparedness.

Housekeeping amendments:

- Legal review and terminology
- Alignment with franchise fee adopted in prior rate review





# Additional Recommendations



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# Additional Recommendations for Collection Services

*Guiding Principle 1: Advance sustainability and climate goals.*

- Bulky Waste collection
- Food scraps diversion
- New recycling options
- Develop a plan for contamination reduction funding anticipated from the Recycling Modernization Act and contamination reduction strategies and expectations.

*Guiding Principle 2: Ensure cost-effective, safe, and environmentally sound operations.*

- Emissions Reduction
- Safety
- Improved customer recycling practices

# Additional Recommendations for Collection Services\*

*Guiding Principle 3: Provide exemplary customer service.*

- Develop consistent tracking and reporting of customer service calls, complaints or failures across haulers and the city.
- Require periodic customer service reporting in administrative rule.
- Update expectations for customer service staff, phone lines, and payment methods.
- Require some or all customer service staff to be co-located with each haulers' operational site.
- Learn from and build upon the customer survey piloted in this review process.
- Consider how the city should accommodate new technology in haulers' customer service, such as online chat, bots, or artificial intelligence.
- Explore alignment of billing and invoicing across all haulers.



# Additional Recommendations for Collection Services

*Guiding Principle 4: Develop an equitable and resilient system.*

- Equity
  - Require health care for all hauler employees.
  - Evaluate opportunities to support entry of COBID companies into the residential franchise system through capacity building
  - Continue workforce demographic surveys
  - Support the impact and improvement of the Driving Diversity program
  - Involve smaller haulers in required equity plans.
  - Conditioned upon City Council approval, offer a low-income discount for residential customers.
- Resilience
  - Establish standardized Continuity of Operations Plan guidance or templates for use by haulers.

# Third-Party Subscriptions for Additional Recycling

## Recommendation:

- Explore policies to add accountability, transparency with exempted subscription recycling collectors.
- Policies that would ensure equitable implementation of the Recycling Modernization Act.

# Public Comment

Thirty-day public comment period ending August 29

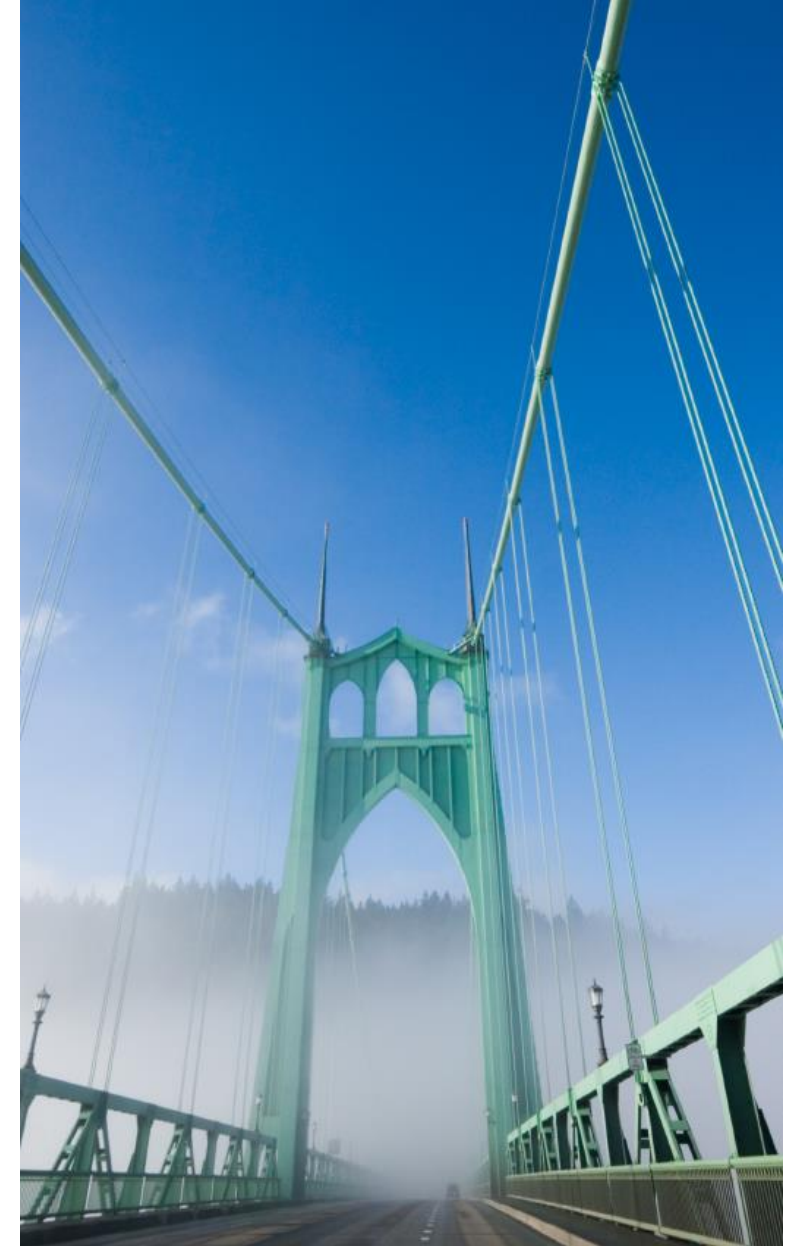
- Noticed in Oregonian / OregonLive.com
- Notice to all neighborhood and business associations
- Promoted on social media

The City received 7 comments that were similar to some received in the survey. Staff did not recommend any additional changes to the proposed franchise agreement as a result of public comment.

# Next Steps

## Staff Recommendation:

- Adopt the proposed franchise agreement.
- Endorse recommendations in the Franchise Review report to further improve collection system through administrative rule.





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**Eben Polk**

Solid Waste & Recycling Manager

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