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**CCCSWA**  
**Board of Directors**  
**Strategic Planning Workshop:**  
***Focus on Commercial Recycling***

**February 25, 2010**

***Facilitated by:***  
**Harriette Heibel**



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SOLID WASTE AUTHORITY

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# Agenda

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## ❖ Today's Agenda

- **Quick Review of Previous Strategic Planning Workshops**
- **Review Milestone Dates and External Influences to Current Commercial Recycling Planning Efforts**
- **Review and Discuss Future Franchising Options Related to Commercial Recycling**
- **Discuss Commercial Recycling Program Options**
- **Provide Direction to Staff**



# Ground Rules

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- ❖ **Stay focused on the agenda and use our “parking lot” for issues that are off topic**
- ❖ **Keep the conversations curious, open and respectful**
- ❖ **Engage in the brainstorming process with careful regard for supporting vs. critiquing ideas**



# Strategic Planning: 2008

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## ❖ 2008 Focused on:

- **Board self-evaluation**
- **Five Year Strategic Plan**
- **Development of strategic priorities**
- **Revision of Mission**
- **CCCSWA Values**



# 2008 Board Value Choices

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Communication

Integrity

**Achievement**

Flexibility

**Recognition**

Community-Focused

Self-Control

Diplomacy

Diversity

**Relationships**

Constructive Feedback

**Leadership**

Rationality

Courageous

Continuous Improvement

Consensus

Respect

**Forward-Thinking**

**Tolerance**

Fairness

Knowledge

Innovative

Teamwork

# 2008 Perspective: Focus Areas

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- ❖ **Setting long term vision/priorities**
- ❖ **Communicating more effectively with constituencies**
- ❖ **Developing a budget and process that reflects strategic priorities**
- ❖ **Better orientation for CCCSWA Board members**
- ❖ **Regular evaluation of how Board is doing**



# 2008: Top Issues Identified

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- ❖ Finance and rate setting: stability, predictability, and clarity
- ❖ Increased diversion: commercial, food waste, green waste
- ❖ Community outreach
- ❖ Setting short, mid and long term priorities
- ❖ Desire to be a Leader in the field
- ❖ Importance of maintaining good Board relationships



# Strategic Planning: 2009

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## ❖ 2009 Focused on:

- **Finalizing FY 2009 -10 Strategic Priorities and Goals**
- **Changing the System Design for Commercial Recycling**



# FY 2009-10 Strategic Priorities

## Organizational Excellence

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- ❖ **SP 1:** We will manage our contracts with major solid waste and recycling program providers to ensure that contract requirements are met and that ratepayers receive superior customer service
- ❖ **SP 2:** We will ensure that CCCSWA effectively manages its human resources and encourages teamwork within the organization
- ❖ **SP 3:** We will ensure that CCCSWA uses sound business practices to manage its financial resources
- ❖ **SP 4:** We will ensure that CCCSWA identifies industry best practices and applies continuous improvement to its processes and programs

# **FY 2009-10 Strategic Priorities**

## **Rate Setting**

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- ❖ SP 5: We will establish and maintain a rate setting methodology which offers rate stabilization and relief opportunities while encouraging residential and commercial recycling.**

# FY 2009-10 Strategic Priorities

## Public Education and Outreach

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- ❖ **SP 6:** We will support CCCSWA programs and policies through relevant, consistent outreach, education, and marketing activities to all communities.
- ❖ **SP 7:** We will encourage partnership opportunities between all CCCSWA member agencies through sharing of best practices and increased use of electronic media.
- ❖ **SP 8:** We will engage the community in evaluating the effectiveness of our various recycling and outreach efforts.

# FY 2009-10 Strategic Priorities

## Diversion

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- ❖ **SP 9:** We will take a leadership role in establishing a diversion rate that will encourage increased diversion throughout all community sectors.
- ❖ **SP 10:** We will develop and implement waste reduction and recycling activities and programs that meet or exceed the CCCSWA diversion goal, state AB939 diversion requirements, and all other solid waste or environmental mandates.

# Strategic Planning: 2009

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## ❖ Change the System Design for Commercial Recycling

- Do away with the Commercial Recycling Permit System
- Replace the Permit System with something better



# Strategic Planning 2010

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## ❖ Future Commercial Recycling Strategies

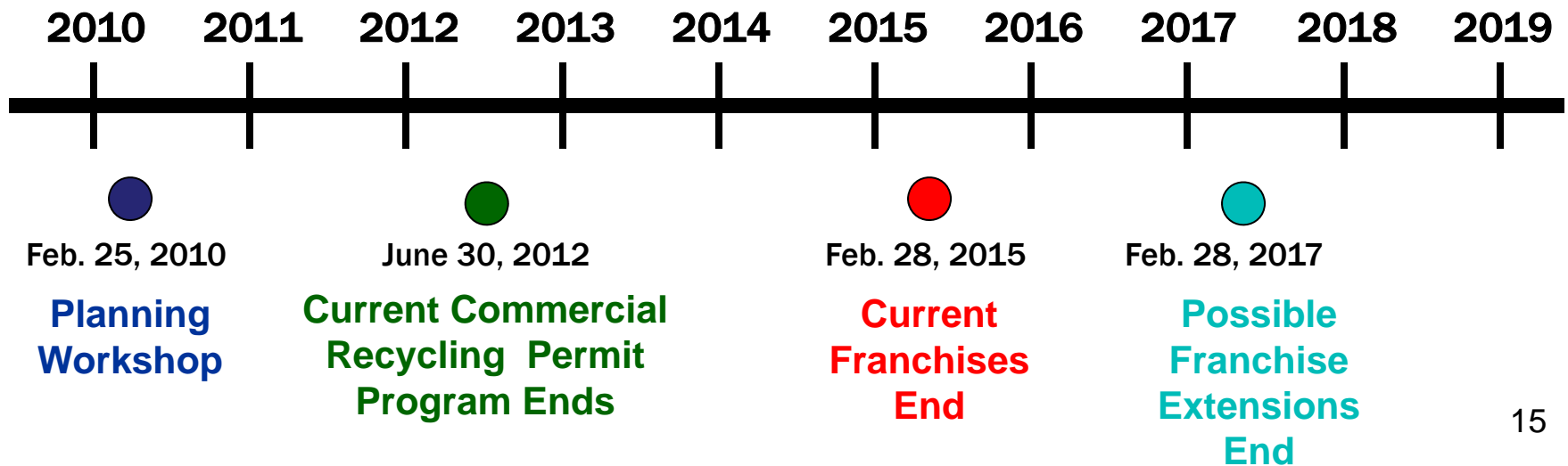
- External Influences to be Considered
- How Commercial Recycling Relates to Overall Franchising



# Important Future Milestones

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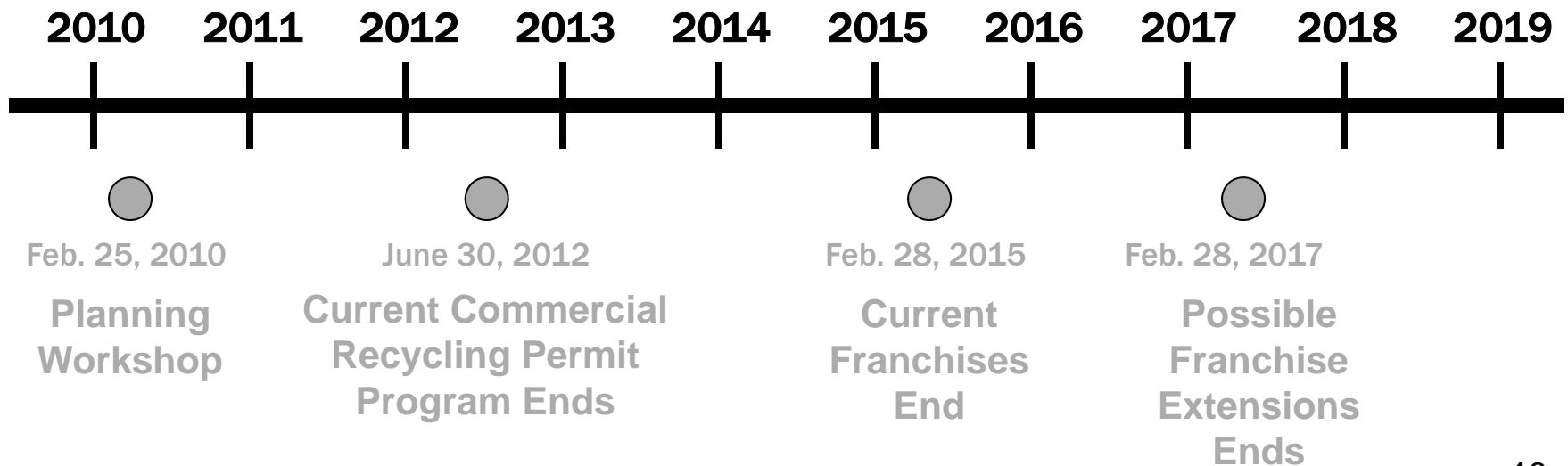
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# Important Future Milestones

## AB 32 Key Dates - Recycling

- May 2010: Regulations Workshop
- Nov. 2010: Initiative to suspend AB 32
- Jan. 2011: Regulations adopted
- Jan. 2012: Mandatory Comm. Recy. takes effect
- July 2012: Mandatory Comm. Recy. must start



# AB 32 Key Dates - Recycling

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- ❖ May 2010: Regulations Workshop
- ❖ November 2010: Initiative to suspend AB 32
- ❖ January 2011: Regulations adopted
- ❖ January 2012: Mandatory Commercial Recycling takes effect
- ❖ July 2012: Mandatory Commercial Recycling must start

# Current CCCSWA System

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## ❖ Allied Waste Services

- Residential/Commercial Refuse Collection
- Commercial Food Waste Collection

## ❖ Waste Management

- Residential Recycling
- Commercial Small Generator Program
- Multi-Family Recycling
- Schools/Institutions Recycling

## ❖ Commercial Recycling Permit Program

- Commercial (Retail, Offices, Hospitality)
- Construction & Demolition (C&D)
- Self-Haul

# Current CCCSWA System

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## ❖ Allied Waste Services

- Residential/Commercial Refuse Collection
- **Commercial Food Waste Collection**

## ❖ Waste Management

- Residential Recycling
- **Commercial Small Generator Program**
- **Multi-Family Recycling**
- **Schools/Institutions Recycling**

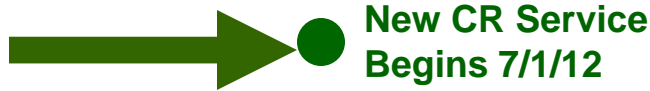
## ❖ **Commercial Recycling Permit Program**

- **Commercial (Retail, Offices, Hospitality)**
- **Construction & Demolition (C&D)**
- **Self-Haul**

(Both franchisees hold permits)

# Sample Timelines for RFP Process

Separate CR Franchise



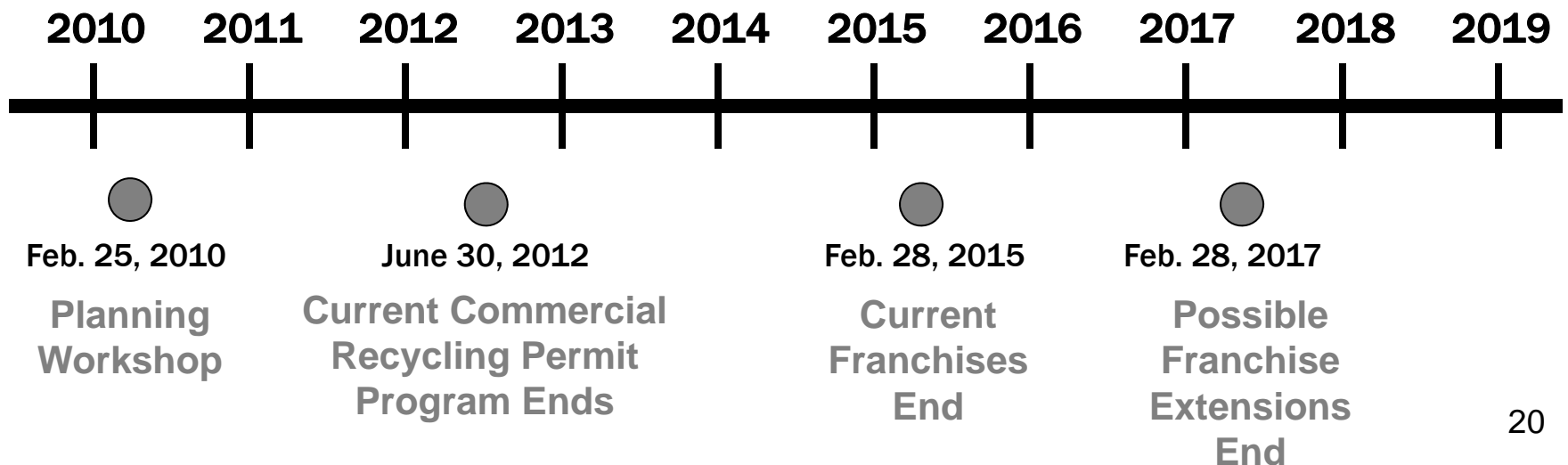
Renegotiated Franchise



New Franchise



New Franchise with Extension



# RFP Elements Include...

Research system design, procure RFP consultant

6 months

Write Draft RFP/Franchise

9-12 months

Circulate RFP for comment

3 months

Finalize RFP & send out to bid

3 months

Receive & evaluate bids

6 months

Award & negotiate contract(s)

3 months

CCCSWA / Hauler(s) prepare for new service

6-9 months

3 to 4+ years

# So, thinking about Commercial Recycling, we could...

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**Handle  
Commercial  
Recycling  
Separately**

**OR**

**Integrate  
Commercial  
Recycling with  
new franchise  
period**

# Options We Could Consider...

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**Handle  
Commercial  
Recycling  
Separately**

- **Modify or redesign Permit System; keep until new franchise period, or**
- **Request Commercial Recycling proposal(s) from current franchisees for 2012-2015, or 2012-2017, or**
- **Begin a Commercial Recycling proposal request process from all interested parties**

# Or, Other Options to Consider...

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**Integrate  
Commercial  
Recycling with  
new franchise  
period**

- **Include Commercial Recycling with new franchise agreement (s)**
  - **Begin 2014 through renegotiation**
  - **Begin 2015 with new franchise period**
  - **Begin 2017 with extended franchise period**

# Commercial Recycling Options

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- ❖ **Permit System**
- ❖ **Single Franchise**
- ❖ **Franchise by Geographic Area**
- ❖ **Multiple Franchising by Size or Equipment**

**Different policies and incentives could enhance diversion under all options**

## *Original Reasons for*

# **Commercial Recycling Permit Program**

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- ❖ “Free Market” Approach to Recycling
- ❖ Customer has choices and can tailor service and price to their need(s)
- ❖ Wide variety of materials potentially serviced
- ❖ New services can be added quickly to respond to market needs
- ❖ No public funding required to provide services

## *Reasons to Discontinue*

# Commercial Recycling Permit Program

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- ❖ Limited ability to control permittees, services and standards
- ❖ No control on pricing and incentives
- ❖ Small services disappear during market downturns
- ❖ Inconsistent or non-existent diversion reporting
- ❖ Requires significant amount of staff oversight
- ❖ Only minimal diversion rates have been realized



# Current Permittees

Roger Hall and Company, Danville

All In One Removal, Lafayette

California Waste Solutions, Inc., San Jose

Chip It Recycling, Oakley

Mt. Diablo Recycling, Concord

1-800-Got-Junk? Pleasant Hill

Green Waste Recovery, San Jose

A-1 Recycling & Waste Reduction, Union City

Dave C Dunn Company, Inc., Concord

Pleasant Hill Recycling, Inc., Concord

Pacific Rim Recycling, Benicia

Associated Trucking, South San Francisco

Biagini Waste Reduction Systems, Inc., Richmond

Civicorps, Oakland

Rapid Recycle, Pacheco

National Recycling Corp., Oakland

CCL Organics, LLC, Benicia

Dan Braudrick Services (DBS), Brentwood

A-1 Planet Products, Richmond

Allied Waste Services, Pacheco

Amador Valley Industries, LLC, Pleasanton

Marin Sonoma Deconstruction, Novato

Gardner Trucking, Chino

Ferma Corporation, Mountain Veiw

Shred Center, Inc., Walnut Creek

Valley Waste Management, Walnut Creek

Frank's Demolition and Hauling

Homesite Services, Inc.

Valley Recycling, San Jose

1-866-HAULERS, Walnut Creek

Alliance Recycling, Oakland

R & D Mendes Enterprises, Inc., Hollister

Northern California Paper Recyclers Inc., Hayward

Lakin Tire West, Inc., Santa Fe Springs

Woodmill Recycling, Byron

M&M Services, Inc., Windsor

EcoHaul, Inc., Petaluma

# Commodities in Permit System

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- ❖ Cardboard
- ❖ Carpet Padding
- ❖ Carpeting
- ❖ C&D
- ❖ Food/Beverage Containers
- ❖ Mixed Paper
- ❖ Yard Waste
- ❖ Food Waste
- ❖ Rigid Plastics
- ❖ Plastic Film
- ❖ Electronics
- ❖ Scrap Metal (ferrous)
- ❖ Scrap Metal (non-ferrous)
- ❖ Tires
- ❖ Wood



# Commodities in Permit System

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- ❖ **Cardboard**
- ❖ **Carpet Padding**
- ❖ **Carpeting**
- ❖ **C&D**
- ❖ **Food/Beverage Containers**
- ❖ **Mixed Paper**
- ❖ **Yard Waste**
- ❖ **Food Waste**
- ❖ **Rigid Plastics**
- ❖ **Plastic Film**
- ❖ **Electronics**
- ❖ **Scrap Metal (ferrous)**
- ❖ **Scrap Metal (non-ferrous)**
- ❖ **Tires**
- ❖ **Wood**



# ***Commercial Recycling Franchise Option 1***

## **Single Franchise**

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- ❖ **One franchise: Serves all commercial recycling needs**
- ❖ **RFP specifies CCCSWA needs: Proposer determines cost-effective service design**
- ❖ **RFP specifies commodities to be handled**
- ❖ **Income comes from rate base and commodities**

## ***Commercial Recycling Franchise Option 2***

# **Franchise by Geographic Area**

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- ❖ **Two franchises, e.g. Lamorinda & I-680 corridor**
- ❖ **Proposer determines cost-effective service design**
- ❖ **RFP would specify CCCSWA's requirements**
- ❖ **RFP would specify commodities to be handled**
- ❖ **Income comes from rate base and commodities**

## ***Commercial Recycling Franchise Option 3***

# **Multiple Franchising by Size or Equipment**

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### **❖ Two franchises – By Size:**

- Small generator < 2 cy/week
- Large generator > 2 cy/week

### **❖ Two or more franchises – By Equipment:**

- Cart & Frontload Box Service
- Debris Box

### **❖ Proposer determines cost-effective service design**

### **❖ RFP specifies commodities to be handled**

### **❖ Income comes from rate base & commodities**

# Small Group Work

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**Option 1**

**Board Members:** Dave, Candace, Steve, Carol  
**Staff:** Bart, Janna  
**Facilitator:** Harriette

**Option 2**

**Board Members:** Karen M, Gary, Karen S  
**Staff:** Lois, Janelle  
**Facilitator:** Paul

**Option 3**

**Board Members:** Victoria, Mike, Gayle  
**Staff:** Kent, Ashley  
**Facilitator:** Gary

# **Commercial Recycling Franchise Option 1**

## **Single Franchise**

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### **❖ Advantages**

- **Uniformity/Consistency in Rate Setting**
- **Convenience & accessibility of unified service(s) for business owner/mgr.**
- **Greater Simplicity: satisfies "turn-key" desire voiced by many businesses**
- **More control for CCCSWA**
- **Centralized disposal/diversion data gathering and reporting**
- **Requires least amount of staff oversight**
- **Franchise fees can be a revenue source**

### **❖ Disadvantages**

- **Perception of "Monopoly"**
- **Decreased choices for services and rates**
- **Program success tied to single service provider**
- **Services offered may not satisfy all user needs**
- **More difficult to add new services during contract**
- **All costs of system must be included in rate base**

# ***Commercial Recycling Franchise Option 2***

## **Franchise by Geographic Area**

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### **❖ Advantages**

- Services are specific to needs of geographic area/market
- Service rate variation – possible rate competition
- Potentially better business education & marketing; able to address area's specific needs
- Franchise fees can be a revenue source

### **❖ Disadvantages**

- Less simplicity - Businesses must understand and select service
- Less simplicity in rates
- Requires more oversight by CCCSWA staff and higher costs
- Less centralized data collection and reporting

## ***Commercial Recycling Franchise Option 3***

# **Multiple Franchising by Size or Equipment**

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### **❖ Advantages**

- Greater choice in services and service provider
- Offers service rate variation – possible rate competition
- Able to address customer's specific needs: specifically storage space and capacity needs
- Franchise fees can be a revenue source

### **❖ Disadvantages**

- Less simplicity in services: Businesses must understand and select service
- Less simplicity in rates: Business must self-determine if they are getting the best deal
- Requires more oversight by CCCSWA staff than single franchise
- Less centralized data collection and reporting

# Questions for Your Group

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## ❖ Related to your Option

- Which advantages/disadvantages resonated with you?
- What other advantages/disadvantages do you see regarding this option?
- What else should be considered regarding this option, e.g. changes that could enhance it?

## ❖ Related to franchise decision

- Should we eliminate or modify CR permit system?
- Should Board consider asking franchisees to submit separate CR proposals for 2012 start?
- Should CR be bundled with future franchising?

# Report Out

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- ❖ **Group 1: Single Franchise for Commercial Recy.**
- ❖ **Group 2: Franchise CR by Geographic Area**
- ❖ **Group 3: Franchise CR by Equipment or Size**
- ❖ **Whole Group:**
  - **Should we eliminate or modify CR permit system?**
  - **Should Board consider asking franchisees to submit separate CR proposals for 2012 start?**
  - **Should CR be bundled with future franchising?**

# Options that Board Should Discuss Over the Next Year

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- ❖ **Modify or redesign Commercial Recycling Permit Program until new franchise period**
- ❖ **Request Commercial Recycling proposal(s) from current franchisees for 2012 -2015 or 2012-2017 period**
- ❖ **Begin a Commercial Recycling proposal request process from all interested parties**
- ❖ **Include Commercial Recycling with new franchise agreement(s)**
  - **Begin 2014 through renegotiation**
  - **Begin 2015 with new franchise period**
  - **Begin 2017 with extended franchise period**

**These options should be discussed and direction provided no later than February 2011 Board Workshop**



# Evaluate Today's Workshop



- ❖ Review parking lot for action items
- ❖ How is our overall planning approach working?
- ❖ What could we do differently?
- ❖ What are the key take-aways from today's workshop?

**Complete the workshop evaluation form**





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H2 Solutions

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**Thank you for your  
participation**

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