



Submitted via email

February 27, 2024

Gloria Yuen
City and County of San Francisco
Office of Contract Administration
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Re: RFP 6945 -- Refuse Collection and Disposal Services for City Facilities

Dear Ms. Yuen,

In our January 19, 2023 letter regarding RFP 6945, Recology expressed concern that the City had not considered environmental impacts at all in evaluating the proposals submitted, and we highlighted the fact that Allied Waste Services of North America, LLC's¹ ("Allied") proposal would result in more trucks and associated pollution and greenhouse gas emissions than Recology's proposal. The City's recently published CEQA Project Addendum validates these concerns and gives rise to new ones.

Environmental Concerns

The Addendum confirms that Allied's proposal unnecessarily would add over 628,000 vehicle miles traveled per year to the region's roads. To make matters worse, the Addendum only addresses regional travel and fails to account for the many miles of travel that would occur *within* San Francisco were Allied to collect waste from City facilities. Further, the Addendum is deficient in other ways outlined below.

Heavy Vehicle Trips and Miles Within San Francisco. Recology does not send out separate collection vehicles to service City facilities. Rather, Recology uses integrated routes within San Francisco to service City facilities, using the same vehicles that service adjacent residents and businesses. Allied's proposal requires a new, dedicated fleet to service City facilities, unnecessarily duplicating Recology's routes.

The Addendum fails to quantify or consider the many additional miles Allied's trucks would travel within San Francisco while actually collecting waste from City facilities. Nearly all these local miles would be additive to the miles traveled by Recology's vehicles with their integrated routes. Omission of these miles of vehicle travel within San Francisco is an obvious gap in the Addendum's analysis.

¹ Our January 19, 2023 letter references Republic, an Arizona-based company (NYSE: RSG). Allied is a subsidiary of Republic that Republic often uses to do business in California.

Heavy Vehicle Trips and Miles on Regional Roadways. The Addendum does quantify miles of travel on regional roadways, and the story is not a good one. Allied's proposal creates thousands of new regional truck trips by trash and recyclable collection vehicles, and recyclables transfer trucks, that are avoided entirely by Recology's operations.

Recology stages its collection trucks in San Francisco, takes trash to its transfer station in San Francisco, and takes recyclables to its sorting facility in San Francisco. No regional travel occurs in connection with these operations.

By contrast, Allied would stage all of its collection vehicles at its Ox Mountain facility in Half Moon Bay, 30 miles outside of town. Allied's trash collection vehicles would drive 30 miles to San Francisco, and then take trash to Recology's transfer station or its own facility in Half Moon Bay – either way, the collection vehicles would have to return 30 miles to Half Moon Bay. Similarly, Allied's recyclables collection vehicles would drive 30 miles to San Francisco, and then take recyclables from the City to Half Moon Bay, and then onward to San Jose for processing, a trip of over 70 miles. The Addendum shows that Allied's proposed trash and recyclables collection trucks and recyclables transfer trucks would travel more than 4,000 miles per week on regional roadways, all of which are avoided under Recology's operations.

The Addendum further states that Allied would stage its organics collection trucks in Half Moon Bay, travel 30 miles to San Francisco to collect organics, take the organics to its transfer station in Martinez for processing, and then travel back to Half Moon Bay. The Addendum shows that Allied's proposal would add over 2,500 miles per week of truck travel to regional freeways for organics collection, all of which would be avoided under Recology's current operations.

Other Omissions and Mistakes. The Addendum contains additional flaws that call into question whether it satisfies CEQA. There is no discussion of the greenhouse gas emissions that will be generated by Allied's proposal, even though such a discussion is a mandatory CEQA requirement. There is no discussion of the effects of the additional local road miles on San Francisco's public transit system. There is no discussion of whether Ox Mountain has a CNG fueling facility to fuel Allied's CNG vehicles, or the environmental effects of installing one. There is no discussion of increased transfer facility operations at Ox Mountain.

Further, the Addendum's key conclusion—that the transportation impacts of Allied's proposal are not significant—is based on a CEQA presumption that a project that adds 100 trips per day or less does not have a significant environmental impact. We question whether that presumption applies in this case. Here, the added trips are lengthy trips by heavy-duty vehicles, not routine trips by passenger cars.

We also question whether a CEQA Addendum is appropriate. The project at hand involves collection of solid waste. Yet the three CEQA documents the Addendum purports to modify, involve disposal and processing at solid waste facilities, not collection operations. The activity being evaluated is entirely different. Moreover, the Addendum does not cite to or modify a prior CEQA document addressing staging or transfer operations at Ox Mountain – the location most directly affected by the proposal. We know of no precedent for shoehorning the use of an Addendum by purporting to modify three different projects, especially where none of them addressed or covered the activities under the proposal.

It would be one thing if the City considered environmental impacts along with quality of service, pricing, and other factors, and concluded that on balance, Allied's proposal was superior. But that's not what

happened. Instead, the City's scoring process completely excluded environmental factors from consideration, and then a separate environmental review was conducted outside the scoring process. This prevented a holistic comparison of the two proposals. Allied's final score was only a fraction of a percent higher than Recology's. Had environmental factors been included in the scoring, we believe Recology would have outscored Allied by a wide margin.

Labor Concern

In addition to our environmental concerns, we are concerned about a key difference in outcomes for represented workers. During the scoring process, there was no consideration given to the fact that, under Allied's proposal, the work to sort recyclable materials at Newby Island in San Jose would not be done by union represented workers. The work to sort these materials by Recology at Pier 96 is done by union represented employee owners who not only work in San Francisco, but also live in San Francisco.

Pricing Concern

Allied's final score was a fraction of a percent higher than Recology's due to a difference in pricing. The majority of that difference was in the pricing for large compactors. Yet Allied's compactor collection rates, as shown in Appendix B3 of the draft Agreement between the City and Allied, raise some questions. For compactors exceeding 6 yards, the collection rates are exactly the same regardless of compactor size. Yet in all other rate tables in the Agreement, the collection rates increase incrementally as the container size increases. One would expect to see collection rates increase with container size, because larger container sizes mean higher disposal costs. The fact that Allied's compactor rates do not increase suggests that there may have been a pricing error. If Allied's compactor pricing was flawed, it may have resulted in Recology being the highest scoring proposal.

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The City of San Francisco has a well-earned reputation as a leader in environmental stewardship and progressive planning. The exclusion of environmental concerns and labor outcomes from the scoring process do not seem to align with the City's values. Further, the rate tables in the proposed contract may be flawed. For each of these reasons, we urge the City to reconsider its evaluation of these proposals and whether the proposed award serves the best interests of the community.

Respectfully,



Evan E. Boyd
Vice President & Regional Manager

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