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Organization Name: City of San Jose

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Date: 5-21-13
EXECUTIVE SUMMARY

On July 1, 2012 the City of San José completed the evolution of its commercial solid waste management program into one of the most comprehensive, innovative, commercial solid waste and recycling systems in the United States.

The San José business community transitioned from a service provided by multiple haulers to an all-inclusive single hauler system, consisting of an innovative Wet-Dry collection service with an energy-efficient fleet. These changes have resulted in a 70% recycling rate for commercial solid waste and a significant reduction in greenhouse gas emissions.

This system relies on extensive private infrastructure investment in San José that includes operation of the world’s largest and highly advanced recycling facility, creation of approximately 200 resource recovery processing jobs, and will ultimately include construction of the country’s largest commercial-scale dry fermentation anaerobic digestion facility.
1. SYSTEM OVERVIEW

San José is the tenth largest city in the United States with a population of nearly 1 million residents and 8,000 businesses, covering approximately 178 square miles. San José generates about 1,835,000 tons of solid waste annually, with the commercial sector of the City generating about 300,000 tons of that material.

In 2007, San José adopted a 15-year plan for environmental sustainability, economic growth, and an enhanced quality of life for its community known as the Green Vision. Key solid waste Green Vision goals include accomplishing the following by 2022: receiving 100% of energy from renewable sources; creating 25,000 clean tech jobs; running fleets on alternative fuels; and diverting 100% of waste from landfill and converting waste to energy.

On July 1, 2012, San José took a major step toward accomplishing several of its Green Vision goals when it launched one of the most comprehensive and innovative commercial waste management systems in the United States. Through integrated programming, the system encouraged $85 million in private infrastructure development including construction of the world’s largest Material Recovery Facility (MRF) and the first commercial-scale dry anaerobic digestion facility (AD Facility) in the United States. The system will divert more than 190,000 tons per year of waste that previously went directly to landfill, representing approximately 75% of the commercial waste stream. Under the new system, no material goes directly to landfill, and in less than a year the new system has tripled the diversion rate of the former system. In addition, the new commercial waste management system keeps San José businesses compliant with new state-mandated recycling requirements, stabilizes the city’s general fund, and furthers San José’s sustainability goals.

The City spent several years researching the best options to design the new commercial system in order to effectively and efficiently move the City toward meeting its Green Vision goals, while addressing challenges the former system presented. The City conducted surveys of businesses and the hauling community to help determine the optimum service and infrastructure innovations to include as it prepared its request for proposals (RFP).

From 1995 through June 2012, San José used a non-exclusive commercial solid waste franchise system in which more than 20 haulers competed to serve the business community. Limited incentives for investment by haulers in recycling infrastructure resulted in low recycling rates and low diversion levels. Weak contractual controls hampered the City’s ability to manage hauler performance, resulting in wide variations in services and service quality offered to customers. In addition, City funding to support the previous system was based on the volume of material sent to landfill. As San José implemented its Green Vision, this funding model presented a challenge. Sending less material to landfill improved the City’s environmental sustainability, but eroded the City’s financial sustainability.

The City determined the best option to increase environmental sustainability and financial stability while meeting the needs of the business and hauling community was to switch from the current non-exclusive system where more than 20 haulers competed to serve more than 8,000 commercial waste generators in San José, to an integrated exclusive system where one hauler served the entire business community. The City also segregated construction and demolition debris hauling into a
separate system that remained non-exclusive. In addition, the City determined that processing organics, preferably with a conversion-to-energy aspect would need to play a role in order to achieve an acceptable level of diversion.

The City prioritized an integrated commercial waste management system as the key strategy to address low diversion, inconsistent service to businesses, and stabilization of the general fund revenue, as well as incentivizing long term infrastructure development and environmental innovation. Developers need a long-term guarantee for tonnage of material to justify and obtain financing for large-scale infrastructure, such as a MRF or an AD facility. To this end, the City drafted and released two RFPs – one for the exclusive collection and processing of material from commercial facilities in San José (Collection), and a second RFP for the exclusive right to process the organic portion of the commercial waste stream (Organics Processing). In addition to exclusive rights to the tons, the RFP entailed long term contracts so that the tons would be guaranteed for a sufficient period of time. The new system outlined in the RFPs also entailed paying the City a flat rate for franchise fees instead of linking City funding to amount of material sent to landfill.

After the competitive process, the service award for Collection was made to Republic Services for their Wet-Dry collection system, CNG fleet, and high tech MRF; and the award for Organics Processing was made to the Zero Waste Energy Development Company (ZWED) for their integrated organics processing system using anaerobic digestion and composting to maximize organics recovery.

The compatibility of proposed collection and organics processing options was essential in the proposal review process. After the City issued awards, both service providers worked closely with the City during contract negotiations to align sections of each agreement in order to maximize the effectiveness and ensure integration of the new system.

This new system is a three-way collaboration between the City and the private sector contractors that is based on complementary 15-year contracts that must function together in order to meet the system goals of diversion, customer service, and fund stabilization. Republic collects material using a Wet-Dry collection system and processes the material to extract recyclables as well as the organic portion that ZWED will use in its AD Facility. ZWED relies on Republic to extract at least 70% of contamination from the organic material so that it can be used as feedstock for anaerobic digestion. While the AD Facility will not be operational until January 2014, ZWED is currently composting the organic portion of the waste stream, which provides a beneficial transition and calibration period. Republic and ZWED have been proactively using the time before the AD facility is operating to refine processes and ensure the feedstock will be appropriate for AD when the facility commences commercial operations.

Integrated Infrastructure
Integrated facilities and equipment play a critical role in the new commercial system. The new infrastructure includes the MRF at the Newby Island Resource Recovery Park, the ZWED Anaerobic Digestion Facility, and Republic’s new compressed natural gas (CNG) fueled fleet of trucks.
Newby Island Resource Recovery Park Recyclery

In order to divert a high percentage of the business waste collected, Republic converted their San José material recovery facility to an 80,000-square foot, multi-stream processing center capable of sorting 420,000 tons of mixed wet and dry materials every year. Based on this throughput level, and the 307 motors used at the facility, the converted facility stands as the largest recycling facility in the world.

Republic owns and operates the Newby Island Resource Recovery Park (NIRRP) located in north San José. The NIRRP is one of the few fully integrated solid waste facilities in the San Francisco Bay Area. The NIRRP includes a large-scale MRF, composting operation, landfill, and hauling operations yard. During the conversion of the site, Republic removed, salvaged, and transported processing equipment off site for potential reuse at other Republic MRFs. This facility is unique in that there are four different incoming waste sorting lines. These lines allow materials to be kept separate, so that one type of waste does not contaminate the other, thus increasing the value of the recovered material. Because of its scale and innovative processes, the MRF is generating interest from other service providers and government agencies across the United States. Further, Republic, one of the nation’s largest publicly traded waste management company, is looking to the integrated San José program as a model for shaping their facilities and operations nationwide.

ZWED Anaerobic Digestion Facility

ZWED is currently completing construction on their KompofermPlus Dry Fermentation Anaerobic Digestion (AD) Facility that will convert the organic portion of the commercial waste collected by Republic to biogas and compost. Located in the City of San José, this high solids dry fermentation AD facility will be the first commercial-scale operation of its kind in the United States and will be the largest in the world when commercial operations commence in January 2014. ZWED is using the construction period to coordinate with Republic to analyze and clean up the commercial organic stream and train ZWED staff in order to optimize management of the organic feedstock. The facility will be capable of processing approximately 90,000 tons of material per year when the first phase of the planned three phase project is completed. When fully constructed the AD Facility is expected to process up to 270,000 tons of organic material per year and to produce up to 5.1 MW of renewable energy when fully operational.

ZWED’s AD proposal was selected for award based on its ability to addresses the diversion and renewable energy goals outlined in the Green Vision. ZWED also has strong infrastructure for composting, which they are using as part of their integrated infrastructure to process the organic portion of the commercial waste during the construction of the AD system. ZWED will continue to use the composting facility during the life of the agreement, for woody and fibrous materials that are not well suited for digestion.
The new ZWED facility is being constructed on City land leased to ZWED for the next 30 years. The lease is a unique collaboration with the City including lease payment credits for improvement to City land and public infrastructure development, as well as revenue sharing in the secondary phases of the project, when ZWED will provide a per ton fee for incoming material into the system. The site development on a partially closed landfill has been a major collaboration between ZWED, the City, and CalRecycle and has cost an estimated $11 million.

Collection Equipment and Fueling Station
Republic is helping meet San José’s alternative fuel fleet Green Vision goal by powering all of the San José commercial collection vehicles with compressed natural gas and fueling them at a newly constructed fueling station located at the NIRRP. The 50 vehicles in the fleet run notably quieter and cleaner than diesel trucks. The cleaner trucks, combined with routing efficiencies gained by just one hauler serving the City, have significantly reduced greenhouse gas emissions related to waste collection in San José.

Transition
As one of largest and most diverse cities in the country, the successful transition of the commercial solid waste system represents a major accomplishment for the City, Republic Services, and ZWED. To assist in a smooth transition, Republic began acquiring commercial accounts from other San José haulers in late 2011, thereby obtaining more than 90 percent of the existing customer base prior to the July 1, 2012 start date. These early acquisitions enabled Republic to enter all customer information into their database; establish billing; become familiar with the waste stream; and familiarize drivers with routes. These steps helped Republic develop a customer engagement strategy for the transition to the new Wet-Dry service.

From March through June 2012, Republic and the City notified the business community of the transition by direct mail (letters, postcards, and newsletters), electronic media paid advertising, and in-person presentations at business association meetings. After the July 1, 2012 start of the Wet-Dry service, Republic’s staff continued to ensure that customers understood the new program and helped with any needed service modifications. In total, during the first six months of the program, outreach efforts included 1,700 on-site waste assessments, two newsletter mailings to Republic’s 8,000 accounts, seven business presentations, and 10 facility tours.

Efforts to ensure a seamless transition resulted in few service issues and lower than expected customer calls during the initial weeks of the service change. City staff assisted with the transition by making sure that both Republic and ZWED met key milestones and other contract requirements, and by supporting the contractors with permitting, municipal code and franchise compliance, outreach, and customer service issues.

Programs
Integrated programs essential to the success of the new commercial waste management system include Republic’s Wet-Dry collection method, ZWED’s organics processing, the non-exclusive C&D program, and a new enforcement program.

Wet-Dry Collection
As part of its proposal, Republic suggested rolling out a new, innovative commercial solid waste collection program to the approximately 8,000 San José
businesses. The system introduces an easy, two-sort, Wet-Dry system for businesses to separate wet material (organics) and dry material (recyclables and dry garbage). The new service is anticipated to triple the commercial solid waste diversion rate from 25% to 80% by 2014 through the combination of recycling and organics processing. The concept behind the Wet-Dry collection system is ease of use. The program is designed to be simple for businesses to manage and Republic provides support to help make the system successful. Republic ensured all businesses have a collection system tailored to meet their needs, which for most businesses means a two container program. Some businesses have three containers for wet, dry, and large quantities of a single material such as cardboard. Others, like a small office building, may have just one container, where the lower-volume material is placed in bags.

Organics Processing
The City of San José recognizes that recovery of the organic portion of the waste stream is a critical component of their diversion and renewable energy goals. The integration of the Republic MRF and ZWED AD Facility infrastructure will facilitate high diversion of organics and maximize production of biogas and high quality compost. ZWED was selected for the processing contract because its ZWED member companies, GreenWaste Recovery and Zanker Road Resource Management, have extensive experience with high diversion rates from the integration of their Wet-Dry MRF in San José and their Z-Best Composting Facility (Z-Best) in Gilroy, CA. Under the new commercial waste system, the AD Facility will process all commercial organics. Once organic materials arrive at the AD Facility, contamination will be removed, the woody and fibrous fraction will be transferred to Z-Best for composting and the suitable fraction will be processed through the integrated thermophilic anaerobic digestion and in-vessel composting processes at the AD Facility.

Non-Exclusive Franchise System
To mitigate the impact to local small C&D haulers of converting to an exclusive franchise system, Council approved excluding C&D collection from the exclusive commercial franchise system as part of the RFP actions for the new commercial waste system. Under the non-exclusive system, approximately 20 collectors are franchised to collect construction and demolition
material and residential clean-out material. This collection process is performing well for the City and the haulers. The non-exclusive franchise agreements contain more enforceable performance standards than previous agreements, and include associated liquidated damages for non-performance. The C&D collection program is augmented by the City’s Construction and Demolition Diversion program, which requires developers to demonstrate that they have diverted a minimum of 75% of waste material generated for most new construction and remodeling projects.

**Enforcement**

In order to ensure the system performs to the standards outlined in the San José municipal code, contracts, and franchise agreements, two environmental inspector positions dedicated to field enforcement were created. In support of the exclusive commercial system, the enforcement team helps ensure that the cost of the new system is distributed appropriately among all customers covered by the franchise by ensuring all commercial businesses that pay for hauling services use Republic Services as their service provider, thus mitigating risk of rate increases. Regarding the non-exclusive C&D commercial system, the enforcement team ensures haulers hold franchises to provide construction and demolition hauling services, and that those C&D haulers do not collect material that belongs to Republic’s exclusive contract. The inspectors also ensure that franchisees are collecting waste per the terms of their agreements and are meeting requirements for the quality of services to the customer. To date, the inspectors’ enforcement actions have triggered several new non-exclusive haulers to apply for a franchise with the City. The environmental inspectors also act as educators for local businesses, teaching proper solid waste handling to reduce litter and bin-overflow problems when these issues are observed during inspections.

**2. SYSTEM PERFORMANCE**

**Effectiveness Measurements**

The effectiveness of San José’s new commercial waste management system is measured by the amount of material diverted from landfill as well as the level of customer service provided. Both the Republic and the ZWED contracts contain aggressive diversion requirements and transparent reporting procedures. The system-wide diversion rate is achieved through combined requirements on the part of each contractor, and both service providers must regularly report program and diversion data to the City. Both service providers must achieve several performance standards that directly contribute to the diversion goals, and each contract includes strong liquidated damages for not reaching their diversion requirements.

The new integrated system must achieve 80% diversion by the second year of the contract or liquidate damages will be assessed. In addition to requiring the contractors to achieve high levels of diversion, the Republic contract contains rewards for reaching a level of diversion beyond the requirement.

In addition to diversion, overall effectiveness of the new collection system is measured by customer service and the Republic contract contains requirements for maintaining a high level of customer service. Some of the tools used to determine the level of customer service include monitoring the length of time customers wait on hold for calls to be picked up, tracking the length of time between bin change requests and bin delivery, and performing outreach to the customer base.
Integrating Sustainability

A majority of GHG emissions related to waste disposal comes from methane produced as by-products of organic decay at landfills. Food and other organic materials disposed of in landfills decompose in an anaerobic environment and create methane, a greenhouse gas with a global warming potential more than 20 times higher than carbon dioxide. San José’s new commercial waste system reduces GHG emissions by diverting organic material from landfills, and further decreases the carbon footprint of the system by sending the organic portion of the waste stream to be anaerobically digested and/or aerobically composted. Anaerobic digesting of the organic material reduces methane emissions from landfills while generating renewable energy; aerobic composting of organic material also reduces methane emissions from landfills and emits only carbon dioxide and water.

The transport of waste to landfills is another significant source of GHG emissions. In addition to the new commercial system significantly improving route efficiencies and reducing the number of vehicle miles traveled, Republic transitioned to a fleet that runs on cleaner burning compressed-natural-gas fuel, further reducing transportation emissions. Republic is also planning to partially power its NIRRP on renewable energy.

Anaerobic Digestion Facility

Once ZWED completes construction, their anaerobic digestion facility will be able to process over 270,000 tons per year of organic waste that would otherwise be disposed in a landfill, and create energy from the biogas. This increase in landfill diversion and production of renewable energy will help San José and surrounding cities to meet economic development goals and reduce per capita energy use. The high quality compost produced at the end of the anaerobic digestion and aerobic composting processes will be used to enrich soils, reduce erosion and decrease water consumption; the renewable energy will be used to power the AD Facility with excess being used by the neighboring Zanker facilities and/or being sold to Pacific Gas & Electric to increase their renewables portfolio.

NIRRP

Republic will install photovoltaic and/or wind based energy generation devices on their facilities in the near future and is exploring opportunities to collaborate with the City by installing photovoltaic panels at air-conditioned City facilities, thereby providing significantly greater electricity savings than installing the panels at the NIRRP. Republic is also finalizing plans to install roof-top and carport solar panels at the NIRRP to capture renewable energy and power their recycling operations. Republic is also investigating the installation of wind turbines at the NIRRP to power hybrid street lamps. This would eliminate the need for the electrically-powered lamps currently in place.

CNG

Republic’s conversion to trucks fueled by compressed natural gas has already reduced greenhouse gas
emissions from the hauling aspect of the new commercial waste management system by 550 metric tons and is projected to reduce greenhouse gas emissions by 19,000 metric tons (equivalent to the annual emissions from 4,000 passenger vehicles) over the 15-year life of the franchise. When combined with routing efficiencies gained by having just one service provider as opposed to more than 20, the greenhouse gas emissions from trucks serving the City have been significantly decreased.

Jobs
An overall goal of the City of San José’s Green Vision is to foster a green economy and generate clean technology jobs, because the City recognizes that environmental sustainability and economic stability are related. The NIRRP and ZWED facilities will combine to create approximately 200 green jobs, and these facilities can generate more jobs through satellite businesses related recycling and organics processing.

Long Term System Availability
The contracts ZWED and Republic hold with the City to process and collect material are for 15 years, thus providing assurances for the significant private investment ZWED and Republic have made in the infrastructure upon which the system relies. Each company is heavily invested in the success of the system, which provides long-term availability of the system. The NIRRP and AD Facility are designed to be able to process materials for decades.

The new system’s fee structure also helps ensure the system’s long term availability. Altering the fee structure to be a flat annual franchise fee as opposed to a fee based on tons disposed secures funding for the long term and removes the previous economic disincentives to divert waste from landfill. Also, the fee structure of the contracts includes rate setting mechanisms that protect businesses from severe increases (no greater than 6% in most cases), yet allow the contractors to be financially sustained.

Customer Satisfaction also needs to be maintained for system to last long term. If customers became very dissatisfied with the system, the City would need to respond and alter the system. Customer service requirements in the Republic contract help ensure an acceptable level of customer services will be maintained.

Environmental Protection
In addition to the sustainable aspects built into the system, such as anaerobic digestion and CNG-powered trucks, Republic, ZWED, and the City took several other steps to ensure the system incorporated elements to ensure environmental protection. As an example, the new system uses fewer trucks, and Republic refined the routes so that the trucks spend less time on the road, thus reducing emissions from collection.

ZWED is constructing the AD facility on a closed landfill located near wetlands adjacent to the San Francisco Bay and which has been identified as potential habitat of the Burrowing Owl, which is a Federally Protected and California listed Species of Concern in California. As part of the California Environmental Quality Act (CEQA) process, ZWED and the City worked with Audobon society to conduct an analysis of owl activity on the site, and developed an owl habitat monitoring plan. ZWED has also incorporated bioretention basins and bioswales into the site to treat and contain stormwater prior to discharge. As part of the landfill closure, ZWED and
the City also developed a comprehensive groundwater monitoring system and long-term site maintenance plan.

Image 4 – Bird’s Eye View of NiRRP & ZWED AD Facility

The Enforcement team is tasked with enforcing numerous environmental protection measures within the new system. The first action after finding a violation is to educate the business or hauler of the best management practices for solid waste handling before moving forward with enforcement. Enforcement of container integrity standards identified within the municipal code and hauler contracts reduce the occurrence of litter around a container and reduce vector harborage and propagation. These standards include working lids and no holes or leaks throughout the container. Containers not in compliance must be repaired within a set period of time or the offending party faces fines. Enforcing adequate and appropriate subscription service levels for businesses, such as frequency of pick-up and container size, reduces the occurrence of overflowing containers, and litter, odor, and vector problems. Businesses are also inspected for issues such as overly compacted and unsanitary containers. Illegal dumping of solid waste is enforced by either contacting the offending party to clean up the solid waste, or working with the property owner to remove the illegally dumped material. Litter management is a major concern as all uncontained litter is visually unpleasant, negatively impacts wildlife, and eventually reaches storm drains where it pollutes waterways. Authorized hauler enforcement reduces the number of haulers who do not have to follow specific environmental standards written in the non-exclusive and exclusive contracts, such as container and vehicle integrity, and vehicle emissions standards.

Regulatory Issues & Solutions

In addition to the common regulatory challenge in the development of any facility designed to manage solid waste, ZWED was faced with and overcame specific challenges in the permitting and entitling a first-of-its kind facility in the United States on a heavily constrained site with no existing infrastructure in close proximity.

Without an existing reference facility in the US, the City of San José was challenged to develop an ironclad regulatory path to gain environmental clearance through CEQA and ultimately issue of a Building Permit. Through strong collaboration with ZWED’s interdisciplinary integrated project delivery team, the path forward was charted, the project secured environmental clearance and a building permit was issued.

Further, the project site is located on what was initially thought to be a closed landfill, and offered incredible synergies with ZWEDs member company facilities and also offered public benefit in the use of surplus land owned by the City of San José. However, through the due diligence process, it was determined that the landfill had not been formally closed. While simultaneously negotiating a long-term lease for the site with the City, ZWED initiated a comprehensive site investigation that ultimately led to the granting of
a formal administrative closure and ultimately, approval for a Post-Closure Land Use Change authorizing development on the site.

Throughout the permitting and entitlement process for ZWED, more than 50 approvals, authorizations and permits were issued and only a few permits and approvals remain in order to complete construction, connect to the public infrastructure and commence operations.

The NIRRP Recyclery’s Solid Waste Facility Permit (SWIS No. 43-AN-0014) allows for Material Recovery, Transfer Station, and Processing Facility operations. The facility is permitted to operate 24 hours per day and 7 days per week and can accept up to 1600 tons per day. The facility has monthly inspections performed by the LEA and has never received a notice of violation.

In California, jurisdictions must meet two solid waste regulations. The California Integrated Waste Management Act (AB 939) established in 1989 requires each city or county to divert 25 percent and 50 percent of all solid waste from landfill or transformation facilities through source reduction, recycling, and composting activities by January 1, 1995 and by January 1, 2000, respectively. In addition, the California Mandatory Commercial Recycling regulation of AB 341 adopted in 2012 requires a business that generates four cubic yards or more of solid waste per week to arrange for recycling services effective on July 1, 2012. The mandate is on businesses, but local jurisdictions are responsible for implementing the education, outreach and monitoring requirements.

San José has not only been in compliance with AB 939 goal since 1995, but the City has also thrived to improve or find innovative ways to achieve the Green Vision and Zero Waste goals set by City officials in 2007. Over the past decade, San José has established reliable infrastructure for residential recycling programs and certified construction and demolition processing facilities to divert materials from the residential and self-haul streams. However, the diversion rate from the commercial solid waste stream, which makes up about one third of citywide disposal, remained roughly 20% every year for over a decade, despite continuous outreach efforts and the fact that most of the disposed material was capable of being recycled.

Republic Services conducted extensive outreach to the business community as part of the transition to the new system. This outreach not only helped ensure a smooth transition, but also met the City’s requirement for outreach as per AB 341. In addition, by processing wet and dry materials collected from commercial premises on two different lines, the commercial system helps the City increase the “highest and best use” of the recovered materials.

3. FINANCIAL MANAGEMENT

The City’s previous commercial solid waste system did not provide a stable source of revenue. These revenues included franchise fee revenues used by the City’s general fund, and commercial revenue from state fees, called AB 939 fees, used to fund the City’s commercial solid waste programs. As the City’s zero waste initiatives and recycling programs became more successful, revenues were expected to decrease in proportion to the decreases in waste disposal. For example, reduced garbage amounts in recent years led to decreased revenue—from approximately $12.0 million in franchise fees and $2.9
million in commercial AB 939 fees in fiscal year 2007-2008 to $9.5 million in franchise fees and $2.4 million in commercial AB 939 fees used to fund the City’s commercial solid waste programs in fiscal year 2011-2012. Under the old system, these declining garbage amounts would have resulted in a reduced ability to fund required programs thereby ensuring a financially unsustainable funding model.

Previous Franchise & AB 939 Fees

Under the previous system, the City assessed franchise fees of $3.67 per cubic yard of uncompacted solid waste collected, $11.01 per cubic yard of compacted solid waste collected, and $0.00 for collection of recyclables. The commercial franchise fee had historically been set at $0.00 for recyclables to provide commercial haulers a financial incentive to reuse or recycle and divert materials away from landfill disposal.

The City assessed the AB939 on commercial solid waste generators and the fee was collected by the franchised hauler who was then required to remit the fee to the City. For fiscal year 2011-2012, the AB 939 fees were $0.89 per cubic yard of uncompacted solid waste collected, $2.67 per cubic yard of compacted solid waste collected, and $0.00 for recyclables collected. The AB 939 fee had also historically been set at $0.00 for recyclables to encourage the reuse or recycling of materials. The AB 939 fee is deposited into the City’s Integrated Waste Management Fund and used by the City to cover the cost of preparing, adopting, implementing, and managing commercial solid waste programs.

Previous Customer Rates

There was a large disparity in customer rates under the previous commercial solid waste system. The rates charged to customers were agreed upon between the hauler and the customer. The City did not regulate these rates and considered there to be large differences in the rates charged customers for the same type of service and an inconsistency in the manner rates were applied from hauler to hauler. For example, a survey conducted by San José State University Research Foundation’s Survey and Policy Research Institute showed that the customer rates for a two cubic yard solid waste container collected once a week varied from $42 to $350 per month.

While the previous system allowed customers to negotiate their own rates, customers did not know what others were paying for comparable service, so customers did not know if their arrangement was reasonable. Larger businesses were often able to negotiate lower rates with a hauler than a small business could. Moreover, the lack of a guaranteed or consistent customer base due to the direct competition between the haulers resulted in little incentive for recycling infrastructure investments. Not only did this contribute to low diversion, but customers reported difficulty obtaining cost-effective recycling programs as only a limited amount of the franchised haulers offered such services.

Planning the New System

In November 2008, the City’s Environmental Services Department completed a Zero Waste Strategic Plan which evaluated the City’s existing solid waste programs and assessed alternative funding mechanism the City could implement to address the impact of waste diversion activities on the City’s General Fund and Integrated Waste Management
Fund. As recommended by the report, the City acknowledged the need to implement an alternative means of funding and continued with its plans of overhauling the commercial solid waste system.

In addition to achieving high diversion, the City had a set of financial goals in mind when planning and implementing the new commercial system. The financial goals included:

- Stabilizing the City's revenue streams;
- Minimizing contract management and enforcement costs;
- Encouraging infrastructure investment; and
- Investing in green jobs and economic development.

The City determined that awarding 15-year agreements would accomplish all of its financial goals for the new system.

**New Customer Rates**

The City regulates rates under the new system through the establishment of maximum rates. The maximum rates Republic Services is allowed to charge San José commercial customers for the various materials collected, container types and sizes, and frequency of collection are based on an annual revenue requirement. The annual revenue requirement is the amount needed by Republic Services to fund their cost of operations, including collection equipment and labor, recyclables processing labor and machinery, and organics processing. The revenue requirement also incorporates the funding needed to pay for government fees, such as franchise and AB 939 fees, and allows for a profit margin of 17% on allowable operating costs as defined in the agreement. By basing the maximum rates on an annual revenue requirement, the City and Republic Services were able to develop a customer rate structure that allows Republic Services to generate sufficient revenue while encouraging customers to choose cost-effective services that help achieve waste diversion goals.

Customer rates are not based on forecast of future operating costs. Instead, they are based on actual costs of the previous year. The agreement with Republic Services also includes methodologies for adjusting customer rates annually with specific controls limiting both the cost drivers and the total adjustment amount allowed in any given year. These adjustment methodologies are designed to protect both the customers and the franchisee. They limit the annual increase allowed, and ensure Republic Services is compensated appropriately as operating expenses fluctuate from year to year. Most years of the franchise include inflationary adjustments to the rates based on a formula that considers indices published by the Bureau of Labor statistics, such as the Consumer Price Index and an adjustment factor for changes in the cost of fuel (compressed natural gas). Three times during the life of the contract, rates are adjusted per a cost-based adjustment method to reconcile costs and revenues. These adjustments occur in years three, seven, and twelve of the Republic Services agreement.

Year two of the Republic Services agreement (fiscal year 2013-2014) allows for a one-time “true-up” adjustment to the revenue requirement due to unknown variables in the City’s Request for Proposals (RFP) released in April 2010. This “true-up” process recognizes that transitioning to the new system involved analysis of the previous system for which the City did not have complete data—most notably, the exact number of commercial accounts. Republic Services' current data shows that significantly fewer customer accounts materialized than anticipated. In
addition, many customers changed their level of service due to right-sizing of containers during the transition to the new system. The “true-up” provides an adjustment to rates (whether up or down) that fairly compensates the franchisee for any reasonable operating cost of providing services that is directly related to actual tonnages and number of accounts. The “true-up” also recognizes that moving from a non-exclusive to an exclusive commercial system may result in impacts that the franchisee could not have reasonably anticipated and for which there may need to be adjustment in rates. Had the City awarded to a hauler other than Republic, the annual revenue requirement would have been higher, customer rates would have been at a greater risk for increases should the annual revenue requirement not been met due to this “true-up”. Republic’s proposed costs were more than $2.5 million lower than the next lowest cost proposal.

Establishing flat franchise and AB 939 fees also provides stable and reliable revenue for the City’s General Fund and Integrated Waste Management Fund.

Recognizing that declining garbage volumes would have resulted in reduced revenue under the previous system’s franchise fee structure, the City included an alternative funding structure in the RFP released in April 2010. Unlike before, the franchise fee would not be a volume-based rate. The total $11 million in franchise fees may be adjusted (up or down) to account for inflation; this fee is usually evaluated and set at same the time the City determines the annual revenue requirement and sets the maximum rates Republic Services can charge.

The new system also includes establishing an AB 939 fee that would be assessed on the exclusive franchisee, not the commercial solid waste generator. Given the many new and unique aspects of the redesigned system, the agreement with Republic Services allows the City the ability to modify the AB 939 fee as costs change with program modifications, new legislative and/or regulatory mandates, and City personnel cost changes. When the City awarded the exclusive franchise to Republic Services in April 2011, staff estimated that $4.2 million in AB 939 fee revenue would be needed to fully cover all costs associated with administering the new commercial solid waste system—including contract management of Republic Services and ZWED agreements, oversight of the construction and demolition debris and residential clean-out material franchises, and enforcement program. The AB 939 fee revenue also covers the cost of residue disposal, audits and other evaluations of the Republic Services and ZWED agreements, in addition to programs targeted at further increasing

Like in the previous commercial solid waste system, the franchisee (Republic Services) remains responsible for billing customers and remitting the appropriate fees to the City. Unlike the previous system, however, the franchisee is required to notify all commercial customers of their rate and service options prior to the effective date of new maximum rates so that customers may make informed and timely decisions of the type and level of service needed for their business.

New System Fees
Customer rates are also affected by changes in the City’s franchise and AB 939 fees. Because the maximum rates are based on an annual revenue requirement that takes into account government fees, predetermining these fees allows them to be applied more consistently and equitably across customers.
waste diversion for the commercial sector. However, recognizing the need to minimize rate impacts to businesses, staff has been able to reduce the AB 939 by $1 million in the first two years of the new system’s implementation after evaluating and reprioritized existing commercial solid waste programs, identifying staffing efficiencies, and leveraging partnerships, grant opportunities, and regional resources to realize additional cost savings. For fiscal year 2013-2014, the franchise fee and AB939 fee comprised $14.2 million of the $54.08 million revenue requirement and represented a total 26.3 percent of the maximum customer rate, whereas the fees represented 27.3 percent of the total $54.187 million revenue requirement in fiscal year 2012-2013.

<table>
<thead>
<tr>
<th>Fiscal Year 2013-2014 Revenue Requirement</th>
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<tbody>
<tr>
<td>Use of Rate Revenue</td>
</tr>
<tr>
<td>Retained by Republic</td>
</tr>
<tr>
<td>Organics Processing</td>
</tr>
<tr>
<td>City Franchise Fee (General Fund)</td>
</tr>
<tr>
<td>City AB 939 Fee (IWM Fund)</td>
</tr>
<tr>
<td><strong>Total:</strong>*</td>
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Figure 1 – Fiscal Year 2013-2014 Revenue Requirements

Cost Effectiveness & Regional Comparison

Beyond consolidating the amount of service providers and rates, awarding a 15-year agreement to a single hauler resulted in significant cost savings. Had a shorter term been listed in the RFP, such as ten years, the franchisees would have had to amortize the capital (facility) and vehicle costs over shorter period of time likely at less favorable loan rates than a long term agreement. The City recognized economies of scale could be achieved if a single franchisee was awarded the entire system and thus asked that RFP responders provide information on the customer rates they’d charge if they were awarded. Republic Services proposed a four percent discount for all customer rates, or approximately $1.8 million annually, which was the most offered by any proposer. ZWED’s proposal for anaerobic digestion was also the least expensive RFP response by approximately $1 million less than the next lowest proposal.

When the new system was implemented on July 1, 2012, customers experienced a wide range of rate impacts due to the large disparity that existed under the old system. An analysis by Republic Services estimated that 58% of commercial customers experienced a rate decrease and 42% experienced a rate increase during the initial year. Despite an increase proposed to take effect in July 2013, Republic Service’s maximum customer rates remain cost competitive with the rates charged elsewhere in the Bay Area. Figure 2 compares San José proposed (fiscal year 2013-2014) maximum rates with rates from 14 nearby jurisdictions with comparable rate structures for two common service levels. Average rates do not reflect likely rate adjustments for several of the surveyed cities scheduled to occur in 2013-2014. Additionally, these other jurisdictions do not provide the comprehensive recycling or collection services offered by Republic Services, including the extensive garbage processing to maximize the recovery of recyclables and organics.
4. BUSINESS MANAGEMENT

Implementation of a program with this much change and complexity required refocusing of management strategies including contract negotiation and contract design, and the use of contract tools to assure that the new program features are integrated to meet overall system goals.

Operational Goals

The program’s service agreements, as well as the City’s municipal code and Green Vision reflect the key operational goals for the commercial system. Through the RFP and negotiation process, the City, Republic and ZWED developed contract features that define operational requirements, and includes associated liquidated damages for non-performance.

Key contract provisions include:

**Diversion**

The Republic franchise agreement requires 75% diversion in 2013 and 80% diversion in 2014, which necessitates major system innovations, including routing based on the Wet-Dry collection system, tailored enhancements for businesses with special waste streams, customer education programs, and the technological advances provided by the new MRF. Because the capture of the organic portion of the waste is also critical to diversion, the ZWED organics processing agreement includes similar diversion targets, which requires extensive coordination between the collection and organics processing contractors. Both agreements include significant liquidated damages for failure to meet diversion standards.
Material Flow

The contracts manage material flow by mandating the San José business waste belongs to Republic services, assuring that all of the commercial organics collected by Republic are delivered to ZWED for processing, and requiring that the residue be delivered to Newby Island Landfill. The City’s new enforcement team ensures that all San José businesses have solid waste service, and that waste generated is collected exclusively by Republic. This new team has already had success moving required accounts to Republic and enforcing these new mandates on non-franchised haulers.

A major effort of the City’s contract management staff includes assuring that the maximum amount of organic material is transferred between the collection and organics processing contractors. This has involved coordination meetings with the contractors, analysis of processing and delivery data, processing facility site visits, auditor review, and requests that the collection contractor increase the amount and decrease the contamination of the organic material delivered to the organics processor. These collaborations and data analyses resulted in multiple actions on the part of Republic, including routing adjustments, increased direct customer service, and a major $1.5 million dollar retrofit to the MRF, which resulted in significantly higher tonnages of organics for processing.

Operational Plans

Both agreements include extensive operational plans, including plans related to collection, delivery, processing, marketing, contingency, diversion, outreach and technical assistance, customer service and reporting, and transition and implementation. Although the contractors must adhere to all aspects of the plans, they are designed to be flexible as circumstances change, and can be altered by mutual agreement of the City and contractor. Failure to comply with the provisions of the plans can result in significant liquidated damages.

Customer Service Standards

Based on contract requirements for customer service, City staff works closely with Republic to ensure San José businesses are receiving high quality, standardized service and customer service support. San José reviews customer service records with the hauler including missed pick-ups, call volumes, and outreach and education activities. The City also supports the development of program collateral through the City’s Marketing and Communication group. Data shows that call volumes normalized approximately 4 weeks after the program transition, and that the current call volume is related to ongoing operations, including billing questions, service change requests, and a standard numbers of missed collections and other complaints. The Republic agreement includes multiple liquidated damages related to customer service, including failure to resolve any complaint within the requisite time and failure to maintain call center requirements.

Environmental enhancements

Because the City prioritized environmental innovation as a selection criteria in the program RFP, they have been involved in the implementation these changes, including the roll out of a new CNG fleet of 50 trucks, enhanced routing that allows for fewer trucks on the road, and minimized travel time, energy efficiencies through the build out of the new MRF, and future plans for solar and wind powered renewable energy at the NIRRP facility.
Hauler Coordination & Employee Relations
The success of the integrated system relies on coordination between the Collection and Processing contractors. Helping to facilitate this conversation and relationship building is a primary role of the City contract managers. In a paradigm change from previous contract management systems, the contractors meet together regularly with City staff to discuss the issues where the agreements intersect, and program collaboration is required to meet contract provisions. These meetings involve high level staff including the Department Director from the Environmental Services Department, and General Managers from each of the contractors.

In order to assure strong employee relations throughout the contracting process, hauler acquisitions, and program implementation, Republic worked extensively with the Union, managed route flexibility with drivers, brought on dedicated customer service reps, developed clear productivity expectations with drivers, sorters, and customer service staff, rotated sorting assignments, and tailored work as the sorters learned to work with new belt speeds and sorting systems.

Change Management & Contract Management
With such aggressive goals, and plans for overall system change, Change and Performance Management are critical to the success of the new system. Key examples of these management practices include early acquisitions, contractor coordination, and performance review.

Early Acquisition
Change management planning is critical to the implementation of the new system, and transition plans are an enforceable portion of the City’s agreements. A good example of successful transition preparation can be seen in the early acquisition plan that was implemented by Republic services. They were able to negotiate with existing non exclusive haulers in order to acquire up to 90% of all accounts by February 2012, enabling them to develop their account lists, initial routes, material audits and customer communication in advance of the start date.

During the transition period, daily check-ins confirmed the status of collection, container deliveries, and customer service calls. Due to the smoothness of the transition, the daily coordination calls between the City and Republic were changed to weekly and remained weekly for the first 6 months of the agreement.

Contractor Coordination
A key feature of an integrated system where the contractual success of one contractor relies on the actions of another, is the requirement of strong management on the part of the municipality. The City began contractor coordination meetings during the first week of transition to check on the status of organics deliveries, material cleanliness, and other logistics that were required between the two contractors. Regular coordination meetings continue with both contractors and the City to maintain high levels of communication and to assure that program goals are being met.

Performance Review
Ongoing performance review is critical to program success, and San José’s management tools allow staff to confirm that contract provisions are being met. Reporting requirements in the contracts require monthly reports. Weekly site visits to the Republic MRF allow staff to confirm that all of the commitments to sort-line staffing, contamination management and
residue control are being implemented. Contracts allow City staff to access Republic’s customer service database in order to check on call volumes, and work order status. When a third party review would be beneficial, San José has external consultants to review specific features of contractor performance, including the delivery of organics between Republic and ZWED, and financial data required for rate review and the true-up.

If contractors are exceeding contractual goals, there are financial incentives and if they are not able to meet contractual provisions, the contracts include liquidated damages for items such as failure to meet 75% diversion (up to $35,000 for shortfalls of over 4%), shipping, selling or disposing of unprocessed material ($5,000 per incident), inadequate processing capacity ($1,000 per work day), or delivery of residue to and unauthorized facility.

Both contractors are involved in continuous review of operations, outcomes, and potential retrofits. Both contractors have spent time at the other’s facility reviewing operations to better understand potential changes, and Republic has already implemented full scale routing changes, and a $1.5 million retrofit of the new MRF. The contracts, codes and management of the agreements create the incentives to assure this system will continue to be evaluated and improved.

5. COMMUNITY RELATIONS
San José is committed to two way communications with customers and private sector partners in order to gain program input to inform potential enhancements, and inform stakeholders of program goals and potential changes. These priorities were exemplified in the commercial system redesign, where the City engaged in an extensive outreach engagement process in the development of new program features, education of businesses regarding program changes and collection of ongoing program input through City and Hauler communication channels.

Development of New Program Features
The communication for the commercial system redesign started 5 years before the RFP process with a City notification to the 24 non-exclusive franchised haulers, that an exclusive system was being considered. This allowed the haulers to consider potential adjustments that might be needed to account for an exclusive franchise in the future. From that point, the program development outreach was designed in a two phased approach in order to foster stakeholder communication with businesses and the solid waste industry throughout all stages of system design.

Phase I: Information gathering for system evaluation included the following activities:

- Multi-lingual media campaign notifying businesses of meetings and surveys to provide input into current system challenges, and recommended program enhancements
- More than 20 one-on-one in-person interviews with facility managers from restaurants, hotels, retail, office, high-tech, entertainment, education, and health care businesses
- Over 25 meetings with business associations, chambers of commerce, business and non-profit leadership groups in order to obtain information about current business recycling programs, barriers to recycling, and input on potential changes to the collection system

Online survey that received over 500 business responses from San José businesses
Host Community Considerations & Response

Phase II: Communication of survey results and potential staff recommendations - Staff returned to the stakeholder groups that had provided input, in order to provide information about potential system changes based on their comments. This included public meetings with businesses and the haulers, as well as individual meetings with businesses that had expressed concerns about an exclusive system, and each of the franchised haulers that requested meetings. Some of the key program changes identified from the business surveys include:

- Businesses wanted more options for recycling services
- Businesses were interested in capturing the food waste from their business
- Businesses wanted more customer service support

The design challenge would be to provide service enhancements and standardizations with minimum impacts to rates and business service.

Results from surveys and interviews had critical impacts on system design. One of the key City responses to input from the solid waste industry was the removal of construction and demolition and cleanout services from the exclusive contract. The City kept this service for the non-exclusive franchise due to concerns from the hauling community that making this service exclusive to one hauler would provide critical impacts on San José businesses.

Another unique RFP development in response to industry feedback, was that the City provided potential proposers an opportunity to provide comment on key sections of the proposed contract language in order to get industry feedback before completion of the RFP.

Customer Service Approach & Measurement

Both the City and private contractors are committed, and contractually obligated to provide ongoing program communication and system measurement. This approach was reflected in both the design and implementation of the new commercial system.

Based on business input, the new exclusive system was designed to make recycling easier for businesses through an exclusive service provider that would standardize service options, while still allowing for tailored collection options, streamlined customer service response, and standardize rates for all businesses receiving the same level service.

To educate San José businesses about the upcoming changes affecting their commercial services and to teach them about the Wet-Dry system, Republic conducted outreach and education in three phases as outlined in their contractual outreach plan:

Phase I: Coming Soon/Launch - Republic reminded customers about the upcoming changes through its new website and multilingual direct mail flyer delivered to 7,990 San José businesses.

Phase II: New Services - Phase II collateral included postcards, newsletters, advertisements in local media outlets, and a recycling toolkit. These materials introduced new services, described program benefits, and responded to frequently asked customer questions. Republic also gave presentations at various business association meetings during this critical roll out phase.
Phase III: Checking-In - This post-transition phase included advertisements, newsletters, and a phone survey to assess customer attitudes toward the new service. Key findings included 88% were neutral or pleased with the new services, many respondents commented on the smooth transition, and there was a strong opportunity identified to provide enhanced education and outreach about the new program for continuous improvement in sorting and contamination management.

Transition was very smooth due to Republic’s communication with businesses as well as operational preparations including acquisition of an estimated 8,500 businesses (over 90% of all participating businesses) by February 1, 2012 and hiring personnel early in the transition process. These steps allowed for early service audits, routing, and customer communication.

Cascadia consulting was hired by Republic Services to review business needs and support early customer communication before the July start up. Prior to July 1, 2012 Cascadia performed nearly 5,000 waste audits to assist with correct Wet-Dry routing. Republic also conducted over 4,580 waste characterizations with a focus on reviewing the materials available for collection and elevating awareness about the new commercial Wet-Dry program.

The City supports the implementation of the contractor outreach plans with regularly coordination meetings between the City and Republic, that include the City’s marketing professionals to provide input and support. The City also helps to include elected officials for events or communications as needed. Republic is responsible for maintaining a customer call center, so city staff and Customer service staff who might receive a commercial call will determine the business need and get that call to the correct representative at the City or at Republic and thus maintain consistent messaging for businesses.

Fostering Public Education
The new Commercial System Fosters public education through consistent outreach provided by Republic’s four full-time recycling representatives and a community relations manager, with support from Republic’s PR consultants, and City contract managers and Marketing professionals. This collaborative team supports public relations and education through educational presentations in person and through streaming video, live web chats, quarterly newsletters for businesses, multi-lingual service guides, posters, and containers decals, recycling recognition awards, MRF tours, and case studies on recycling best practices.

Ongoing program measurements of customer service needs and satisfaction include tracking system for customer service calls, driver data, business site visits, phone surveys by third party interviewers, and public business meetings that are held quarterly. All of these key measurement activities allow Republic and the City to continuously improve outreach and education to businesses, as well as program enhancements that meet business needs.

ATTACHMENTS:
1. Press Release
2. Republic Outreach Newsletter
SAN JOSE LAUNCHES AMERICA’S MOST COMPREHENSIVE AND INNOVATIVE RECYCLING AND WASTE SYSTEM FOR BUSINESSES

New technology views waste as a resource to convert to energy

San José, CA —On July 2, 2012 San José businesses will participate in the most aggressive commercial recycling system in the United States. The new system will provide numerous benefits for businesses and move the City significantly closer to achieving its Green Vision goal of diverting 100 percent of its waste from landfills and converting waste to energy.

“Our businesses and community will benefit from this new approach to commercial waste recycling,” said Mayor Chuck Reed. “The new service will include the recycling of organic waste which will help businesses and the City alike achieve their sustainability goals. The investment in advanced waste processing facilities generates new green jobs, turns waste into energy, and once again demonstrates San José’s innovative leadership toward a sustainable future.”

Last year, the San José City Council approved 15-year agreements with Republic Services and Zero Waste Energy Development (ZWED) to collect and process commercial waste. “By enabling system-wide efficiencies to reduce total carbon footprint, the new service brings San José closer to achieving its Green Vision goals by 2022,” said Councilmember Sam Liccardo.

Republic Services of Santa Clara County will be the single hauler for all San José businesses. Republic’s wet/dry collection system provides simplicity, where organics or wet material (food waste and food-contaminated paper) will be deposited in one bin and all other recyclable materials in a second bin; this system provides recycling and organics collection for the first time to most businesses. “We’re looking forward to an easier and more efficient way for our business to recycle and dispose of waste,” said Bryan Garrett, owner of Café Rosalena.

“To ensure the highest diversion rate and the lowest carbon footprint, we will collect all material along more efficient routes using our new fleet of compressed natural gas powered
trucks,” said Gil Cheso, Republic’s general manager. “The NIRPP now stands as the world’s largest recycling operation, processing up to 110 tons per hour of multiple waste streams, setting a new standard for the recycling industry.” All material will be pre-processed at the Newby Island Resource Recovery Park (NIRRP) with very little waste going to landfill, tripling the current recycling rate from 25 percent to 80 percent.

The estimated increase in the diversion rate is due in part to ZWED’s state of the art technology that converts organics into methane gas. The methane can be used to provide electric power and vehicle fuel. “ZWED is proud to be the first company in the United States to implement European dry fermentation anaerobic digestion technology at a new commercial scale facility in north San José. Converting hard-to-process organic wastes into energy will help the City reach its ambitious Zero Waste and renewable energy goals,” said President, Frank Weigel of ZWED.

About San José’s Green Vision
San José’s Green Vision is a comprehensive strategy that addresses how environmental responsibility makes financial sense and stimulates economic opportunity. This vision includes 10 bold goals that will serve as a roadmap to reduce the carbon footprint of the 10th largest city in the nation by more than half. For more information, visit www.sanjoseca.gov/greenvision/.

About Republic Services, Inc.
Republic Services has provided waste and recycling collection in San José for over 30 years and owns and operates the Newby Island Resource Recovery Park, San José’s only full service recycling and disposal facility. Republic’s innovative recycling program, Wet/Dry, will allow commercial customers the opportunity to dispose of waste, recyclables, and organics in two containers, rather than the standard three-container system. This state of the art system will increase diversion and reduce greenhouse gas emissions, taking San José one step closer to achieving Green Vision goals by 2022.

About Zero Waste Energy Development
Zero Waste Energy Development Company is a joint venture between GreenWaste Recovery, Inc. and their sister company Zanker Road Resource Management, Ltd. These locally owned and operated companies together provide comprehensive services for the collection and processing of commercial and residential trash, yard trimmings, curbside recyclables, food waste, and construction and demolition debris. GreenWaste and Zanker have been pioneers in the recycling industry since their inception in 1985 and 1991 respectively, and have demonstrated leadership in effective and environmentally sound collection and processing operations. ZWED will deploy the patented Kompoferm system for dry, anaerobic digestion and IVC Plus for composting processes, exclusively licensed by Zero Waste Energy, LLC from Eggersmann Anlagenbau. Together, these integrated processes produce renewable energy and high-quality compost from organic waste.

###
Prevent It!
How to Discourage Graffiti, Scavenging and Illegal Dumping

Graffiti, scavenging, and illegal dumping are activities that can result in property damage and theft, potentially exposing your business to further compromise and risk.

Help protect your waste and recyclables by taking simple steps:

- Keep your containers in secure locations on non-collection days.
- Take advantage of our service options for handling your containers on collection days, including locking/unlocking containers, and our ability to push/pull your containers for you. Additional fees will apply for these services.

Managing Glass Responsibly

Limited to organics, the Wet Program (green bin) does not allow for glass. Allowing glass in your wet container is problematic for a variety of reasons. Even a small amount of glass can break into tiny shards that pass through the various filters and screens in the sorting process. Not only does glass compromise the ability to create compost (a valuable organic by-product), it can cause injury to those who apply it. As such, every effort should be made to avoid mixing glass directly with your wet bin items.

For information on how to recycle glass properly, please contact Customer Service at 408-432-1234 or fill out a contact form at republicservicesSCCO.com/contact.cfm.
San José Business Recycling & Waste News

Best Practices

Implementing a Successful Wet/Dry Program for Businesses of All Sizes

Each industry faces different waste management challenges and we are here to assist you with your business’ specific concerns. Whether you're a small, medium, or large business, our Recycling Coordinators are available to help customize a program for you.

Here are local businesses that have found creative solutions for responsible waste management practices. Visit republicservicesSCCO.com/best_practices.cfm to read the full stories.

Wesley United Methodist Church

With a large portion of food waste coming from their onsite kitchen, combined with yard waste, the church worked closely with their Republic Services’ Recycling Coordinator. Two indoor receptacles were purchased to handle the kitchen materials. Labeled wet and dry, the containers are lined with clear bags to ensure the contents are taken to the correct outdoor bins. This approach helps organize waste upfront, while reminding volunteers and staff which material goes in which bins.

ARM Inc.

Prior to working with Republic Services, this semiconductor supplier was limited to recycling dry materials such as glass and plastics. They were unable to process any wet (organic) materials. Eager to begin a composting program, they took advantage of migrating to a wet/dry collection enabling them to separate organics from their main waste stream. They were quickly moved to a front load service that better met their diverse collection needs.

The Fairmont Hotel

This world-class hotel has enthusiastically partnered with Republic Services, embracing efforts towards achieving zero waste. Our Recycling Coordinator worked closely with hotel managers and staff to design a customized and comprehensive program which resulted in a 40 percent decrease in collection costs. Taking the Wet/Dry Program a step further, they even painted the wall behind the wet/dry bins a matching blue and green.

The Choice is Clear

When given the option of choosing the type of plastic bags to collect and sort waste, please choose clear bags over black or opaque ones.

Advantages of using clear bags:

• Helps our sorters identify contents quickly, safely, and easily.
• Prevents injury from potentially dangerous contents such as broken glass.

How Green Are Your Compostables?

Rethink your options for plates, cups, flatware, and containers

Not all “eco-friendly” packaging and food ware is created equal. While consumers are increasingly provided with greener choices, small but significant differences exist in how compostables are manufactured, and those differences ultimately affect the amount of time it takes to degrade into compost. Compostables are often made from tree-free materials such as grass, bamboo, or sugar cane. And being plant-based, they break down more quickly to humus – the dark, rich organic material resulting from decomposition.

Additives such as polyethylene (a wax-like substance common in disposable coffee cups and take-out clamshells to prevent leakage) can contaminate the compost produced, thus requiring disposal in the landfill. Bioplastics that are corn or starch-based are acceptable for recycling as are other plastics numbered 1-7 within the recycle symbol. While sustainable and greener alternatives to petroleum-based plastics exist, finding the best solution for your business can be a bit confusing – our experts are here to help.

To optimize your recycling program, call 408-432-1234 or visit republicservicesSCCO.com/contact.cfm to schedule a waste assessment.

Way to Go San José!

Thanks to your concerted efforts, the recycling rate has increased close to 70 percent, up from about 25 percent prior to July 1, 2012. Your community thanks you!

Onsite Container Painting & Repairs

Now through June 30, Republic Services will repaint, relabel and make necessary repairs to containers. All work will be performed at your business location. We will notify you two weeks in advance of our planned work at your site via mail, email, or phone.

Is Your Business a Recycling Leader?

Republic Services is accepting applications for our Annual Recycling Recognition Award. Visit republicservicesSCCO.com to submit an application describing the steps you have taken to increase recycling efforts. Winners will be recognized by Republic Services with a plaque ceremony at your business, an announcement on our website, and recognition in this quarterly newsletter.

Talk Recycling with Us

On Thursday, March 28, visit our website for a live chat with our Recycling Guru. From 9 a.m. - Noon, customers can submit recycling questions and receive a real-time response.