

CITY AND COUNTY OF SAN FRANCISCO

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TO ALL INTERESTED PARTIES:

Attached is the City Attorney's title and summary for the proposed local initiative measure designated by the Department of Elections as 11-07A.¹ In preparing this title, the City Attorney makes no representation regarding the merits or legality of the proposed legislation. Nor does the City Attorney verify or confirm any factual or legal assertion made in the proposal. The title is presented as a "true and impartial statement of the purpose of the proposed measure." Elections Code § 9203.

Very truly yours,

DENNIS J. HERRERA
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DEPARTMENT OF ELECTIONS

¹ The subject matter of this memorandum indirectly involves the Mayoral election. Accordingly, for the reasons set forth in the City Attorney's August 27, 2010, memorandum regarding legal advice on matters concerning the Mayor's race, City Attorney Dennis J. Herrera took no part in preparing or reviewing this advice. The August 27 memorandum is available in the list of public opinions on the City Attorney Office's website, at <http://www.sfcityattorney.org/Modules/ShowDocument.aspx?documentid=669>.

Garbage Collection and Disposal

Under a voter-approved 1932 ordinance, any company that collects, disposes of or transports garbage in San Francisco must have a City-issued permit. Each permit allows the holder to collect garbage in a specific area of the City. Golden Gate Disposal & Recycling and Sunset Scavenger hold all of the permits, and Recology San Francisco ("Recology") owns both companies. Recology or its affiliates own the City's garbage transfer station, partially located in San Mateo County, and lease City-owned property for a recycling station.

The City does not use a competitive process to award franchises or contracts for garbage services, except recently for landfill disposal.

The City's Rate Board, consisting of the City Administrator, the Controller, and the General Manager of the Public Utilities Commission, sets the rates for residential garbage collection. The City does not regulate garbage collection rates for commercial properties. Instead, the permitted garbage companies and commercial property owners agree to those rates through individual contracts. The City sets the rates paid by all property owners for garbage disposal.

The proposed measure would require the City to use a competitive process to award five separate franchises or contracts for the following services:

- residential garbage collection;
- commercial garbage collection;
- recovery, processing and transfer of recyclable materials;
- transportation of processed garbage to conversion or disposal sites outside the City; and
- conversion or disposal of processed garbage.

Each franchise or contract would be for a 10-year term and would be citywide. The measure would prohibit any single company from providing both recyclable materials recovery and garbage conversion/disposal services.

The measure would require the Director of the Department of Public Works ("Director") to work with the Budget Analyst for the Board of Supervisors ("Board") to adopt regulations governing the competitive bidding process by January 1, 2013. The regulations would give priority to: zero-waste goals that maximize recycling; competitive rates; welfare of workers in the industry; and recovery of the City's costs for bidding and administering the program. To the extent permitted by law, the competitive bidding process would give preferences to bidders that use small businesses and hire City residents. The City would have to complete this competitive bidding process by December 31, 2015.

The measure would require that the City own all facilities used for recyclable materials recovery, garbage processing and transfer, and parking of garbage collection vehicles. The measure also would require that those facilities be located in San Francisco. The City would have to complete negotiations for public ownership of those existing facilities, or development of plans for new facilities, by December 31, 2013. The City could not enter into any new agreements for privately-owned garbage facilities extending beyond December 31, 2018.

Consistent with the results of the competitive bidding process, the Board would set the maximum rates that residential and commercial customers could be charged for garbage services.

The measure would authorize the Board to make future amendments to this ordinance, without further voter approval, to advance its purposes and principles.

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[Department of Elections file no. 11-07A]