

WM Request to Adjust Solid Waste Diversion Requirement Discussion

February 4, 2025



Note: This PowerPoint presentation is intended solely as a visual aid to an oral staff presentation of an agenda report topic. In the event of any differences between the presentation and the agenda report, the information in the agenda report prevails.

DIVERSION



DIVERSION

Waste Reduction

DIVERSION

Reuse/Donation

DIVERSION

Recycle/Compost



RECYCLING & PROCESSING

What Goes in the Recycling Container:



Plastic Bottles & Containers



Food & Beverage Cans



Glass Bottles & Containers



Paper



Flattened Cardboard & Paperboard

WM Sun Valley
Recycling Center
Sun Valley, CA



ORGANIC MATERIAL & PROCESSING

What Goes in the Organics Container:



Food Waste



Yard Waste



Produce



Food Soiled Paper,
Coffee Filters & Tea Bags



Meat, Fish & Poultry



Dairy



Bread, Pasta, Rice,
Grains, Coffee Grounds
& Food Soiled Paper



South
Valley
Compost
Tulare, CA



CITY OF
MANHATTAN BEACH

WM REQUEST TO ADJUST SOLID WASTE DIVERSION REQUIREMENT DISCUSSION
FEBRUARY 4, 2025

LANDFILL, RECYCLING & ORGANICS

El Sobrante Landfill Corona, CA

Recycling

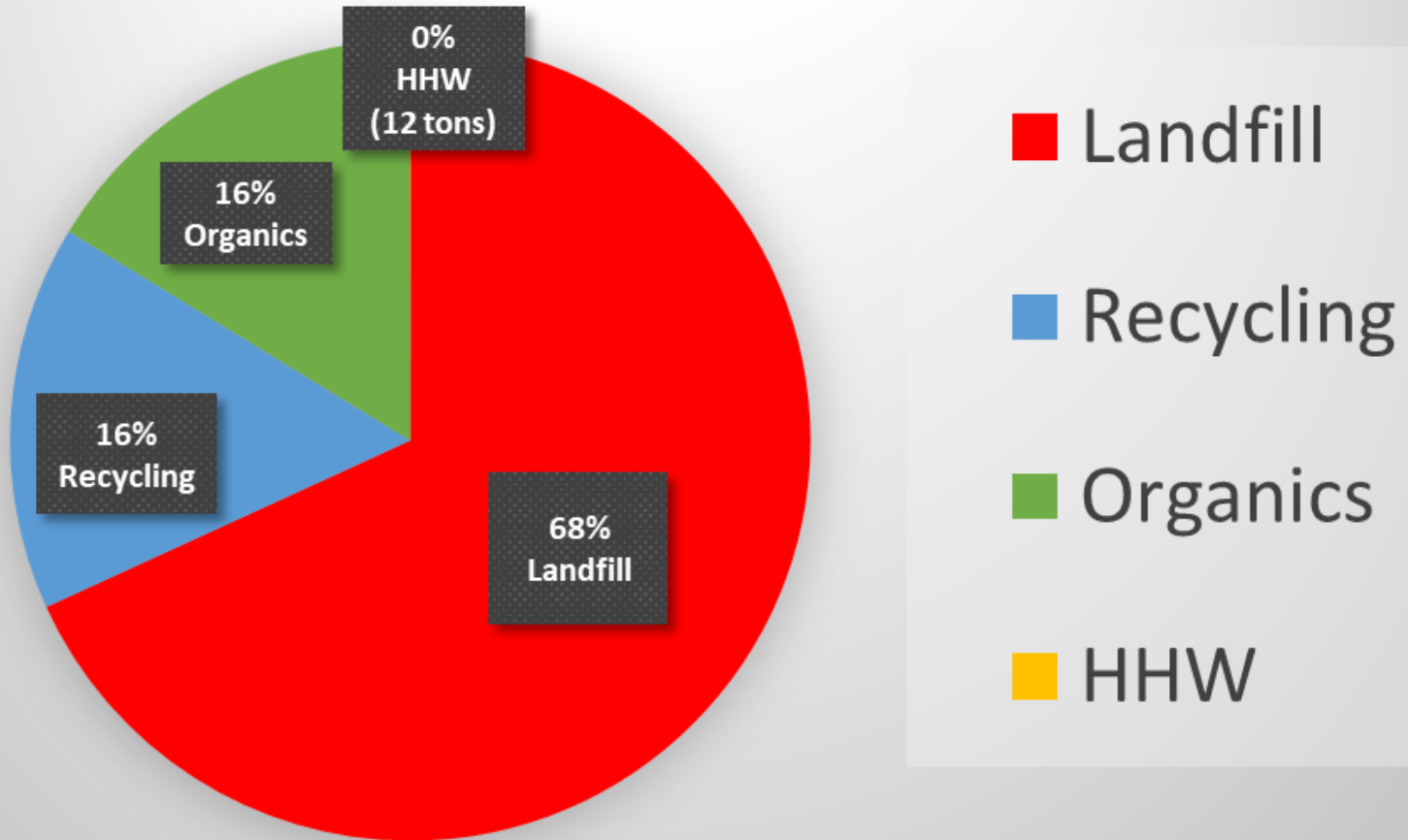


Organics



Snapshot: 2023 Performance

2023 WM Diversion



TYPES OF WASTE COLLECTION

WM's franchise agreement is for residential and commercial collection only. This is the only material they get diversion credit for.

Residential
&
Commercial

HAULER (WM)



Permitted
Projects

CONSTRUCTION &
DEMOLITION



Donation,
Redemption
& Self-haul

THIRD-PARTY/SELF-HAUL



WM PROPOSAL VS. PERFORMANCE

RFP
PROPOSAL
46%

AWARDED
AGREEMENT
50%

PERFORMANCE
2021:* 43%
2022:* 45%
2023: 32%

*Includes 10% transformation credit



CHALLENGES WITH DIVERSION

TRANSFORMATION Waste-to-Energy



WM Proposal	Actual 2021 & 2022
Use (one) 1% Transformation credit annually	Used 10% Transformation credit

COMMERCIAL RECYCLING

WM Proposal	Actual 2021 & 2022
Recycle 4,000+ commercial tons annually	Under 2,000 tons recycled annually



LIQUIDATED DAMAGES

	2021	2022	2023
Required Diversion	50%	50%	50%
Actual Diversion	43%	45%	31.8%
Percentage Difference	7%	5%	18.2%
Total Tons Collected	31,545	30,744	31,927
Required Tons Diverted	15,773	15,372	15,964
Actual Diverted Tons	13,613	13,925	10,161
Delinquent Tons	2,159	1,447	5,803
Liquidated Damage	\$25.00 per ton		
Liquidated Damage Fee	\$53,981	\$36,177	\$145,064



MEET & CONFER

Section 3.8.1 of WM Franchise Agreement:

“Upon the request of either party, but not more than once every two years, the parties agree to meet and confer, and negotiate in good faith, regarding adjustments to the hauler diversion requirement...”

Meet & Confer Dates: WM and City

- August 27, 2024
- September 17, 2024
- October 10, 2024
- October 29, 2024
- November 19, 2024



MEET & CONFER

WM Requests	City Response
Lower Diversion Requirement	Before considering this, what would it take to get to 50%?
Allow Third-Party Recycling toward Diversion Credit	
Allow Construction & Demolition Recycling toward Diversion Credit	



MEET & CONFER

CITY'S OUTSTANDING CONSIDERATIONS

1. Diversion should increase as contract progresses
2. Incentives to improve
3. Diversion vs. liquidated damages
4. Refuse regulations
5. Fiscal implications



MEET & CONFER

WM does not anticipate exceeding 37% diversion rate annually for the remainder of the agreement



RECOMMENDATION

- Discuss WM's request to adjust solid waste diversion requirements
- Provide direction



