



Office of the City Manager

INFORMATION CALENDAR
March 10, 2020

To: Honorable Mayor and Members of the City Council

From: Dee Williams-Ridley, City Manager

Submitted by: Phillip L. Harrington, Director, Public Works

Subject: Audit Status Report: Unified Vision of Zero Waste Activities Will Help Align Service Levels with Billing and Ensure Customer Equity

INTRODUCTION

The Office of the City Auditor presented to the City Council a September 20, 2016 Report: Unified Vision of Zero Waste Activities Will Help Align Service Levels with Billing and Ensure Customer Equity¹. The City Auditor conducted the audit to assess whether the City of Berkeley is correctly billing customers based on their actual refuse collection levels; whether all Berkeley residents are signed up to receive refuse, recycling and plant debris collection service as required by the Berkeley Municipal Code; and whether there are opportunities for improving both refuse and service delivery operations. The City Auditor requested the City Manager report back to Council on the status of recommendations until fully implemented or otherwise addressed.

CURRENT SITUATION AND ITS EFFECTS

The Audit Report included twelve (12) recommendations for the Office of the City Manager and Departments of Finance, Information Technology, and Public Works to review, implement, and report to Council regarding the status of recommendations. This is the fourth status report on those recommendations: six have been implemented; four have been partially implemented; and two will not implemented due to significant market changes and the unit's current priorities and staffing

The Solid Waste & Recycling Manager and Recycling Program Manager continues the review of the zero waste programs and, as needed, updated and/or revised them. City Council recently approved the Single Use Disposal Foodware and Litter Reduction Ordinance², which has many program elements, such as, education, technical

¹ https://www.cityofberkeley.info/uploadedFiles/Auditor/Level_3_-_General/A.2_RPT_Refuse%20Billing_Issue%20Fiscal%20Year%202016.pdf

²

https://www.cityofberkeley.info/Public_Works/Zero_Waste/Berkeley_Single_Use_Foodware_and_Litter_Reduction_Ordinance.aspx

assistance, waiver program, etc., that need to be implemented by existing staff upon adoption, thus delaying implementation of other previously approved City and State regulations, ordinances, and programs, including audit recommendations. Please see Attachment 1 for a detailed table of audit report recommendations, corrective actions and implementation progress. The next status report and anticipated final report to Council will be scheduled to be submitted in March 23, 2021. The twelve months of additional time between audit updates will allow Zero Waste to focus on actions that will close the audit.

BACKGROUND

Berkeley's community members, residential and commercial, have reduced landfilled refuse from 86,000 tons in 2007 to approximately 67,000 tons in 2015. The materials not landfilled have been reallocated to recyclable material streams. While the portion of material going to landfills has decreased, the Department of Public Works' Zero Waste Division's Transfer Station is managing almost the same volume of total material. For example, plant debris and food waste are no longer accepted in the gray/black refuse container, but instead are disposed of in the green container for collection turned into compost for beneficial reuse.

In 2015, the City of Berkeley's Solid Waste Management Facility Transfer Station accepted and transported to its contractors, approximately 67,000 tons of refuse (landfilled), 33,000 tons of plant debris and food waste (composted), 15,000 tons of fibers (diverted) and 30,000 tons of construction and demolition debris (diverted for sorting and reuse). Materials that were once bound for the landfill have been successfully separated by both residential and commercial community members into materials that are now recycled, reused and diverted from the landfill.

In addition, Zero Waste's collections operations include collection of four different material types, delivery and collection of carts and/or bins, managing customer requests for service and concerns, and increasing and decreasing service levels. It is a complex enterprise involving various departments' systems, including Finance and Information Technology, and both manual and automated collection services and revenue collection partners.

ENVIRONMENTAL SUSTAINABILITY

With the implementation of the Audit's recommendations, the Zero Waste Division will continue to help reduce the volume of waste landfilled and:

- Increase residential composting, recycling, and source reduction.
- Increase commercial composting, recycling, and source reduction.
- Increase recycling of construction and demolition (C&D) debris.
- Expand efforts to eliminate waste at its source.
- Increase waste diversion in public buildings.

All of these above noted items promote the City's zero waste goal and are included in the approved Climate Action Plan Goals for Waste Reduction and Recycling.

POSSIBLE FUTURE ACTION

Department of Public Works will continue to take timely and focused action(s) to address those recommendations that remain outstanding and partially implemented. The Zero Waste Division is in the process of working with Information Technology and Finance to select the necessary software solution(s) that will facilitate the implementation of the Audit recommendations.

FISCAL IMPACTS OF POSSIBLE FUTURE ACTION

The Department of Public Works will update Council on a periodic basis on the progress, resources available or additional funding needs to address those recommendations that remain outstanding and partially implemented.

CONTACT PERSON

Greg Apa, Solid Waste and Recycling Manager, (510) 981-6359
Heidi Obermeit, Recycling Program Manager, (510) 981-6357

Attachment:

1. Audit Findings and Recommendations Response Form

ATTACHMENT No. 1

Audit Title: Unified Vision of Zero Waste Activities Will Help Align Service Levels with Billing and Ensure Customer Equity					
Findings and Recommendations	Lead Dept.	Agree, Partially Agree, or Do Not Agree and Corrective Action Plan	Expected or Actual Implementation Date	Status of Outstanding Audit Recommendations and Implementation Progress Summary	
Finding: Integrated thinking about zero waste operations will help ensure accurate billings and customer equity					
1.1	Agree to a common and unified vision for zero waste operations. Discuss the long-term zero waste goals, objectives, and key initiatives and share that information with those responsible for day-to-day operations. Use meetings and informal communications to regularly encourage staff to embrace a unified view of zero waste operations.	City Manager's Office and Team Response: Public Works, Finance, and Information Technology	Agree	October 2016	January 23, 2018 Update Implemented Since late 2015, Zero Waste, 311, and IT (called collectively the Customer Solutions Group or Group) have met on a monthly basis to discuss operational issues that affect the three divisions. Given that this Group was already in place and per the Auditor's recommendation, the Group opted to include Finance as a participant instead of creating of a separate team and meeting. The meetings' monthly agenda identifies that the Group's primary focus is the development and continuous implementation of a common approach by all members to ensure a unified vision for zero waste operations for all community members. In addition, the meetings' agenda details those customers' issues as they occur, so that, the Group's members resolve them. These resolutions are applied by the Group to continue its efforts to strive towards the City's zero waste goals and the initiatives needed to attain these goals.
1.2	Form a zero waste team comprised of managers and line staff involved with zero waste operations (i.e., waste collection, billings, customer calls, systems support). Include a diverse pool of people who can share ideas, resources, and knowledge. Have the team members' work collectively to evaluate their respective functions; the interrelationships among their departmental activities; and the practices, policies, and procedures they use to perform their zero waste account management and operations functions. Ensure that	Team Response: Public Works, Finance, and Information Technology	Agree	October 2016	September 20, 2016 Update Implemented Zero Waste, 311, and IT meet on a monthly basis to discuss operational issues that affect the three divisions. This meeting schedule has been in existence for over one year. Since there was already a setup in place, we decided to include Finance as a participant versus create a separate team. We expanded the group and meeting scope to accommodate the Auditor's recommendations. At every meeting, it will be the first agenda item to make sure all participants are made aware of the team's concept. We will consider this completely implemented by October 2016, as at that time we will have met twice within the capacity required by this audit recommendation. This will be a regular meeting for the foreseeable future. The team members do understand that the Zero Waste operation is an enterprise with different parts and that the success of the operation depends on each of these distinctive units working together.

ATTACHMENT No. 1

Audit Title: Unified Vision of Zero Waste Activities Will Help Align Service Levels with Billing and Ensure Customer Equity				
Findings and Recommendations	Lead Dept.	Agree, Partially Agree, or Do Not Agree and Corrective Action Plan	Expected or Actual Implementation Date	Status of Outstanding Audit Recommendations and Implementation Progress Summary
the team understands that their goal is to develop and support a holistic approach to zero waste operations not only to ensure billing accuracy, but also to help accomplish zero waste by 2020 and ensure continued efficient and effective operations beyond that achievement.				
1.3 Require the zero waste team formed in response to recommendation 1.2 to develop written procedures that clearly support cross- departmental strategies and help staff perform their work, as well as understand how their work contributes to success. Include information that helps promote the unified view of zero waste operations, while also explaining the individual tasks that take place within the departments and how those connect. Examples include, but are not limited to, describing the process for routing customer cases from 311 calls, and detailing in layman’s terms the monthly updates that take place to align the CX and RouteSmart systems. Also see recommendation 1.2.	Team Response: Public Works, Finance, and Information Technology	Agree	Originally Expected December 2017	<p>September 20, 2016 Update Staff from the Zero Waste Division, 311 Customer Service Center, Information Technology, and Finance Revenue Collection are reviewing and updating standard operating procedures for refuse and recycling services; reconfiguring and updating webpages; and creating technical assistance tools for zero waste customers. In July 2016, the group participated in an IT Strategic Plan Workshop to review the start of service process using the Rapid Workflow Process Model. The group will use this model to review other critical workflow processes.</p> <p>January 23, 2018 Update Partially Implemented The Customer Solutions Group is constantly reviewing and updating standard operating procedures for refuse and recycling services; reconfiguring and updating webpages; and creating technical assistance tools for its zero waste customers. An example of this effort is Zero Waste and 311 identified issues related to responding to the community members complaints related to collection services. Zero Waste and 311 developed 311’s scripted response and Solid Waste Supervisor response flow chart to ensure these issues were addressed within a 48 hour time frame. In July 2016, the Group participated in an IT Strategic Plan Workshop to review the start of service process using the Rapid Workflow Process Model. And as of this date, the ERP implementation schedule hasn’t reached its scheduled timeline to integrate CX and RouteSmart systems. Nonetheless, the Group will use this Model to review other critical workflow processes to ensure that updates are developed in layman’s terms in its monthly updates.</p>

ATTACHMENT No. 1

Audit Title: Unified Vision of Zero Waste Activities Will Help Align Service Levels with Billing and Ensure Customer Equity				
Findings and Recommendations	Lead Dept.	Agree, Partially Agree, or Do Not Agree and Corrective Action Plan	Expected or Actual Implementation Date	Status of Outstanding Audit Recommendations and Implementation Progress Summary
			<p>July 2019</p> <p>December 2019</p> <p>January 2021</p>	<p><u>September 25, 2018 Update</u> Partially Implemented IT administration, IT-311 and Zero Waste have commenced efforts, such as, an As-Is (existing software) review to improve customer interface with the City and a To-Be (future software) for the development of an RFP to solicit new software for new customer interface, refuse billing and routing systems. These reviews were facilitated by the City's software consultant, Third Wave. The RFP is tentatively scheduled for a late 2018 release. Rather than the purchase of another software system to integrate the existing inefficient (i.e., requires another software program to be bolted on to existing software), and inadequate software, a new routing and customer billing system would replace the CX and RouteSmart™ systems, integrate with ERMA and would be customer driven resolution and coordinated billing system.</p> <p><u>March 12, 2019 Update</u> Partially Implemented IT released an RFP on behalf of Public Works for Zero Waste Management software on October 18, 2018. The RFP was for a Zero Waste Management System and Professional Services consisting of a Waste Billing System, a Waste Computerized Maintenance Management System and a Route Optimization System. One proposal was received. If the proposal is accepted, software installation and implementation is anticipated to begin immediately upon contract execution in May 2019, with software operational by December 2019</p> <p><u>March 10, 2020 Update</u> Partially Implemented Information Technology Department and Legal are in the process of finalizing a contract with the vendor ACMS. Staff anticipate that the new software will be installed by late 2020. This new software will improve the City's billing and analysis of many metrics needed to assess accomplishing the City's Zero Waste Goal.</p>
1.4 Require the zero waste team formed in response to recommendation 1.2 to have regular meetings, e.g., quarterly, to share information about their operations and the known or	Team Response: Public Works, Finance, and	Agree	October 2016	<p><u>September 20, 2016 Update</u> Implemented. As we mentioned in response to recommendation 1.2, we expanded our existing monthly meeting to include Finance. The purpose of those meetings has always been to share information about operational and staff challenges. We expanded the meeting to include the specific suggestions of this recommendation. This initiative will be a continuous process that will be put in place for years to come as</p>

ATTACHMENT No. 1

Audit Title: Unified Vision of Zero Waste Activities Will Help Align Service Levels with Billing and Ensure Customer Equity				
Findings and Recommendations	Lead Dept.	Agree, Partially Agree, or Do Not Agree and Corrective Action Plan	Expected or Actual Implementation Date	Status of Outstanding Audit Recommendations and Implementation Progress Summary
<p>expected changes and events that may impact cross-functional efforts. These meetings may need to be more frequent at first and less frequent over time. The team should use their meeting time to:</p> <ul style="list-style-type: none"> ▪ Identify continued barriers to change. ▪ Decide on solutions that will help overcome barriers. ▪ Share information about the challenges preventing staff from meeting operational objectives. ▪ Make cross-departmental decisions to improve processes and customer service. <p>Also see recommendation 1.2.</p>	Information Technology			it becomes part of managing the operations of Zero Waste.
<p>1.5 In collaboration with Information Technology and as part of Enterprise Resource Planning, budget for, select, and install an account management system designed for zero waste activities. Use information from the zero waste team evaluation (recommendation 1.2) and zero waste strategy analyses (recommendation 1.8) to identify the critical business needs that should be included in the purchase</p>	Team Response: Public Works and Finance	Agree		<p>January 23, 2018 Update Not Implemented The current Customer Relationship Management (CRM) system will not integrate with RouteSmart™ due to both FUNDS and CRM system limitations. The City is currently engaged in the Enterprise Resource Planning process to replace the FUNDS and then integrate the CRM system, which according to the current schedule by June 2019. The long term solution will be to procure a new customer management, operations and billing software that will fully integrate the RouteSmart™ with the new ERP. Zero Waste Division and the Customer Solutions Group is actively engaging with IT to ensure that the new ERP system recognizes that Zero Waste Division is an enterprise funded operation. That is, it would be desirable to utilize RouteSmart system’s capabilities to generate customer driven service requests (work orders), whereas the current ERP system is a City staff internally generated system input. IT has recognized that to provide seamless CRM service that a Request for Proposals (RFP) for an application that delivers the most efficient financial and operational software system</p>

ATTACHMENT No. 1

Audit Title: Unified Vision of Zero Waste Activities Will Help Align Service Levels with Billing and Ensure Customer Equity				
Findings and Recommendations	Lead Dept.	Agree, Partially Agree, or Do Not Agree and Corrective Action Plan	Expected or Actual Implementation Date	Status of Outstanding Audit Recommendations and Implementation Progress Summary
<p>of new zero waste account management system, or that should be considered when determining whether sufficient middleware options exist to fully integrate existing systems with the new account management software. Also see recommendations 1.2 and 1.8.</p>			<p>July 2019</p> <p>December 2019</p> <p>January 2021</p>	<p>that specifically handles the Zero Waste collection services will be written in FY2018 as part of Phase 2 of the ERP project.</p> <p>September 25, 2018 Update Partially Implemented IT administration, IT-311 and Zero Waste have commenced efforts, such as, an As-Is (existing software) review to improve customer interface with the City and a To-Be (future software) for the development of an RFP to solicit new software for new customer interface, refuse billing and routing systems. These reviews were facilitated by the City’s software consultant, Third Wave. The RFP is tentatively scheduled for a late 2018 release. Rather than the purchase of another software system to integrate the existing inefficient (i.e., requires another software program to be bolted on to existing software), and inadequate software, a new routing and customer billing system would replace the CX and RouteSmart™ systems, integrate with ERMA and would be customer driven resolution and coordinated billing system.</p> <p>March 12, 2019 Update Partially Implemented IT released an RFP on behalf of Public Works for Zero Waste Management software on October 18, 2018. The RFP was for a Zero Waste Management System and Professional Services consisting of a Waste Billing System, a Waste Computerized Maintenance Management System and a Route Optimization System. One proposal was received. If the proposal is accepted, software installation and implementation is anticipated to begin immediately upon contract execution in May 2019, with software operational by December 2019.</p> <p>March 10, 2020 Update Partially Implemented Information Technology Department and Legal are in the process of finalizing a contract with the vendor ACMS. Staff anticipate that the new software will be installed by late 2020. This new software will improve the City’s billing and analysis of many metrics needed to assess accomplishing the City’s Zero Waste Goal.</p>
<p>1.6 Incorporate systems thinking into the hiring process for both competitive and promotional recruitments:</p> <ul style="list-style-type: none"> Describe the interdependent 	<p>Team Response: Public Works and</p>	<p>Agree Difficult to implement I and II because</p>	<p>October 2016</p>	<p>September 20, 2016 Update Public Works is currently recruiting for zero waste and using the interview techniques described. Finance and IT, however, are not in the process of, or able to identify when they will be, recruiting for a position for which this recommendation applies. Therefore, we cannot identify a future implementation date. However, both IT and</p>

ATTACHMENT No. 1

Audit Title: Unified Vision of Zero Waste Activities Will Help Align Service Levels with Billing and Ensure Customer Equity				
Findings and Recommendations	Lead Dept.	Agree, Partially Agree, or Do Not Agree and Corrective Action Plan	Expected or Actual Implementation Date	Status of Outstanding Audit Recommendations and Implementation Progress Summary
<p>nature of zero waste operations in job announcements.</p> <ul style="list-style-type: none"> Highlight the cross-functional responsibilities and relationships in job descriptions. Discuss cross-functional experiences during job interviews to gain an understanding of an applicant's mindset about shared accountability. 	Finance	some classifications are not specific to Zero Waste operations but are general classification that are Citywide Item III – During job interviews for Zero Waste functions, questions are tailored to potential hires about the working conditions specifically as the relate to Zero Waste.	October 2016	<p>Finance applied these concepts in recent hires. Additionally, all the departments intend to use the concepts described in the recommendation as much as allowable and consider this recommendation implemented.</p> <p>During the interview process, candidates are provided an overview of Zero Waste Division operations including relationships with other departments, the strategic priorities used to guide our everyday thinking and application of resources, and owning the commitment to excel in the areas of courtesy, knowledge, promptness, and teamwork.</p> <p>To the extent possible and allowable by the City's recruitment practices, we will include in our recruitment materials information that conveys to applicants for general classifications that their work will include cross-functional responsibilities and shared accountability.</p> <p>January 23, 2018 Update Implemented</p> <p>The Departments of Public Works and Human Resources have reviewed the process of development of job announcements, such as, the recent hiring of Zero Waste Division Operations Manager to directly address the issues noted in this Recommendation. With this job description for the Operations Manager and future Zero Waste management, administrative and operation staff positions will include a description of the interdepartmental nature of zero waste operations, and highlight cross-functional responsibilities.</p>
<p>1.7 Require that someone other than the person who manually calculated the zero waste rates and entered the updated rates into the CX module perform an independent review of the calculations and data entry for accuracy. Have the reviewer report back on any errors. Ensure that management is also notified of the errors, verifies that the</p>	Finance	Agree	May 2015	<p>September 20, 2016 Update Completed. For FY 2016 updates, which was input in 2015, Finance implemented a Quality Assurance process in which an error report was produced by IT. The Supervisor reviewed the report and made corrective changes. The report was re-produced two other times to make sure all the error were fixed and the Manager of the unit signed off on the final report before finalizing system changes.</p> <p>January 23, 2018 Update: Implemented</p> <p>The initial base rates were approved by Resolution No. 66,600-N.S. effective July 1, 2014 for FY2015. The Department of Public Works administration calculates the next</p>

ATTACHMENT No. 1

Audit Title: Unified Vision of Zero Waste Activities Will Help Align Service Levels with Billing and Ensure Customer Equity				
Findings and Recommendations	Lead Dept.	Agree, Partially Agree, or Do Not Agree and Corrective Action Plan	Expected or Actual Implementation Date	Status of Outstanding Audit Recommendations and Implementation Progress Summary
			<p>December 2019</p> <p>January 2021</p>	<p>software were identified. Additionally, IT facilitated the key departments to complete an As-Is analysis of existing software to identify areas of improvement. The departments have completed s To-Be analysis of future software which was the basis for a Request For Proposals (RFP) to solicit new software for new customer interface, refuse billing and routing systems. Both the CX (customer account management and billing software) and RouteSmart™ (collection routing software) systems are planned for replacement within the next year. These reviews were facilitated by the City’s software consultant, Third Wave. The RFP is tentatively scheduled for late 2018 release. IT administration, IT-311 and Zero Waste are collaborating to ensure a unified approach.</p> <p>This new routing and customers billing software will the CX and RouteSmart™ Systems and integrate with Erma, the City’s new financial software system. The new software will be customer driven and provide enhanced, coordinated billing system.</p> <p><u>March 12, 2019 Update</u> Partially Implemented IT released an RFP on behalf of Public Works for Zero Waste Management software on October 18, 2018. The RFP was for a Zero Waste Management System and Professional Services consisting of a Waste Billing System, a Waste Computerized Maintenance Management System and a Route Optimization System. One proposal was received. If the proposal is accepted, software installation and implementation is anticipated to begin immediately upon contract execution in May 2019, with software operational by December 2019.</p> <p><u>March 10, 2020 Update</u> Partially Implemented Information Technology Department and Legal are in the process of finalizing a contract with the vendor ACMS. Staff anticipate that the new software will be installed by late 2020. This new software will improve the City’s billing and analysis of many metrics needed to assess accomplishing the City’s Zero Waste Goal.</p>
<p>1.9 Perform, or contract for, a fully comprehensive route audit to align service delivery with billing rates. Use the route audit to:</p> <ul style="list-style-type: none"> Make CX module and/or RouteSmart system updates 	Public Works	Agree	Originally expected: July 2018	<p><u>September 20, 2016 Update</u> As part of the route audit, actual service levels will be compared against data in the CX module and appropriate updates made to ensure that all residential and commercial accounts are receiving required services and billed correctly for those services. Route books will also be updated to reflect the results of the route audit.</p> <p><u>January 23, 2018 Update</u> Not Implemented</p>

ATTACHMENT No. 1

Audit Title: Unified Vision of Zero Waste Activities Will Help Align Service Levels with Billing and Ensure Customer Equity				
Findings and Recommendations	Lead Dept.	Agree, Partially Agree, or Do Not Agree and Corrective Action Plan	Expected or Actual Implementation Date	Status of Outstanding Audit Recommendations and Implementation Progress Summary
<p>to ensure customers are billed correctly for their City-provided services.</p> <ul style="list-style-type: none"> Ensure that all residential accounts are receiving required services. Ensure that the commercial accounts that the City is responsible for receive and pay for the zero waste services required by City policy. Verify that roll-off bin customers serviced by the Zero Waste Division are accurately billed. 			December 2019	<p>IT has created a table for monthly routing development that extracts customer information from the FUNDS and provides the data to be then downloaded into RouteSmart™. Due to the FUNDS system limitations, this link takes hours to download information into RouteSmart™. The company, RouteSmart™, has stated that this integration process should take minutes. The City will be replacing the ERP system in June 2019 and then the CRM system would be upgraded or replaced. The long term solution is to integrate the new customer management, operations and billing software with RouteSmart™. With RouteSmart™ full utilization and the integration of a work order system, the invoicing system could be customer based, i.e. customers' billing and services are directly linked with the new EFP implementation, to allow the City to more easily reconcile services provided with customers' invoices.</p> <p>September 25, 2018 Update Partially Implemented</p>
			December 2019	<p>IT facilitated the key departments to complete an As-Is analysis of existing software to identify areas of improvement. The departments have completed a To-Be analysis of future software which was the basis for a Request For Proposals (RFP) to solicit new software for new customer interface, refuse billing and routing systems. Both the CX (customer account management and billing software) and RouteSmart™ (collection routing software) systems are planned for replacement within the next year. These reviews were facilitated by the City's software consultant, Third Wave. The RFP is tentatively scheduled for late 2018 release. IT administration, IT-311 and Zero Waste are collaborating to ensure a unified approach. This new routing and customers billing software will the CX and RouteSmart™ Systems and integrate with Erma, the City's new financial software system. The new software will be customer driven and provide enhanced, coordinated billing system.</p> <p>March 12, 2019 Update Partially Implemented</p>
			January 2021	<p>IT released an RFP on behalf of Public Works for Zero Waste Management software on October 18, 2018. The RFP was for a Zero Waste Management System and Professional Services consisting of a Waste Billing System, a Waste Computerized Maintenance Management System and a Route Optimization System. One proposal was received. If the proposal is accepted, software installation and implementation is anticipated to begin immediately upon contract execution in May 2019, with software operational by December 2019.</p> <p>March 10, 2020 Update</p>

ATTACHMENT No. 1

Audit Title: Unified Vision of Zero Waste Activities Will Help Align Service Levels with Billing and Ensure Customer Equity					
Findings and Recommendations	Lead Dept.	Agree, Partially Agree, or Do Not Agree and Corrective Action Plan	Expected or Actual Implementation Date	Status of Outstanding Audit Recommendations and Implementation Progress Summary	
				Partially Implemented Information Technology Department and Legal are in the process of finalizing a contract with the vendor ACMS. Staff anticipate that the new software will be installed by late 2020. This new software will improve all billing information and then will allow the City to release an RFP for a Routing Software system that is user friendly. This new Routing system will then ensure accurate data for efficient route audit.	
1.10	Enforce the requirement for zero waste drivers to compare actual service levels against route books and addenda during their collection routes, and report any variances to the Zero Waste Division supervisor for correction. Ensure that the drivers' efforts are supported by taking action to correct the discrepancies.	Public Works	Agree.	December 2016	<p>September 20, 2016 Update We agree that the actual service levels should be compared against route books but believe that enforcing the policy to have drivers do onsite comparisons is no longer an efficient use of our drivers' time. We are exploring other options, such as using student interns to do the comparisons.</p> <p>January 23, 2018 Update Implemented The Zero Waste drivers are reminded monthly to verify actual service levels with the route books for their collection routes by the Zero Waste Management Team. The Zero Waste dispatcher(s) are in constant communication with the drivers to ensure service levels are correct. If service levels are not corrected, Zero Waste Supervisor(s) undertake appropriate corrective actions to ensure verification.</p>
1.11	When drafting new franchise hauler agreements: <ul style="list-style-type: none"> ▪ Clearly define the fee calculation requirements. ▪ Clearly define the type of financial data and reports that the haulers must submit to support their fee calculations. Create and enforce the use of standardized forms for the franchise haulers to use when remitting their fees to facilitate Public Works staff's review. 	Public Works	Agree	Originally Expected: December 2017	<p>September 20, 2016 Update The City has contracted with a consultant to assess development and implementation costs related to the City's planned in-house commercial hauling system, and evaluate the financial and operational impacts of that system on the City and on existing commercial customers. The study will look at future franchise agreements for waste collection services and will include these factors.</p> <p>January 23, 2018 Update Not Implemented The City Council approved a recommendation to replace the current non-exclusive franchise collection system for commercial refuse and recyclables with in-house commercial refuse and recycling collection services except for roll-off service. In FY19, Public Works' will be issuing an RFP to solicit a consultant to review all Transfer Station and residential and commercial community members' rates. Once contracted, the consultant will assess development and implementation costs related to redesigning the franchise commercial hauling system to provide for roll-off and compactor services. Then, the consultant will evaluate the financial and operational impacts of that system</p>

ATTACHMENT No. 1

Audit Title: Unified Vision of Zero Waste Activities Will Help Align Service Levels with Billing and Ensure Customer Equity				
Findings and Recommendations	Lead Dept.	Agree, Partially Agree, or Do Not Agree and Corrective Action Plan	Expected or Actual Implementation Date	Status of Outstanding Audit Recommendations and Implementation Progress Summary
			July 2019	<p>on the City and on existing commercial customers.</p> <p><u>January 23, 2018 Update</u> Not Implemented No changes since last report, but progress continues on this item.</p> <p><u>September 25, 2018 Update</u> Not Implemented No changes since last report, but progress continues on this item.</p> <p><u>March 12, 2019 Update</u> Not Implemented With Zero Waste Division successful completion in March 2018 of the integration of commercial accounts (440 +) formerly collected under the existing Non-Exclusive Commercial Hauler Franchise Agreement system, revision of the existing system is not required. Zero Waste does not anticipate issuing new Franchise Agreements but will work with the three existing Franchisees during the next Franchise Agreement renewal process in 2020 to enhance reporting requirements. Public Works will also evaluate the published fees as set by resolution as listed in 9.60.260 of the Municipal Code.</p> <p><u>March 10, 2020 Update</u> Will Not Implement With the inclusion of these commercial accounts collected by Zero Waste, revision of the existing Non-Exclusive Commercial Hauler Franchise Agreement (NECGF) will not be conducted. These agreements represent 0.8% (8/10 of 1%) of the City's total recycling material volume, and the severe reduction in market values of these materials since mid-2009, this effort would require significant staff (which is not currently budgeted) with a small amount of revenue that may be recovered. Without the addition of 2 or 3 positions in Zero Waste, this rewrite and expansion of the NECGF would require significant staff time (which is not currently budgeted) to develop, implement and enforce agreements to regulate commercial roll-off boxes, i.e., eight (8) cubic yards or larger.</p>
1.12	Public Works	Partially Agree	Originally Expected; December 2016	<p><u>September 20, 2016 Update</u> City Council Approved a Public Works <u>Action Calendar Item</u> to replace the current non-exclusive franchise collection system. Public Works' long-term plan is for the department to take over all commercial zero waste services except for roll-off containers and compactors. Given the planned changes, it is not practical or cost-effective to undertake the task of investigating the past fee calculations. However, moving forward, for any franchise hauler agreements we may have, we will require</p>

ATTACHMENT No. 1

Audit Title: Unified Vision of Zero Waste Activities Will Help Align Service Levels with Billing and Ensure Customer Equity				
Findings and Recommendations	Lead Dept.	Agree, Partially Agree, or Do Not Agree and Corrective Action Plan	Expected or Actual Implementation Date	Status of Outstanding Audit Recommendations and Implementation Progress Summary
			<p>October 2018</p> <p>June 2020</p>	<p>that staff have written procedures in place that describe the correct calculations for determining what that haulers owe the City, and that staff review invoices for accuracy in comparison to those calculation requirements.</p> <p>January 23, 2018 Update Alternative Implemented At its May 26, 2015¹, the City Council approved a Department of Public Works Action Calendar Item to replace the current non-exclusive franchise collection system. The Council's approved Public Works' long-term plan for in-house collection of these non-exclusive commercial waste collection services except for roll-off and compactor services. This in-house commercial waste collection by Zero Waste Division is scheduled to start March 1, 2018 as detailed at the October 10, 2017 Council Worksession². Given the approved action with the non-exclusive franchisees termination, it would be neither practical nor cost-effective to undertake the task of investigating the past fee calculations. ZWD staff agrees for any future franchise hauler agreements for roll-off and compactor services that staff will have written procedures in place that describe the correct calculations to determine what that owe the City, and that staff will review invoices for accuracy in comparison to those calculation requirements.</p> <p>September 25, 2018 Update Partially Alternately Implemented Beginning in March 2018, the Zero Waste Division began collecting commercial waste, recyclables and compost in-house, except for roll-off and compactor services. Written procedures that describe the correct calculations are in progress concurrence with the implementation of Erma, the City new financial software system, to start October 1st.</p> <p>March 12, 2019 Update Partially Alternately Implemented Given the roll-out issues associated with the November 1st implementation of the City's new enterprise resource planning system, "Erma", staff time has been rerouted to resolve. This project is on hold.</p>

¹ https://www.cityofberkeley.info/Clerk/City_Council/2015/05_May/Documents/2015-05-26_Item_34_Zero_Waste.aspx

² https://www.cityofberkeley.info/Clerk/City_Council/2016/09_Sep/Documents/2016-09-13_WS_Item_01_Zero_Waste_Worksession.aspx

ATTACHMENT No. 1

Audit Title: Unified Vision of Zero Waste Activities Will Help Align Service Levels with Billing and Ensure Customer Equity				
Findings and Recommendations	Lead Dept.	Agree, Partially Agree, or Do Not Agree and Corrective Action Plan	Expected or Actual Implementation Date	Status of Outstanding Audit Recommendations and Implementation Progress Summary
				<p><u>March 10, 2020 Update</u> Will Not Implement With the inclusion of these commercial accounts collected by Zero Waste, investigation of the existing Non-Exclusive Commercial Hauler Franchise Agreement (NECGF) paying franchise fees on recyclables will not be conducted. Currently the City is collecting estimated 128 tons of recyclable material (12/2017 vs. 12/2018) from these 440+ commercial accounts. Given this volume, which is 0.8% (8/10 of 1%) of the City's total recycling material volume, and the severe reduction in market values of these materials since mid-2009, this effort would require significant staff (which is not currently budgeted) with a small amount of revenue that may be recovered.</p>