

Agenda Report



Date: March 22, 2016
To: Honorable Mayor and City Council
From: Jeffrey W. Collier, City Manager
Subject: Solid Waste Collection Update

RECOMMENDATION

It is recommended the City Council receive and file an update report regarding solid waste collection.

BACKGROUND

At the May 12, 2015 meeting, the City Council received and filed an agenda report detailing the solid waste collection procurement process and approved issuing a Request for Proposals (RFP) to enter into an exclusive solid waste franchise agreement. On June 3, 2015 RFPs were issued to five qualified providers (both publicly traded and privately held) of sufficient size and financial strength with good track records in the region that could meet the City's long term needs. Those providers were Republic, Waste Management (WM), Burrtec/EDCO, CR&R and Athens Services (Athens). All but one of the collectors submitted responsive proposals by the deadline of July 28, 2015. Waste Management did not submit a proposal.

On October 13, 2015 the City Council considered the four proposals at length but did not come to a consensus to select a firm for negotiations. The regular meeting of October 13, 2015 was adjourned to October 20, 2015 to complete deliberations and render a decision. At the October 20, 2015 meeting, the City Council selected Arakelian Enterprises, Inc. (dba Athens Services) and directed the City Manager to negotiate the final terms of the franchise agreement.

At the December 8, 2015 meeting, the City Council adopted Resolution No. 8747 declaring its intent to grant Arakelian Enterprises (dba Athens Services) a franchise to provide solid waste and recycling services. The City Council also introduced and conducted a first reading of the franchise ordinance, and set a public hearing for January 12, 2016. At the January 12, 2016 meeting the City Council considered public input and adopted Ordinance No. 3047.

Referendum Petition

The City Charter allows for a voter referendum to halt the implementation of the franchise agreement granted by Ordinance No. 3047 by submitting a petition that includes 10% of Whittier registered voters. A referendum petition was submitted to the City Clerk-Treasurer's office and the County of Los Angeles is now verifying signatures. If enough valid signatures have been submitted, the City Council may repeal the

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ordinance or submit it to the voters. A majority vote of the voters would determine whether the referendum passes or fails. In the interim, Ordinance No. 3047 is suspended.

The franchise agreements with Consolidated Disposal Service (CDS), a subsidiary of Republic Services, and Waste Management expire on June 30, 2016. Ordinance No. 3047 and its franchise agreement contemplate Athens beginning solid waste collection and recycling service to the entire City on July 1, 2016. Regardless of whether the referendum is successful and the ordinance is repealed or continues to be suspended pending an election, a plan is needed to ensure uninterrupted solid waste collection and recycling service for the period between the expiration of the current franchise agreements and the effective date of a new solid waste franchise agreement.

DISCUSSION

During the City Council's March 8, 2016 meeting the Council directed staff to negotiate with both Republic Services (CDS) and Athens Services on a potential interim service agreement. Staff met with Athens on March 17 and is scheduled to meet with Republic on March 21. Staff anticipates the need to meet with both firms further and will be prepared to present the two firms' proposals at the next available Council meeting, which is currently April 26. At that meeting staff anticipates the Council will have a determination from the County of Los Angeles on whether the referendum petition has qualified. If the petition has qualified then the City Council either must set a date for the referendum election and direct staff to return with implementing documents, or instruct staff to prepare an ordinance to repeal the franchise ordinance. If the Council chooses to repeal the franchise ordinance then the Council will also need to direct staff on how to proceed – whether to commence a new procurement process for a franchise or to negotiate a new agreement with a specific solid waste collection provider.

Since the Council's last meeting on March 8 staff has received an unsolicited offer from Waste Management to provide solid waste collection services. As you will recall Waste Management chose not to submit a proposal during the procurement process.

FISCAL IMPACT

There is no fiscal impact at this time.

Submitted by:



Jeffrey W. Collier
City Manager