

Agenda Report

TO: CITY COUNCIL

DATE: April 2, 2001

FROM: CITY MANAGER

SUBJECT: RECEIVE THE VOLUNTARY TERMINATIONS OF ELEVEN
NON-EXCLUSIVE SOLID WASTE FRANCHISEES

RECOMMENDATION:

It is recommended that City Council:

1. Receive the voluntary terminations of eleven non-exclusive solid waste franchisees listed in the body of the report for a variety of business reasons.
2. Direct the City Attorney to prepare the ordinance necessary to repeal the grants of non-exclusive franchise.

BACKGROUND:

On November 3, 1992, City Council adopted the solid waste collection franchise system. The purpose of that ordinance was to provide standards and procedures for granting non-exclusive franchise agreements for solid waste collection. In January of 1993, City Council Resolution #6851 resolved that any person or entity operating a solid waste franchise in the city must ensure that recycling services are provided to their customers in multi-family and commercial buildings.

On November 30, 2000, Public Works & Transportation staff held a mandatory meeting for all non-exclusive solid waste franchisees. At this meeting, staff emphasized the necessity for the franchisees to submit a plan of action on or before December 31, 2000, outlining the franchisees' efforts in providing recycling services to all their customers and diverting 50% of the waste stream they collect. It was explained to those in attendance that non-submittal of the plan of action by December 31, 2000, is a violation of section 6.0(E) of the Franchise Agreement. The franchisees were also notified that those companies that did not submit a recycling plan of action by December 31, 2000 would receive a letter of intent to terminate their franchise agreement.

A notice of intent to terminate franchise agreement was mailed to three franchisees. Those three franchisees, in addition to all other franchisees not listed below submitted a plan of action.

The eleven franchisees sent a letter to the City of Pasadena, attached as Exhibit 1, requesting voluntary franchise termination for a variety of business reasons, none of which reflect negatively on their business in the City of Pasadena.

The eleven franchisees listed below requesting voluntary termination became effective on April 26, 1999.

They are the following:

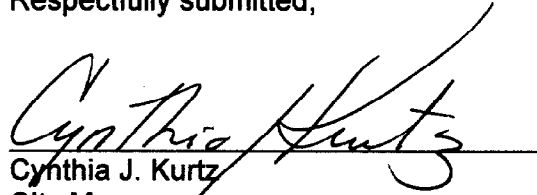
Allwaste Industries
Alta Rubbish Hauling
G.I. Rubbish Company
Jos. Levin & Sons
Larey Rubbish Pickup Service, Inc.
Metropolitan Waste Disposal
Modern Service Company
Naz Rubbish Disposal Company
National Waste Management
Newco Waste Systems Inc.
Randy's Roll-off Service

It was additionally explained that the franchisees submitting a plan of action but failing to fully implement that plan or meet the expected goals by July 1, 2001 would be recommended for termination to City Council in August 2001.

FISCAL IMPACT:

The customer accounts served by these non-exclusive solid waste collection franchise haulers will be absorbed by other franchisees, with a continuation of franchise fees paid to the City.

Respectfully submitted,


Cynthia J. Kurtz
City Manager

Prepared by:

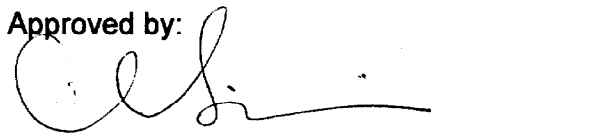


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