

Agenda Report

TO: CITY COUNCIL

DATE: September 22, 2008

FROM: CITY MANAGER

SUBJECT: ASSIGNMENT OF NON-EXCLUSIVE SOLID WASTE FRANCHISE
FROM LOONEY BINS, INC., TO USA WASTE OF CALIFORNIA, INC.,
DBA WASTE MANAGEMENT

RECOMMENDATION:

It is recommended that City Council direct the City Attorney to prepare an amendment to Ordinance No. 7087 that approves the transfer and assignment of the non-exclusive solid waste franchise from Looney Bins, Inc., to the new owner, USA Waste of California, Inc., dba Waste Management.

BACKGROUND:

On November 3, 1992, the City Council adopted the ordinance establishing a Solid Waste Collection Franchise System. The purpose of that ordinance was to provide standards and procedures for the granting of non-exclusive franchises for solid waste collection and to generate revenue for the preparation and implementation of an Integrated Waste Management Plan and for other municipal purposes.

Looney Bins, a California corporation, holds a non-exclusive, solid waste franchise in the City of Pasadena, and is in good standing. On April 15, 2008, USA Waste of California, Inc., dba Waste Management, a company that does not have a Pasadena non-exclusive solid waste franchise, acquired all outstanding shares of Looney Bins. While USA Waste of California could continue to operate under Looney Bins' name and franchise, it wishes to operate under the USA Waste of California corporate identity and with an assignment of Looney Bins' franchise. Assignment of a non-exclusive franchise requires the prior consent of the City Council expressed by ordinance.


The Director of Public Works has found the existing franchise held by Looney Bins, Inc. in good standing and in compliance with the terms of the franchise agreement, and has found that the purchaser USA Waste of California meets all the qualifications to hold a franchise and to assume the transfer of the franchise agreement. The original application for assignment is on file in the Street Maintenance and Integrated Waste Management office and has been certified by staff to be accurate and complete.

USA Waste of California franchisee shall be subject to the terms and conditions specified in the City Charter, in the non-exclusive franchise agreement, in the ordinance and resolutions granting the franchise, and in all other applicable federal, state and local laws and regulations.

FISCAL IMPACT:

The City will receive a fee of 16 percent of gross customer receipts generated by USA Waste of California, Inc., dba Waste Management. The franchisee shall be subject to, and the City shall perform, random audits annually to insure that the information provided to the City is accurate.

Respectfully submitted,


for BERNARD K. MELEKIAN
City Manager

Prepared by:


Carmen Rubio, Program Coordinator
Street Maintenance & Integrated Waste Management

Approved by:


Martin Pastucha, Director of Public Works