

Agenda Report

TO: CITY COUNCIL

Date: April 26, 1999

FROM: CITY MANAGER

SUBJECT: PUBLIC HEARING TO CONSIDER GRANTING NON-EXCLUSIVE SOLID WASTE FRANCHISES

RECOMMENDATION

It is recommended that:

1. The City Council hold a public hearing to consider granting non-exclusive solid waste franchises.
2. After the public hearing is held, the City Council make a decision on whether or not to grant the franchises.
3. The City Council direct the City Attorney and staff to prepare the necessary ordinances for the approved applications and authorize the City Manager to enter into the franchise agreements on or after the effective date of the ordinance approving such franchise.

BACKGROUND

On March 15, 1999, the City Council adopted a resolution declaring its intention to consider the granting of non-exclusive franchises for complete applications and set a public hearing date for April 26, 1999, to consider granting these franchises. The hearing notification was published in the Pasadena Weekly on April 15, 1999.

On November 3, 1992, the City Council adopted the 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. This Ordinance provides that "[a]ny person who intends to operate as a franchisee shall apply to the city by paying an application processing fee, in an amount set by a resolution of the board of directors, and by filing with the director, upon forms supplied by the city, a verified application...".

The proposed franchise is a non-exclusive franchise for the collecting, transporting, disposing, and/or recycling of solid waste kept, accumulated, or produced in the City. The terms and conditions are the payment of a franchise fee based upon a percentage of gross receipts, insurance, indemnification of the City, proof that books and accounts are kept in a manner which conforms to generally accepted accounting principles, and specified reporting of collection, disposal and waste reduction, and recycling activities.

The following proposed franchisees have completed applications and comply with the provisions as set forth in the ordinance. All of these applications provide the information as set forth in the non-exclusive Solid Waste Franchise System, Section 8.61.080.

The potential franchisees are:

- 1) AAA Rubbish, Inc.
- 2) Active Disposal & Recycling
- 3) Allan Company
- 4) Allwaste Industries
- 5) Alta Rubbish Hauling
- 6) American Reclamation
- 7) American Waste Industries
- 8) D. Angelus Disposal
- 9) Art's Disposal Service, Inc.
- 10) Athens Services
- 11) Atlas Disposal
- 12) BFI Waste Systems of North America, Inc.
- 13) City Rent A Bin
- 14) Consolidated Disposal Service, L.L.C.
- 15) Crown Disposal Company, Inc.
- 16) Flores Recycling
- 17) Full Circle Recycling Company
- 18) G & G Roll Off Services, Inc.
- 19) General Waste Disposal, Inc.
- 20) G. I. Rubbish Company
- 21) Goodwill Disposal Company, Inc.
- 22) Haul-Away-Rubbish Service Company, Inc.
- 23) HMD Waste Company
- 24) Klistoff & Sons Disposal, Inc.
- 25) Larey Rubbish Pickup Service, Inc.
- 26) Jos. Levin & Sons
- 27) Lou's Disposal Company, dba Excell Waste Service & Recycling
- 28) Master Disposal Company, Inc.
- 29) Metropolitan Waste Disposal
- 30) Modern Service Company
- 31) Murk Brothers Disposal Company
- 32) Nasa Disposal Service, Inc.
- 33) Naz Rubbish Disposal Company
- 34) Newco Waste Systems, Inc.
- 35) Norcal Waste Systems, Inc. dba J.J.V. Disposal
- 36) Nu-Way Roll-Off Service
- 37) Pacific Coast Waste, Inc.
- 38) Randy's Roll-Off Service
- 39) S & P Rubbish, Inc.
- 40) Shubin Services, Inc., dba Federal Disposal Service
- 41) Solomon Transport Service, Inc.
- 42) Southern California Environmental, Inc.
- 43) Southland Disposal Company
- 44) SWRD, Inc., dba Solid Waste Recycling and Disposal
- 45) Universal Waste Systems, Inc.
- 46) Valley Vista Services, Inc.
- 47) Ware Disposal Company, Inc.
- 48) Waste Management of San Gabriel/Pomona Valley

All of the original applications are on file in the Street Maintenance and Integrated Waste Management office and have been certified by staff to be accurate. Each approved franchise shall be subject to the terms and conditions specified in the city charter, in the non-exclusive franchise system ordinance, in the ordinances and resolutions granting the franchise, and in all other applicable federal, state, and local laws and regulations. The term of this franchise shall be for five years beginning on the effective date of the ordinance approving each application, as specified in the franchise system ordinance. There shall be no renewal of a non-exclusive franchise, but, at any time within six months prior to its expiration date, a franchisee may submit a new application for a new non-exclusive franchise.

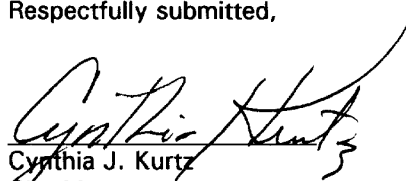
The proposed franchisees fully comply with the Affirmative Action in Contracting Ordinance and the rules and regulations promulgated thereunder.

Under the State Guidelines for the Implementation of the California Environmental Quality Act (CEQA), the non-exclusive franchise system ordinance is categorically exempt since the collection of solid waste is already taking place in the City. A Notice of Exemption was filed with the Los Angeles County Clerk in conjunction with the passage of the non-exclusive franchise system ordinance.

FISCAL IMPACT

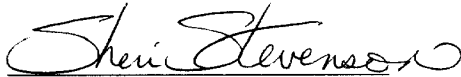
For every franchise approved, the City will receive a percentage of gross receipts collected by each of the franchisees. It is estimated that \$650,000 in revenue will be generated during a full year, with 50% or \$325,000 appropriated to the General Fund and 50% or \$325,000 appropriated to the Solid Waste Enterprise Fund.

Respectfully submitted,



Cynthia J. Kurtz
City Manager

Prepared by:



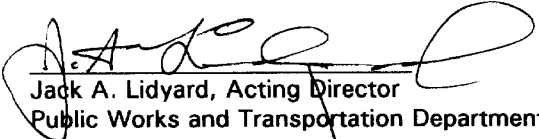
Sheri Stevenson
Management Analyst III
Street Maintenance and Integrated Waste Management Division

Reviewed by:



Jimmy S. Berryhill, Administrator
Street Maintenance and Integrated Waste Management Division

Approved by:



Jack A. Lidy, Acting Director
Public Works and Transportation Department