

MARK PESTRELLA, Director

# COUNTY OF LOS ANGELES DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

900 SOUTH FREMONT AVENUE ALHAMBRA, CALIFORNIA 91803-1331 Telephone (828) 458-5100 http://dpw.lacounty.gov

ADDRESS ALL CORRESPONDENCE TO: P.O. BOX 1460 ALHAMBRA, CALIFORNIA 91802-1460

> IN REPLY PLEASE REFER TO FILE

December 06, 2022

The Honorable Board of Supervisors County of Los Angeles 383 Kenneth Hahn Hall of Administration 500 West Temple Street Los Angeles, California 90012

Dear Supervisors:

### ENVIRONMENTAL SERVICES CORE SERVICE AREA REQUEST FOR CONTRACT EXTENSION AND AWARD OF ADDITIONAL FRANCHISE AGREEMENTS FOR THE NON-EXCLUSIVE COMMERCIAL FRANCHISE WASTE COLLECTION SERVICES FOR VARIOUS UNINCORPORATED AREAS (ALL SUPERVISORIAL DISTRICTS) (3 VOTES)

### **SUBJECT**

Public Works is seeking Board approval to extend the term of the Non-Exclusive Solid Waste Collection Franchise agreements, as well as to award and execute new additional agreements for a term of up to 1 year, plus additional 1-year renewal options up to no later than December 31, 2032, for continued refuse, recyclables, and organic waste collection services to commercial, multifamily, and certain residential properties with dumpster and/or roll-off services within the applicable unincorporated areas of Los Angeles County.

### IT IS RECOMMENDED THAT THE BOARD:

1. Determine that the recommended actions are within the scope of the Non-Exclusive Solid Waste Collection Franchise project impacts analyzed in the Negative Declaration previously adopted by the Board.

2. Find that the public health, safety, and welfare require that the County award Non-Exclusive Commercial Franchise agreements for solid waste handling services for all applicable unincorporated areas of Los Angeles County, excluding services provided within the Exclusive Commercial Franchise, Garbage Disposal Districts, or any other areas designated as exclusive by the Director of Public Works. Delegate authority to the Director of Public Works or his designee to

grant temporary exceptions to service exclusivity within the Exclusive Commercial Franchise, Garbage Disposal Districts, or any other designated exclusive areas during a transition period (i.e., the inception of new exclusive service areas or transition of customers between waste haulers).

3. Approve amendments to 27 Non-Exclusive Solid Waste Collection Franchise agreements to extend the term of the agreements by up to 1 year, commencing on January 1, 2023, and expiring on December 31, 2023, with 1-year renewal options until December 31, 2032.

4. Delegate authority to the Director of Public Works or his designee to execute these amendments; execute future agreements under this program to additional contractors that meet all the requirements described in a Request for Statement of Qualifications for an initial term, not to exceed a contract period commencing on January 1, 2023, and ending on December 31, of the same year of execution, with 1-year renewal options, not to exceed a final option term expiring on December 31, 2032, if exercised; renew the agreements for each additional renewal option and extension period if, in the opinion of the Director of Public Works or his designee, the contractors have successfully performed during the previous contract period and the services are still required; approve and execute amendments to incorporate necessary changes within the scope of work; and suspend work if it is in the best interest of the County to do so.

5. Delegate authority to the Director of Public Works or his designee to terminate any future Non-Exclusive Solid Waste Collection Franchise agreements for convenience upon written request by a franchise waste hauler and when the Director or his designee determines that such termination is in the best interest of the County; and authorize the Director to implement all necessary and appropriate actions to effectuate the termination, including execution of an agreement to terminate for convenience, of any such franchise agreement.

6. Delegate authority to the Director of Public Works or his designee to terminate for default any future Non-Exclusive Solid Waste Collection Franchise agreement with a franchise waste hauler that the Board has debarred; and authorize the Director or his designee to determine the effective termination date and to implement all necessary and appropriate actions to effectuate such termination, all in accordance with the terms of the Non-Exclusive Solid Waste Collection Franchise agreement and the Los Angeles County Code, as referenced. The Director or his designee will notify the Board and the Chief Executive Office 10 business days prior to such termination for default.

## PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended actions would comply with the California Environmental Quality Act (CEQA) and allow Public Works to extend the term of the current Non-Exclusive Commercial Franchise (NECF) agreements to continue to provide quality solid waste collection services and execute new agreements in compliance with organic waste regulations adopted by the California Department of Resources Recycling and Recovery under Senate Bill 1383 (2016). The regulations require the County to have contracts with waste haulers that provide organic waste collection service and to impose and enforce specific Senate Bill 1383 requirements. Additionally, the extended agreements will ensure all commercial customers not already serviced by exclusive waste haulers in the unincorporated areas of Los Angeles County receive quality standardized refuse, recycling, and organic waste collection services. The authority to execute new additional agreements allow for new or previously unauthorized waste haulers to have the opportunity to provide service in the County.

#### **Implementation of Strategic Plan Goals**

These recommendations support the County Strategic Plan: Goal II, Foster Vibrant and Resilient Communities; Objective II.1.2, Support Small Businesses and Social Enterprises; Strategy II.3, Make Environmental Sustainability our Daily Reality; and Objective II.3.4, Reduce Waste Generation and Recycle and Reuse Waste Resources. The recommended actions improve the environmental, economic, and social well-being of our communities by reducing greenhouse gases, recycling construction and demolition debris, and composting food waste.

The recommended actions improve the environment, economy, and social well-being of our communities by providing solid waste collection services, which includes the collection of refuse, recyclables, and organic waste, which protects the environment and improves the quality of life of the residents and businesses within the franchise and surrounding areas.

### **FISCAL IMPACT/FINANCING**

There will be no impact to the County General Fund.

Upon approval by the Board, NECF customers may utilize authorized waste haulers for solid waste collection services, which will be provided at a specified service rate by the authorized waste hauler. Service rates will be billed directly to customers by the authorized waste haulers. Waste haulers will pay a franchise fee to the County. The necessary funds to administer the NECF contracts are included in the Solid Waste Management Fund (GD1, Revenue Source 8355) Fiscal Year 2022-23 Budget and will be included through the annual budget process for the remaining contract years.

### FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Under the existing NECF contracts, any private waste hauler that has a contract with Los Angeles County can offer solid waste collection and recycling services to businesses, multi-family complexes (of 5 units or more), and single-family residences that request dumpster service. There are 27 waste haulers with active contracts. Each waste hauler can offer different rates for different customers and schedule waste collection pickup at varying times and days.

On August 2, 2022, the Board approved the establishment of an exclusive commercial franchise system with eight geographic areas where commercial waste and recycling services would be provided by one waste hauler in each area; however, many waste-related services can more effectively be provided through a more competitive and decentralized non-exclusive system, such as for roll off bins, construction and demolition debris collection, and other specialized services. Additionally certain communities in Los Angeles County remain outside of the exclusive commercial franchise areas, including the Antelope Valley, Acton, Agua Dulce, and NBC Universal. Until a new collection system is established in those areas, the recommended actions will allow for the continuation of the NECF in order to ensure quality solid waste collection services and compliance with State laws and regulations.

Title 20, Section 20.70.020 of the Los Angeles County Code authorizes the Board to award a non-exclusive, partially exclusive, or wholly exclusive franchise for certain solid waste handling services for unincorporated County areas. The proposed NECF contracts will allow the County to develop programs, records, and reports required under Assembly Bills 939 and 341, Senate Bill 1383, and other applicable laws and regulations.

Upon Board approval, the County may award waste haulers to begin or continue solid waste collection service. The current 27 NECF contracts set to expire on December 31, 2022, will receive contract extensions upon mutual agreement. The County will also allow additional waste haulers to submit Statement of Qualifications (SOQs) to potentially enter into new contracts for NECF service. All extensions and new contract terms will be for 1 year, with 1-year renewal options to no later than December 31, 2032.

## **ENVIRONMENTAL DOCUMENTATION**

An Initial Study of Environmental Factors was prepared for the award of NECF agreements for commercial solid waste collection services to bin or dumpster and roll-off customers within the unincorporated communities of Los Angeles County. The Initial Study showed that there is no substantial evidence that the project may have a significant effect on the environment. Based on the Initial Study, the enclosed Negative Declaration was prepared and adopted by the County on April 10, 2012. The Initial Study/Negative Declaration was adopted in compliance with CEQA and reflected the independent judgment and analysis of the County.

The recommended actions are within the scope of the project in the previously adopted Initial Study/Negative Declaration because the recommended actions merely extend the term of the existing agreements. There is no change in the scope of the existing activities proposed during the extension period. In addition, based on the records of the project, the activities will not be located in a sensitive environment and there are no cumulative impacts, unusual circumstances, damage to scenic highways, listing on hazardous waste sites compiled pursuant to Government Code, Section 65962.5, or any potential to cause an adverse change in the significance of a historical resource.

There are no changes to the project or to the circumstances under which the project is undertaken that require further review under CEQA.

The location of the documents and other materials constituting the record of the proceedings upon which, your Board decision is based in this matter is Public Works, Transportation Planning and Programs Division at 900 South Fremont Avenue, Alhambra, CA 91803. The custodian of such documents and records is Mr. Ed Dingman, Senior Civil Engineer, Los Angeles County Public Works.

Upon the Board's approval of the project, Public Works will file a Notice of Determination with the County Clerk in accordance with Section 21152 of the California Public Resources Code.

### **CONTRACTING PROCESS**

A notice of a Request for Statements of Qualifications (RFSQ) will be released to the public and it will be kept open continuously. A notice of the RFSQ will be posted on both the "Doing Business With Los Angeles County" and "Do Business With Public Works" websites and Twitter. In addition, advertisements will be placed in the Los Angeles Daily Journal, Los Angeles Sentinel, La Opinión, The Daily Breeze, The Signal (Santa Clarita), World Journal, Watts Times, Malibu Times, Press Telegram, and Pasadena Star News. Also, Public Works will inform 1,458 Local Small Business Enterprises; 166 Disabled Veteran Business Enterprises; 160 Social Enterprises; 876 Community Business Enterprises; and 193 independent contractors, various business development centers, and municipalities about this business opportunity.

The SOQs will be first reviewed to ensure they meet the mandatory requirements outlined in the RFSQ. With the Board's delegated authority, Public Works will award contracts to those vendors whose SOQs meet the mandatory requirements outlined in the RFSQ.

# **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Approval of the agreements will continue the current contracts services without disruption to the public and reopening of the RFSQ will enhance and expand County services and projects, resulting in a positive impact to the environment and quality of life.

## **CONCLUSION**

Please return one adopted copy of this Board letter to Public Works, Environmental Programs Division.

Respectfully submitted,

M Potelli

MARK PESTRELLA, PE Director

MP:EKT:tl

Enclosures

c: Chief Executive Office (Chia-Ann Yen) County Counsel Executive Office



GAIL FARBER, Director

# **COUNTY OF LOS ANGELES**

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> IN REPLY PLEASE REFER TO FILE: AS-0

January 11, 2012

#### NOTICE OF REQUEST FOR STATEMENT OF QUALIFICATIONS FOR NON-EXCLUSIVE COMMERCIAL FRANCHISE SERVICES (2012-FA001)

PLEASE TAKE NOTICE that Public Works requests Statements of Qualifications for the Non-Exclusive Commercial Franchise Services (2012-FA001). The Request for Statement of Qualifications (RFSQ) with contract specifications, forms, and instructions for preparing and submitting proposals may be accessed at <a href="http://dpw.lacounty.gov/asd/contracts">http://dpw.lacounty.gov/asd/contracts</a> or may be requested from Mr. Jesus Castillo at (626) 458-4055, <a href="http://gov.lacounty.gov">jcastill@dpw.lacounty.gov</a>, Monday through Thursday, 7 a.m. to 5 p.m.

Effective July 1, 2012, State law requires all applicable bin (or dumpster)/roll-off customers to subscribe to recycling services. As a result, a Draft Non-Exclusive Commercial Franchise Agreement (Agreement) has been completed. The Board of Supervisors (Board) will consider adoption of the Agreement in spring 2012. Once adopted, all waste haulers operating within the unincorporated areas of the County (excluding the County's Garbage Disposal Districts and cities) must sign the Agreement in order to provide services to properties that utilize bins (or dumpsters) and roll-off boxes.

PLEASE CHECK THE WEBSITE FREQUENTLY FOR ANY CHANGES TO THIS SOLICITATION. ALL ADDENDA AND INFORMATIONAL UPDATES WILL BE POSTED AT <u>http://dpw.iacounty.gov/asd/contracts</u>. PROPOSERS MUST ACCESS THE RFSQ AT THE ABOVE-MENTIONED LINK AND DOWNLOAD A COPY FOR THEIR USE. A FREQUENTLY ASKED QUESTIONS (FAQ) WILL ALSO BE POSTED ON THE ABOVE-MENTIONED LINK.

Proposers' workshops will be held at Public Works Headquarters, 900 South Fremont Avenue, Alhambra, California 91803. Please contact Mr. Castillo via e-mail at <u>icastill@dpw.lacounty.gov</u>, or Mr. Benjamin Sandoval via e-mail at <u>bsandoval@dpw.lacounty.gov</u>, to schedule an appointment. The workshops will be held on the following days and times: January 11, 2012 Page 2

- Friday, January 20, 2012, from 9 a.m. to 3 p.m. in Conference Room A.
- Friday, January 27, 2012, from 9 a.m. to 3 p.m. in Conference Room A.

The workshops will be on a first-come, first-served basis, unless an appointment was previously scheduled. All scheduled appointments will be assisted prior to any walk-ins. It is advised that Proposers come to the workshops with a completed proposal. Representatives from Public Works will review the completed proposals with the Proposers at the workshop.

**Minimum Requirement(s):** Proposers must meet all minimum requirements set forth in the RFSQ document including, but not limited to, possessing a valid and active Waste Collector Permit issued by the County Department of Public Health naming the Proposer as the permittee at the time of proposal submission, and must complete Forms PW-1 through PW-20 to the satisfaction of the County. Please direct your questions to Mr. Castillo at the number listed on the previous page.

This RFSQ process may take several months to process before Franchise Agreements can be fully executed by the Board and collection services can commence. Therefore, It is imperative that Proposers return all proposal materials no later than <u>January 31, 2012</u>, for a service commencement date of July 1, 2012, as anticipated to be authorized by the Board. Proposals will be reviewed in the order they are submitted to Public Works based on the time indicated by the Public Works time stamp.

The conference facility complies with the Americans with Disabilities Act (ADA). With four business days notice, Public Works will make all reasonable efforts to provide information in alternate formats and other accommodations for people with disabilities. For the ADA Coordinator, please call (626) 458-4081 or TDD at (626) 282-7829, Monday through Thursday, 7 a.m. to 5:30 p.m.

Very truly yours,

GAIL FARBER Director of Public Works

MASSOOD EFTEKHARI Deputy Director

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GAIL FARBER, Director

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January 11, 2012

To: Los Angeles County Permitted Waste Haulers

#### CURRENT COMMERCIAL OPEN-MARKET SYSTEM TO BE REPLACED WITH A NON-EXCLUSIVE COMMERCIAL FRANCHISE SYSTEM

Effective July 1, 2012, State law requires all applicable bin (or dumpsters) and roll-off customers to subscribe to recycling services and imposes new requirements on local jurisdictions. As a result, Public Works is proposing to implement a new Non-Exclusive Commercial Solid Waste Collection Franchise System within the unincorporated areas of the County of Los Angeles, excluding the Garbage Disposal Districts and cities. The Board of Supervisors will be considering adoption of a Non-Exclusive Commercial Franchise Agreement (Agreement) in Spring 2012 with an effective date of July 1, 2012.

Once adopted, permitted waste haulers who currently provide service or plan to provide service in bins or dumpsters and roll-off boxes to residential, multifamily, commercial, industrial, and institutional properties in the unincorporated areas of the County of Los Angeles <u>will be required</u> to submit all documents and forms as specified in the enclosed Request For Statement of Qualifications (RFSQ) and sign the Agreement with the County of Los Angeles. Additionally, this requirement applies to all permitted waste haulers providing roll-off and construction and demolition handling services in the unincorporated areas of the County of Los Angeles.

#### Background

Currently, commercial solid waste collection services in bins (or dumpsters) and roll-off boxes within the unincorporated areas of the County of Los Angeles are provided by private waste haulers through an open-market system where customers directly arrange for services with waste haulers and not with the County of Los Angeles. However, the open-market system has been unable to meet demands due to changes in State laws, Los Angeles County Permitted Waste Haulers January 11, 2012 Page 2

public attitudes towards protecting the environment, and customers' desire for enhanced recycling and collection services.

Pursuant to State law (Assembly Bill 341 and Assembly Bill 32) the County of Los Angeles must implement mandatory commercial recycling and waste reduction programs by July 1, 2012. In order to comply with these mandates and enhance trash collection and recycling services, Public Works is proposing to implement a new Non-Exclusive Commercial Franchise System starting July 1, 2012, for all of the unincorporated areas of the County of Los Angeles, excluding Garbage Disposal Districts and cities. The Board of Supervisors will consider adoption of the Agreement in Spring 2012 with an effective date of July 1, 2012.

#### Past Actions and Existing Ordinances

In June 1998, Public Works issued a five-year notice to all permitted solid waste collectors serving the unincorporated areas of the County. The letter notified the waste haulers of the County's intent to provide or authorize solid waste handling services for residential, commercial, institutional or industrial premises within the unincorporated areas of the County. The notice was issued after numerous customer service complaints, consolidations in the industry, and to better position the County in meeting the State's waste reduction mandates.

In 2001, Public Works prepared a comprehensive report evaluating various trash collection system options. The Board of Supervisors (BOS) approved the report to move forward in the direction of franchising in 2002. Between 1999 and 2004, Public Works worked with the waste industry to develop a residential model franchise agreement. To date, 21 residential franchises have been implemented.

In September 2004, the BOS adopted County Code Chapter 20.70 which authorizes the County of Los Angeles Director of Public Works to require franchises in any part of the unincorporated territory of the County that is not served by a Garbage Disposal District and, as consideration for the grant of a franchise, payment of a franchise fee in an amount as may be determined by the BOS. Also, County Code Chapter 20.70.60 states that no person other than the holder of a franchise may provide solid waste handling services within the granted franchise area, in this case, the unincorporated areas of the County of Los Angeles. A violation of this code constitutes an infraction and any person who conducts solid waste handling services in violation of this code shall be subject to civil penalty.

Los Angeles County Permitted Waste Haulers January 11, 2012 Page 3

In May 2011, a draft model Agreement was developed in cooperation with County Counsel. In June 2011, Public Works assembled a Working Group comprised of industry stakeholders to provide feedback regarding the Agreement. Three meetings were held, with the final meeting conducted on September 29, 2011. At the conclusion of the last meeting, Working Group members expressed their appreciation to the County for our flexibility in incorporating their comments, ensuring a level playing field, and fostering competition. As a result, a final version of the Agreement was drafted for inclusion within the RFSQ package.

We cannot stress enough how important it is that you submit all of the required documents and forms as explained in the RFSQ by the required deadlines. Once the Agreement is adopted by the Board of Supervisors, Public Works will work with you to ensure the transition from the open market to the commercial franchise goes smoothly and without any service interruption. We thank you for your current service and look forward to working with you in providing quality commercial franchise services to the County of Los Angeles' unincorporated area customers.

If you have any questions, please contact Mr. Paul Alva of this office at (626) 458-3573, Monday through Thursday, 7 a.m. to 5:30 p.m.

Very truly yours,

GAIL FARBER Director of Public Works

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PAT PROANO Assistant Deputy Director Environmental Programs Division

ST:dy P:\Sec\Non-Exclusive Commercial Franchise System

Enc.