



City Council Meeting

Item # 10. – 19-1387 Public Hearing: Approve Non-Exclusive Franchise Agreements for Hauling of Industrial Refuse and Recyclables with Twelve (12) Companies

May 21, 2019



City of Santa Clara
The Center of What's Possible

Background

- Term of current agreements with ten (10) companies is 7/1/16 – 6/30/19
- Permits haulers to provide solid waste collection and disposal services at properties zoned for “Industrial” use
- Haulers negotiate rates for services with customers directly
- Haulers pay City quarterly franchise fees based on gross billings totaling approximately \$1.8 million per year
 - Tiered franchise fee structure to attempt to incentive recycling
- Mandatory commercial recycling and organics recycling requirements for customers with at least four (4) cubic yards of weekly service

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Hauler Audits

- R3 Consulting hired to conduct NEF Hauler audits
- FY 2016/17 findings
 - Underpaid franchise fees by \$103,000
 - Only 4% of customers in compliance with mandatory commercial recycling and organics recycling requirements
- FY 2017/18 findings
 - Underpaid franchise fees by \$160,000
 - Concluded that the current reporting system was confusing haulers

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Next Iteration of NEF Agreements

- Agreement term: (7/1/19 – 12/31/21)
- Mandatory commercial recycling (all customers) and organics recycling requirements (4+ cubic yards of solid waste/week)
 - Haulers can provide separate containers for commercial recyclables and organics; or
 - Hauler must process garbage loads at a mixed waste processing facility to capture commercial recyclables and organics
- Flat 12% franchise fee on billings for all service levels
 - Simpler for haulers to calculate and City to audit
 - Annual franchise fees collected projected to remain at \$1.8 million

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List of Haulers Seeking Agreements

Eco Box Recycling	Mission Trail Waste Systems, Inc.
Ferma Green Box, Inc.	RD Mendes Enterprises, Inc. dba Accurate Cleaning Systems
GreenTeam of San Jose	Recology South Bay
GW Debris Services, LLC	Republic Services, Inc.
Jonna Corporation, Inc., dba Premier Recycle Company	Toca Debris Box
Lam Hauling, Inc. dba 7 Days Box	Waste Management dba Guadalupe Rubbish Disposal Company, Inc.

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Recommendation

- Public hearing notice was published in the May 1, 2019 edition of the Santa Clara Weekly as required by the Santa Clara City Code

At the close of the public hearing:

1. Adopt a Resolution to grant non-exclusive franchise agreements for hauling of industrial refuse and recyclables; and
2. Approve non-exclusive franchise agreements with 12 companies

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City Council Meeting

**Item # 11. – 19-009 Public Hearing:
Adoption of a Resolution Setting
Rates for Overall Solid Waste
Services, Annual Clean-up
Campaign, and Household
Hazardous Waste in the Exclusive
Franchise Area**

May 21, 2019



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Solid Waste Rate Components

- Garbage Collection & Disposal
- Clean Green Collection & Processing
- Residential Recycling Program
- Annual Clean-up Campaign
- Household Hazardous Waste Program

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Reasons for Rate Increases

- Agreements for solid waste collection and disposal services contain annual rate increases based on adjustment formula primarily tied to the CPI
 - Mission Trail Waste Systems - +4.0%
 - Recology - +4.5%
 - Republic Services to use Newby Island Facility - +4.5% (estimate)
- Amendment with Recology to increase monthly collection tariff by \$1.36 due to depressed international recycling market
- Purchase of new financial management system
- New Staff Analyst I position

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Single-Family Rates

Service Level	Current Charge	Proposed Charge	Difference	Percent Change
20-Gallon Supersaver	\$26.60	\$29.04	\$2.44	+ 9.2%
Small Cart (32-gallon)	\$33.74	\$36.59	\$2.85	+ 8.4%
Medium Cart (64-gallon)	\$47.45	\$51.10	\$3.65	+ 7.7%
Large Cart (96-gallon)	\$61.16	\$65.60	\$4.45	+ 7.3%

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Commercial Rates

- Commercial Front-Load Bin Service: + 5.8%
- Drop Body Debris Bin Service: + 5.8%
- Push/Pull, Extra Service, Lock Installs: + 4.0%

Santa Clara's residential and commercial solid waste rates will remain among the lowest countywide after the FY 2019/20 adjustments are incorporated

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RESOLUTION TO ADOPT OVERALL RATES TO BE CHARGED TO SOLID WASTE CUSTOMERS

- April 4, 2019 – Notice of Public Hearing and proposed rate increases mailed to 26,371 customers
- If approved, new rates will go into effect for the utility bills issued on and after July 1, 2019

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Recommendation

At the close of the public hearing:

- City Clerk counts the protests of the property owners; if not a majority
- Adopt a Resolution setting the overall rates to be charged to customers for solid waste collection and disposal services

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Item # 11. – 19-009 Public Hearing: Adoption of a Resolution Setting Rates for Overall Solid Waste Services, Annual Clean-up Campaign, and Household Hazardous Waste in the Exclusive Franchise Area

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