


**City Council Meeting**

**Item No. 8 - 21-1138**

Action on the Award of Agreements to Eleven Non-Exclusive Franchise Haulers for Hauling Services for Parcels Zoned for Industrial Use.

**December 7, 2021**

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## Background

- City currently has agreements with 12 non-exclusive franchise (NEF) haulers – term expires 12/31/21
- Agreements authorize NEF haulers to provide solid waste collection services at parcels zoned for industrial use
- Each hauler sets their own rates, performs billing and enters into agreements with each customer
- NEF haulers are required to submit reports and pay franchise fees on a quarterly basis
  - Franchise fees are 12% of gross billings
  - \$2,100,000 in revenue for the General Fund
  - Audited annually by a consultant

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**POST MEETING MATERIAL**



## **NEF Hauler Applicants**

- EcoBox Recycling, Inc.
- Ferma Greenbox, Inc.
- GreenTeam of San Jose
- GW Debris Services, LLC
- Hernandez Dumpsters & Demolition Inc.
- Jonna Corporation, Inc. dba Premier Recycle Company
- Mission Trail Waste Systems, Inc.
- RD Mendes Enterprises, Inc., dba Accurate Cleaning Systems
- Recology South Bay
- Republic Services Inc.
- Toca Debris Box

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## **NEF Hauler Requirements**

- No changes to reporting frequency or franchise fee calculation methodology
- Provide bundled garbage, recycling and organics services to customers with 2 cubic yards or more of weekly solid waste service
  - Loads of garbage can be delivered to a materials recovery facility (MRF) for mixed waste processing to recover commercial recyclables and organics
    - Current requirement is 4 cubic yards or more of weekly service
    - Consistent with requirements set forth by AB 341, AB 1826 and SB 1383

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## Senate Bill (SB) 1383 Implementation Fee (New)

- New fee to generate funds to implement SB 1383 required procurement and edible food recovery programs
  - Fee set at 2% of gross billings
  - Estimated to generate \$308,000 annually
    - Revenue to be directed to the Solid Waste Fund
    - Will fund approximately 50% of SB 1383 procurement and edible food recovery program costs

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## Recommendation

1. Adopt Resolution to grant NEF agreements for hauling of industrial refuse;
2. Approve and Authorize the City Manager to execute NEF agreements with 11 applicants; and
3. Approve the FY 2021/22 budget amendment in the Solid Waste Fund to recognize revenue in the amount of \$154,000 and increase the Materials, Services, and Supplies appropriation in the amount \$154,000
  - 5 affirmative Council votes required to appropriate additional revenue

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