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Title: RESOLUTION - Of Intention to grant a Non-Exclusive Franchise for roll-off collection services within the City of Fresno to Selma Disposal and Recycling, LLC, and setting a public hearing for August 20, 2015 at 2:30 p.m.

Sponsors: Department of Public Utilities

Indexes:

Code sections:

Attachments: 1. Resolution of Intention.pdf, 2. 2015-07-14 Roll-off Franchise Ordinance Selma.pdf, 3. Selma Non-Exclusive Franchise Agreement - Attachment A.pdf

Date	Ver.	Action By	Action	Result
7/16/2015	1	City Council	approved	Pass

REPORT TO THE CITY COUNCIL

July 16, 2015

FROM: THOMAS C. ESQUEDA, Director
Department of Public Utilities

BY: JERRY L. SCHUBER SR., Assistant Director
Department of Public Utilities, Solid Waste Management Division

SUBJECT

RESOLUTION - Of Intention to grant a Non-Exclusive Franchise for roll-off collection services within the City of Fresno to Selma Disposal and Recycling, LLC, and setting a public hearing for August 20, 2015 at 2:30 p.m.

RECOMMENDATION

It is recommended that City Council approve a resolution declaring its intention to award a non-exclusive roll-off collection franchise to the company listed on the attachment in preparation for a public hearing on the matter and final vote to approve the non-exclusive roll-off franchise on August 20, 2015.

EXECUTIVE SUMMARY

The City Council approved an ordinance establishing a non-exclusive roll-off collection franchise system for private haulers under City Charter Article XIII, Section 1300 on July 21, 2011. Sixteen (16) companies were approved as franchisees at that time. Since then, six (6) additional companies have applied and been approved to become franchisees. It is anticipated that the General Fund will receive \$613,200 in revenues derived from these franchise

agreements. The most recent application from Selma Disposal and Recycling, LLC, requires City Council approval in order to be added to the list of franchisees.

BACKGROUND

On July 21, 2011, City Council an ordinance establishing a non-exclusive roll-off collection franchise system to regulate roll-off hauler collection activities.

The volume of roll-off materials collected is approximately 20-25% of the solid waste stream and highly recyclable, therefore the City has implemented the system to:

- Comply with current and anticipated State regulations related to the diversion of such materials from landfill diversion;
- Implement the goals of the City's AB 939 Plan including the Source Reduction and Recycling Element as adopted by the City Council;
- Support the goals of the City to achieve 75% diversion by 2012 and Zero Waste by 2025, which were adopted by City Council by establishing minimum diversion standards for roll-off materials (50% of C&D materials and 70% of recyclables); and
- Increase the fees received from these companies from the previous material diversion fee of \$17.70 per service location to a 10% franchise fee. In FY 2015, the General Fund is projected to receive approximately \$613,200 in franchise revenues.

Roll-Off Hauler Application Process

Haulers may apply to the City to obtain a non-exclusive roll-off franchise. The applicant must describe and/or provide:

- Information about the company
- Qualifications of the company, which must include:
 - Names and addresses (1) officers, directors, and associates; (2) persons and entities having five percent or more of ownership; and (3) Any parent or subsidiary or business entity owning or controlling in whole or in part applicant
 - Description of applicant's experience
 - Municipal references
 - Customer references
 - Proof of insurance
 - Litigation and regulatory history
 - Criminal history
- Operations Information
 - Diversion plan
 - Description of equipment (trucks and containers)
 - Collection schedule
 - Description of the types of materials to be collected
 - Processing facilities collector intends to use
 - Hazardous waste procedures
 - Customer service plans
 - Billing services
- Other information that may be requested by the Director of Department of Public Utilities.

All franchise applications have been thoroughly reviewed and vetted by internal City staff.

Next Steps

Pursuant to the City Charter section 1300, prior to granting a non-exclusive roll-off collection franchise, the City Council must hold a public hearing on the issue. The public hearing on this matter will be held on August 20, 2015. At the conclusion of the public hearing, the City Council will decide whether to award the franchise.

If approved by City Council, the Director of the Public Utilities Department will execute the agreements with the franchisee Selma Disposal and Recycling, LLC (Attachment A).

ENVIRONMENTAL FINDINGS

By the definition provided in the California Environmental Quality Act Guidelines Section 15378 this item does not qualify as a "project" and is therefore exempt from the California Environmental Quality Act requirements.

LOCAL PREFERENCE

Local preference was not implemented because a resolution declaring an intention to award a non-exclusive roll-off franchise is not an award of a services or construction contract.

FISCAL IMPACT

In FY 2015, the City anticipates receiving approximately \$613,200 in total annual franchise fees from roll-off haulers.

Attachments:

2015-07-06 Resolution of Intention

Non-Exclusive Franchise Agreement-Attachment A