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Title: ***RESOLUTION - Of Intention by the Council of the City of Fresno, California, to grant a Non-Exclusive Franchise for roll-off collection services within the City of Fresno and setting the public hearing for October 29, 2020 at 10:00 A.M. (Citywide) (Subject to Mayor's veto)

Sponsors: Department of Public Utilities

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Attachments: 1. Attachment 1 - List of Grantees.pdf, 2. Attachment 2 - Resolution of Intent 10.29.20, 3. Attachment 3 - Non-Exclusive Franchise Agreement True Clean Construction Cleanup, Inc.pdf

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| 8/20/2020 | 1 | City Council | adopted | |

REPORT TO THE CITY COUNCIL

August 20, 2020

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SUBJECT

***RESOLUTION - Of Intention by the Council of the City of Fresno, California, to grant a Non-Exclusive Franchise for roll-off collection services within the City of Fresno and setting the public hearing for October 29, 2020 at 10:00 A.M. (Citywide) (Subject to Mayor's veto)

RECOMMENDATION

Staff recommends the City Council approve a resolution declaring its intention to award a Non-Exclusive Roll-Off Franchise to the companies listed on Attachment 1 in preparation for a public hearing on the matter and final vote to approve the Non-Exclusive Roll-Off Franchise on October 29, 2020.

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. To date, twenty-eight (28) companies have applied and been approved to become franchisees. The most recent applications require City Council approval to be added to the list of franchisees.

BACKGROUND

On July 21, 2011, City Council adopted 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 percent 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 percent diversion by 2012 and Zero Waste by 2025, which were adopted by City Council by establishing minimum diversion standards for roll-off materials (50 percent of C&D materials and 70 percent of recyclables); and
- Increase in the fees received from these companies from the previous material diversion fee of \$17.70 per service location to a 10 percent franchise fee. Over the past eight-year term of the agreement the City of Fresno has received revenues of \$4,410,317 from non-exclusive roll-off.

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 staffs, who are experts in this area.

Next Steps

Per the City Charter, if the non-exclusive roll-off collection franchises are to be awarded, the City Council must perform an introduction and first reading of an ordinance awarding the franchise. A public hearing for this issue will then be held on October 29, 2020. 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 franchisees listed on Attachment 1.

ENVIRONMENTAL FINDINGS

By the definition provided in the California Environmental Quality Act (CEQA) Guidelines Section 15378 this item does not qualify as a “project” as defined by CEQA.

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 2021, the City anticipates receiving approximately \$1,343,800 in total annual franchise fees from roll-off haulers.

Attachments:

Attachment 1 - List of Grantees

Attachment 2 - Resolution of Intention

Attachment 3 - Non-Exclusive Franchise Agreement - True Clean Construction Cleanup, Inc.