



## Legislation Details (With Text)

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**Title:** RESOLUTION - Of Intention to grant a non-exclusive roll-off franchise for roll-off collection within the City of Fresno to Red Bin Services and JPA Construction Clean-Up Services, Inc., in preparation for a public hearing on the matter and final vote to approve the non-exclusive roll-off franchise on September 1, 2016.

**Sponsors:** Department of Public Utilities

**Indexes:**

**Code sections:**

**Attachments:** 1. Attachment A.pdf, 2. 2016 08 18 ROI\_NERO.pdf, 3. NERO APP - JPA CCS.pdf, 4. NERO APP - Red Bin Services.pdf

Date	Ver.	Action By	Action	Result
8/18/2016	1	City Council	approved	Pass

## REPORT TO THE CITY COUNCIL

**August 18, 2016**

**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 roll-off franchise for roll-off collection within the City of Fresno to Red Bin Services and JPA Construction Clean-Up Services, Inc., in preparation for a public hearing on the matter and final vote to approve the non-exclusive roll-off franchise on September 1, 2016.

## RECOMMENDATION

Staff recommends that Council introduce an ordinance which grants a non-exclusive roll-off collection franchise to Red Bin Services and JPA Construction Clean-Up Services, Inc., in preparation for a public hearing on the matter and final vote to approve the non-exclusive roll-off franchise on September 1, 2016.

## 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, seven (7) additional companies have applied and been approved to become franchisees. The most recent application requires City Council approval to Red Bin Services and JPA Construction Clean-Up Services, Inc., as a franchisee.

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

### 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.

The franchise application has been thoroughly reviewed and vetted by internal City staff 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 September 1, 2016. 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 (Attachment A).

### **ENVIRONMENTAL FINDINGS**

By the definition provided in the California Environmental Quality Act (CEQA) Guidelines Section 15378 this item does not qualify as a "project" for the purposes of CEQA .

### **LOCAL PREFERENCE**

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

### **FISCAL IMPACT**

In FY 2017, the City anticipates receiving approximately \$649,569 in total annual franchise fees from roll-off haulers.

Attachments:  
Attachment "A"  
Resolution  
Non-Exclusive Franchise Agreements