



Legislation Details (With Text)

File #: ID17-1581 **Version:** 1 **Name:**

Type: Action Item **Status:** Passed

File created: 11/20/2017 **In control:** City Council

On agenda: 12/7/2017 **Final action:** 12/7/2017

Title: Hold a continued public hearing and approve items related to the granting of a Non-Exclusive Roll-Off Franchise for roll-off collection services (Citywide)

1. CONTINUED HEARING in accordance with Fresno City Charter Section 1301 related to ordinance and adoption of ordinance
2. ***BILL NO. B-59 (Intro. 10/26/2017) (For adoption) of the City of Fresno, which grants to Eagle Transportation and North Cal Hauling Company, a Non-Exclusive Franchise for Roll-Off Collection Services within the City of Fresno (Subject to Mayor's veto)
3. Authorize the Director of Public Utilities or designee, to execute an Agreement of Non-Exclusive Franchise for Roll-Off Collection Services with the City of Fresno

Sponsors: Department of Public Utilities

Indexes:

Code sections:

Attachments: 1. Attachment A-List of Grantees.pdf, 2. Bill for Intro- Granting Non-Exclusive Franchises-Attachment 1.pdf, 3. NERO AGREEMENT - Eagle Transportation - Attachment 2.pdf, 4. NERO AGREEMENT - North Cal Hauling - Attachment 3.pdf

Date	Ver.	Action By	Action	Result
12/7/2017	1	City Council	approved	Pass

REPORT TO THE CITY COUNCIL

December 7, 2017

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

Hold a continued public hearing and approve items related to the granting of a Non-Exclusive Roll-Off Franchise for roll-off collection services (Citywide)

1. CONTINUED HEARING in accordance with Fresno City Charter Section 1301 related to ordinance and adoption of ordinance
2. ***BILL NO. B-59 (Intro. 10/26/2017) (For adoption) of the City of Fresno, which grants to Eagle Transportation and North Cal Hauling Company, a Non-Exclusive Franchise for Roll-Off Collection Services within the City of Fresno (Subject to Mayor's veto)

3. Authorize the Director of Public Utilities or designee, to execute an Agreement of Non-Exclusive Franchise for Roll-Off Collection Services with the City of Fresno

RECOMMENDATIONS

Staff recommends that Council hold a public hearing, adopt the ordinance, and authorize the Director of Public Utilities, and/or his designee(s) to execute the Agreements granting Eagle Transportation and North Cal Hauling Company a Non-Exclusive Roll-Off Franchise for roll-off collection services with the City of Fresno.

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 four (24) 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% 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. Over the past 5-year term of the agreement the City of Fresno has received revenues of \$3,018,938 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 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 hold a public hearing for this issue, at the conclusion of the public hearing, the City Council will decide whether to award the franchise. The Hearing was originally scheduled for the Council meeting on November 29, 2017. That Council meeting was cancelled; therefore the hearing was rescheduled and noticed for December 7, 2017.

If approved by City Council, the Director of the Public Utilities Department will execute the Agreements with the Franchisees listed on 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 2018, the City anticipates receiving approximately \$658,300 in total annual franchise fees from roll-off haulers.

Attachments:

Attachment “A”

Ordinance Granting Non-Exclusive Franchises (Attachment 1)

Non-Exclusive Franchise Agreement - Eagle Transportation (Attachment 2)

Non-Exclusive Franchise Agreement - North Cal Hauling (Attachment 3)