

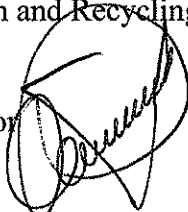
CITY OF LOS ANGELES  
INTER-DEPARTMENTAL CORRESPONDENCE

**DATE:** April 12, 2013

**TO:** Honorable José Huizar, Chair  
Honorable Dennis Zine, Vice Chair  
Honorable Richard Alarcón, Member  
Honorable Paul Koretz, Member  
Honorable Tom Labonge, Member  
Energy & Environment Committee

Honorable Richard Alarcón, Chair  
Honorable José Huizar, Member  
Honorable Paul Koretz, Member  
Honorable Paul Krekorian, Member  
Ad Hoc on Waste Reduction and Recycling Committee

**FROM:** Enrique C. Zaldivar, Director  
Bureau of Sanitation



**SUBJECT: BUREAU OF SANITATION TRANSMITTAL – FINAL  
IMPLEMENTATION PLAN FOR EXCLUSIVE COMMERCIAL AND  
MULTIFAMILY SOLID WASTE FRANCHISE HAULING SYSTEM  
(C.F. 10-1797-S15)**

Please find transmitted herewith the Bureau of Sanitation (Sanitation) Final Implementation Plan for Exclusive Commercial and Multifamily Solid Waste Franchise Hauling System, dated April 12, 2013. The attached plan contains the following 10 goals which encompass the major elements of the program, and frame the recommendations that Sanitation is presenting for consideration of the City Council. Sanitation is recommending adoption of the Implementation Plan, including the the 10 goals of the program, and for direction to begin the Request for Proposal process.

**1. Meet the City's Zero Waste Goals:**

- a. Blue Bin recycling, at minimum, at every customer site;
- b. Preserve existing organic waste separation and recycling programs;
- c. Offer green waste collection to all Multifamily customers;
- d. Include Landfill disposal reduction targets in Franchise agreements with accountability for performance including liquidated damages;

2. **Meet and Exceed State requirements for waste diversion and mandatory recycling:**
  - a. Phase in Citywide organics diversion programs;
  - b. Encourage, through RFP evaluation criteria, proposers to exceed required targets in their proposals by including innovative programs and new technologies.
  
3. **Improve Health and Safety for Solid Waste Workers** enforced by provisions in Franchise Agreements:
  - a. City certification and inspection of all facilities;
  - b. Right to inspect facilities for compliance with appropriate rules and regulation;
  - c. Require compliance with Living Wage Ordinance (LWO) provisions;
  - d. Require compliance with Service Contract Workers Retention Ordinance (SCWRO) and First Source Hiring Ordinance (FSHO);
  - e. Establish a City hotline for employee complaints, and protection from retaliation for reporting problems.
  
4. **Improve Efficiency of the City's solid waste system:**
  - a. Adopt the Exclusive Commercial Franchise Zone Map with 11 zones;
  - b. Require routing efficiencies in proposals, and monitor Vehicle Miles Traveled (VMT) in franchise agreements.
  
5. **Improve the City's air quality**
  - a. Require late model low emission clean fuel vehicles.
  
6. **Provide the highest level of Customer Service**
  - a. Require contractors to use all forms of communication with their customers (call center, online, etc);
  - b. Require extensive, ongoing outreach programs;
  - c. Include Customer needs and specialized services in RFP and franchise agreements;
  - d. Provide access to customer service data by Sanitation in order to evaluate performance and customer satisfaction;
  - e. Address Hospital and other special needs in the Franchise service requirements, and through continuing stakeholder involvement;
  - f. Establish an alternative for studios with the requirements to 1)Use one of the franchise haulers; 2)Meet all franchise requirements such as, but not limited to, waste diversion, accurate reporting, payment of fees, and clean air vehicles; 3)Require third party auditing of all standards.

**7. Create a consistent, clearly defined system, fair and equitable rates, and contingency plans to ensure reliable service:**

- a. Include only a capped cost of living increase in franchise agreements;
- b. Designate the uniform rate model as the preferred alternative, and allow Sanitation to negotiate the best practical and achievable model;
- c. Include detailed contingency plans in each franchise agreement, and requirements that they be updated annually. Contingency plans shall include, at minimum:
  - i. Backup provisions in franchise agreements for each service zone.
  - ii. Monetary penalties for a lapse in service in franchise agreements, such as performance bonds and liquidated damages provisions.
- d. Exempt material types from the Exclusive Commercial Franchise System, including 1)Medical waste, 2)Hazardous waste, 3)Radioactive waste, 4)Pharmaceutical waste, 5)Construction and Demolition Debris (C&D)

**8. Create a system that ensures Long Term Competition:**

- a. Require compliance with City's Business Inclusion Program (MBE/WBE/OBE/DVE/EB Subcontracting);
- b. Designate three small Exclusive Franchise Zones geared towards smaller waste haulers;
- c. Designate that no more than 49% of service may be performed by one company.

**9. Ensure Sufficient Staffing to meet Program Goals**

- a. Continue AB939 fee as currently adopted.
- b. Designate a City Franchise fee to achieve the City's fiscal goals.

**10. Ensure reliable system infrastructure to provide uninterrupted service to Customers**

- a. Provide for infrastructure development sufficient for management of solid waste.

The Final Implementation Plan (attached) and the above stated goals and recommendations are in response to Council instruction (C.F. 10-1797), on November 14, 2012, directing Sanitation to develop an Exclusive (one hauler per franchise area) Franchise Implementation Plan for privately hauled multifamily and commercial solid waste collection in the City, including a timeline, staffing requirements, a transition plan, and other franchise elements.

Given the complexity of the elements to be addressed, Sanitation developed a preliminary Implementation Plan and held a series of focused discussions to fully evaluate strategies necessary to implement an exclusive franchise system and to develop this Final Implementation Plan. Discussions were held on February 20, 2013 and March 20, 2013 by the joint Energy & Environment, and Ad Hoc on Waste Reduction and Recycling Committees. In addition, an open house was held by Sanitation on April 4, 2013, to accept comments on the proposed franchise zone boundaries. In response to comments received during the joint committee meetings, and from other stakeholders, the final plan has been prepared.

The City Council further instructed Sanitation to begin a full Environmental Impact Report (EIR) to satisfy CEQA requirements for an exclusive franchise system, and to include in that EIR reviews of the following alternatives: a review of the status quo, a review of a non-exclusive franchise system, a review of an exclusive franchise with multiple haulers per wasteshed, and a City direct performance of multifamily and commercial waste hauling.

Due to the urgency of this task, on December 10, 2012, Task Order Solicitation (TOS) S49 was issued to the top ranked firm on Sanitation's On-call Consultant list, Parsons Water & Infrastructure, Inc. (Parsons), with CH2M Hill as a subconsultant, to provide support for Sanitation staff for a four-month period. On February 11, 2013, the Board of Public Works approved the amendment of TOS S49, to conduct the CEQA process and prepare the EIR for the Private Waste Hauler Exclusive Franchise System. The scope of work includes: 1) preparation of the Notice of Preparation (NOP) and Initial Study Checklist; 2) assisting the City during the EIR Public Scoping Process; 3) preparation of the Draft EIR; 4) Response to public comments on the Draft EIR; and 5) preparation of the Final EIR and Adoption Documents.

Sanitation has begun the CEQA process. The Notice of Preparation (NOP) was prepared and posted on the Sanitation website on February 20, 2013. The NOP was available for public and agency review through March 27, 2013. From March 4 through March 14, 2013, seven Public Scoping meetings were held at various locations throughout the City, to receive public input for the Environmental Impact Report (EIR). Sanitation is compiling the responses from the scoping process, and will begin the preparation of the EIR for this program.