



CITY OF COMMERCE AGENDA REPORT

TO: Honorable City Council

FROM: City Manager

SUBJECT: Second Amendment to the Commercial Refuse and Recycling Hauler Semi-Exclusive Agreement

MEETING DATE: October 28, 2025

RECOMMENDATION:

The City Council will consider adopting a Resolution approving a Second Amendment with commercial refuse and recycling haulers operating under a semi-exclusive agreement with the City of Commerce to extend the term to October 31, 2027.

BACKGROUND:

On November 1, 2018, the City Council authorized semi-exclusive agreements with commercial refuse and recycling haulers for a term of five (5) years. On May 30, 2023, the City Council approved the First Amendment to the agreements, extending the term for an additional two (2) years, with a new expiration date of October 30, 2025. The original agreements allow for one additional two-year extension.

Listed below are the current commercial haulers, under the agreement as of August 2025, along with the number of commercial customers they service in the City of Commerce:

1. Athens/Calmet* (309)
2. AAA Rubbish (241)
3. Waste Management (136)
4. Haul Away Rubbish (153)
5. NASA Services (142)
6. Republic Services (112)
7. Universal Waste Systems (42)

*On January 11, 2022, City Council authorized the assignment of Calmet's agreement to Athens Services.

DISCUSSION:

On September 11, 2025, all seven (7) commercial refuse and recycling haulers were notified via USPS Certified Mail and electronically by email of the City's "Notice of Intent to Exercise

the Option for the Second Extension of the Semi-Exclusive Refuse and Recycling Services Agreement for the Commercial Sector”.

The proposed Second Amendment includes limited modifications as outlined below:

1. Expanded Hauler Reporting with focus on Disposal Tonnages & Diversions Programs.
2. Inclusion of SB 1383 under Section 4, “Compliance with Laws & Regulations”.
3. Inclusion of SB 1383 under Section 14.1 “Minimum Diversion Requirements”.
4. Inclusion of SB 1383 under Section 14.2 “Guarantee and Indemnification”.
5. Increase in Franchise Fee to 20%

All seven (7) haulers accepted the proposed modifications as presented. Regarding the franchise fee adjustment, one or more haulers requested that the City defer the effective date of the fee increase until January 1, 2026, to allow sufficient time to provide customer notice of any potential rate adjustments associated with the change.

The City determined this to be a reasonable request and will incorporate January 1, 2026, as the effective date for the franchise fee increase. All other terms and conditions outlined in the Second Amendment will take effect on November 1, 2025, the effective date of the Second Amendment.

CONCLUSION:

Staff recommends that the City Council adopt a Resolution approving a Second Amendment to the semi-exclusive agreements with commercial refuse and recycling haulers operating in the City of Commerce, extending the term of the agreements through October 31, 2027.

FISCAL IMPACT:

This recommendation can be carried out without additional impact on the current operating budget.

Prepared by: Natalie Hernandez, Senior Management Analyst
Fiscal Impact Reviewed by: Alvaro Castellon, Director of Finance
Respectfully submitted: Ernie Hernandez, City Manager
Approved as to form: Noel Tapia, City Attorney

Enclosures: 1) Attachment A – 2nd Amendment
2) Attachment B - Resolution