

Commercial Refuse Management Update

February 6, 2018

Introduction –recycling mandates

The Law

1. Mandatory Commercial Recycling (AB 341) – effective July 1, 2012
2. Mandatory Commercial Organics Recycling (AB 1826) – effective January 1, 2016

The Impacts

1. Businesses that generate 4 cubic yards or more of refuse/week and
2. Multifamily residential - 5 units or more.

City Responsibilities

1. Annual reporting to State (CalRecycle)
2. Obtain information from haulers including how many of their refuse customers the recycling laws apply to and the types and quantities of recycling material collected.
3. Enforcement of recycling laws.

City Response

- Adoption of two ordinances to amend the Municipal Code.
- Outreach to all haulers and businesses over several years – mailed recycling law notices and hauler reporting form.
- Regular follow-up with haulers to obtain recycling information.
- Annual reporting to State information obtained from haulers. Only approximately 10 out of 52 haulers reporting.
- Enforcement notices sent to non-reporting haulers.
- Staff presentation at CalRecycle public hearing on November 16, 2017 of City efforts to report and comply.
- On December 28, 2017, the City received a CalRecycle-issued Compliance Order requiring the following:
 - Development and submittal of a Local Implementation Plan (LIP) by March 2, 2018,
 - Implementation of the LIP by July 31, 2018,
 - CalRecycle monitoring of the City's LIP implementation through January 31, 2019, and
 - Quarterly and Annual Report submittals with implementation status updates.

Enforcement

1st Notice of Violation – November 9, 2017 42 Haulers (refuse and recycling)

Active Recycling Co., Inc.
All Service Disposal
Al's Plastics
A.M. Disposal
American Reclamation
Angelus Western Paper Fibers,
Inc.
Asco Metals
Athens Services
Atlas Iron & Metal Co.
Aztlan Pallets Inc.
Baker Commodities
Belmont Fibers, Inc.
Berco Services/ Bell Gardens
Recycling
California Recyclers

City Fibers Inc.
Commercial Waste Svcs Inc.
Corridor Recycling
East And West Disposal Co.
Eco-Pan Inc.
G B Services, Inc.
Get Wet Roll Off, Inc.
GP Harmon Recycling LLC
Goodwill Disposal Co., Inc.
Imperial Western Products, Inc.
Jos. Levin & Sons
Key Disposal
Kramer Metals, Inc.
Let's Roll Roll-Off Service, Inc.

Marwes Metals, Inc.
Peerless Disposal Service /
NASA
Perdomo & Sons Inc
Recycle To Conserve
Recycled Wood Products
SA Recycling
Scor Industries
Serv-Well
Superior Metal Company
Tom Mendrin Rubbish Disp,
Inc.
United Standard Pallet
Van Disposal Service
Wilson's Metal Exchange, Inc.
World Oil Environmental
Services

Enforcement

2ND Notice of Violation – November 27, 2017

Haulers (Refuse and Recycling)

1. All Service Disposal
2. Baker Commodities
3. Belmont Fibers, Inc.
4. California Recyclers
5. City Fibers Inc.
6. Commercial Waste Services Inc.
7. Corridor Recycling
8. Eco-Pan Inc.
9. Get Wet Roll Off, Inc.
10. Goodwill Disposal Co., Inc.
11. Jos. Levin & Sons
12. Kramer Metals, Inc.
13. United Standard Pallet
14. Van Disposal Service
15. Wilson's Metal Exchange, Inc.

3RD Notice of Violation – December 7, 2017

Haulers (Refuse and Recycling)

1. Belmont Fibers, Inc.
2. City Fibers Inc.
3. Corridor Recycling
4. Get Wet Roll Off, Inc.
5. Goodwill Disposal Co., Inc.
6. Jos. Levin & Sons (Letter received – under review by Legal Counsel)
7. Kramer Metals, Inc. (Letter received – under review by Legal Counsel)
8. United Standard Pallet
9. Van Disposal Service
10. Wilson's Metal Exchange, Inc.

Enforcement

Notice of Suspension and Termination of Business License

Status of haulers who received a 3rd and final notice (Refuse and Recycling)

Issued Notice of Suspension and Termination due to no response to 3 notices

1. Goodwill Disposal Co., Inc. on December 20, 2017
2. Wilson's Metal Exchange, Inc. on December 20, 2017

No further notice necessary – removed from authorized hauler list

3. Al's Plastics – N/A per CalRecycle
4. Baker Commodities – N/A per CalRecycle
5. Belmont Fibers, Inc. - No longer in business
6. City Fibers Inc. - Business license expired on December 31, 2014
7. United Standard Pallet - No longer in business

No final action yet

8. Jos. Levin & Sons - Letter received. Under Legal Counsel review.
9. Kramer Metals, Inc. - Letter received. Under Legal Counsel review.

Next Steps

Recommended Direction:

- Modify the Municipal Code to:
 1. discontinue issuing recycling hauler licenses,
 2. establish a single license for haulers of refuse and/or recycling services, and
 3. require all haulers to pay a hauler license fee,
 4. Transfer a business license to the parent company and consolidate all their subsidiaries to allow for one parent company to report as one hauler up to six months following adoption of this Code change.
- Draft one of the following:
 - Option 1 – semi-exclusive hauler agreement (maximum of 12 haulers)
 - Option 2 - non-exclusive hauler agreement (all existing haulers)
 - Option 3 – exclusive hauler agreement (one hauler for entire City)*(pros and cons of all options on next slide)*

Note: selected agreement would include specific reporting requirements and a formal bidding process.

Hauler Agreement Options

OPTION 1 – SEMI-EXCLUSIVE (maximum 12 haulers)

Pros

1. Achieves the original intent of the Municipal Code modified in 1984 to reduce to 12 haulers.
2. Fewer haulers to directly work with than current system.
3. Easier to manage outreach and reporting than current system.
4. Some City oversight - City can choose to negotiate specific rates and customer service standards or allow competition among the 12 haulers to set rates.
5. Businesses retain some choice.
6. Single license system.

Cons

1. Revocation of business licenses for many haulers. May use agreement terms to reduce number of haulers such as all haulers need to provide both refuse and recycling services.

OPTION 2 – NON-EXCLUSIVE (all existing haulers)

Pros

1. Businesses have the most choices to service their refuse and recycling needs.

Cons

1. Too many haulers to manage for outreach and reporting causing non-compliance with State mandated recycling programs.
2. No City oversight in setting rates or customer service standards.
3. Two license and inequitable system – refuse haulers pay \$500/vehicle licensed + hauler fees (11% of gross receipts) and recyclers pay \$150/vehicle and no hauler fees.

OPTION 3 – EXCLUSIVE (one hauler citywide)

Pros

1. Direct working relationship with one hauler.
2. Easy to manage outreach and reporting.
3. City involved in rate setting and customer service standards.
4. Single license system.

Cons

1. Requires a formal bidding process to select one hauler.
2. No competition for cost of service.
3. No choices for businesses.

Next Steps

Depending on Council's selection from Options

- Draft agreement template for the awarded hauler(s) to provide both refuse and recycling services and include specific reporting requirements (except for Option 2 which would continue to separately license refuse and recycling services).
- Council presentation of agreement template for adoption and authorization to release a Request for Proposals for a formal bidding process. Notification of bidding procedures will be sent to all licensed haulers, advertised online via PlanetBids through the City's Department of Finance Purchasing Division, and in the local newspaper (all three options).
- Bidding period of at least 30 days with sealed bids submitted to the City Clerks for a public bid opening which haulers may attend in person to obtain bid results (all three options). Bid results will be listed in PlanetBids also. Haulers do not need to attend the bid opening in person to receive bid results.
- Staff review of bids and recommendation to Council.
- Council approval of bid results and recommendation with award of agreement(s) to hauler(s).