



*City of Arts & Innovation*

# City Council Memorandum

**TO: HONORABLE MAYOR AND CITY COUNCIL**      **DATE: JANUARY 23, 2018**

**FROM: PUBLIC WORKS DEPARTMENT**      **WARDS: ALL**

**SUBJECT: RESOLUTION, IN ACCORDANCE WITH PUBLIC RESOURCES CODE 40059, AUTHORIZING A FIFTH AMENDMENT TO COMMERCIAL NON-EXCLUSIVE SOLID WASTE AGREEMENTS BETWEEN CITY OF RIVERSIDE AND ARAKELIAN ENTERPRISES, INC. DBA ATHENS SERVICES, INC.; BURRTEC WASTE INDUSTRIES, INC.; AND CR&R, INC. FOR INTEGRATED SOLID WASTE MANAGEMENT SERVICES THROUGH JUNE 30, 2023**

## **ISSUES:**

Adopt a resolution authorizing and approving a Fifth Amendment to the Commercial Non-Exclusive Solid Waste Agreements between the City of Riverside and Arakelian Enterprises, Inc. DBA Athens Services, Inc.; Burrtec Waste Industries, Inc.; and CR&R, Inc. for Integrated Solid Waste Management Services, in accordance with Public Resources Code 40059, extending the term through June 30, 2023.

## **RECOMMENDATIONS:**

That the City Council:

1. Adopt a resolution authorizing and approving a Fifth Amendment to the Commercial Non-Exclusive Solid Waste Agreements between the City of Riverside and Arakelian Enterprises, Inc. DBA Athens Services, Inc.; Burrtec Waste Industries, Inc.; and CR&R, Inc. for Integrated Solid Waste Management Services, in accordance with Public Resources Code 40059, extending the term through June 30, 2023; and
2. Authorize the City Manager, or his designee, to execute the Fifth Amendment to the Commercial Non-Exclusive Solid Waste Agreements between the City of Riverside and Arakelian Enterprises, Inc. DBA Athens Services, Inc.; Burrtec Waste Industries, Inc.; and CR&R, Inc. for Integrated Solid Waste Management Services.

## **BACKGROUND:**

On February 27, 2001, the City Council awarded Bid 5790 and entered into non-exclusive agreements for the collection of commercial refuse within the City with the lowest three responsive bidders, Athens Services, Burrtec Waste industries, and CR&R, each for a seven –year period.

On July 22, 2003, the City Council approved the First Amendment to the Commercial Non-Exclusive Solid Waste Agreements with the three firms. The First Amendment clarified minor

contractual conditions.

On June 24, 2008, the City Council approved the Second Amendment to the Commercial Non-Exclusive Solid Waste Agreements with the three firms. The Second Amendment extended the agreement through June 30, 2018, required the upgrade of commercial collection fleets to new low-emissions alternative fuel, and modified operational provisions.

On February 18, 2010 (Burrtec), August 13, 2010 (CR&R), and November 17, 2010 (Athens Services), the City and the companies entered into the Third Amendment to Commercial Non-Exclusive Solid Waste Agreement for Integrated Solid Waste Management Services to add services that were inadvertently left out of the Second Amendment.

In January 2013, the City and the Companies entered into the Fourth Amendment to Commercial Non-Exclusive Solid Waste Agreement for Integrated Solid Waste Management Services to eliminate unnecessary services.

## **DISCUSSION:**

Athens Services, Burrtec Waste Industries, and CR&R have provided commercial solid waste collection services to the businesses and multi-family units within the City of Riverside for nearly 17 years. Services include pick-up and disposal of trash, waste characterizations, and recycling programs. Athens Service, Burrtec Waste Industries, and CR&R also participate in the City's special events such as the CURE events and Festival of Lights. Throughout the year the haulers have consistently provided excellent service and the non-exclusive contracts allow for competitive pricing and service options for Riverside's business community.

Additionally, the three service providers are required to provide monthly reports to the City which include disposal tonnage and diversion data, marketing materials regarding recycling programs and impactful state legislation, and performance updates. The agreements with the haulers require several performance measurements such as graffiti must be removed from bins within 4 office hours of notice, all missed pickups must be collected within 24 hours of report, and diversion goals must be met annually.

The haulers work directly with the business community to establish service and the business community can select any of the three haulers depending on their service needs. The Haulers invoice their customers directly based on a rate established by the City. The current rate for a 3-yard bin with once a week service is \$108.45 per month. This rate includes a base rate, a disposal fee, processing/transfer fee, franchise fee, landfill closure fee, City administrative fee, AB939 fee, and street sweeping fee. The approved rate structure also includes an annual adjustment based on the Consumer Price Index (CPI). The City's General Fund receives a franchise fee from each hauler which is 15% of the disposal costs.

The Public Works Department is proposing a five-year extension with a six-month notice required for termination for each hauler as allowed for with the current agreement. The proposed extension will extend the agreement through June 30, 2023. Public Resources Code 40059 requires that a resolution or ordinance be adopted in order for a governing body to grant the authority to provide solid waste handling services to a hauler by means of a contract, franchise agreement, or otherwise. Therefore, a resolution authorizing the Fifth Amendment to extend the terms of the Agreements with Athens Services, Burrtec Waste Industries, and CR&R for five-years is attached in compliance with this provision.

**FISCAL IMPACT:**

The City's General Fund will benefit from franchise fees associated with the contract extension (15% of the disposal costs). Franchise fees for FY2017/18 are estimated to be over \$2.2 million.

Prepared by: Kris Martinez, Public Works Director  
Certified as to  
availability of funds: Adam Raymond, Chief Financial Officer/City Treasurer  
Approved by: Al Zelinka, FAICP, Assistant City Manager  
Approved as to form: Gary G. Geuss, City Attorney

**Attachments:**

1. Fifth Amendment to the Commercial Non-Exclusive Solid Waste Agreements with Arakelian Enterprises, Inc. DBA Athens Services, Inc.
2. Fifth Amendment to the Commercial Non-Exclusive Solid Waste Agreements with Burrtec Waste Industries, Inc.
3. Fifth Amendment to the Commercial Non-Exclusive Solid Waste Agreements with CR&R, Inc.
4. Resolution
5. Presentation