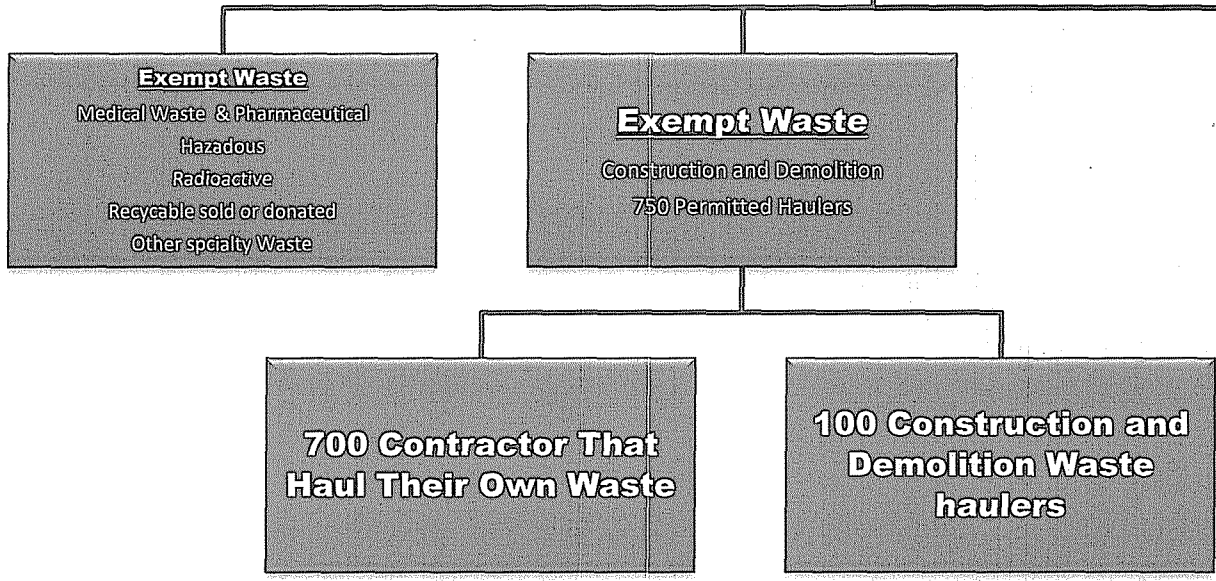
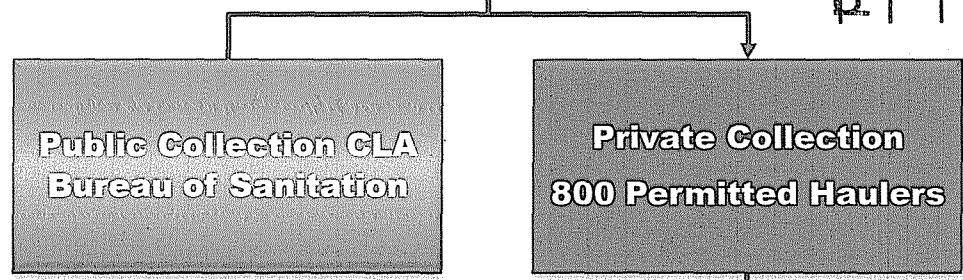


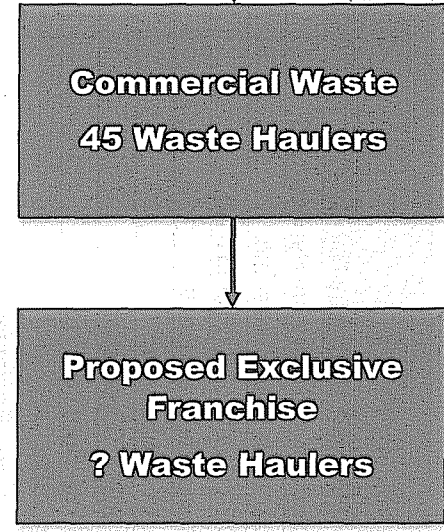
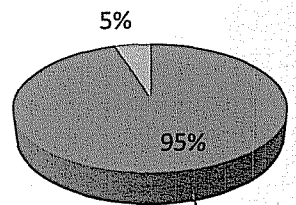
Date: 4/10/12
 Submitted in NO 402 MSF Committee
 Council File No: 10-1797
 Item No: 1
 Deputy: Adam R. Lid

Collection of Solid Resources in the City of Los Angeles



Percent of Commercial Waste Market Share

- Top 10 Waste Haulers
- Remaining 35 Waste Haulers



**Exhibit 16
Exclusive vs. Non-Exclusive Service Arrangements**

Impact Category	Attributes of an Exclusive Franchise	Attributes of a Non-Exclusive Franchise
Diversion	<ul style="list-style-type: none"> • Potential for higher waste diversion as a result of increased recycling requirements in the franchise agreement that may not be cost effective or accessible to all haulers in a non-exclusive system. 	<ul style="list-style-type: none"> • Ability to offer specialized diversion programs tailored to specific customers with unique recycling requirements.
Environmental	<ul style="list-style-type: none"> • Increased routing efficiency reduces operations costs and minimizes adverse environmental impacts of solid waste vehicles from overlapping truck routes (such as traffic, noise, pavement damage and vehicle emissions). • Improved aesthetics (control of graffiti and litter; container specifications, quality and placement). 	
Enforcement/ Administration	<ul style="list-style-type: none"> • Fewer haulers to monitor (performance and reports), resulting in a lower cost to the City to administer the franchise. • Ability to set and monitor higher minimum performance standards and reduce the risk of rogue operators. 	<ul style="list-style-type: none"> • Avoids RFP process, which can be contentious and time consuming. • Typically fewer contract requirements to monitor • City may be able to implement non-exclusive commercial franchise without an RFP or phase-in requirements prior to expiration of a 5-year notice period.
Business	<ul style="list-style-type: none"> • Competition occurs through the RFP process every five to ten years. • All customers pay the same price for the same service (city approves or regulates rates). • Favorable for haulers to invest in new or existing infrastructure. • Routing efficiencies could result in an overall reduction in the contractor's cost of providing service. 	<ul style="list-style-type: none"> • Promotes competition for individual customers based on price and service (City does not set rates). • Customers have choice of service providers and may change haulers if not satisfied. • Avoids temporary transition issues to an exclusive system (and recurring periodic transition issues when contractors are changed). • Smaller haulers (and new companies) have the ability to enter the market and grow into significant competitors.³ • Ability to offer unique services tailored to specific customers. • Other service providers may be available to customers during a work stoppage.