

ENERGY AND ENVIRONMENT COMMITTEE REPORT relative to proposed First Amendment to Contract No. C-113188 with USA Waste of California, Inc. (USA Waste) to implement the Multi-Family Residential Recycling Program for the Harbor and South Los Angeles service areas.

Recommendation for Council action:

AUTHORIZE the Board of Public Works, on behalf of the Bureau of Sanitation (BOS), to execute the First Amendment to Contract No. C-113188 with USA Waste for the collection and processing of recyclable materials from multi-family residences within the Harbor and South Los Angeles service areas for a one-year term, on a month-to-month basis, from March 17, 2017 through March 18, 2018.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that there is no General Fund impact as funding for the contract is provided by the Citywide Recycling Trust Fund. The proposed First Amendment will only extend the term of the agreement by one year, on a month-to-month basis, and will not adjust or modify the maximum allowable compensation approved in the original contract. The recommendation contained in the March 24, 2015 CAO report, attached to the Council file, complies with the City's Financial Policies as sufficient revenues are available to support proposed expenditures.

Community Impact Statement: None submitted.

**TIME LIMIT FILE - MAY 25, 2015**

**(LAST DAY FOR COUNCIL ACTION - MAY 23, 2015)**

Summary:

On April 15, 2015, your Committee considered a March 24, 2015 CAO report relative to proposed First Amendment to Contract No. C-113188 with USA Waste to implement the Multi-Family Residential Recycling Program for the Harbor and South Los Angeles service areas. Specifically, the First Amendment would extend the term of the contract by one year, on a month-to-month basis, from March 18, 2017 through March 17, 2018. According to the CAO, the First Amendment will not adjust the cost ceiling, but will extend the term of the contract by one year, on a month-to-month basis, from March 18, 2017 through March 17, 2018.

The remaining four service areas (West Valley, East Valley, North Central, West Los Angeles) are serviced by NASA Services, Inc. (NASA) and Universal Waste Systems, Inc. (UWS). The NASA and UWS contracts have earlier effective dates and on October 29, 2014, Council authorized the BOS to execute similar First Amendments to extend the term and increase the cost ceiling for these two contracts Council File No. 13-0673).

On March 5, 2008, Council authorized the Bureau to execute Contract No. 113188 with Waste Management for a five-year term with two two-year renewal options for a total term of nine years Council File No. 08-0279). The five year term ended on March 17, 2013 and the BOS executed both two-year renewal options to extend the term to March 17, 2017. On March 4, 2015, the Board of Public Works approved the First Amendment to Contract No. C-113188 to extend the term for an additional year, on a month-to-month basis, from March 18, 2017 through March 17, 2018. This

year extension is required to maintain current service levels if the implement on of the City's Exclusive Franchise System is delayed.

In November 2012, Council approved an Exclusive Franchise System for solid waste collection for commercial and multi-family residences (Council File No. 10-1797). This Franchise System will be implemented on January 1, 2017 and at that time, the private waste haulers will be responsible for providing recycling services to these customers and the BOS will terminate this contract. In accordance with Los Angeles Administrative Code Section 10.5, Council approval of the proposed First Amendment is required because the cumulative term of the contract will exceed three years.

After further consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the First Amendment to Contract No. C-113188 with USA Waste. This matter is now submitted to Council for its consideration.



Respectfully Submitted,

ENERGY AND ENVIRONMENT COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
FUENTES:	YES
BLUMENFIELD:	YES
LABONGE:	YES
HUIZAR:	ABSENT
KORETZ:	ABSENT
ARL	

4/15/15

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**