

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

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DATE: April 24, 2013**TO:** Honorable José Huizar, Chair
Honorable Dennis Zine, Vice Chair
Honorable Richard Alarcón, Member
Honorable Paul Koretz, Member
Honorable Tom LaBonge, Member
Energy & Environment CommitteeHonorable Richard Alarcón, Chair
Honorable José Huizar, Member
Honorable Paul Koretz, Member
Honorable Paul Krekorian, Member
Ad Hoc on Waste Reduction and Recycling Committee**FROM:** Enrique C. Zaldivar, Director
Bureau of Sanitation**SUBJECT: BUREAU OF SANITATION'S FINAL IMPLEMENTATION PLAN FOR
EXCLUSIVE COMMERCIAL AND MULTIFAMILY SOLID WASTE
FRANCHISE HAULING SYSTEM – STUDIOS AND HOSPITALS
(C.F. 10-1797-S15)**

On November 14, 2012, the City Council approved the recommendations in the Energy and Environment Committee Majority Report, and Ad Hoc On Waste Reduction and Recycling Committee Report (C.F. 10-1797) relative to the commercial and multifamily refuse collection, the creation of an exclusive franchise system for private haulers operating in the City of Los Angeles (City), and related matters in response to various motions on waste management in the City. The Council instructed Sanitation to develop an Exclusive (one hauler per franchise area) Franchise Implementation Plan for privately hauled multifamily and commercial solid waste collection in the City, including a timeline, staffing requirements, a transition plan, and other franchise elements.

Given the complexity of the elements to be addressed, and to allow a thorough discussion, the Implementation Plan was discussed at three separate joint committee meetings held by the Energy and Environment and Ad Hoc on Waste Recycling and Reduction Committees. In addition, to fully evaluate strategies necessary to implement an exclusive franchise system and to develop a Final Implementation Plan, staff held a number of focused stakeholder meetings and discussions. These discussions included:

- Meetings with businesses and business associations
- Meetings with waste haulers and hauler associations
- Meeting with studios
- Three focused meetings with hospitals

- Hospital site visits
- Site visits to processing facilities
- An open house that focused on franchise area development

On April 17, 2013, the joint Energy & Environment, and Ad Hoc on Waste Reduction and Recycling Committee approved Sanitation's Final Implementation Plan and recommendations, and forwarded to City Council for consideration. Sanitation was also directed to further work with the Studios and Hospitals regarding the Final Implementation Plan. In response, Sanitation has worked with the studios and has met with a number of hospitals and their association.

As a result of the discussions with the studios, Sanitation wishes to clarify that the alternative system is applicable to in-studio operations and not on-location filming. Consistent with the Final Implementation Plan Section 3.7.4, Studios, on-location filming is not included in the franchise system, because on-location operations are similar to construction and demolition sites, temporary and not associated with commercial premises. Further, on-location operations are extremely mobile across service area boundaries and therefore not considered commercial waste.

Sanitation carefully examined the solid waste hauling needs of the hospital industry and recommends that hospitals be included in the franchise system. Sanitation held a number of meetings with hospitals and their association, the Greater Los Angeles Area Hospital Association, throughout the franchise initiative process. In addition to numerous meetings and ongoing communications, City staff visited three hospitals within the City limits with assistance from the Hospital Associations of Southern California, including White Memorial Hospital in Boyle Heights, Keck-USC Hospital in Lincoln Heights, and Northridge Hospital Medical Center in Northridge. Staff also visited Kaiser Permanente in Anaheim. Kaiser Permanente was chosen because it is serviced by an exclusive solid waste hauler under franchise with the City of Anaheim. Most recently Sanitation held a meeting on April 22, 2013, attended by representatives from seven local hospitals, and the Greater Los Angeles Area Hospital Association.

Representatives from the hospitals have voiced a number of concerns about being included in the franchise system. The representatives requested that hospitals and all of their ancillary operations and facilities under their permit be excluded from the franchise. It is important to note that staff could not find an instance where hospitals are given an exemption in any other jurisdiction with an exclusive franchise. A site visit to a hospital, covered by an exclusive franchise, demonstrated that all of their waste needs were met and was compliant with all regulatory oversight.

In the meeting on April 22, Sanitation and city Officials heard additional of concerns. These concerns included service needs such as ability to perform urgent unscheduled collection of waste, increased costs, preservation of revenue from the sale of recyclables, training and certification of solid waste staff, reporting and customer service. Hospitals stressed that failure to provide timely service could result in regulatory non-compliance and penalties.

Sanitation is committed to working with the hospitals to ensure their concerns are addressed and their needs are met. One of the keys to the process is to provide the assurance that hospitals and the medical community are given the highest priority for uninterrupted service. As demonstrated in other exclusive franchise systems, the needs of the hospitals and the medical community can be addressed in an exclusive system. Through the RFP process, proposers will have to demonstrate their knowledge and ability to address the needs of the hospitals. To address concerns raised by the hospitals, the franchise agreements will include at minimum:

- Prescribed response time
- 24-hour response
- Specific employees and backups that are certified and trained for on-site operations
- Dedicated hospital representative with 24-hr access
- Collection windows (often hospitals need waste picked up within a predetermined window)
- Response procedures for emergency situations (such as hazardous waste commingled with solid waste)
- Prioritize provision of alternative haulers for hospitals in the event of any interruption in operations of the franchisee, for any reason, including but not limited to business failure, natural disaster, or a labor dispute.
- Customer service procedures
- Reporting requirements
- Technology support (such as auto-dialers)

In addition to the above franchise contract requirements, franchised waste haulers must maintain a contingency plan that includes the medical community as a first priority for response in the event of emergency or service disruption, with penalties up to and including removal of franchise for failure to comply.

It is also important to note that much of the material generated at hospitals is exempt from the proposed franchise structure, as currently recommended. The collection of construction and demolition waste, electronic waste, medical waste, pharmaceutical, and other hazardous waste is not included under the proposed franchise system. Hospitals will continue to secure vendors to collect exempted material, not necessarily the franchisee in their zone.

Sanitation will continue to work with hospitals and the medical community, as well as other stakeholders, throughout the franchise initiative process, to ensure their needs are met. Other RFP and franchise contracts requirements will be developed through the stakeholder process, as the franchise process continues. Thank you for your consideration.

ECZ: DM

c: Members of City Council
Marisela Reyes, BOS Council Liaison