



AGENDA REPORT

Meeting Date: February 3, 2015
Item Number: D-13
To: Honorable Mayor & City Council
From: Trish Rhay, Assistant Director of Public Works Services – Utilities 
Michelle Tse, Senior Management Analyst *MST*
Subject: APPROPRIATION OF \$50,000 FROM THE SOLID WASTE FUNDS
UNANTICIPATED REVENUE ACCOUNT TO THE SOLID WASTE
EXPENDITURE ACCOUNT TO COVER RELATED FEES
ASSOCIATED WITH THE ASSIGNMENT OF THE CITY'S SOLID
WASTE FRANCHISE AGREEMENT
Attachments: None.

RECOMMENDATION

Staff recommends that the City Council move to appropriate \$50,000 from the Solid Waste Enterprise Unallocated Revenue Account to cover costs related to the City's evaluation of Crown Disposal's request to assign the solid waste franchise agreement to Recology Los Angeles.

INTRODUCTION

On December 21, 2010, the City and Crown Disposal entered into a Franchise Agreement for Commercial Solid Waste Collection Services and Residential Solid Waste Processing ("Franchise Agreement"). In correspondence dated November 21, 2014, the City received written notice from Crown Disposal requesting that the City consent to the assignment of the Agreement to Recology Los Angeles. A Study Session was held on December 2, 2014, during which Councilmembers Krasne and Brien were appointed to serve on the Solid Waste Ad Hoc Committee to work with staff regarding the requested consent to assignment. The Ad Hoc Committee recommended consent to the assignment with amending the solid waste agreement; the City Council approved this recommendation during the January 6, 2014 Formal meeting.

Section 11.6 of the Franchise Agreement contains a provision in which the solid waste hauler (i.e. Crown Disposal) "shall pay for attorney's fees and investigation costs necessary to investigate the suitability of any proposed assignee, and to review and

finalize any documentation required as a condition for approving any such assignment. An advance payment of \$50,000 towards expenses shall be paid to City prior to City consideration of any assignment request and Contractor shall be responsible to pay all costs incurred by City in considering a request for assignment, including those in excess of this deposit amount, regardless of whether the City consents to the assignment.”

DISCUSSION

The City has received the initial payment of \$50,000 from Crown Disposal. The funds will be used to offset costs related to legal and consulting services provided by the City Attorney’s Office and HF&H Consultants to evaluate the assignment.

FISCAL IMPACT

The advance payment of \$50,000 has been deposited to the Solid Waste Enterprise Unallocated Revenue Account. Staff recommends City Council appropriate these funds to the Solid Waste Expenditure Account so the funds may be used to cover the legal and consulting fees incurred by City related to the assignment.

Don Rhoads
Approved By



George Chavez
Approved By

