

The logo of the City of El Segundo, featuring a circular seal with a building and the text "CITY OF EL SEGUNDO" around the perimeter.

CITY OF
EL SEGUNDO

Commercial Solid Waste Non-Exclusive Franchise

November 5, 2024
City Council Meeting

Background

The El Segundo Municipal Code authorizes the City Council to determine the methods by which the city manages and regulates the storage, collection, transportation, processing and disposal of solid waste (*ESMC 5-2-2*)

Background

- Residential waste management services are provided via an exclusive franchise agreement with EDCO.
- At present there are nine companies permitted to provide commercial waste management services.
- There are approximately 610 retail/industrial units and 440 multi-family units (three or more dwelling units).
- Aside from the relatively minimal vehicle standards, there are no substantive qualifications required to obtain a permit.

Discussion

- In recent years state regulation of waste management has increased markedly.
- Failure to achieve and maintain compliance with recently adopted state laws and regulations can subject the City to significant fines.
- Increased importance to ensure that solid waste service providers demonstrate the ability and expertise necessary to ensure compliance with a myriad of laws and regulations.

SB1383

- SB 1383 is the most significant waste reduction mandate to be adopted in California in the last 30 years.
- SB 1383 requires the state to reduce organic waste (food waste, green waste, paper products, etc.) disposal by 75% by 2025.
- The law also requires that 20% of currently disposed edible food be recovered for human consumption by 2025.
- The bill has specific requirements for jurisdictions and haulers.



Non-Exclusive Franchise Model

- Allows for the City to choose from a range of waste management service providers with established qualifications and expertise.
- Details the providers duties and obligations.
- Requires insurance indemnity guarantees.
- Spells out agreed-upon fine amounts (liquidated damages) for various violations or failure to meet specific requirements.

Notification / Evaluation Timeline

2019

- June 2019 - Staff provided required notice to all permitted haulers on intent to transition to a non-exclusive franchise model

2023

- November 2023 - City released Request for Qualifications (“RFQ”)
>12 haulers responded, and all were deemed qualified

2024

- April 2024 – All 12 qualified responders were provided a Request for Proposals (“RFP”)
 - Staff & a solid waste consultant carefully evaluated & ranked each proposal based on set criteria

2024

- June 2024 - In-person interviews were conducted with the top nine responders

Request for Proposals

- City staff along with the solid waste consultant carefully evaluated each proposal based on the following criteria which was included in the RFP:
 - *Proposer's experience and qualifications
 - *Regulatory compliance and safety
 - *Implementation plan and schedule
 - *Number and nature of exceptions to the franchisee agreement
 - *Financial stability along with insurance requirements
 - *Cost and value to the consumer

Panel Interview

- The top nine proposers were ranked and invited for an in-person panel interview at City Hall over the course of two days.
- The panel consisted of city manager, environmental committee chair, public works staff, and the solid waste consultant.
- After careful evaluation, the panel recommended the top four ranked haulers to be (not in any particular order): EDCO, American Reclamation, Waste Management and Athens Services.
- There was a big gap in the overall assessment between the top four and the other proposers.

Staff Recommendations

- Authorize the Mayor to execute non-exclusive franchise agreements for the provision of commercial waste management services with Athens, American Reclamation, EDCO and Waste Management, in a form approved by the City Attorney.
- Alternatively, discuss and take other possible actions related to this item.

Questions?

Evaluation

The four recommended haulers were all very close in panel scoring. Highlights of their proposals and interviews included:

EDCO

- *Family owned and operated, providing satisfactory franchise service for residential customers since 2019.
- *Full service operational transfer facility in Signal Hill.
- *Has capacity for additional customers.
- *Dedicated environmental compliance staff; dedicated SB1383 compliance software; positive reviews from CalRecycle regarding operational SB1383 compliance.
- *Competitive cost of services, excellent interview with thoughtful and accurate responses.

American Reclamation

- *Family owned and operated.
- *Services Long Beach school district.
- *Implements on-truck camera technology for contamination monitoring, meeting SB1383 compliance standards.
- *Successful illegal dumping campaign in the City of Compton.
- *Very competitive rates.
- *Capacity for additional customers along with environmental education.
- *Professional interview that was well received by the panel.

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The four recommended haulers were all very close in panel scoring. Highlights of their proposals and interviews included:

Waste Management

- *Large operation that has the resources and means for additional customers, technology and environmental education.
- *Currently services City of Manhattan Beach and MBUSD.
- *Competitive cost of services.
- *Track record of jurisdictional satisfaction.
- *Dedicated government relations and environmental compliance staff members.

Athens Services

- *Family owned and operated.
- *Dedicated governmental and environmental compliance staff.
- *Dedicated SB1383 compliance dashboard.
- *Utilizes established industrial compost facilities for organic processing.
- *Competitive cost of services.
- *An excellent interview attended by many specialized staff members.