



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: John Stufflebean

SUBJECT: SEE BELOW

DATE: 07-23-07

Approved

Deana Jutra

Date

7/25/07

COUNCIL DISTRICT: City-Wide

SUBJECT: TERMINATION OF THE COMMERCIAL SOLID WASTE AND RECYCLABLES COLLECTION FRANCHISE WITH REDWOOD SERVICES, INC. DBA REDWOOD DEBRIS BOX SERVICE

RECOMMENDATION

- a) Adopt an ordinance repealing Ordinance No. 27743 to terminate the Commercial Solid Waste and Recyclables Collection Franchise with Redwood Services, Inc. dba Redwood Debris Box Service.
- b) Adopt a resolution authorizing the Director of the Environmental Services Department to send a notice to Redwood Services, Inc. terminating the Commercial Solid Waste and Recyclables Collection Franchise Agreement effective 6/1/07.

OUTCOME

In the event Redwood Services, Inc.'s franchise is terminated, the grantee will have no further right or authority to engage in commercial solid waste or commingled recyclables collection, transportation, or disposal operations in the City.

BACKGROUND

On May 9, 2006, the City Council approved Ordinance No. 27743 granting a Commercial Solid Waste and Recyclables Collection Franchise to Redwood Services, Inc., dba Redwood Debris Box Service. In addition, Redwood Services entered into a non-exclusive Commercial Solid Waste Franchise Agreement with the City for a term beginning July 1, 2006 and ending June 30, 2009. This Agreement authorizes Redwood Services to collect solid waste and commingled recyclables from San José businesses.

Redwood Debris has requested that the Franchise be terminated effective June 1, 2007.

ANALYSIS

Under SJMC section 9.10.1690, a Commercial Solid Waste and Recyclables Collection Franchise granted to a Franchisee may be terminated by the City Council.

In the event a franchise is terminated, the grantee shall have no right or authority to engage in commercial solid waste or commingled recyclables collection, transportation, or disposal operations in the City.

Redwood Services discontinued providing service to San José Customers in May 2007. They service less than 1% of the market. Terminating Redwood Services will have no impact on the community.

EVALUATION AND FOLLOW-UP

This action does not address any performance measures.

PUBLIC OUTREACH/INTEREST

Although the criteria below do not apply to this item, this memorandum will be posted on the City's website for the Council Agenda of August 14, 2007.

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

COORDINATION

This memorandum was coordinated with the City Attorney's office

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Subject: Termination of Franchise Agreement with Redwood Services, Inc.

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FISCAL/POLICY ALIGNMENT

Not applicable

COST SUMMARY

Redwood Services reported collecting a total of 1,756 cubic yards of material from August 2003 to the present, which represents less than .2% of the total waste stream collected by all franchised haulers. Additionally, this amount was well under the annual 20,000-yard fee exemption provided to non-front load haulers, which exempted Redwood from paying franchise fees. Therefore, terminating this franchise will have no effect on the General Fund.

CEQA

Negative Declaration, PP92-11-308.



JOHN STUFFLEBEAN
Director, Environmental Services

For questions please contact Peggy Horning, Environmental Services Specialist, at (408) 975-2527.

