



COUNCIL AGENDA: 9-20-05

ITEM: 7.2

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Carl W. Mosher

**SUBJECT: COMMERCIAL SOLID WASTE
AND RECYCLABLES
COLLECTION FRANCHISE**

DATE: 8-29-05

Approved

Date

9/1/05

COUNCIL DISTRICT: City-Wide

RECOMMENDATION

A public hearing and approval of an ordinance granting a Commercial Solid Waste and Recyclables Collection Franchise to Pacific Coast Recycling, Inc. and approval of a Commercial Solid Waste and Recyclables Collection Franchise Agreement with Pacific Coast Recycling Inc. for a term of seven months from November 4, 2005 to June 30, 2006.

BACKGROUND

The City of San Jose, since the mid-1990s, has had an open market for the collection of recyclables and garbage from businesses, institutions, and other non-residential properties. Since 1995, the City has also allowed open competition for the collection of commercial garbage.

Private haulers are required to obtain a Commercial Solid Waste and Recyclables Collection Franchise that allow them to compete with each other on a customer-by-customer basis to provide solid waste and commingled recyclables collection services to San Jose businesses. There are currently 26 companies that have active franchise agreements that are scheduled to expire on June 30, 2006.

ANALYSIS

Chapter 9.10 of the Municipal Code and the City Charter require that Commercial Solid Waste and Recyclables Collection Franchises be granted by ordinances of the City Council. Approval of the proposed ordinance will grant a new non-exclusive Commercial Solid Waste and Recyclables Collection Franchise to Pacific Coast Recycling Inc., for a term beginning November 4, 2005 and ending June 30, 2006.

Pacific Coast Recycling Inc. is located in Gilroy, California. Pacific Coast employs five people and has two "roll off" vehicles to serve its customers. Pacific Coast plans to collect commingled recyclables such as construction and demolition material (all types of dry waste generated at a construction site including wood, metal, cardboard, sheetrock, concrete, or any combination of these) and source separated materials such as metals and green waste.

The metal will be taken to Sims Metal America while the green waste will be taken to one of the following three facilities: Z-Best, Zanker Materials Processing Facility, and/or Bio Fuel Services. Residual material (material that can not be recycled) will be taken to Guadalupe, Kirby or Newby Island landfills. All of these facilities, except for Biofuel Services, are located in San Jose.

Pacific Coast Recycling has a current San Jose business tax certificate and has submitted the required franchise application and application fee. Staff has reviewed the application and recommends awarding a franchise at this time.

OUTCOME

Approval of this Franchise Application will provide one additional hauler selection for San Jose businesses.

PUBLIC OUTREACH

In accordance with San Jose Municipal Code section 9.10.1650, the City Clerk published a notice in the San Jose Post Record announcing a public hearing at the September 20, 2005 City Council meeting regarding Pacific Coast Recycling's franchise application.

COORDINATION

Preparation of this memorandum was coordinated with the City Attorney's Office.

COST IMPLICATIONS

Pacific Coast Recycling has paid the \$195 application fee as required by San Jose Municipal Code 9.10.1670. This recommendation is consistent with the Mayor's budget strategy to the extent that granting a franchise will foster competition and deliver services to the community.

HONORABLE MAYOR AND CITY COUNCIL

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CEQA

Negative Declaration, File No. PP92-11-308.

A handwritten signature in black ink, appearing to read "Carl W. Mosher", written over a horizontal line.

CARL W. MOSHER

Director, Environmental Services