



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: John Stufflebean

SUBJECT: SEE BELOW

DATE: 10-29-07

Approved

Date

10/31/07

COUNCIL DISTRICT: City-Wide

SUBJECT: TERMINATION OF THE COMMERCIAL SOLID WASTE AND RECYCLABLES COLLECTION FRANCHISE AGREEMENT BETWEEN THE CITY OF SAN JOSÉ AND USA WASTE OF CALIFORNIA, INC. DBA GREEN VALLEY DISPOSAL COMPANY, INC.

RECOMMENDATION

1. Adopt an ordinance repealing Ordinance No. 27749 to terminate the Commercial Solid Waste and Recyclables Collection Franchise Agreement with USA Waste of California, Inc. dba Green Valley Disposal Company, Inc.; and
2. Adopt a resolution authorizing the Director of the Environmental Services Department to send a notice to USA Waste of California, Inc. terminating the Commercial Solid Waste and Recyclables Collection Franchise Agreement effective July 1, 2007.

OUTCOME

In the event USA Waste of California, 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 Council approved Ordinance No. 27749 granting a Commercial Solid Waste and Recyclables Collection Franchise to USA Waste of California, Inc. dba Green Valley Disposal Company, Inc. In addition, USA Waste of California, Inc. 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 USA Waste of California, Inc. to collect

solid waste and commingled recyclables from San José businesses.

In early August, staff inquired with USA Waste of California, Inc. as to whether they would be continuing collection services, as they had verbally indicated that they would no longer be active in collection services after July 1, 2007. On August 27, 2007, the City received a letter from USA Waste of California, Inc. requesting that their franchise be terminated effective July 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 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.

USA Waste of California, Inc. discontinued providing service to San José customers in June 2007 and voluntarily requested to have its franchise terminated. They provided service to less than 0.4% of the market during Fiscal Year 2006-2007. Terminating the Franchise will have no impact on the community.

Should USA Waste of California, Inc. wish to engage in solid waste collection activities within San José in the future, they would need to apply for a Commercial Solid Waste and Recyclables Collection Franchise.

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 November 20, 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

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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, City Manager's Budget Office, and Planning Department.

FISCAL/POLICY ALIGNMENT

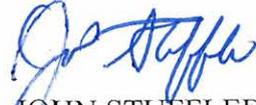
Not applicable.

COST SUMMARY

USA Waste of California, Inc. reported collecting a total of 12,564 cubic yards of solid waste material from July 2006 through June 2007, which represents less than 0.4% of the total solid waste volume collected by all franchised haulers. Additionally, the services that USA Waste of California, Inc. provided to their customers will be picked up by other franchises. Therefore, terminating this franchise will likely have no impact on the General Fund.

CEQA

Negative Declaration, PP92-11-308.


JOHN STUFFLEBEAN
Director, Environmental Services

For questions please contact Christine Wolter, Program Manager, Environmental Services, at (408) 975-2609.

