



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: John Stufflebean

SUBJECT: SEE BELOW

DATE: 10-06-08

Approved

Date

10/8/08

COUNCIL DISTRICT: City-Wide

SUBJECT: COMMERCIAL SOLID WASTE AND RECYCLABLES COLLECTION FRANCHISE AGREEMENT BETWEEN THE CITY OF SAN JOSE AND SOUTH BAY HAULING, INC. DBA SOUTH BAY HAULING AND DBA ECO BOX RECYCLING

RECOMMENDATION

Hold a public hearing on the application of South Bay Hauling, Inc. dba South Bay Hauling and dba Eco Box Recycling for a Commercial Solid Waste and Recyclables Collection Franchise, approval of an ordinance granting the franchise, and approval of a Commercial Solid Waste and Recyclables Collection Franchise Agreement with South Bay Hauling, Inc. dba South Bay Hauling and dba Eco Box Recycling for a term from December 18, 2008 through June 30, 2009.

OUTCOME

Approval of this Franchise Application will provide San José customers an additional solid waste hauler.

BACKGROUND

Since 1995, the City of San José has had an open market for the collection of recyclables and garbage from businesses, institutions, and other non-residential properties, and for the collection of dry waste from residential premises.

Private haulers are required to obtain a Commercial Solid Waste and Recyclables Collection Franchise that allows 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 and

debris box service to residential customers. On May 9, 2006, City Council granted twenty-four franchises for a term beginning July 01, 2006 and ending June 30, 2009.

South Bay Hauling, Inc. is located in San Jose, California. The company operates two roll-off collection vehicles. The company plans to collect construction and demolition materials (all types of dry waste, including wood, metal, cardboard, sheetrock, concrete, or any combination of these materials) from commercial and residential premises. The collected material will be taken to Sims, Recycled Fibers, and Guadalupe Landfill for processing.

ANALYSIS

Chapter 9.10 of the San Jose Municipal Code and the City Charter require that the City Council grants Commercial Solid Waste and Recyclables Collection Franchises through an ordinance. Approval of the proposed ordinance will grant a new non-exclusive Commercial Solid Waste and Recyclables Collection Franchise to South Bay Hauling, Inc., for a term beginning December 18, 2008 through June 30, 2009.

South Bay Hauling, Inc. 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.

Because South Bay Hauling, Inc. will not offer front-loader collection services to its customers, it will be exempt from paying franchise fees on an annually approved volume of solid waste collected from San Jose customers (e.g. currently twenty thousand cubic yards of uncompacted solid waste, or equivalent for compacted solid waste). This exemption would no longer apply if South Bay Hauling, Inc. starts to provide the front-loader collection services.

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 October 28, 2008.

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater.

(Required: Website Posting)

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Subject: Franchise Agreement Between City of San José and South Bay Hauling

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- 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, City Manager's Budget Office, and the Planning, Building, and Code Enforcement Department.

FISCAL/POLICY ALIGNMENT

The new franchise will help the City achieve the Green Vision goal number five and has no impact on General Fund.

COST SUMMARY

South Bay Hauling has paid the \$195 application fee as required by San Jose Municipal Code Section 9.10.1670.

CEQA

CEQA: Exemption; File No. PP08-228.



JOHN STUFFLEBEAN
Director, Environmental Services

For questions, please contact Jo Zientek, Deputy Director, at (408) 535-8557.