



CITY OF GLENDALE, CALIFORNIA  
REPORT TO THE:

Joint  City Council  Housing Authority  Successor Agency  Oversight Board

September 26, 2017

**AGENDA ITEM**

Report: Overview of Commercial Solid Waste Collection Services and Discussion of Franchise Alternatives

- 1) Motion directing staff to issue a Request for Proposals (RFP) for Commercial Solid Waste Collection Services under a Franchise Zone System.

**COUNCIL ACTION**

Public Hearing  Ordinance  Consent Calendar  Action Item  Report Only   
Approved for September 26, 2017 calendar

**ADMINISTRATIVE ACTION**

Submitted by:  
Roubik Golanian P.E., Director of Public Works

Signature

Prepared by:  
Chris Marcarello, Assistant Director of Public Works

For

Approved by:  
Scott Ochoa, City Manager

Reviewed by:  
Yasmin K. Beers, Assistant City Manager

Michael J. Garcia, City Attorney

Robert Elliot, Director of Finance

## **RECOMMENDATION**

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It is respectfully recommended that the City Council approve the attached motion authorizing staff to prepare and issue a Request for Proposals (RFP) for Commercial Solid Waste Collection Services under a Franchise Zone System.

## **BACKGROUND/ANALYSIS**

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The City's integrated solid waste management program is structured to ensure the health and safety of all residents and businesses in the community. In addition, Assembly Bill 939 requires that cities in California must divert 50% of municipal solid waste from the landfill each year. Since this mandate was initiated in 2000, the City has met the statewide requirements each year. If the City fails to achieve the 50% diversion rate, a fine of up to \$10,000 per day can be imposed by the State.

The City currently utilizes a non-exclusive open permit system to manage commercial solid waste collection. This system helps the City in its efforts to meet AB 939 requirements and establishes an open, competitive commercial collection system for businesses and multi-family properties. This system stipulates that an AB 939 fee in the amount of 20% of gross monthly paid receipts be paid to the City. These funds are used to fund environmental programs, costs associated with management of the commercial collection system, and recycling programs, among others.

For the most recent full reporting year (2016) there were 47 permitted private commercial solid waste haulers that provide collection services in the community. In 2017, the total number of private haulers has dropped to 37. In accordance with Chapter 8.56 of the Municipal Code, each hauler is required to apply for an annual permit to operate within the City. The permit specifies that the hauler shall provide information related to their business, the types of collection services they provide, a list of vehicles used in collection services, agree to indemnity provisions related to their operations and provide quarterly reports, among other items. Based on the collection data provided by haulers in 2016 the following observations have been made:

- Five haulers collect approximately 80% of the total commercial solid waste tonnage collected by private solid waste haulers;
- Seven haulers report the collection of mostly temporary bin rentals/construction and demolition debris;
- Twenty-two haulers reported very little or no collection activity; and
- Thirteen haulers reported a mixture of both refuse and construction/demolition materials.

### ***Pending Requirements/Mandates***

In addition to AB 939, the State legislature has adopted new regulations to enhance sustainability and reduce the amount of solid waste materials sent to the landfill. These requirements include the following:

- **AB 32** – A program directed at reducing greenhouse gas emissions in California to 1990 levels by 2020. As part of the scoping plan for this bill, mandatory commercial recycling is contemplated as a key measure that will help to reduce greenhouse gas emissions;
- **AB 341** – A requirement that established a statewide recycling goal of 75% by 2020 and new commercial recycling measures for businesses with at least 4 cubic yards of trash weekly or multi-family properties with 5 units or more;

- **AB 1826** – A requirement to establish organic waste recycling programs according to a phased-in schedule through 2020. Depending on the program's success, the requirement could be expanded to include all businesses that generate 2 cubic yards or more of solid waste per week.
- **AB 1594** – A requirement to eliminate diversion credit for the use of green waste materials as alternative daily cover at landfills.
- **SB 1383** – A pending requirement (by January 2022) to establish a 50% reduction in organic waste by 2020 and 75% reduction by 2025.

With these additional requirements, it is expected that the creation of a local franchise system for the collection of commercial solid waste materials will help the City to meet recycling goals. In developing franchise agreements for these services, the City will be able to include provisions that require private haulers to conduct educational outreach to local stakeholders and assist the City with enhancing recycling programs and increasing diversion levels.

#### ***Five-Year Notice to Private Solid Waste Haulers***

On July 11, 2013, the City issued a formal notification letter to all private solid waste haulers operating in Glendale, informing them of the City's intention to implement a franchise system for the collection and removal of solid waste from commercial establishments and multi-family residential properties (Exhibit "1"). This notification letter was issued in accordance with Public Resources Code Section 49520, which states that if a solid waste collection company has been lawfully providing services for more than three years; the company may continue to do so for up to five years after the City provides notice of its intention to implement a franchise system.

#### ***Commercial Solid Waste System Study***

On March 1, 2016, the City Council approved an agreement with SCS Engineers to study the City's existing commercial solid waste collection system, identify pending mandates or other requirements that may impact the City's existing solid waste operation and develop franchise options related to future commercial solid waste collection services. The first phase of SCS' work is complete, which is summarized in a technical report (Exhibit "2") and provides a thorough discussion of the solid waste industry in California, an analysis of existing service levels, revenue and rates in the City and the evaluation of several franchise alternatives for commercial solid waste collection. A few key observations include the following:

- The total estimated annual revenue for commercial bin service accounts is \$10 Million. Of this amount, private haulers have an approximate market share of 58% and the City has an approximately market share of 42%;
- City collection crews service approximately 2,479 multi-family properties (88% of total multi-family bin service accounts) which accounts for approximately \$3.36M (73% of the total multi-family bin service revenue);
- Private haulers service approximately 1,198 business properties (81% of total business bin service accounts) which accounts for approximately \$4.5 Million (91% of the total business bin service revenue).
- There are advantages and disadvantages associated with each franchise system alternative.
  - An Exclusive Franchise System (one solid waste hauler Citywide) or an Exclusive Franchise Zone System (multiple zones Citywide with one solid waste hauler in each specified zone) provides logistical advantages with route density and a reduction in vehicle traffic; however, these options also reduce customer choice.

- An Exclusive Franchise System (one solid waste hauler Citywide) or an Exclusive Franchise Zone System (multiple zones Citywide with one solid waste hauler in each specified zone) provides a designated revenue stream over a defined term, allowing a solid waste hauler to amortize capital purchases (equipment, vehicles) over the term and provides economies of scale that can result in overhead cost reductions and lower service rates.
- A Non-Exclusive Franchise System (multiple solid waste haulers) provides customer choice but limits the City's ability to maximize logistical efficiencies.

In July 2015, LAANE (Los Angeles Alliance for a New Economy), a regional advocacy organization, completed a study of waste and recycling collection systems in Los Angeles County. Out of 88 cities in the County, the distribution of Solid Waste Collection Franchise Systems is as follows:

<b>Collection System</b>	<b>Commercial</b>	<b>Residential</b>
City-Provided Services	4 cities (4.5%)	12 cities (13.6%)
Exclusive Franchise (One solid waste hauler) or Exclusive Franchise Zone (multiple zones Citywide with one solid waste hauler in each specified zone)	64 cities (72.7%)	72 cities (81.8%)
Non-Exclusive Franchise	12 cities (13.6%)	3 cities (3.4%)
Open Permit	8 cities (9.1%)	1 city (1.1%)

As indicated, most cities have implemented an exclusive franchise collection system for both commercial and residential solid waste services.

***Recommended Commercial Franchise Collection System***

Based on the review of the City's existing collection system and the regional market, staff recommends that the City pursue an Exclusive Franchise Zone Collection System for the collection of commercial solid waste. As proposed, three zones would potentially be established based on geography and an equitable distribution of commercial business bin service accounts.

***Outreach***

In order to engage local stakeholders in the study and discussion of commercial solid waste collection services in the City, staff has actively solicited public input and comments from the community. These efforts include the following:

- Direct outreach to local stakeholder groups (Building Owners and Managers Association, Chamber of Commerce, business associations, etc.);



- Direct outreach to existing private solid waste haulers and City Public Works Integrated Waste Management staff; and
- The coordination of public outreach forums on August 23<sup>rd</sup> at the MSB Planning Conference Room and August 24<sup>th</sup> at the Police Department Conference Room (Exhibit “3” – Public Notice).

Staff intends to conduct subsequent outreach efforts to ensure that local stakeholders are informed and engaged regarding the review of this proposed plan.

**Next Steps**

This is the first phase of a multiple-phase process related to commercial solid waste collection services. It is hoped that both the City Council and members of the public will provide feedback related to this issue to ensure that the City’s future commercial collection system provides responsive services, reasonable rates and meets Statewide recycling regulations. Upon the City Council’s direction to pursue the recommendation to initiate a Request for Proposals (RFP) process, staff would work according to the timeline below:

- October 2017: Release RFP to the Public
  - Pre-Proposal Meeting
  - Question/Response Period
  - Issue RFP Addendum, if necessary
  - Proposal Analysis
- March 2018: City Council Consideration of Proposal Responses
- April - June 2018: Vendor Negotiation/Selection
- July - September 2018: Transition Period
- October 2018: Initiate Collection Services

**FISCAL IMPACT**

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Services related to this study were included as part of the City’s approved operating budget. On March 1, 2016, the City Council authorized the award of an agreement to SCS Engineers in the amount of \$265,010.

**ALTERNATIVES**

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Alternative 1: Direct staff to issue a Request for Proposal for commercial solid waste collection services under a franchise zone system.

Alternative 2: Direct staff to pursue an alternative commercial solid waste collection option.

Alternative 3: The City Council may consider any other alternative not proposed by staff.

**CAMPAIGN DISCLOSURE**

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Not applicable

**EXHIBITS**

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- Exhibit 1: July 2013 Letter to Permitted Private Waste Haulers
- Exhibit 2: SCS Engineers Report – Franchising of Commercial Refuse Collection
- Exhibit 3: Public Outreach Notice for Proposed Commercial Franchise Refuse Service

## MOTION

Moved by Council Member \_\_\_\_\_, seconded by Council Member \_\_\_\_\_, that the Council hereby directs staff to prepare and issue a Request for Proposals (RFP) for Commercial Solid Waste Collection Services under a Franchise Zone System, as outlined in the Report to Council dated September 26, 2017.

Vote as follows:

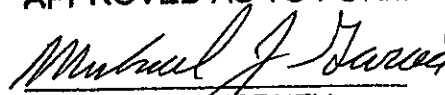
Ayes:

Noes:

Absent:

Abstain:

APPROVED AS TO FORM



CITY ATTORNEY

DATE 9/22/17



**CITY OF GLENDALE, CALIFORNIA**  
Public Works Department

633 East Broadway, Room 209  
Glendale, California 91206-4385  
(818) 548-3900 Fax (818) 546-2207  
[www.ci.glendale.ca.us](http://www.ci.glendale.ca.us)

July 11, 2013

Dear Permitted Private Waste Hauler:

Pursuant to California Public Resources Code Section 49520, a copy of which is enclosed herewith, you are hereby notified that exclusive solid waste handling services for commercial establishments and multi-family dwellings consisting of five or more units are to be provided or authorized by the City of Glendale. This notice does not concern, address, or apply to solid waste handling services involving construction and demolition debris. As specified in California Public Resources Code Section 49501, "exclusive solid waste handling services" means any action by a local agency whereby the agency itself or one or more local agencies or solid waste enterprises has or have the exclusive right to provide solid waste handling services of any class or type within all or any part of the territory of the local agency. Pursuant to this definition, an exclusive solid waste handling franchise entitles one or more waste haulers to collect and remove waste within all or any part of the City.

For purposes of this notification, "commercial establishments," as used herein, includes all premises subject to the permit process described above, except: (1) multi-family residential premises of four (4) units or less, now served by the City of Glendale's Integrated Waste Management Division; and (2) single family and multi-family residential premises now served directly by Integrated Waste Management. "Commercial establishments" includes, but is not limited to, property located in the City of Glendale, upon which for-profit or not-for-profit activity is being conducted, including but not limited to manufacturing, transportation, retail sales, wholesale operations, services, hotel or motel operations, education, or other business or institutional activities.

The City of Glendale reserves its right to implement a franchise system for the collection and removal of solid waste with the aim of providing for the expeditious, economical and efficient collection and removal of refuse and solid waste materials within the City. This, The City of Glendale Public Works Department is submitting this five-year notification to commercial solid waste hauling enterprises operating within the City as provided by law. However, this notice does not require the City of Glendale to take any specific action in regard to the franchising of solid waste handling services.

Additional information will be available in the future regarding the implementation of a franchise system in the City of Glendale. Should you have any questions regarding this matter, please contact Mario F Nunez, Integrated Waste Administrator, via electronic mail at [mnunez@ci.glendale.ca.us](mailto:mnunez@ci.glendale.ca.us) or at the mailing address above.

Sincerely

A handwritten signature in black ink, appearing to read "Stephen M. Zurn", written over a large, stylized number "2".

Stephen M. Zurn  
Director of Public Works

SCS ENGINEERS



Final Report

# Franchising of Commercial Refuse Collection

Presented to:

**City of Glendale**



Integrated Waste Management Division  
548 W. Chevy Chase Dr.  
Glendale, CA 91204

Presented by:

**SCS ENGINEERS**  
438 S. Marengo Ave.  
Pasadena, CA 91101  
(626) 792-9593

September 20, 2017  
File No. 01216185.00

Offices Nationwide  
[www.scsengineers.com](http://www.scsengineers.com)

# Final Report

## Franchising of Commercial Refuse Collection

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## 1.0 BACKGROUND

The City of Glendale (City) is considering implementing a change in how commercial waste is collected in the City. A number of factors have contributed to the City considering changing the commercial collection system. These factors include: 1) regulations mandating commercial recycling and organics diversion; 2) state greenhouse gas emission reduction goals; 3) adoption of updates to the City's Zero Waste Plan; and 4) administrative requirements associated with the existing system.

On July 11, 2013, the City issued a formal notification letter to all private waste haulers operating in the City, informing them that the City reserved the right to implement a franchise system for the collection and removal of solid waste from commercial establishments and multi-family residential premises with five or more units not currently serviced by the City. In accordance with Public Resources Code Section 49250, if a solid waste collection company has been lawfully providing service in the City for more than three years, it may continue to provide those services for up to five years after the mailing of the formal notification. Therefore, the earliest start date for the proposed franchise system is July 11, 2018.

To evaluate the options for commercial collection, the City retained SCS Engineers to analyze the existing solid waste system, to identify potential franchise options, and conduct financial, regulatory, and community analysis of the options. Based on its analysis, SCS Engineers has prepared this report.

### 1.1 EXISTING SOLID WASTE SYSTEM

#### 1.1.1 Existing Services

The City of Glendale (the City) has a population of just over 200,000 residents. The City has approximately 28,000 single family homes, 7,200 multi-family residential dwellings (MFR's) with 5 or more units, and an additional 5,500 MFR's in the process of being built or recently occupied.

The City provides waste collection services for 100% of single-family accounts and MFR's with four or less units (1-4 units), 88% of multi-family dwellings (MFR) of 5 or more units, and approximately 20% of commercial accounts. Private haulers service the remainder of the commercial accounts.

The City has a permit based, private solid waste collection service available for commercial customers. Forty seven (47) haulers have permits to serve any business within the City of Glendale. Of the 47 private haulers, the five largest haulers serve approximately 95% of the commercial accounts in the City. Commercial customers have the choice of receiving service from the City or any of the private, permitted haulers. Thirteen of the private haulers provide only temporary service for construction and demolition (C&D) projects, and ten haulers provide both commercial and C&D services. Nineteen of the permitted haulers reported little or no collection in 2016.

The City requires private haulers to obtain a solid waste services permit to collect and transport commercial waste that is generated within the City. The guidelines for service permits are found in Chapters 8.44 and 8.56 of the Glendale Municipal Code, and summarized below:

- Existing state law exempts firms that collect recyclables from service permit requirements.
- A service permit is valid for one year and can be renewed each July. There are no limits on renewals, but the director can consider the applicant's prior performance in complying with the terms and conditions of Chapters 8.44 and 8.56 in deciding whether to renew the permit.
- To obtain or renew a permit, each hauler pays an annual application fee of \$1,289.
- All solid waste services permittees are required to submit quarterly city solid waste services reports for solid waste collected within the City.
- All solid waste services permittees are required to remit an AB 939 fee to the City. The fee will be calculated as a percentage of each permittee's gross receipts for solid waste collected in the City.
- Permittees who are more than fifteen (15) days late in filing any quarterly city solid waste services report or in paying any AB 939 fees for solid waste collected within the City, can be prohibited from disposing of solid waste at the City's Scholl Canyon landfill.

### **1.1.2 Rate Comparison - Business Customers with City Service**

In the solid waste collection industry, monthly customer charges for commercial bin service are based on each customer's size and number of bins, and number of pickups per week (i.e., the customer's 'level of service'). The City and the private haulers employ two different approaches to charging monthly rates to commercial bin customers.

The City is legally required to charge the rates set forth on a standard fee schedule that is approved by the City Council. The monthly rates charged by the private haulers are not regulated by the City, but are individually negotiated between the private hauler and their customers. As a result, customers in the City will often pay different rates for the same level of service.

Table 1 shows the standard rates charged by the City to its business customers. For example, a business with City provided service with the most common level of service (a single 3-cubic yard bin picked up once per week) pays a standard rate of \$109.26 per month. The standard rates for City service in Table 1 have been in effect since 2010.

**Table 1. Monthly Rates for Commercial Business Customers with City Service**



Bin Size	Pickups per Week:						
	1	2	3	4	5	6	7
1 Cubic Yard	\$ 52.39	\$ 99.57	\$ 146.78	\$ 193.97	\$ 241.16	\$ 288.35	\$ 359.13
2 Cubic Yards	\$ 88.72	\$ 141.89	\$ 202.87	\$ 263.82	\$ 324.86	\$ 385.89	\$ 477.44
3 Cubic Yards	\$ 109.26	\$ 189.56	\$ 269.95	\$ 350.34	\$ 430.74	\$ 511.12	\$ 631.69

The rates shown in Table 2 reflect the market rates charged by the private haulers to their commercial bin customers. To determine these average rates, we obtained downloads of customer and rate data from the City's five largest private haulers. These five haulers provide service to approximately 95% of the City's customers with private service. We tabulated all of the monthly rates for each level of service, and divided by the number of customers with that level of service. Table 2 shows that the average rate for the most common level of service, a single 3-cubic yard bin picked up once per week, is \$109.32 per month. Table 2 does not show a rate for every level of service. This is because there are not customers with every level of service. Table 2 also shows average rates for customers with 4 and 6-cubic yard bins, which are bin sizes that the City does not offer.

Because it is based on actual rates negotiated by six haulers among a myriad of customers with various service characteristics, the average rates are not necessarily internally consistent. The City's standard rate schedule shows a consistent pattern of increase as larger bins receive more weekly pickups. However, the average private hauler rates reveal inconsistencies.

For example, the average rate for a 3-cubic yard bin picked up three times per week is approximately three times greater than the rate for a 3-cubic yard bin picked up once per week. However, the rate for a 2-cubic yard bin picked up three times per week is approximately four times the rate for a 2-cubic yard bin picked up once per week.

**Table 2. Average Monthly Rates for Commercial Customers with Private Hauler Service**

Bin Size	Pickups per Week:						
	1	2	3	4	5	6	7
1 Cubic Yard	\$ 95.57						
2 Cubic Yards	\$ 95.87	\$ 182.65	\$ 353.49	\$ 403.48	\$ 319.67	\$ 359.21	
3 Cubic Yards	\$ 109.32	\$ 185.65	\$ 270.71	\$ 335.16		\$ 501.66	\$ 596.59
4 Cubic Yards	\$ 135.93	\$ 246.50	\$ 354.91	\$ 448.80	\$ 513.89	\$ 668.95	
6 Cubic Yards	\$ 221.55	\$ 526.24		\$ 489.50	\$ 584.50	\$ 604.83	

The differences between the rates charged by the City and the average rates charged by the private haulers are shown in Table 3. For levels of service in which the market rates charged by the private haulers are higher than the standard rates charged by the City, the difference is shown as a positive amount in Table 3.

For the most common level of service, a single 3-cubic yard bin collected once per week, Table 3 shows that there is only a \$0.06 difference. Table 3 also shows that the private haulers generally charge higher rates for 2-cubic yard bins. However, the difference between the rates for using 3-cubic yard bins is not as great as that for the 2-cubic yard bins. The variability among the differences in the data in Table 3 highlights the difference in the approaches of how rates are set between customers of the City and customers of the private haulers.

**Table 3. Difference between City Rates and Average Private Hauler Rates**

Bin Size	Pickups per Week:						
	1	2	3	4	5	6	7
1 Cubic Yard	\$43.18						
2 Cubic Yards	\$7.15	\$40.76	\$150.62	\$139.66	(\$5.20)	(\$26.68)	
3 Cubic Yards	\$0.06	(\$3.91)	\$0.76	(\$15.18)		(\$9.46)	(\$35.10)

### 1.1.3 Existing Rates - Multi-family (City services)

In addition to the comparison of business rates shown in Table 3, a review of the City provided multi-family residential (MFR) bin rates vs. that of private hauler rates is below in Tables 4 through 6.

Table 4 shows the standard rates charged by the City to its multi-family customers. For example, a multi-family customer in the City with the most common level of service, a single 3-cubic yard bin picked up once per week, pays \$58.15 per month. The rates in Table 4 have been in effect since 2010.



**Table 4. Monthly Rates for Commercial MFR Customers with City Service**

Bin Size	Pickups per Week:						
	1	2	3	4	5	6	7
1 Cubic Yard	\$ 33.00	\$ 55.63	\$ 78.26	\$ 100.89	\$ 123.52	\$ 146.15	\$ 168.78
2 Cubic Yards	\$ 45.35	\$ 67.98	\$ 90.61	\$ 113.24	\$ 135.87	\$ 158.50	\$ 181.13
3 Cubic Yards	\$ 58.15	\$ 80.78	\$ 103.41	\$ 126.04	\$ 148.67	\$ 171.30	\$ 193.93

The rates in Table 5 show the average market rates charged by the private haulers to their commercial bin customers, which are the same as those charged to multi-family customers. In setting customer rates, private haulers typically do not differentiate between business and multi-family customers, since the cost to provide service to each type is the same.

**Table 5. Average Monthly Rates for Commercial Customers with Private Hauler Service**

Bin Size	Pickups per Week:						
	1	2	3	4	5	6	7
1 Cubic Yard	\$ 95.57						
2 Cubic Yards	\$ 95.87	\$ 182.65	\$ 353.49	\$ 403.48	\$ 319.67	\$ 359.21	
3 Cubic Yards	\$ 109.32	\$ 185.65	\$ 270.71	\$ 335.16		\$ 501.66	\$ 596.59
4 Cubic Yards	\$ 135.93	\$ 246.50	\$ 354.91	\$ 448.80	\$ 513.89	\$ 668.95	
6 Cubic Yards	\$ 221.55	\$ 526.24		\$ 489.50	\$ 584.50	\$ 604.83	

The differences between the rates charged by the City for multi-family service and the average rates charged by the private haulers are shown below in Table 6. For levels of service in which the market rates charged by the private haulers are higher than the standard rates charged by the City, the difference is shown as a positive amount in Table 6.

For the most common level of service, a single 3-cubic yard bin collected once per week, Table 6 shows that the rate charged by the City is approximately \$51.17 below the average market rate of \$109.32 in Table 5. Table 6 also shows that the City's standard rates for multi-family service are significantly less than the average market rates charged by the private haulers shown on Table 5.

**Table 6. Difference between City Rates and Average Private Hauler Rates**

Bin Size	Pickups per Week:						
	1	2	3	4	5	6	7
1 Cubic Yard	\$ 62.57						
2 Cubic Yards	\$ 50.52	\$ 114.67	\$ 262.88	\$ 290.24	\$ 183.80	\$ 200.71	
3 Cubic Yards	\$ 51.17	\$ 104.87	\$ 167.30	\$ 209.12		\$ 330.36	\$ 402.66

### 1.1.4 Market Share

The combined annual revenue that the private haulers and the City receive for commercial bin collection service is shown in Table 7. In addition to segregating the total revenue between the private haulers and the City, Table 7 also organizes the total revenue among the various customer sectors (e.g., MFR premises with 4 units or fewer, etc.). In addition to the annual amount of revenue, the lower part of Table 7 shows the proportionate share of revenue for the private haulers and the City for each of the customer sectors.

Table 7 shows that the total amount paid by customers in the City for commercial bin collection service is approximately \$9.9 million per year. Of this amount, approximately \$5.7 million is paid to the private haulers, and \$4.2 million is paid to the City.

Table 7 also shows that:

- The City is the exclusive provider of service to MFR customers with four units or less.
- Significant portions of the City's resources are devoted to providing refuse collection service to other City departments (e.g., bins located at City buildings, parks, etc.).
- While the share of overall revenue between the City and the private haulers is roughly similar (58% for the private haulers and 42% for the City), the City has an overwhelming majority of MFR revenue, and the private haulers have an overwhelming majority of business revenue.

**Table 7. Market Share – Annual Revenue**

Customer Sector	Private Haulers	City of Glendale	Total
Multi Family 4 or Less Units	\$0	\$145,000	\$145,000
Multi Family 5 or More Units	\$1,218,000	\$3,216,000	\$4,434,000
<i>Subtotal – Multi-Family</i>	<i>\$1,218,000</i>	<i>\$3,361,000</i>	<i>\$4,579,000</i>
Businesses	\$4,518,000	\$445,000	\$4,963,000
City Facilities	\$0	\$396,000	\$396,000
<b>TOTAL REVENUE</b>	<b>\$5,736,000</b>	<b>\$4,202,000</b>	<b>\$9,938,000</b>

The number of customers associated with the revenue amounts in Table 7 are shown in Table 8. As indicated, there are approximately 4,370 commercial bin customers in the City. A comparison of Table 7 and Table 8 shows that while the private haulers have a greater market share of revenue, the City actually serves a greater number of customers. This is because the multi-family customers served by the City typically have lower levels of service and less revenue per customer.



**Table 8. Market Share – Number of Customers**

Customer Sector	Private Haulers	City of Glendale	Total
Multi Family 4 or Less Units	0	178	178
Multi Family 5 or More Units	322	2,301	2,623
<i>Subtotal – Multi-Family</i>	<i>322</i>	<i>2,479</i>	<i>2,801</i>
Businesses	1,198	275	1,473
City Facilities	0	96	96
<b>TOTAL ACCOUNTS</b>	<b>1,520</b>	<b>2,850</b>	<b>4,370</b>

## 1.2 EXISTING LAWS AND REGULATIONS

### 1.2.1 City Codes and Ordinances

The City's policies regarding solid waste collection, recycling and disposal are included in the City's municipal code, Chapter 8.44 and Chapter 8.56. The City of Glendale currently issues solid waste services permits to private haulers that operate in the City. The Glendale Municipal Code empowers the City to review private solid waste haulers' records to ensure that they pay appropriate fees, report accurate information, engage in proper waste management activities, and comply with State law. Haulers must submit data regarding the volume of waste and recycling collected as well as the final disposal location when paying their AB939 fees.

A permit fee of \$1,289 is charged annually to the private haulers by the City of Glendale. This revenue is intended to offset the cost of staff time to administer the commercial services system. Under the City's Municipal Code, the City cannot require permittees to provide the data needed for compliance of State regulations. If the haulers were franchised, they could be required by the City to provide that data.

The City's Zero Waste Plan was adopted in 2010, setting a goal of 75% diversion by 2020 and 90% by 2030. The plan includes recommendations for commercial waste reduction services, including such measures as mandatory recycling and food waste collection and diversion. The City subsequently adopted a Zero Waste resolution in 2011 to guide City policy in this area. Replacing the open permit system with franchised waste collection will provide the City with an opportunity to require franchised haulers to play a more active role in implementing the Zero Waste Plan

An in-depth analysis of the City's Municipal Code and Zero Waste Action Plan, in relation to solid waste franchising, was conducted as part of this project, and a separate report was prepared and submitted to the City.

### 1.2.2 State Laws and Regulations

Local jurisdictions play an important role in the management of solid waste. The California Department of Resources Recycling and Recovery (CalRecycle) administers and provides oversight for all of California's state-managed waste handling and recycling programs including overseeing beverage container and electronic-waste recycling, organics management, used tires, used motor oil, carpet, paint, mattresses, rigid plastic containers, plastic film wrap, newsprint, construction and demolition debris, medical sharps waste, household hazardous waste, and food-scrap composting. CalRecycle also provides training and ongoing support for Local Enforcement Agencies, which regulate and inspect California's active and closed solid waste landfills, as well as materials recovery facilities, solid waste transfer stations, compost facilities, and more.

Cities are required to regularly report to CalRecycle on waste reduction, reuse and recycling activities. Franchising will increase the efficiency of processing information for inclusion in CalRecycle reports.

A list of the CalRecycle reporting requirements for jurisdictions is included below:

- **Annual Reporting.** Each city, county, or regional agency submits an annual report which calculates the annual per capita disposal rate and describes the progress of implementing local diversion programs. CalRecycle developed the online disposal rate calculator and the electronic annual report to simplify the reporting process by performing the complex calculations required and by providing downloadable forms used by jurisdictions to prepare their annual reports. Web-based tools allow jurisdictions to view disposal data by waste origin or waste destination.
- **CalRecycle Jurisdiction Review.** Every two to four years, depending on compliance status, CalRecycle reviews the progress of each jurisdiction toward the goals of the Integrated Waste Management Act and SB 1016, the per Capita Disposal Measurement System. Cities must provide supporting data to CalRecycle for the review, including ongoing compliance with AB 341 and 1826 (beginning in 2017), disposal reports, and program implementation.
- **Disposal Reporting.** Each county or regional agency submits quarterly disposal reports to CalRecycle. Disposal reports detail each jurisdiction's disposal tonnage (including waste from out of state) at each landfill and transformation facility in the reporting county as well as each jurisdiction's disposal tonnage at any landfills outside California (exports).
- **Household Hazardous Waste.** CalRecycle requires each jurisdiction to annually report the amount of household hazardous waste (HHW) collected through locally administered programs. Local jurisdictions must use CalRecycle Form 303 to meet this requirement.

Other state agencies are also involved in the management of solid waste activities, including the State Water Resources Control Board, the Air Resources Board, and the Department of Toxic Substances Control, in addition to local air pollution control districts.



A detailed description of the reporting requirements is found in the Task 2 report prepared by SCS as part of this project. That report was previously submitted to the City.

## 2.0 CHALLENGES AND OPPORTUNITIES

The City of Glendale is considering a transition from their current waste services to a plan that embraces the three goals of sustainability: environmental protection, social responsibility, and economic success. To reach these goals, the new waste management plan must address compliance with existing and future laws, fulfilling regulatory requirements by compiling accurate data, improving efficiency of refuse collection, protecting the public's health, and gaining community acceptance. In this section, we discuss the existing system challenges, and the opportunities to reduce or eliminate these challenges with a new solid waste system.

### 2.1.1 Economic Success

A permit fee of \$1,289 is charged annually to the private haulers by the City of Glendale. This revenue is used to offset staff time for reviewing, confirming, and processing paperwork. Reducing the number of haulers will reduce requirements for City staff to administer the permit system.

Under the current system, business customers have unfettered choice of haulers but the process integrity is not very high. There are reports of disparity in diversion and customer fees. As of 2010, only 45% of multi-family dwelling were provided recycling bins. Other economic benefits of franchising include:

- Uniform pricing within service areas and reduced costs.
- Pre-established rates to encourage recycling.
- Potential reduced costs for recycling services for customers.
- Predictable and measurable escalators usually based on CPI and (sometimes) fuel index.
- Liquidated damages for violations of ordinances and missed pickups.
- Liquidated damages for missed pickups caused by labor disputes (i.e., strike protection).

### 2.1.2 Regulatory Requirements

The City of Glendale is responsible for meeting regulatory compliance for laws and regulations for solid waste management, as discussed in Section 1.2.2. The existing permit system and the guidelines set in the Municipal Code, impedes the City's ability to gather the required information and to implement the necessary programs to comply with state regulations, reporting requirements, and waste diversion goals. A franchise agreement would provide the City with a legal capacity to gather diversion data from haulers and streamline the collection of data for all CalRecycle reporting requirements.

The Zero Waste Plan recommends that the City adopt a mandatory ordinance to facilitate commercial recycling that requires all non-residential solid waste and all multifamily solid waste to be taken to a certified mixed solid waste recycling facility that diverts over 25% or a recycler that diverts more than 85% of all the accepted waste from landfill or incineration. It would also require all nonresidential and multifamily waste generators that generate a significant volume of yard trimmings to participate in the yard trimming recycling program or otherwise prevent the waste from being disposed in landfill. With respect to organics, the Zero Waste Plan recommends that commercial generators of “wet” discards, such as food scraps, soiled paper and manure be required to source separate these materials, and that this requirement be included in the City’s mandatory commercial recycling ordinance.

The City could adopt the ordinance language recommended in the Zero Waste Plan, and require all franchisees to transport recyclables, yard trimmings and organic waste to designated recycling and composting/processing facilities. This is the approach that other municipalities have adopted, and the terms and conditions for collecting commercial recyclables and organics are specified in their respective laws.

Since mandatory commercial recycling and organics collection are required at the state level, the City could also consider requiring the franchised haulers to divert commercial recyclables and organics in a manner that complies with State laws, with specific terms and conditions are prescribed in the franchise agreement. This approach allows the City to modify how a franchised hauler must provide commercial recycling and composting services, without amending their municipal code. Regardless of which approach the City selects, either the municipal code or franchise agreement will need to specify how the hauler will provide commercial recycling and composting services.

### **2.1.3 Environmental Protection**

The current system does not provide the City with any control over the number or types of refuse vehicles nor the routes the private haulers use within the City. This leads to increased traffic due to multiple hauler trucks in the City, inefficient routes that lead to more miles driven per vehicle, and possibly older and less efficient vehicles emitting excessive GHG’s. Addressing these issues will lead to improved air quality, an increase in the lifespan of City streets, and a decrease in traffic. There are a number of environmental benefits of franchising, including:

- Reduced number of average vehicle miles traveled per collection truck
- Reduced truck traffic and prolonged alley life
- Reduced greenhouse gas (GHG) emissions
- Total truck and total vehicle miles to decrease
- Reduced wear and tear on streets, increasing lifespan and maintenance costs



## 3.0 SCENARIOS

To achieve the City's goals and objectives, SCS Engineers worked together with City staff to identify several alternative service arrangement scenarios that the City may implement for its commercial solid waste customers. The development of the scenarios took into consideration the City's history and how the current open permit system evolved, and the unique characteristics of the City that might have a bearing on one type of system over another.

Each of these scenarios is comprised of various combinations of service characteristics. These characteristics include:

- Which type of service provider will collect from what customer sector;
- Whether service will be provided on an exclusive or non-exclusive basis; and,
- If the City will be segregated into geographic zones.

### 3.1 SERVICE CHARACTERISTICS

#### 3.1.1 Service Provider

The service providers are the City of Glendale (Public Works Department), or, one or more franchised private haulers competitively selected by the City.

#### 3.1.2 Customer Sector

The City's commercial customers include the following customer sectors:

- **MFR 4 Units or less** - Multi-family residential customers with from two (2) to four (4) dwelling units.
- **MFR 5 or More Units** - Multi-family residential customers with five (5) or more dwelling units.
- **Business Customers** – non-residential customers with bin collection service.

#### 3.1.3 Exclusive Service vs. Non-exclusive Service

Exclusive service entails a single service provider that has the exclusive right to provide solid waste collection service to all customers in a specific customer sector or all customers within a certain geographic zone. Customers in the specific customer sector or within the geographic zone can only receive service from the exclusive service provider.

Non-exclusive service entails two or more service providers having the non-exclusive right to provide solid waste collection service to a specific customer sector or within a certain geographic

zone. Customers in the specific customer sector or within the geographic zone are able to select from only the non-exclusive service providers authorized by the City. The non-exclusive service providers can include the City of Glendale and/or one or more franchised private haulers.

### **3.1.4 Zones**

Certain of the service arrangement scenarios are based on zones. In these scenarios, the City would be organized into three geographic zones. All of the customers in each customer sector within each zone would be subject to the same mix of service providers and exclusive vs. non-exclusive service.

## **3.2 LIST OF SERVICE ARRANGEMENT SCENARIOS**

The alternative service arrangement scenarios include the following:

1. Maintain the status quo.
2. Establish exclusive franchise zones for business customers; all multi-family customers would be served by the City.
3. Establish non-exclusive citywide franchises for all MFRs and businesses with a limited number of haulers.
4. Establish exclusive franchise zones for all MFRs and businesses.
5. Establish exclusive franchise zones for all MFRs and businesses; customers are allowed to use City service in any zone.
6. Establish one exclusive citywide franchise for all MFRs and businesses.

## **3.3 SCENARIO ONE - MAINTAIN THE STATUS QUO**

Scenario 1 is to maintain the status quo. Under this scenario, MFR customers up to four Units would continue to be served on an exclusive basis by the City of Glendale. MFR customers with five or more units, and business customers, would continue to be able to choose from the City of Glendale or a permitted waste hauler.

## **3.4 SCENARIO TWO - ESTABLISH EXCLUSIVE FRANCHISE ZONES FOR BUSINESSES; CITY SERVES ALL MFRS**

Under Scenario 2, all MFR customers would be required to receive service from the City of Glendale. For the business customer sector, the City would be organized into three (3) geographic zones. In each of these zones, one franchised private hauler would have the



exclusive right to provide solid waste collection service to all customers in each zone. All business customers would be required to use the private hauler competitively selected to serve in their respective zone.

### 3.5 SCENARIO THREE – ESTABLISH NON-EXCLUSIVE FRANCHISE FOR ALL MFRS AND BUSINESSES

Under Scenario 3, the City would end its current *permit* system and require all waste haulers to enter into non-exclusive franchise agreements with the City. All MFR customers and all business customers, on a citywide basis, would be able to choose from among a limited number of authorized franchised haulers. Although there would be fewer haulers, from the customers' perspective, this scenario would seem identical to the status quo.

### 3.6 SCENARIO FOUR – ESTABLISH EXCLUSIVE FRANCHISE ZONES FOR ALL MFRS AND BUSINESSES

Under Scenario 4, all commercial customers (including multi-family customers) in the City would be organized into three geographic zones. In each of these zones, one franchised private hauler that was competitively selected would have the exclusive right to provide solid waste collection service to all customers in each zone. All commercial customers (including multi-family) would be required to use the private hauler competitively selected by the City to serve in their respective zone.

This scenario would be similar to Scenario 2, except that instead of the City of Glendale having the exclusive right to serve all multi-family customers, multi-family customers would be served by the private hauler that had the exclusive franchise to serve in the zone in which the multi-family customer was located. This scenario would also be similar to Scenario 5, except that customers in each zone would not be able to receive service from the City of Glendale.

### 3.7 SCENARIO FIVE – ESTABLISH EXCLUSIVE FRANCHISE ZONES FOR ALL MFRS AND BUSINESSES; CUSTOMERS ALLOWED TO USE CITY SERVICE IN ANY ZONE

Under Scenario 5, all commercial customers (including multi-family customers) in the City would be organized into three geographic zones. In each of these zones, one franchised private hauler would have the exclusive right to provide solid waste collection service to all customers in each zone. All commercial customers would be required to use the private hauler competitively selected to serve in their respective zone. However, in addition to the single franchised private

hauler in each zone, customers throughout the City, if they so desired, would be able to receive service from the City of Glendale.

This scenario would be similar to Scenario 2, except that instead of the City of Glendale having the exclusive right to serve all multi-family customers, the City of Glendale would only be able to provide service to those multi-family customers that wanted to receive service from the City. This scenario would also be similar to Scenario 4; however, in Scenario 4, customers would not be able to choose to receive service from the City of Glendale.

### **3.8 SCENARIO SIX – ESTABLISH ONE EXCLUSIVE FRANCHISE FOR ALL MFRS AND BUSINESSES**

Under Scenario 5, a single franchised hauler would provide service to all MFR and commercial customers on a citywide basis. All commercial customers in the City (including multi-family customers) would be required to use the franchised hauler that was competitively selected to serve the entire City.

This scenario would be similar to Scenario 2, except that instead of having three haulers providing service in three zones, there would be a single franchise hauler for the entire City. There would be essentially one single ‘zone.’

A comparison of each of the service arrangement scenarios is included on the following page in Table 9.



**Table 9. Service Arrangement Scenarios**

Scenario:		1	2	3	4	5	6
		Status Quo	Establish Exclusive Franchise Zones for Businesses; City Services All MFRs	Establish Non-Exclusive Franchise for All MFRs and Businesses	Establish Exclusive Franchise Zones for All MFRs and Businesses	Establish Exclusive Franchise Zones for All MFRs and Businesses	Establish Exclusive Franchise Zones for All MFRs and Businesses; Customers Allowed to Use City Services in Any Zone
<b>Service Sector:</b>							
Multi-family	2 - 4 Dwelling Units	Served exclusively by City	Served exclusively by City	Served by private haulers operating anywhere in City	Served by private haulers in 3 exclusive franchise zones	City and private haulers compete	Served exclusively by one private hauler
	5 or More Dwelling Units	City and private haulers compete	Served exclusively by City	Served by private haulers operating anywhere in City	Served by private haulers in 3 exclusive franchise zones	City and private haulers compete	Served exclusively by one private hauler
Business		City and private haulers compete	Served by private haulers in 3 exclusive franchise zones	Served by private haulers operating anywhere in City	Served by private haulers in three (3) exclusive franchise zones*	City and private haulers compete	Served exclusively by one private hauler

<b>Color Legend:</b>	Exclusive City Services	Shared City and Private Hauler Non-exclusive Service	3 Private Haulers Exclusive Service	Non-exclusive Private Hauler Service	One Private Hauler Exclusive Service
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## 4.0 EVALUATION CRITERIA

Evaluation criteria were developed to compare and score each scenario, and to provide a comparative basis of the six scenarios. In addition, each criterion was given a weight that reflects the relative importance of the criteria to each other. The criteria and weighting are listed in Table 10, and described further below in this section. The evaluation results are discussed in Section 5.

**Table 10. Evaluation Criteria and Weighting**

Evaluation Criteria	Criteria Weight
A. Administrative Requirements	5%
B. Regulatory Compliance	20%
C. Environmental Factors	30%
D. Financial Factors	25%
E. Community Acceptance	15%
F. Continuity of Municipal Services	5%
<b>Total</b>	<b>100%</b>

### 4.1 ADMINISTRATIVE REQUIREMENTS

This criterion will be used to evaluate the relative level of City staff time for oversight of the haulers who will be providing collection services. As previously discussed, as of 2016, the system included 47 permitted haulers, which requires regular oversight by City staff to monitor compliance with AB 939 reporting and fee payments. Furthermore, City staff also complete the annual permitting renewals, payments, and approvals. The evaluation will analyze the impact of the scenarios may have on City staff time required to administer the collection services. All of the scenarios, with the exception of Scenario 1 (status quo) have the potential to reduce the administrative requirements of the City. Scenario 6, one exclusive hauler for the entire city, would have the greatest impact on reducing administrative requirements for the City.



## 4.2 REGULATORY COMPLIANCE

This criterion will be used to evaluate the scenario in relation to the ability of the City to comply with State solid waste regulations. As discussed in Section 1, the City's existing permit system and municipal code does not require haulers to submit data that is needed for the City to report to CalRecycle on the progress towards compliance with key solid waste laws, including mandatory commercial recycling and organics. Furthermore, pending legislation will require more scrutiny on the City's behalf of the status of organics diversion, including collection and infrastructure. The franchise system should help to facilitate the implementation of reporting, collection programs, and other activities that are required under existing and pending future legislation and regulations. All of the scenarios, with the exception of Scenario 1 (Status Quo) have the potential to increase the City's ability to comply with State solid waste regulations.

## 4.3 ENVIRONMENTAL IMPACTS

This criterion will be used to evaluate the potential for reducing environmental impacts associated with solid waste collection. The collection, processing, and disposal of solid waste has the potential to impact the environment in a number of ways, including air quality, greenhouse gas emissions, land use, noise, and traffic, to name a few. A new solid waste franchise can reduce, directly or indirectly, these potential environmental impacts. Reducing the number of haulers will have a direct impact on the number of vehicles that daily traverse the streets of Glendale, which will reduce traffic, noise, and air quality impacts. Mandatory measures in the franchise agreement such as requiring clean energy vehicles, recycling, and composting will indirectly reduce environmental impacts as well. The potential environmental impacts of any future solid waste system will be evaluated in the environmental impact analysis to be conducted as part of Phase II of the project, which will include compliance with the California Environmental Quality Act (CEQA). As part of that process, we will evaluate the plan with respect to its change from the current, status-quo condition and prepare an Initial Study comparing the change in terms of significance. Scenarios 4 and 5 reduce the number of haulers to the greatest extent, and therefore these scenarios will have the greatest potential to reduce environmental impacts associated with collection.

## 4.4 FINANCIAL IMPACTS

This criterion will be used to evaluate the scenarios impact on customer rates. As previously discussed in Section 1, the combined amount of revenue earned by the private haulers and the City is approximately \$9.9 million per year. This annual revenue also reflects the aggregate economic cost borne by businesses and multi-family customers for commercial bin collection service. This total system cost of \$9.9 million is shown in Table 11.

Table 11. Cost Components of Total System Cost

Cost Category	Total System Cost - Front End Loaders	Route Density Factor:	Annual System Cost - Exclusive Service	Estimated Ratepayer Savings due to Exclusive Service	Percent of Total
Disposal Tip Fee	\$5,046,000		\$5,046,000		
Bin Cost	388,000		388,000		
Landfill Travel Time	675,000		675,000		
Bin Emptying Time	1,125,000		1,125,000		
Service Area Travel Time	2,700,000	70%	1,890,000	\$810,000	
<b>Total System Cost</b>	<b>\$9,934,000</b>		<b>\$9,124,000</b>	<b>\$810,000</b>	<b>9%</b>

Table 11 shows the major cost categories of the total system cost according to the use of resources or type of activity that drives those costs. These cost categories are:

- Disposal Tip Fee – the cost assessed on a per ton basis to deliver waste to the landfill.
- Bin Cost – the cost to own and maintain the bins provided to customer and used to collect waste.
- Landfill Travel Time Cost – the time costs of the truck and driver travelling between the route collection area and the landfill.
- Bin Emptying Time – the time cost spent at the customer location positioning the bins, lifting the bins, and returning them to their original location.
- Service Area Travel Time Cost. – the time cost of the driver and the truck traveling between stops in the service area.

The purpose of organizing the total system cost among these cost categories is to estimate the economic impact of moving to an exclusive franchise system. If the City were to move from a non-exclusive system to an exclusive system, the only cost category that would change would be the Service Area Travel Time Cost.

The number of tons collected would not change. As a result, there would be no change in the Disposal Tip Fee. The number of bins would not change. The travel cost of having a full route vehicle travel to the landfill and have it return to the service area would not change nor would the time spent emptying bins at each customer's location.



However, by gaining route density from the ability to efficiently collect waste from all customers within the service area, the service provider's Service Area Travel Time would be reduced by approximately 30%. As shown in Table 11, this gain in efficiency would result in a savings of approximately 9% in the service provider's operating cost.

As a result, we estimate that the economic savings that would be enjoyed by the City's ratepayers because of moving toward exclusive service would be approximately \$800,000 per year. This financial impact of \$800,000 should be applied to Scenarios 2, 4 and 6.

## 4.5 COMMUNITY ACCEPTANCE/CUSTOMER SERVICE

This criteria will be used to evaluate the scenarios in relation to the ability of customers to choose any hauler, and the community's acceptance, or not, of that. In addition, this criterion will be used to evaluate the potential change in customer service associated with the selected franchise scenario. The City's existing permit system has allowed customers to choose any of the permitted haulers, and to negotiate their rates and services. As proposed, Scenarios 2,3,4,5, and 6 will reduce the number of haulers in the City to between 3 and 5, and will restrict the haulers to providing services in specific zones. Customers will be required to use the hauler assigned to their zone. Scenario 5 will allow customers to use City services in any zone, thereby providing some ability of customers to choose any hauler. Scenario 6 will be the most restrictive, limiting service Citywide to one hauler.

## 4.6 CONTINUITY OF MUNICIPAL SERVICES

This criterion will be used to evaluate whether the City continues to service business and MFR customers. The City's existing permit system has allowed the City exclusive access to MFRs between 2 and 4 units, and the ability to compete with the private sector for the MFR complexes with 5 or more units, as well as businesses. As proposed, under Scenario 2 the City will service all MFR customers, and the remainder will be franchised. Under Scenario 5, the City will be allowed to service any customer in any zone. The remaining scenarios, with the exception of Scenario 1, will eliminate the City providing commercial (business or MFR) service anywhere in the City.

## 5.0 EVALUATION RESULTS

Each of the scenarios described in Section 3 were evaluated using a two-step process. First, each of the scenarios was scored by assigning a total of 100 points among the scenarios for each of the criteria. Second, the weighted value of each criterion was applied to the raw scores. This resulted in a weighted total score for each scenario.

The raw scores for each individual evaluation criteria are included below and shown in Table 12 through Table 18. The weighted evaluation results are shown in Table 19.

## 5.1 ADMINISTRATIVE REQUIREMENTS

Scenario 6, *Establish One Exclusive Franchise for All MFRs and Businesses*, would result in the greatest decrease in the City’s administrative requirements. An exclusive single hauler would provide the most efficiency in the form of administrative requirements and oversight. As a result, scenario 6 was assigned a high score of 30. The lowest score of 0 was assigned to Scenario 1, Status Quo, which utilizes the greatest number of haulers, which requires the most oversight and administrative staff time to manage. Because the City would still have a large number of authorized haulers, scenario 3 was assigned a score of 10. Because they significantly reduce the number of haulers, scenarios 2, 4, and 5 were assigned a slightly higher efficiency score of 20.

**Table 12. Administrative Requirements Scoring**

Evaluation Criteria		Scenario:							Total
		1	2	3	4	5	6		
		Status Quo	Establish Exclusive Franchise Zones for Businesses; City Serves All MFRs	Establish Non-Exclusive Franchise for All MFRs and Businesses	Establish Exclusive Franchise Zones for All MFRs and Businesses	Establish Exclusive Franchise Zones for All MFRs and Businesses	Establish Exclusive Franchise Zones for All MFRs and Businesses; Customers Allowed to Use City Service in Any Zone	Establish One Exclusive Franchise for All MFRs and Businesses	
A. Administrative Requirements	City staff time for hauler oversight	0	0	20	10	20	20	30	100

## 5.2 REGULATORY COMPLIANCE

Scenarios 2, 4, and 6 (each of the exclusive scenarios) were each assigned the highest scores for regulatory compliance. Due to their exclusive nature, scenarios 2, 4 and 6 each would provide the City with more efficient means of gathering and reporting on required compliance related data. Moreover, they would allow the City to embed the cost of recycling service into the refuse collection service. The current scenario was assigned a score of 0 due to the lack of ability to require reports from the existing multiple haulers. Scenarios 3 and 5 were assigned a score of 5 due to their non-exclusive nature. These two scenarios would provide only a slight advantage over the current arrangement in promoting regulatory compliance.



**Table 13. Regulatory Compliance Scoring**

Evaluation Criteria		Scenario:							Total
		1	2	3	4	5	6		
		Status Quo	Establish Exclusive Franchise Zones for Businesses; City Serves All MFRs	Establish Non-Exclusive Franchise for All MFRs and Businesses	Establish Exclusive Franchise Zones for All MFRs and Businesses	Establish Exclusive Franchise Zones for All MFRs and Businesses; Customers Allowed to Use City Service in Any Zone	Establish One Exclusive Franchise for All MFRs and Businesses		
B. Regulatory Compliance	Ability to comply with State regulations	0	0	30	5	30	5	30	100

### 5.3 ENVIRONMENTAL IMPACTS

The environmental impacts of the scenarios were scored based on their ability to minimize the total number of trucks that would operate within the city, which would result in fewer environmental impacts such as traffic, noise, emissions, etc. Scenario 4, *Establish Non-exclusive Franchise Zones for all MFRs and Businesses*, and Scenario 6, *Establish One Exclusive Franchise for All MFRs and Businesses*, would result in the least environmental impact due to the exclusive nature of their design. The current Status Quo scenario was assigned a score of 0 due to its open permit system basis and higher level of traffic.

**Table 14. Environmental Impacts Scoring**

Evaluation Criteria		Scenario:							Total
		1	2	3	4	5	6		
		Status Quo	Establish Exclusive Franchise Zones for Businesses; City Serves All MFRs	Establish Non-Exclusive Franchise for All MFRs and Businesses	Establish Exclusive Franchise Zones for All MFRs and Businesses	Establish Exclusive Franchise Zones for All MFRs and Businesses; Customers Allowed to Use City Service in Any Zone	Establish One Exclusive Franchise for All MFRs and Businesses		
C. Environmental Factors	Reduces Environmental Impacts	0	0	15	10	25	25	25	100

### 5.4 FINANCIAL IMPACTS

The scoring of financial impacts on the city focused on the ability of the scenario to control the service area and to minimize travel time and therefore the costs involved with travel time in the form of vehicle, labor and related operational expenses. Scenarios 4 and 6 would result in the most favorable financial impact on rate payers, due to the haulers’ reduced costs which result from greater route density. Although Scenario 2 would result in the same favorable increase in

route density, MFR customers with City service may incur rate increases due to their current rates being below market. Scenarios 4 and 6 receive a high score of 30 due to the exclusive nature of their design, which would result in greater economies of scale, greater route density, and lower operating costs. Scenarios 2 and 5 include City services, as a result, these scenarios were assigned a lower score of 20. The current Status Quo scenario and scenario 3 were assigned a score of 0 as they are both non-exclusive and would not result in any operating cost savings.

**Table 15. Financial Impacts Scoring**

Evaluation Criteria		Scenario:							Total
		1	2	3	4	5	6		
		Status Quo	Establish Exclusive Franchise Zones for Businesses; City Serves All MFRs	Establish Non-Exclusive Franchise for All MFRs and Businesses	Establish Exclusive Franchise Zones for All MFRs and Businesses	Establish Exclusive Franchise Zones for All MFRs and Businesses; Customers Allowed to Use City Service in Any Zone	Establish One Exclusive Franchise for All MFRs and Businesses		
D. Financial Factors	Impact on Customer Rates	0	0	20	0	30	20	30	100

### 5.5 COMMUNITY ACCEPTANCE / CUSTOMER SERVICE

Scenario 1, Status Quo, was assigned the highest score of 30. Customers would continue to have the ability to choose their hauler. Scenario 3 was assigned a score of 25 also due to its continued non-exclusive nature and open-ended customer choice of haulers. Scenarios 2, 4 and 5 were assigned scores of 15, 15, and 10 respectively, as they each represent an increase in the level of exclusiveness. Scenario 5 would provide exclusive service, however, the customer would also be able to choose City services, resulting in diminished economies of scale. Scenario 2 is both part exclusive and part non-exclusive, while scenario 4 would provide three exclusive zones with no City services. Scenario 6 was assigned a 5 score because it would entail a single hauler for the entire city.

**Table 16. Community Acceptance/Customer Service Scoring**

Evaluation Criteria		Scenario:							Total
		1	2	3	4	5	6		
		Status Quo	Establish Exclusive Franchise Zones for Businesses; City Serves All MFRs	Establish Non-Exclusive Franchise for All MFRs and Businesses	Establish Exclusive Franchise Zones for All MFRs and Businesses	Establish Exclusive Franchise Zones for All MFRs and Businesses; Customers Allowed to Use City Service in Any Zone	Establish One Exclusive Franchise for All MFRs and Businesses		
E. Community Acceptance	Ability to choose any hauler	0	30	15	25	15	10	5	100



## 5.6 CONTINUITY OF MUNICIPAL SERVICE

The current Status Quo scenario was assigned the highest score of 45 because the City would continue to be involved in every customer sector. Scenario 2, in which the City would continue to service all of the multi-family accounts, was assigned a score of 30. A score of 25 was assigned to scenario 5 due to its “open door” nature, which would provide customers the ability to select City services if desired. Scenarios 3, 4, and 6 were assigned a score of 0 since there would be no continuation of City services.

**Table 17. Continuity of Municipal Service Scoring**

Evaluation Criteria		Scenario:							Total
		1	2	3	4	5	6		
		Status Quo	Establish Exclusive Franchise Zones for Businesses; City Serves All MFRs	Establish Non-Exclusive Franchise for All MFRs and Businesses	Establish Exclusive Franchise Zones for All MFRs and Businesses	Establish Exclusive Franchise Zones for All MFRs and Businesses	Establish Exclusive Franchise Zones for All MFRs and Businesses; Customers Allowed to Use City Service in Any Zone	Establish One Exclusive Franchise for All MFRs and Businesses	
F. Continuity of Municipal Services	City continues to service business and MFR sectors	0	45	30	0	0	25	0	100

A compilation of the raw scores is included on the following page in Table 18. The scoring criteria were each assigned a weight, representing the level of importance of that criteria. Using the raw scores, the weighting was assigned to arrive at the final scores and ultimately ranking of the scenarios. A compilation of the weighted scores is included in Table 19. Scenario 4 scored the highest, with Scenarios 6 and 2 receiving the next highest scores. Exhibit 1 further below shows the scoring based on the weighted criteria.

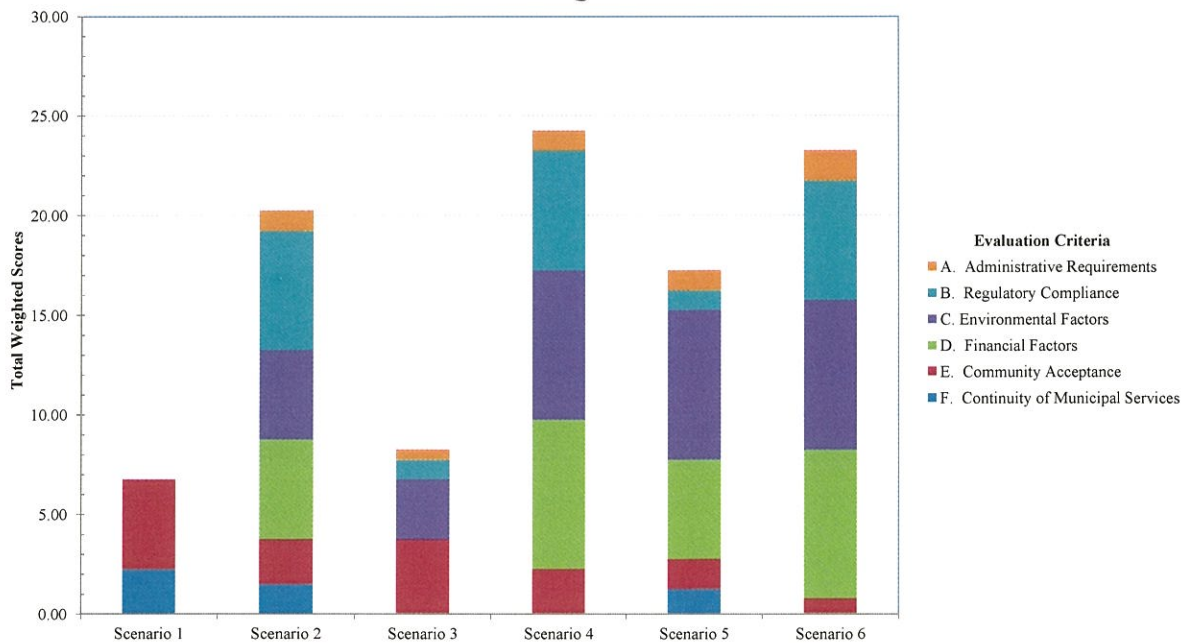
**Table 18. Raw Scores (Evaluators assign a total of 100 points in each evaluation criteria; more points equals more favorable)**

Evaluation Criteria		Scenario:						Total
		1	2	3	4	5	6	
		Status Quo	Establish Exclusive Franchise Zones for Businesses; City Serves All MFRs	Establish Non-Exclusive Franchise for All MFRs and Businesses	Establish Exclusive Franchise Zones for All MFRs and Businesses	Establish Exclusive Franchise Zones for All MFRs and Businesses; Customers Allowed to Use City Service in Any Zone	Establish One Exclusive Franchise for All MFRs and Businesses	
A. Administrative Requirements	City staff time for hauler oversight	0	20	10	20	20	30	100
B. Regulatory Compliance	Ability to comply with State regulations	0	30	5	30	5	30	100
C. Environmental Factors	Reduces Environmental Impacts	0	15	10	25	25	25	100
D. Financial Factors	Impact on Customer Rates	0	20	0	30	20	30	100
E. Community Acceptance	Ability to choose any hauler	30	15	25	15	10	5	100
F. Continuity of Municipal Services	City continues to service business and MFR sectors	45	30	0	0	25	0	100
<b>Total Raw Scores</b>		<b>75</b>	<b>130</b>	<b>50</b>	<b>120</b>	<b>105</b>	<b>120</b>	<b>600</b>



**Table 19. Weighted Scores – Raw Scores adjusted for relative weight of each evaluation criteria**

Evaluation Criteria		Criteria Weight	Scenario:						Weighted Total
			1	2	3	4	5	6	
			Status Quo	Establish Exclusive Franchise Zones for Businesses; City Serves All MFRs	Establish Non-Exclusive Franchise for All MFRs and Businesses	Establish Exclusive Franchise Zones for All MFRs and Businesses	Establish Exclusive Franchise Zones for All MFRs and Businesses; Customers Allowed to Use City Service in Any Zone	Establish One Exclusive Franchise for All MFRs and Businesses	
A. Administrative Requirements	Reduces City staff time for hauler oversight	5%	0.00	1.00	0.50	1.00	1.00	1.50	5.00
B. Regulatory Compliance	Enhances Ability to comply with State regulations	20%	0.00	6.00	1.00	6.00	1.00	6.00	20.00
C. Environmental Factors	Reduces Environmental Impacts associated with existing system	30%	0.00	4.50	3.00	7.50	7.50	7.50	30.00
D. Financial Factors	Impact on Customer Rates	25%	0.00	5.00	0.00	7.50	5.00	7.50	25.00
E. Community Acceptance	Ability to choose any hauler	15%	4.50	2.25	3.75	2.25	1.50	0.75	15.00
F. Continuity of Municipal Services	City continues to service business and MFR sectors	5%	2.25	1.50	0.00	0.00	1.25	0.00	5.00
Total Weighted Scores		100%	6.75	20.25	8.25	24.25	17.25	23.25	100.00
<b>Rank</b>			<b>6</b>	<b>3</b>	<b>5</b>	<b>1</b>	<b>4</b>	<b>2</b>	

**Exhibit 1. Scenario Ranking Based on Evaluation Criteria**

## 6.0 CONCLUSION

Based on the results of the analysis, and the scoring and weighting of the scenarios, Scenario 4 was the highest ranked. By franchising the collection of waste from business customers into three zones, the City would realize the following benefits:

- The City's administrative burden would decrease.
- The City would be much better equipped to comply with new state-mandated regulations.
- Due to increases in route density and enhanced economies of scale, the environmental impacts such as traffic, noise, and emissions would be reduced.
- This increased route density would also result in a cost savings of approximately 9% over the haulers current operating costs.
- Although individual business customers would be required to use the haulers that are selected by the City, the selected haulers would be competitively selected, and the competitive pressure on rates would come from the City's competitive procurement process instead of from each individual customer. As a result, customers would continue to enjoy competitive rates even though they would be precluded from negotiating for their own individual waste collection service.



## Community Meeting: Proposed Commercial Franchise Refuse Service

The City of Glendale requests community input on modernizing refuse, recycling and yard trimming collection services to help comply with new Statewide mandates and regulations. The City currently has 37 permitted haulers that provide services in the community. In the coming months, the City will undertake an analysis of current services and the collection system in order to ensure that services are provided efficiently and that new regulations are met. Community input will provide valuable insight related to these services.

For more information visit [GlendaleRecycles.com](http://GlendaleRecycles.com)

### Can't attend a meeting? You can also:

#### Email Us

Send us comments or questions to [recycle@glendaleca.gov](mailto:recycle@glendaleca.gov)

#### Take a Survey

Complete online survey at [GlendaleRecycles.com](http://GlendaleRecycles.com)



@MyGlendalePW

Reasonable accommodations will be made upon request. Please notify us 72 hrs. prior to event date.

**Attend one of the following meetings for more information or input:**

**Wednesday, Aug. 23, 2017  
6 PM**

MSB Planning Room  
633 E. Broadway,  
Room 105

**Thursday, Aug. 24, 2017  
10 AM**

Glendale Police  
Department  
Community Room  
131 N. Isabel St.

**Tuesday, Sept. 5, 2017  
3 PM**

City of Glendale, City Hall  
Council Chambers  
613 E. Broadway, Level 2