



Agenda Item # _____

Staff Report

City of Manhattan Beach

TO: Honorable Mayor Montgomery and Members of the City Council

THROUGH: Geoff Dolan, City Manager

FROM: Jim Arndt, Public Works Director
Anna Luke, Management Analyst

DATE: October 7, 2008

SUBJECT: Consideration of a one-year contract extension of the refuse franchise agreement with Waste Management.

RECOMMENDATION:

Staff recommends that the City Council approve the one-year contract extension with Waste Management.

FISCAL IMPLICATION:

There are no additional fiscal implications associated with the contract extension.

BACKGROUND:

The City's current seven-year solid waste contract with Waste Management will expire at midnight on Saturday, October 31, 2009. According to Section 2.5, the agreement provides the City with an option for a one-year contract extension. Should the City wish to exercise this option, it must notify Waste Management in writing by July 31, 2009. If approved by City Council, staff will proceed with the notification and the new expiration date for the Waste Management contract will be October 31, 2010.

Current Contract

Waste Management has served the City of Manhattan Beach for over fifteen years and is familiar with its routes, challenges and needs. Because of the contract terms prohibiting extraordinary increases other than the annual PPI (Producer Price Index) rate increase, low refuse rates have been maintained despite the substantial increase in fuel costs since 2002. The current contract provides many value-added programs available to residents and business owners. Those programs include curbside free recycling and green waste collection bins and services, free bulky-item and e-waste pickups for residents, and assistance with school assemblies. As participation in civic events, Waste Management provides volunteers each year for the City's Earth Day and Hometown Fair booth.

Additional Efforts

Although contractually Waste Management must provide a “liaison” for the City, Waste Management interprets this requirement by assigning several employees to work directly with City staff. These employees include a Community Relations Manager to act as the main liaison from Waste Management, a Route Manager to contact for collection and commercial enclosure issues, and a Service Representative to expedite all City-requested work orders. In addition, Waste Management offers the services of their Recycling Compliance Manager as well as the contracted services of Moore Environmental Programs to teach the composting classes and assist in school outreach.

In 2008 Waste Management completed seven comprehensive school audits, providing each school with a baseline as a foundation for future recycling programs. They donated a large number of containers and carts to assist the schools recycling efforts. With their Keep America Beautiful partnership, Waste Management awarded the Manhattan Beach Unified School District with a \$5,000 grant for additional recycling needs. They provide three free composting classes each year and discounted bins for purchase all year long, free holiday tree recycling, recycling facility tours, participated in the Mira Costa High School Career Fair, and provided t-shirts and supplies for the City staff’s recent Mid-Management Team Beach Clean-Up. Lastly, Waste Management launched the Waste Watch program instructing all staff to contact police dispatch if any “out of the ordinary” or criminal circumstances are observed while servicing the City.

DISCUSSION:

With the approval of the contract extension, Waste Management will add two additional services at no additional cost to the City:

1. Conduct a waste audit of the City’s facilities beginning fall/winter 2008, evaluating its current recycling program and provide a written summary report.
2. Implement a comprehensive Sharp’s Disposal Program for Manhattan Beach residents beginning December 1, 2008. This program will allow residents to obtain a postage-paid mail back Sharp’s Disposal container from local pharmacies by presenting a copy of a recent utility bill as proof of residency. The first container will be free, and the resident will pay \$5.00 for the second and third container (the containers retail for \$30.00). Waste Management estimates that the average Sharp’s user fills about three containers per calendar year. Waste Management and its partnering pharmacies will manage all aspects of this program.

Approving the extension will provide several benefits to Manhattan Beach. It will allow us to retain the low refuse rates we have enjoyed since the contract was negotiated in 2002 for another year. Waste Management has also offered to add the above-mentioned services with the extension. Lastly, and of great importance to our current focus on environmental issues, it will allow the newly-appointed Environmental Task Force time to discuss the best options for new or expanded programs in the City’s next solid waste contract. The new or expanded programs will help to increase our waste diversion rates, including the option of a tiered refuse rate system.

SUMMARY:

Staff recommends Council approve the one-year contract extension with Waste Management for solid waste services. Pending approval, the new expiration date of the contract would be

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Saturday, October 31, 2010. If Council wishes to deny the one-year extension, staff will proceed by going out to competitive bid in 2009.