



Agenda Item #: _____

Staff Report

City of Manhattan Beach

TO: Honorable Mayor Cohen and Members of the City Council

THROUGH: Geoff Dolan, City Manager

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

DATE: August 4, 2009

SUBJECT: Approval of an amendment to the Refuse Franchise Agreement with Waste Management allowing a six month contract extension.

RECOMMENDATION:

Staff recommends that the City Council approve an amendment to the Refuse Franchise Agreement with Waste Management allowing a six-month contract extension (see attachment).

FISCAL IMPLICATION:

The contract extension is based on all existing terms, therefore there are no new fiscal implications associated with the six (6) month contract extension.

BACKGROUND:

On October 7, 2008, City Council approved the one-year extension option for the City's solid waste contract with Waste Management. This extension moved the expiration date to October 31, 2010. On July 7, 2009, City Council decided to renegotiate the City's solid waste contract with Waste Management. If dissatisfied with the renegotiation contract with Waste Management, the City Council may direct staff to engage in a Request for Proposal (RFP) process to seek other interested qualified haulers. In order to secure enough time for a possible RFP process, City Council recommended that the City extend the current contract an additional six (6) months. This additional extension would move the expiration date to April 30, 2011.

DISCUSSION:

The attached contract amendment has been signed already by Waste Management. It will extend the current contract with all its terms to April 30, 2011. No changes have been made to the terms of the contract for this extension. Any new terms, conditions or programs will be determined through the renegotiation process with Waste Management. If a negotiation is reached with Waste Management, the City and hauler may mutually agree to waive the formal termination notice in order to begin the term of the renegotiated agreement.

SUMMARY:

Staff recommends Council approve the attached amendment to extend the Waste Management contract for an additional six (6) months. If approved, the new expiration date of the contract would be April 30, 2011.

Attachment: Contract Amendment to Provide the Six-Month Extension

**SECOND AMENDMENT TO SOLID WASTE
FRANCHISE AGREEMENT**

USA WASTE OF CALIFORNIA, INC., a Delaware corporation (“Contractor”) and the CITY OF MANHATTAN BEACH, a municipal corporation (“City”), previously entered into a “Franchise Agreement For integrated Solid Waste Management Services” (“Agreement”) on May 7, 2002 for provision of solid waste management services by Contractor to City.

WHEREAS:

A. The Agreement originally provided for a seven year term ending on October 31, 2009 but was subsequently amended to extend the termination date to October 31, 2010;

B. The parties are desirous of extending the term an additional six (6) months to April 30, 2011;

C. The purpose of this amendment is to provide City and Contractor with the time and opportunity to renegotiate the existing franchise for an additional extended term provided that if the parties are unable to do so City reserves its right to initiate a formal request for proposal process.

1. Paragraph 2.5 of the Agreement, entitled “Term of Contract” is hereby amended in its entirety to read as follows:

“2.5 Term of Agreement

The term of this Agreement shall be eight (8) years and six months commencing on November 1st, 2002, and expiring on April 30, 2011. However if the parties are able to negotiate a new franchise agreement they may mutually agree to waive any termination notice and terminate this Agreement immediately in order to begin the term of the renegotiated franchise agreement.”

All other provisions of the Agreement shall remain unchanged.

IN WITNESS WHEREOF this Second Amendment to Solid Waste Franchise Agreement is entered into this 4th day of August, 2009.

CITY OF MANHATTAN BEACH

USA WASTE OF CALIFORNIA, INC.
a Delaware corporation

By _____

By _____

ATTEST:

Liza Tamura, City Clerk

APPROVED AS TO FORM:

Robert V. Wadden Jr.,
City Attorney