



CITY OF POMONA COUNCIL REPORT

November 16, 2020

To: Honorable Mayor and Members of the City Council

From: James Makshanoff, City Manager

Submitted By: Rene Guerrero, Public Works Director

SUBJECT: EXTENSION OF COMMERCIAL SOLID WASTE FRANCHISE AGREEMENT TO ARAKELIAN ENTERPRISES, INC, D.B.A ATHENS SERVICES TO CONTINUE SOLID WASTE SERVICES IN THE ANGELA-CHANSOR AND ABBEY-KARESH NEIGHBORHOODS

RECOMMENDATION:

It is recommended that the City Council take the following actions:

- 1) Approve a one-year extension of the current agreement, incorporating a Consumer Price Index Adjustment (CPI), with Arakelian Enterprises, Inc., D.B.A. Athens Services (Athens) to continue solid waste services in the Angela-Chanslor and Abbey-Karesh neighborhoods; and
- 2) Authorize the City Manager to execute the extension to the contract on behalf of the City, subject to review by the City Attorney.

EXECUTIVE SUMMARY: Approval of the extension will enable Athens to continue providing refuse services for the Angela-Chanslor and Abbey-Karesh neighborhoods from December 10, 2020 to December 9, 2021 under the same terms and conditions as the original agreement, with the exception of the inclusion of a CPI adjustment of 1.2 percent. Extending this agreement will ensure that these neighborhoods continue to receive service during this period while the City evaluates its overall refuse operations in the wake of new legislation to be implemented by 2022.

FISCAL IMPACT: The cost of the trash service for these two neighborhoods is borne by the owners of the rental properties consisting of more than two units.

PREVIOUS RELATED ACTION: On November 2, 2015, the City Council approved a Resolution of Intent to award an exclusive two-year commercial solid waste franchise agreement, with an extension option for up to three additional years, to Athens to provide solid waste services in the Angela-Chanslor and Abbey-Karesh neighborhoods, and to introduce the first reading of the ordinance to award the agreement to Athens Services. On November 16, 2015, the City Council conducted a Public Hearing on the matter and approved the agreement.

DISCUSSION: The Angela-Chanslor neighborhood is located in south Pomona, east of Garey Avenue and north of the 60 Freeway, while the Abbey-Karesh neighborhood is located in eastern Pomona, west of Indian Hill, south of East Kingsley Avenue, and north of Holt Avenue. Both neighborhoods are comprised primarily of multi-family apartment buildings, which are considered commercial uses as it pertains to refuse services. All commercial locations throughout the City, including apartment buildings, must be provided with trash bin and pick-up services from one of the four non-exclusive solid waste franchisees approved to provide solid waste services in Pomona.

Currently, the City is in the process of conducting a comprehensive analysis of the City's entire residential, commercial, and industrial solid waste operations. A significant component of the analysis will be to help the City prepare for new legislation that will be enacted in January 2022, known as SB1383, which will undoubtedly impact the cost to provide solid waste service in the City. SB1383 mandates a 50 percent reduction in the level of statewide landfilled organic waste by 2022. By 2025, there will be a requirement to reduce organic waste by 75 percent. The City will present further on these regulations when the results of the solid waste analysis are available, however, a short video on SB 1383 can be found here: <https://www.youtube.com/watch?v=enW7SgSt1U&feature=youtu.be>

Staff is working to ensure that the City will be in compliance with these new regulations and is analyzing the program as a whole. As a result of the analysis, the City may decide to restructure its residential and commercial solid waste operations, but this is unknown at this time and will require future discussion by Council. By extending this agreement, there will be sufficient time to conduct this analysis and continue to provide uninterrupted service in these neighborhoods. As illustrated below, during the initial three-year contract and subsequent extensions, bin prices increased by nearly \$20 per year. For this most recent proposed extension, Athens is proposing to increase bin prices by the current Consumer Price Index in Los Angeles/Orange Counties by 1.2 percent, or \$5.07 per bin. The following costs are paid by the owners of the various apartment complexes;

Contract Year	Cost Per Bin
Years 1 through 2	\$364.91
Year 3	\$383.16
Year 4	\$402.32
Year 5	\$422.43
Year 6 (Current Proposed Extension)	\$427.50

Athens has performed sufficiently under the current exclusive franchise agreement. As Athens is the current contractor, there will be no disruption in service to the two neighborhoods.

Prepared by:

Shandy Dittman
Senior Management Analyst