

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Public Works	(2) MEETING DATE 6/17/2014	(3) CONTACT/PHONE Mary Whittlesey, Solid Waste Coordinator (805) 781-5259	
(4) SUBJECT Request to approve a Solid Waste Collection Franchise Agreement with Mid-State Solid Waste and Recycling, Inc. Districts 1 and 5.			
(5) RECOMMENDED ACTION It is recommended that the Board approve the attached Solid Waste Collection Franchise Agreement with Mid-State Solid Waste and Recycling, Inc.			
(6) FUNDING SOURCE(S) N/A	(7) CURRENT YEAR FINANCIAL IMPACT N/A	(8) ANNUAL FINANCIAL IMPACT N/A	(9) BUDGETED? N/A
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ___) <input type="checkbox"/> Board Business (Time Est. ___)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP Attached	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: 11/20/07, B-12	
(17) ADMINISTRATIVE OFFICE REVIEW Nikki J. Schmidt			
(18) SUPERVISOR DISTRICT(S) District 1 , District 5			

Reference: 14JUN17-C-4

County of San Luis Obispo



TO: Board of Supervisors

FROM: Public Works
Mary Whittlesey, Solid Waste Coordinator
John Diodati, Public Works Administrator

DATE: 6/17/2014

SUBJECT: Request to approve a Solid Waste Collection Franchise Agreement with Mid-State Solid Waste and Recycling, Inc. Districts 1 and 5.

RECOMMENDATION

It is recommended that the Board approve the attached Solid Waste Collection Franchise Agreement with Mid-State Solid Waste and Recycling, Inc.

DISCUSSION

Mid-State Solid Waste and Recycling, Inc. is a family-owned solid waste collection company that serves customers in Santa Margarita, Garden Farms, Creston, south Atascadero, California Valley and other unincorporated areas nearby. Since November 2007, the company has had a Solid Waste Collection Franchise Agreement with a 7 year term and a 2 year optional extension.

The proposed Franchise Agreement with Mid-State is based on the agreements for San Miguel Garbage and the companies of Waste Connections, Inc. (San Luis Garbage, South County Sanitary Services, and Mission Country Disposal), which were approved by your Board in 2008 and 2009. Similar to those four franchises, and in keeping with your Board's policy of consistency with surrounding jurisdictions, this Agreement is for a term of 15 years.

With the new longer term franchise, Mid-State will be implementing separate food waste collection services for their customers. The Integrated Waste Management Authority (IWMA) will be assisting Mid-State in starting the food waste collection program.

The significant changes between the existing Agreement and the proposed Agreement before you today are summarized here:

- a) Insurance – the insurance provisions have been updated to reflect the current County standards.
- b) Liquidated Damages - for failure to meet the requirements of the County Code or this Agreement, many monetary damage amounts have increased from \$200 per occurrence, per day, to \$500. Article 12 – Default, Remedies and Liquidated Damages, lists specific penalties for specific performance failures.

- c) Right to Perform Services - Article 11, called the "County Right to Perform Services" includes the process through which the County can operate or arrange for others to operate franchisee's equipment, and service its customers.
- d) Franchisee's rate adjustments are capped at the incremental, accumulated Consumer Price Index changes except in cases of regulatory requirements or County requested program changes.
- e) Rate Increase Standard – if the company's rate increases exceed the cumulative consumer price index for the same period, the County has the right to terminate the Agreement.

Other revisions to the document include sections of the agreements being re-arranged or reformatted to provide clarity for both Franchisee and County staff and changes to reflect operational differences.

OTHER AGENCY INVOLVEMENT/IMPACT

The Office of County Counsel, the Auditor-Controller and the Integrated Waste Management Authority were involved in this franchise renewal.

FINANCIAL CONSIDERATIONS

Approximately \$136,400 (18.49%) of the almost \$737,300 in General Fund revenues from garbage company franchise fees last year were received from Mid-State. Since the new franchise does not change the rates collected by Mid-State from its customers, the franchise fee rate of 10% will continue, and the General Fund revenues will stay at approximately the current level.

RESULTS

Approval of the recommended action will result in a new Agreement for this franchisee, as discussed above, which will help lead to a healthy and livable community.

File: CF 755.100.10.01A Mid-State Solid Waste & Recycling Solid Waste Collection Franchise Agreement

Reference: 14JUN17-C-4

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ATTACHMENTS

1. Vicinity Map
2. Solid Waste Collection Franchise Agreement