

## **REPORT TO CITY COUNCIL**

**DATE: APRIL 24, 2013**

**TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL**

**FROM: GREG RAMIREZ, CITY MANAGER**

**BY: LOUIS CELAYA, DEPUTY CITY MANAGER**

**SUBJECT: GI INDUSTRIES/USA WASTE OF CA PERFORMANCE REVIEW 2007 – 2013/FINAL OPTIONAL CONTRACT EXTENSION**

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In May 2007, the City Council approved a residential franchise agreement with GI Industries and USA Waste of CA (Waste Management) for the provision of integrated residential waste management services. The agreement was effective on July 1, 2007, and concludes on June 30, 2013. Within the agreement, there is an automatic extension provision that extends the agreement from June 30, 2010, to June 30, 2013, provided a request to avoid the extension period is not delivered by either party. Additionally, there is also a final optional extension provision that affords a final three-year term to the agreement. The term would commence on July 1, 2013, and conclude on June 30, 2016. In March of 2010, staff completed a performance review which identified Waste Management's compliance with terms of the residential franchise agreement from 2007 to 2010, and the City Council approved an extension from 2010 to 2013. These provisions were placed into the agreement to permit the City the option to terminate the agreement, prior to 2013, should the City believe services being provided were not satisfactory or in compliance with the agreement. Additionally, the agreement also provides the City the ability to conduct performance reviews of Waste Management. Prior to the final optional extension, City staff felt it necessary to conduct another performance review that details Waste Management's compliance through the entire term of the agreement. This affords the City the ability to measure Waste Management services to date.

In February 2013, the City's solid waste consultant, Solid Waste Solutions, Inc. (SWS), notified Waste Management that the final performance review was being conducted and requested applicable information to review. The requested information, detailed in the agreement, was comprised of the following areas: 1) compliance with agreement and applicable laws, 2) efficiency of collection operations, analysis of routes, schedules, and impact to agreement requirements, 3) staffing practices, including deployment of managerial and supervisory personnel, 4) financial management practices, including company billing and collection polices and practices, 5) employee and job safety training and management of hazardous waste 6) processes for receiving and resolving customer complaints, 7) procedure for maintenance, safety check, and replacement of equipment, 8) service performance standards review and 9) program updates/company service improvements.

SWS concluded its review of Waste Management in March 2013, and their report is attached. In summary, SWS and City staff finds Waste Management demonstrated a consistent compliance with the agreement through the term of the contract, and is a good service provider for residential solid waste collection. In the area of compliance with the agreement and applicable laws, Waste Management has complied with all laws. With regards to the efficiency of collection and compliance with the agreement, Waste Management has met all regulatory requirements of AB 939, with diversion rates for the City above the state mandated required 50% (currently at 57%):

<b>Year</b>	<b>Residential Diversion Rate (%)</b>
2007	55.20 %
2008	57.04 %
2009	56.19 %
2010	56.65 %
2011	56.92 %
2012	57.46 %

Additionally, Waste Management has demonstrated compliance with newly passed legislation AB 314, has implemented, extremely successfully, the household hazardous waste-electronic waste door-to-door collection program as called out in the agreement, submitted all required reports on time, and continually demonstrates it is an active participant in the community.

In the areas of staffing practices, financial management practices, and employee and job safety training, Waste Management continues to have processes in place that affords them compliance with the agreement (i.e., adequate staff to address staff/community inquiries, financial system for billing and collecting on delinquent accounts, regular driver safety, equipment and hazardous material trainings). Waste Management staff has consistently demonstrated its availability for inquires and is responsive to City staff needs, with same-day or next-day responses. The majority of response time has been same day. The company also demonstrates its commitment to safety, with frequent trainings of their staff, and there have been no major incidents involving damages to personal or public property since the inception of the contract.

Procedures for Customer Complaints/Resolution

Through the term of the contact, Waste Management has continued to demonstrate an efficient system in handling customer complaints and providing same-day resolutions. Since the inception of the contract in July 2007, the City has received a total of 17 complaints over the seven-year period:

	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
No. Complaints	6	5	4	0	1	1
Resolved	6	5	4	n/a	1	1
Complaints measured against Total Percentage of Residential Accounts	0%	0%	0%	n/a	0%	0%

On the service provider side, Waste Management received and resolved the 1445 complaints:

	2007	2008	2009	2010	2011	2012
No. Complaints	292*	251*	190*	236*	259*	217*
Resolved	292	251	190	236	259	217
Complaints measured against Total Percentage of Residential Accounts	5.5%	5.1%	3.6%	4.3%	4.2%	4.2%
*Approximately 95% - 98% of the complaints comprised of missed pickup calls						

It should be noted that missed pickup occurrences are common in the solid refuse arena, and the low total percentage figure continues to demonstrate there is no warrant for alarm. Also, the demonstrated decrease in customer complaints, from both the City and provider side, over the term of the contract, demonstrates Waste Management’s attention and dedication to improvement in the service it provides.

With respect to the Service Performance Standards currently in the contract (i.e., failure to collect solid waste or recyclables properly set out for collection, customer responsiveness within the designated time period, timeliness of report submissions, etc.), Waste Management has not been found to be in violation of the standards since the inception of the contract.

#### Rate Comparisons

Through the term of the agreement, the rates Agoura Hills residents pay for solid waste services are much lower than neighboring jurisdictions. This has been the result of agreement language and the escalation formula for rate adjustments (CPI index changes) established in the contract, and will continue to be the standard for escalation should a final optional extension be approved.

City	Rate for 64g Trash 64g Recycle and 96g Green waste
Agoura Hills	\$23.53
Moorpark	\$ 26.36
Santa Paula	\$17.47
Simi Valley	\$26.19
Thousand Oaks	\$29.05
Westlake Village	\$28.75

#### Areas for Improvement

While Waste Management is characterized as an above average service provider, there are areas of improvement that have been identified by the City’s Solid Waste Consultant:

1. Improvement to the public education program to expand awareness on recycling and solid waste diversion in the residential and multi-family sectors
2. Improvement in program implementation communication with City staff regarding upcoming program efforts that may assist the City in obtaining higher diversion rates
3. Improvement in data transmission clarity to the City
4. Continue efforts to decrease the frequency of missed pickups and complaints from residential and multifamily accounts

Finally, while not a requirement in the contract, discussions with Waste Management's General Manager have identified that Waste Management was successful in receiving permit approval to expand the life of the company-owned Simi Valley Landfill. The site is now permitted to the year 2100. Additionally, Waste Management continues its process to obtain required hauling permits for food waste, thereby allowing Waste Management the future ability to provide a limited residential food waste collection program. Achieving success in these endeavors will lead to additional benefits to Agoura Hills residents, and demonstrates that Waste Management continues to think proactively in services for its existing clients.

**RECOMMENDATION:**

Staff is requesting the City Council receive and file the 2007-2013 Waste Management Performance Report, and approve the final optional extension provision to June 30, 2016, as specified in the agreement.

Attachment: Solid Waste Solutions Inc. – (Report) Performance Review for GI Industries/Waste Management

# S<sup>W</sup>S

Solid Waste Solutions, Inc.

March 12, 2013

Louis Celaya, Deputy City Manager  
City of Agoura Hills  
30001 Ladyface Court  
Agoura Hills, CA 91301

Subject: Performance Review for Waste Management/GI Industries

Dear Louis:

Solid Waste Solutions has reviewed the entire package that was submitted by Waste Management/GI Industries, for the performance review for the period of 2007 – 2012. Below are highlights of what was submitted:

- ☺ Waste Management is in compliance with the general terms of the franchise agreement. They are also maintaining compliance with the requirements of the Air Resources Board. Currently their Agoura Hills fleet uses five (5) CNG (Compressed Natural Gas) trucks in its City operations. A CHP safety compliance report is included. Waste Management has installed a CNG fueling station also.
- ☺ Key staff assigned to the City has been identified including task and contact numbers.
- ☺ Waste Management is maintaining a diversion rate in the residential sector in accordance with AB 939. Detailed reports by material type are provided. These numbers indicate our residents' dedication to the environment and the City's recycling and green waste programs.

Year	Residential
2007	55.20%
2008	57.04%
2009	56.19%
2010	56.65%
2011	56.92%
2012	57.46%

- ☺ Waste Management has provided copies of flyers that they distribute at events and through their website. There is no indication of any mailers being distributed directly to the residents.

S.W.S. Inc., - City Permit Services, 25 W. Rolling Oaks Dr., Suite 201, 1000 Oaks, CA 91361  
Phone: (805) 495-7521 Fax: (805) 495-7621



# S W S

Solid Waste Solutions, Inc.

- Waste Management participates in many community events: The Community Clean-up, Trash Busters, Planet Earth Day, Agoura Hills relay for life, Concerts in the Park, Reyes Adobe Days, 4<sup>th</sup> of July and other events for the local schools and organizations.
- Waste Management provides the City with quarterly curbside household hazardous waste collection. This program started in 2008. The program has not ever had a violation filed regarding its operation. Below is a list of the total pounds of material collected annually. Please note that the amounts indicated here are only for the City's curbside collection, not the Saturday ABOP (Antifreeze, auto batteries, oil & paint) collection.

Year	Pounds of HHW Collected
2008	22,938.00
2009	10,735.00
2010	9,600.00
2011	15,584.00
2012	15,832.00

- Waste Management has indicated that there has been no change in how they process delinquent accounts. Below is a list of the magnitude of problem accounts that they have:

Year	# Accounts	Value
2007	57	\$2,564.44
2008	96	\$6,677.52
2009	37	\$1,076.99
2010	62	\$2,110.29
2011	48	\$1,873.93
2012	41	\$2,864.36

- Waste Management has indicated a detailed description on how their staff are trained for all duties.
- For the contract review period of 2007 - 2012, Waste Management logged their missed pick-ups and complaints as summarized below. Their submittal indicates that all of them were remedied. Specific details as to how they were





# S.W.S.

Solid Waste Solutions, Inc.

resolved is not provided. Please note that Waste Management has 5,200 residential and multi-family customers.

Dates	Issue	Number of Occurrences	% of Total Customers
2007	Missed Pick ups	284	5.4%
2007	Complaints	8	0.1%
2008	Missed pick ups	249	4.8%
2008	Complaints	2	0.03%
2009	Missed pick ups	180	3.5%
2009	Complaints	10	0.19%
2010	Missed pick ups	217	4.2%
2010	Complaints	19	0.36%
2011	Missed pick ups	255	4.3%
2011	Complaints	4	0.07%
2012	Missed pick ups	217	4.2%
2012	Complaints	0	0.0%

- ☹ Waste Management has indicated that all multi-family accounts have a recycling program using wither cans or bins and that is in compliance with AB 341, the State of California's Mandatory Multi-family and Commercial Recycling Program.

The following are the areas of service that are in need of enhancement:

- ☹ There needs to be additional public education material that is initiated and generated by the hauler for delivery to the residential and multi-family sectors for all programs. The City is in need of a proactive public education program to expand customer awareness. By reinforcing what and how to recycle, we will continue to increase the diversion rate from our programs. In addition, information can be added on the bills themselves promoting the existing programs and occasional bill inserts can be placed in the billings.
- ☹ Improve program implementation communication. Waste Management needs to inform the City of upcoming programs that may assist the City in obtaining a



# SWS

Solid Waste Solutions, Inc.

higher diversion rate. Whether it is working with the City on implementing or updating a program or a completely new program, Waste Management needs to closely communicate with the City staff on how the programs are progressing. This will assist the City in helping Waste Management to remedy issues with programs.

- ⊕ Waste Management should continue to stress to all employees the need for good customer service.

In general, Waste Management has met all of the requirements of their existing franchise agreement.

If you have any questions or concerns, please give me a call. As always thank you for the opportunity to assist you with your solid waste services.

Sincerely,



Kimberly G. Nilsson  
President

Attachment

Cc: Lars J. Nilsson, SWS Inc.





# City of Agoura Hills

## Integrated Exclusive Residential Waste Management Services Performance Review: 2007 – 2012

Task/Detail	Answer Included Yes/No	Comments
<b>A. Compliance with the terms of the Franchise Agreement and applicable law.</b>		
<p>1. Have all collection vehicles been inspected and passed by the California Highway Patrol on a regular basis.</p> <p>☹ If yes, please provide documentation certifying the approval.</p> <p>☹ If, no, please provide documentation and evidence of correction to deficiencies sited.</p>	Yes	<p>Per GI/Waste Management: Their 10 acre facility in Simi Valley includes a full service repair and maintenance station, wash rack with 30,000 gal storage and an CNG facility.</p> <p>Attached are the Safety Compliance report, motor carrier permit, Statement of compliance with title 13, California Code of Regulations, Section 2021.2</p> <p>5 truck registration provided: All are LNG One report of repair to clamp Insurance certificate included</p>
<b>B. Overall organizational structure and management systems and procedures</b>		
1. Please provide an organization structure listing personnel, title and summary of duties	Yes	See attached organizational chart and detailed listing with phone numbers.

# City of Agoura Hills

## Integrated Exclusive Residential Waste Management Services Performance Review: 2007 – 2012

Task/Detail	Answer Included Yes/No	Comments
<b>C. Efficiency of collection operations, including an analysis of routes, schedules and the impact to Agreement requirements.</b>		
1. Are the AB939 goals being met? If not identify any failing sector and make recommendations for future correction.	Yes	2007: 55.2%                      2011: 56.92% 2008: 57.04%                    2012: 57.46% 2009: 56.19% 2010: 56.65%  Diversion reports included. No program changes identified.
2. Provide copies of all advertising that was done for the Agoura Hills residential collection program.	Yes	WM provides the following website: <a href="http://www.girubbish.com">www.girubbish.com</a> , <a href="http://www.wm.com">www.wm.com</a> , <a href="http://www.keepingventuracountyclean.com">www.keepingventuracountyclean.com</a> .  Here residents can order service, pay bills, etc. WM advertising nationally on television.  Information provided: Recycle and holiday info on their bills. Recycle flyers available at used oil events and on their websites.  Attachments included. 2 flyers are for community handouts the others are from the website.
3. Provide a list of the community service projects that the company has participated in.	Yes	List included. Here are a few City events: Community Clean-up, Trash busters, Planet Earth day (Parks), Agoura Hills Relay for Life, Concerts in the park, Reyes Adobe Days, 4 <sup>th</sup> of July.

# City of Agoura Hills

## Integrated Exclusive Residential Waste Management Services Performance Review: 2007 – 2012

Task/Detail	Answer Included Yes/No	Comments
<p>4. Records indicating tons collected, processed, diverted and disposed of by type of service, Weight of each category of recyclable material recovered at a MRF, be specific. Please provide them by calendar year since the time of contract inception</p>	<p>Yes</p>	<p>Tables Included and summarized in C-1 above. Disc has detailed disposal tables and routes.</p>
<p>5. Is the Household Hazardous Waste program being implemented effectively pursuant to State HHW regulations? Provide documentation verifying compliance. If deficiencies or violations have been identified, please provide evidence of corrective actions taken to address deficiencies/violations</p>	<p>Yes</p>	<p>Collection activity provided for 2008 – 2012.</p> <p>2012: 15,832 pounds            2011: 15,584 pounds            2010: 9,600 pounds            2009: 10,735 pounds            2008: 22,938 pounds</p> <p>No violations identified.</p>
<p><b>D. Staffing practices, including the deployment of management and supervisory personnel</b></p>		
<p>1. List of local office critical staff members, titles, office and cell phone numbers and tasks performed by each staff member</p>	<p>Yes</p>	<p>An organizational chart is provided and corresponding phone list.</p>

# City of Agoura Hills

## Integrated Exclusive Residential Waste Management Services Performance Review: 2007 – 2012

Task/Detail	Answer Included Yes/No	Comments
<b>E. Financial management practices, including Company's billing and collection system and its policies with regard to uncollected accounts.</b>		
<p>1. This section should identify financial management practices/procedures undertaken in relation to agreement, including billing system utilized, and policies addressing delinquent and uncollected accounts.</p> <p>a) Include a summary of delinquent accounts, in a 30, 60 an 90 day format</p> <p>b) Include number of uncollected accounts, and current remedies to address them</p>	Yes	<p>Collection process has not changed. Table provided for 2008, 2012. List of type of contact made and for 60, 80, 90 days past due accounts indicated.</p> <p>2007: 57 accts = \$2,564.44            2008: 96 accts = \$6,677.52            2009: 37 accts = \$1,076.99            2010: 62 accts = \$2,110.29            2011: 48 accts = \$1,873.93            2012: 41 accts = \$2,864.36</p>

# City of Agoura Hills

## Integrated Exclusive Residential Waste Management Services Performance Review: 2007 – 2012

Task/Detail	Answer Included Yes/No	Comments
<b>F. Personnel management practices, including compensation policies and the resolution of employee grievances</b>		
1. Explain all practices and resolution of grievances.	Yes	WM Code of Conduct is included. No other detailed explanation provided.
<b>G. Employee job &amp; safety training, and management of Hazardous Waste</b>		
1. Frequency of safety training?	Yes	<p>Employees are trained in safety and customer service. Weekly tailgate meeting and drive along done. New drivers have a 4 day intensive training. Then there is a 45 day driver training. Drivers have check in/out procedures, and maintenances issue reporting procedures if problems need to be reported. Sample tests, etc. attached.</p> <p>Trucks have GPS tracking and onboard computer tracks customer data. There are now cameras in the trucks cab to monitor driver's behavior.</p>
2. Frequency of Household Hazardous Waste Training?	Yes	All drivers are trained to handle hazardous waste they may encounter. For the Used oil collection, HHW training is required prior to assignment there. Frequency not identified.
<b>H. Procedures for receiving and resolving subscriber complaints and concerns.</b>		
This section should detail the process utilized for addressing resident/customer complaints and concerns.	Yes	<p>Waste Management procedures for resolving complaints and missed pickups have not changed.</p> <p>Waste Management has 5200 customers.</p>

# City of Agoura Hills

## Integrated Exclusive Residential Waste Management Services Performance Review: 2007 – 2012

Task/Detail	Answer Included Yes/No	Comments																																																								
<p>Please provide detailed records relating to customer service issues, routes, log of complaints and remedy to issues (i.e., missed pick ups, discourteous drivers/staff; tipped containers, etc) Information should be formatted by calendar year and in table format</p>		<table border="1"> <thead> <tr> <th data-bbox="1199 412 1314 496">Dates</th> <th data-bbox="1314 412 1482 496">Issue</th> <th data-bbox="1482 412 1709 496">Number of Occurrences</th> <th data-bbox="1709 412 1934 496">% of Total Customers</th> </tr> </thead> <tbody> <tr> <td data-bbox="1199 496 1314 558">2007</td> <td data-bbox="1314 496 1482 558">Missed Pick ups</td> <td data-bbox="1482 496 1709 558">284</td> <td data-bbox="1709 496 1934 558">5.4%</td> </tr> <tr> <td data-bbox="1199 558 1314 620">2007</td> <td data-bbox="1314 558 1482 620">Complaints</td> <td data-bbox="1482 558 1709 620">8</td> <td data-bbox="1709 558 1934 620">0.1%</td> </tr> <tr> <td data-bbox="1199 620 1314 682">2008</td> <td data-bbox="1314 620 1482 682">Missed pick ups</td> <td data-bbox="1482 620 1709 682">249</td> <td data-bbox="1709 620 1934 682">4.8%</td> </tr> <tr> <td data-bbox="1199 682 1314 743">2008</td> <td data-bbox="1314 682 1482 743">Complaints</td> <td data-bbox="1482 682 1709 743">2</td> <td data-bbox="1709 682 1934 743">0.03%</td> </tr> <tr> <td data-bbox="1199 743 1314 805">2009</td> <td data-bbox="1314 743 1482 805">Missed pick ups</td> <td data-bbox="1482 743 1709 805">180</td> <td data-bbox="1709 743 1934 805">3.5%</td> </tr> <tr> <td data-bbox="1199 805 1314 867">2009</td> <td data-bbox="1314 805 1482 867">Complaints</td> <td data-bbox="1482 805 1709 867">10</td> <td data-bbox="1709 805 1934 867">0.19%</td> </tr> <tr> <td data-bbox="1199 867 1314 928">2010</td> <td data-bbox="1314 867 1482 928">Missed pick ups</td> <td data-bbox="1482 867 1709 928">217</td> <td data-bbox="1709 867 1934 928">4.2%</td> </tr> <tr> <td data-bbox="1199 928 1314 990">2010</td> <td data-bbox="1314 928 1482 990">Complaints</td> <td data-bbox="1482 928 1709 990">19</td> <td data-bbox="1709 928 1934 990">0.36%</td> </tr> <tr> <td data-bbox="1199 990 1314 1052">2011</td> <td data-bbox="1314 990 1482 1052">Missed pick ups</td> <td data-bbox="1482 990 1709 1052">255</td> <td data-bbox="1709 990 1934 1052">4.3%</td> </tr> <tr> <td data-bbox="1199 1052 1314 1114">2011</td> <td data-bbox="1314 1052 1482 1114">Complaints</td> <td data-bbox="1482 1052 1709 1114">4</td> <td data-bbox="1709 1052 1934 1114">0.07%</td> </tr> <tr> <td data-bbox="1199 1114 1314 1175">2012</td> <td data-bbox="1314 1114 1482 1175">Missed pick ups</td> <td data-bbox="1482 1114 1709 1175">217</td> <td data-bbox="1709 1114 1934 1175">4.2%</td> </tr> <tr> <td data-bbox="1199 1175 1314 1237">2012</td> <td data-bbox="1314 1175 1482 1237">Complaints</td> <td data-bbox="1482 1175 1709 1237">0</td> <td data-bbox="1709 1175 1934 1237">0.0%</td> </tr> </tbody> </table>				Dates	Issue	Number of Occurrences	% of Total Customers	2007	Missed Pick ups	284	5.4%	2007	Complaints	8	0.1%	2008	Missed pick ups	249	4.8%	2008	Complaints	2	0.03%	2009	Missed pick ups	180	3.5%	2009	Complaints	10	0.19%	2010	Missed pick ups	217	4.2%	2010	Complaints	19	0.36%	2011	Missed pick ups	255	4.3%	2011	Complaints	4	0.07%	2012	Missed pick ups	217	4.2%	2012	Complaints	0	0.0%	Summary tables and detailed information provided.
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# City of Agoura Hills

## Integrated Exclusive Residential Waste Management Services Performance Review: 2007 – 2012

Task/Detail	Answer Included Yes/No	Comments
<b>I. Procedures for the acquisition, maintenance, safety check and replacement of equipment. Compliance with air quality regulations etc...</b>		
Details for I:	Yes	<p>No vehicles are older than 10 years. Use BIT and DOT Inspections. All 2010 -2012 vehicles are Liquid Natural Gas (LNG). WM has a CNG fueling station. Recently purchased 29 new CNG trucks.</p> <p>Safety check information included in the training section.</p>
<b>J. Utilization and management of facilities, equipment and personal.</b>		
Details for J:	Yes	<p>Waste Management is an environmental company, and strives to be community partners. WM uses a program called Service Machine to keep up their "Gold" Levels of service. Training programs, new procedures for all employees let management know how a division is operating.</p> <p>WM has a new C&amp;D facility at the Simi Valley Landfill. The do tours there also, have a touch a truck program, etc.</p> <p>Company stated they will continue to provide world class service.</p>

# City of Agoura Hills

## Integrated Exclusive Residential Waste Management Services Performance Review: 2007 – 2012

Task/Detail	Answer Included Yes/No	Comments
<b>K. Compliance with AB 341</b>		
1. Mandatory Multi-family Recycling Program	Yes	All 8 multi-family accounts with cart service have recycling. All 9 accounts with bins have recycling. Education process will continue. No education material provided.  List of units attached.