

REPORT TO CITY COUNCIL

DATE: MAY 24, 2023

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: NATHAN HAMBURGER, CITY MANAGER

BY: LOUIS CELAYA, DEPUTY CITY MANAGER

SUBJECT: APPROVE FIRST AMENDMENT TO THE FRANCHISE AGREEMENT BETWEEN CITY OF AGOURA HILLS AND GI INDUSTRIES FOR INTEGRATED EXCLUSIVE RESIDENTIAL WASTE MANAGEMENT SERVICES

At the January 11, 2023, City Council meeting, during the annual escalation request, the City Council received a request from Waste Management (WM) for consideration to exercise the Optional Extension provision connected with the City's Franchise Agreement for Integrated Exclusive Residential Waste Management Services (Agreement). The Agreement is scheduled to terminate on June 30, 2023.

Acknowledging the excellent standing WM demonstrated during the Agreement, the City Council, unanimously, voted to approve the extension request. The Agreement will now be effective through on June 30, 2027. As part of the extension request, WM modified the current quarterly residential Household Hazardous Waste and Electronic Waste collection events, changing the program to a monthly service with a set number of monthly appointments. The type of items accepted, the process for registering, etc., remained the same and will continue at no additional cost. Additionally, the City Council requested WM to perform more outreach efforts concerning organic collection and general recycling.

The First Amendment (attached) to the Agreement memorializes the contract extension, changes to the waste collection events, and the actions and recommendations taken by the City Council in connection with the current residential franchise agreement. WM has executed the First Amendment, and it will be fully signed by the City. The First Amendment will be added to the City's Franchise Agreement for Integrated Exclusive Residential Waste Management Services with GI Industries (WM). WM will be provided with a fully executed copy.

The First Amendment to the Franchise Agreement has been reviewed to form by the City Attorney.

RECOMMENDATION

Staff respectfully recommends the City Council approve the First Amendment to the Franchise Agreement between the City of Agoura Hills and G.I. Industries for Integrated Exclusive Residential Waste Management Services.

Attachment: First Amendment to the Franchise Agreement Between the City of Agoura Hills and G.I. Industries for Integrated Exclusive Residential Waste Management Services

**FIRST AMENDMENT TO THE FRANCHISE AGREEMENT BETWEEN
THE CITY OF AGOURA HILLS AND G.I. INDUSTRIES FOR
INTEGRATED EXCLUSIVE RESIDENTIAL WASTE MANAGEMENT SERVICES**

THIS **FIRST AMENDMENT** is made and entered into as of July 1, 2023, by and between the City of Agoura Hills, a municipal corporation (hereinafter referred to as "City"), and G.I. Industries, a Utah Corporation, (hereinafter referred to as "Company"). In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

1. This First Amendment is made with respect to the following facts and purposes:

A. On December 16, 2016, the City Council of the City of Agoura Hills approved a Franchise Agreement for Integrated Exclusive Residential Waste Management Services with G.I. Industries, a Utah Corporation ("Agreement").

B. The term of the Agreement is from January 1, 2017 through June 30, 2023.

C. Section 2.4.2 (Optional Extension) of the Agreement provides that the Agreement may be extended for four (4) additional years, commencing July 1, 2023, and terminating on June 30, 2027, based upon mutual agreement of the parties.

D. In June 2022, the City received a request from Company requesting the exercise of the Agreement Extension Option, in addition to a solid waste rate escalation increase and a solid waste rate adjustment.

E. At the January 11, 2023, City Council meeting, the City Council authorized the Company's requests for an Agreement Extension Option, the solid waste rate escalation increase, and a solid waste rate adjustment.

C. The parties now desire to extend the term of the Agreement to June 30, 2027, revise the number of door-to-door house hazardous waste collection appointments, provide for enhanced education and public awareness requirements, and amend the Agreement as set forth in this First Amendment.

2. Subsection 2.4.1 (Term) of the Agreement is hereby amended to read as follows:

"2.4.1 Term

The term of this Agreement commences on the Operative Date and expires on June 30, 2027, unless earlier terminated pursuant to Article 8 or otherwise."

3. Subsection 3.1.4 (Door to Door Household Hazardous /E-Waste/Universal Waste Collection) of the Agreement is hereby amended to read as follows:

“3.1.4 Door to Door Household Hazardous/E-Waste/Universal Waste Collection

Company must provide and conduct up to 18 appointment-based Household Hazardous/E- Waste/Universal Waste Collections (also collectively referred to as “HHW Collections”) for the collection of Household Hazardous Wastes, E- Waste, and Universal Waste from the residents of City. If a resident requests an appointment for HHW Collection in a given month and Company has already scheduled or conducted 18 collection appointments in that same month, Company shall automatically prioritize and schedule said resident for an HHW Collection appointment for the following month. Company will impose no additional cost upon City or service recipients. Company will be responsible for all aspects of the program, including but not limited to obtaining all applicable permits, public information, as well as collection, packing, transportation, and safe disposal of all Household Hazardous Waste, E- Waste, and Universal Waste collected. Neither City nor City residents will be designated as the generator. A report of materials collected is due within thirty (30) days after each collection. The report can be submitted electronically to reduce cost.”

4. Subsection 4.3.1 (General) of the Agreement is hereby amended to read as follows:

“4.3.1 General

Company acknowledges that education and public awareness are essential elements of efforts to achieve the Act's diversion requirements. Accordingly, Company will implement a public education program to expand public and customer awareness concerning the necessity for methods of reducing, reusing, and Recycling Solid Waste. The public education program shall include information regarding City' s diversion goals, bulky item pick-ups, and Green and Organic Waste diversion programs. Company shall provide and make available an electronic newsletter (in PDF format) to be posted on Company and City websites. As part of said public education program, Company shall distribute at least one public education message to Residential Householders on information regarding City' s diversion goals, bulky item pick -ups, and Green and Organic Waste diversion programs per quarter. Company may also utilize additional promotional activities, such as school assemblies, Chamber of Commerce or other local activities and events to achieve the goals of the public education program. Company must cooperate fully with City in this regard. Company must submit the public education program for approval by the City Manager no later than 15 days prior to the Operative Date. All materials subject to public distribution shall be subject to review and approval by City prior to release. Any change to the public education program must be approved in writing by the City Manager.”

5. Except for the changes specifically set forth herein, all other terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to the Franchise Agreement to be executed the day and year first above written.

CITY OF AGOURA HILLS

Chris Anstead,
Mayor

ATTEST:


Kimberly M. Rodrigues, MMC
City Clerk
*Date Approved by City
Council* _____

APPROVED AS TO FORM:

Candice K. Lee,
City Attorney

COMPANY

G.I. Industries
195 W. Los Angeles Ave.
Simi Valley, CA 93065
Michael Hammer, President
(805) 522-9400

By: _____ 

Print Name: Michael Hammer

Title: President

By: _____

Print Name: _____

Title: _____

[Signatures of Two Corporate Officers Required]