

REPORT TO CITY COUNCIL

DATE: MARCH 24, 2010

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: GREG RAMIREZ, CITY MANAGER

BY: LOUIS CELAYA, ASSISTANT TO THE CITY MANAGER

SUBJECT: GI INDUSTRIES/USA WASTE OF CA PERFORMANCE REVIEW 2007 - 2010

In July 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. The provision was 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 automatic extension, City staff felt it necessary to conduct the first performance review. This affords the City the ability to measure Waste Management services to date, but also allows time for notification to Waste Management should it desire not to extend the agreement. This notification must occur in writing prior to April 1, 2010, per the agreement.

In December 2009, the City's solid waste consultant, Solid Waste Solutions, Inc. (SWS), notified Waste Management that the first 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 2010, and their report is attached. In summary, SWS and City staff finds Waste Management to be in compliance with the agreement and 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 56%), has implemented the household hazardous waste-electronic waste 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 has 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 is always available for inquires and is responsive to City staff needs, and the company demonstrates its commitment to safety with frequent trainings of their staff. There have also been no major incidents involving damages to personal or public property have occurred to date.

Procedures for Customer Complaints/Resolution

Waste Management continues 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 15 complaints over the three-year period:

	2007	2008	2009
No. Complaints	6	5	4
Resolved	6	5	4
Complaints measured against Total Percentage of Residential Accounts	0%	0%	0%

On the service provider side, Waste Management received and resolved the 733 complaints:

	2007	2008	2009
No. Complaints	292*	251*	190*
Resolved	292	251	190
Complaints measured against Total Percentage of Residential Accounts	4%	4%	3%
* Approximately 95% of the complaints are comprised of missed pick up calls			

It should be noted that missed pick up occurrences are common in the solid refuse arena, and the low total percentage figure does not warrant alarm. Also, the current decrease in customer complaints demonstrates Waste Management’s dedication to improving its service.

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.

Recommended 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
2. Improvement in communication with City staff regarding program status efforts
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 is currently in the process of obtaining required hauling permits for food waste, thereby allowing Waste Management the future ability to provide a limited residential food waste collection program. Additionally, Waste Management is also attempting to gain permit approval to expand the life of the company owned Simi Valley Landfill. Future success of these endeavors will lead to additional benefits to Agoura Hills residents, and demonstrates Waste Management is thinking proactively in services for its existing clients.

RECOMMENDATION:

Staff is requesting the City Council receive and file the Waste Management Performance Report, and approve the automatic extension provision to continue, as specified in the agreement.

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



March 11, 2010

Louis Celaya, Assistant to the City Manager
City of Agoura Hills
30001 Ladyface Court
Agoura Hills, CA 91301

Subject: Performance Review for GI Industries/Waste Management

Dear Louis:

We have reviewed the entire package that was submitted by GI Industries/Waste Management Inc., for the performance review for the period of 2007 – 2009. Below are a few highlights of what was submitted:

- ⊕ GI Industries is in compliance with the general terms of the franchise agreement and is maintaining compliance with the requirements of the Air Resources Board.
- ⊕ City is maintaining a diversion rate in the residential sector above the AB 939 requirement: 2007: 55.2%, 2008: 57.04%, and 2009: 56.19%. This also indicates our residents' dedication to the environment and recycling and green waste programs.
- ⊕ GI participates in many community events: from the Great Race, Trash Busters, Concerts in the Park, to many local school events and Reyes Adobe days.
- ⊕ GI and City staff worked together to develop a fantastic household hazardous waste (HHW) curbside collection program. In the last two years they have collected approximated 17 tons of HHW and 14 tons of electronics.
- ⊕ Detailed route maps are on file.
- ⊕ Staff assigned to the City have been identified.
- ⊕ GI Industries provided a very detailed description on how their staff are trained for all duties and indicated where all records are kept. This information is required by our Los Angeles County Fire Department Hazardous Waste Permit issued by the CUPA (Certified Unified Program Agency). The CUPA issues our permit to operate our Saturday collection.
- ⊕ It is the policy of GI Industries to only keep equipment for ten (10) years. They are to be replaced with LNG (liquid natural gas) vehicles.
- ⊕ Waste Management provided a detailed list of performance standards and how they met and exceeded the requirements of the contract.



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. 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 this program. In cities adjacent to Agoura Hills a GI newsletter is mailed to every resident at least two (2) times per year, information can be added on the bills themselves promoting the existing programs and occasional bill inserts can be placed in the bi-monthly billings.
- ⊕ Improve program implementation communication. When GI is working with the City on implementing a new program, they need to more closely communicate with the City staff on how the program is progressing. That will assist the City in helping GI to get new program off the ground.
- ⊕ When providing data/information to the City, GI needs to be more descriptive on their responses. The additional clarity will eliminate the need for further explanations or documents.
- ⊕ GI should continue to stress to all employees the need for good customer service and endeavor to continue to reduce the number of missed pick-ups. The overall percentage is only 3 - 4%, but can always be reduced.

In general, GI Industries/Waste Management has met all of the requirements of their existing franchise agreement, thus Solid Waste Solutions, Inc. recommends that the automatic extension provision be allowed to occur as defined by the 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,

A handwritten signature in cursive script that reads 'Kimberly C. Nilsson'. Below the signature, the name and title are printed in a sans-serif font.

Kimberly C. Nilsson
Vice President

attachment

Cc: Lars J. Nilsson, SWS Inc.

City of Agoura Hills

Integrated Exclusive Residential Waste Management Services Performance Review

February - March 2009

Task/Detail	Answer Included Yes/No	Comments
A. Compliance with the terms of the Franchise Agreement and applicable law.		
<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 cited.</p>	<p>Yes, they have a blanket approval for 2 years for all vehicles.</p>	<p>GI industries has provided the following information:</p> <ol style="list-style-type: none"> 1. CHP inspection certification dated 4/8/2009. This is good for 25 months or through 5/2011. 2. Cal EPA and Air Resources Board compliance certificate dated 1/2/2010 states that GI is in compliance with Title 14, California Code of Regulations §2021.2 3. Provided a copy of their current certificate of insurance naming the City as additionally insured. Values range from \$5,000,000 - \$15,000,000.
<p>2. Have all collection vehicles complied with air quality regulations, as specified by law.</p> <p>⊕ Please provide documentation attesting to the compliance.</p> <p>⊕ If non compliance is cited, please provide evidence of corrective action undertaken</p>	<p>Yes, certification included.</p>	
B. Overall organizational structure and management systems and procedures		

City of Agoura Hills

Integrated Exclusive Residential Waste Management Services Performance Review

February - March 2009

Task/Detail	Answer Included Yes/No	Comments
1. Please provide an organization structure listing personnel, title, and summary of duties	Yes	An organizational chart from our local manager's supervisor down to our local area managers is included. Vice President to Area Managers.
C. Efficiency of collection operations, including an analysis of routes, schedules and the impact to Agreement requirements.		
1. Are the AB939 goals being met? If not identify any failing sector and make recommendations for future correction.	Yes, detail attached.	GI included the 2007, 2008 and 2009 diversion and disposal spreadsheets. Their respective diversion rates are 55.20%, 57.04% and 56.19%.
2. Provide copies of all advertising that was done for the Agoura Hills residential collection program.	Yes and No	<p>A flyer was included, but that is from the Waste Management website. They have relied on their website and nation advertising campaign instead of a focused City advertising campaign.</p> <p>Pursuant to Section 4.3.1 of the GI Industries contract the company acknowledges that education and public awareness are essential elements to achieve diversion. The section goes onto say that the Company will implement a public education program to expand customer awareness. This really needs to be done. What we teach our residents at home is typically echoed at work and will carry into all sectors of our wastestream and increase the City's diversion rate.</p> <p>All advertising needs to be provided to City staff in advance of publication with enough time to review and comment on it.</p>

City of Agoura Hills

Integrated Exclusive Residential Waste Management Services Performance Review

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Task/Detail	Answer Included Yes/No	Comments
3. Provide a list of the community service projects that the company has participated in.	Yes, list included	There is an extensive list of community service projects that GI has completed. It consists of City projects, school projects and local non-profits. GI endeavors to be a good community partner.
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	Yes	This information is included in item C-1 above.
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	Yes, GI hired Curbside Inc. to provide this service	<p>The Household Hazardous Waste Collection Program has been operational since 2008. The program is a call in service, done by Curbside Inc for GI Industries. Below is a list of total tonnages that have been collected in the last two years:</p> <p>2008: 11.47Tons HHW & 8.69 Tons Electronics</p> <p>2009: 5.37 Tons HHW & 5.12 Tons of Electronics</p> <p>This is a very successful program for our community as most other program require driving outside of the city for disposal of these materials,</p>
6. Identify any route changes made to be date, or future route changes anticipated	Yes, no proposed changes	GI has provided us copies by driver and day of the routes for the City of Agoura Hills. They have also stated that no proposed changed are planned in the future.
D. Staffing practices, including the deployment of management and supervisory personnel		

City of Agoura Hills

Integrated Exclusive Residential Waste Management Services Performance Review

February - March 2009

Task/Detail	Answer Included Yes/No	Comments
1. List of local office critical staff members, titles, office and cell phone numbers and tasks performed by each staff member	Yes, a chart and contacts is included	GI has included a detailed local organizational list that includes staff name, title, office and cellular telephone numbers. No detailed task list is provided.
E. Financial management practices, including Company's billing and collection system and its policies with regard to uncollected accounts.		
<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>		<p>GI industries has provided a summary of how invoicing is performed. A bill is not suspended until it is 103 days past due.</p> <p>GI has very few delinquent accounts. It equates to approximately \$1,000 in 2009.</p>
F. Employee job & safety training, and management of Hazardous Waste		
1. Frequency of safety training?	Yes	GI has provided a detailed description on all training provided, especially when someone begins with their company. Also provided is an inspection report, environmental check list and agency interaction procedures along with a final quiz on the topics.
2. Frequency of Household Hazardous Waste Training?	Yes	<p>Hazardous waste training is done annually. Along with that, the company hold tailgate safety meetings.</p> <p>Note: Curbside Inc is responsible for all Hazardous Waste training of their employees.</p>

City of Agoura Hills

Integrated Exclusive Residential Waste Management Services Performance Review

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Task/Detail	Answer Included Yes/No	Comments
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3. How are records of training kept?	Yes	All training records are kept in binders in the Dispatch Office at GI Industries office in Simi Valley. The records include which employees attend the training and on what date.
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G. Procedures for receiving and resolving resident/customer complaints and concerns.

<p>This section should detail the process utilized for addressing resident/customer complaints and concerns.</p> <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>	Yes	<p>GI provided pages of data from their computer system for each year detailing all complaint calls. A summary table was then provided that indicates that only 4% in 2007 dropping to 3% in 2009 of all clients complained. Be reminded that this has not been provided address by address, just in paper format.</p> <p>It is hoped that in the future, this information will be in a more easily understandable submittal.</p> <p>The following is a summary of the complaints received and logged at City Hall. We have no outstanding issues regarding complaints made to staff.</p> <table border="1" data-bbox="1188 1101 1923 1243"> <thead> <tr> <th></th> <th>2007</th> <th>2008</th> <th>2009</th> </tr> </thead> <tbody> <tr> <td># Complaints</td> <td>6</td> <td>5</td> <td>4</td> </tr> <tr> <td>Resolved</td> <td>6</td> <td>5</td> <td>4</td> </tr> <tr> <td>Total %</td> <td>0%</td> <td>0%</td> <td>0%</td> </tr> </tbody> </table>		2007	2008	2009	# Complaints	6	5	4	Resolved	6	5	4	Total %	0%	0%	0%
	2007	2008	2009															
# Complaints	6	5	4															
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H. Procedures for the acquisition, maintenance, safety check and replacement of equipment. Compliance with air quality regulations etc...

City of Agoura Hills

Integrated Exclusive Residential Waste Management Services Performance Review

February - March 2009

Task/Detail	Answer Included Yes/No	Comments
Details for H:	Yes	The policy at GI is to only keep equipment for 10 years. When equipment is replaced, it is replaced with alternate fuel vehicles, Liquid Natural Gas (LNG), when possible.
I. Service Performance Standards Review		
This section should include a summary of service performance compliance data as identified on pages 53 to 55 of the franchise agreement.	Yes	<p>This section describes GI's commitment to being an environmental partner in the community. It also explains that they measure their service levels and our area is considered a Gold level of service.</p> <p>GI has also opened a new C&D (Construction & Demolition) recycling facility at the Simi Valley Landfill in 2008.</p> <p>Additional information has been submitted that answers each question posed on pages 53 – 55 of the agreement. GI has provided answers to all of these questions.</p>
J. Program Updates/Company Service Improvements		

City of Agoura Hills

Integrated Exclusive Residential Waste Management Services Performance Review

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Task/Detail	Answer Included Yes/No	Comments
1. Status of Manure Cart Program Implementation	Included	GI indicates they had 33 original accounts. 9 now have manure carts and for the remaining 24 accounts it is not practical to have carts instead of bins. They either have too difficult access to bring the carts to the street or too much material for the cart system.
2. Service Improvement Recommendations, if any.	Yes	GI has indicated that their service is performed to the highest level possible, thus no changes are proposed at this time.
3. Future Programs (List any new program Waste Management is considering implementing in the residential program. If tentative dates are available, please provide)	Yes	GI has provided a flyer of the Thinkgreen page from their website and also suggested bill inserts.