

SANTA BARBARA COUNTY BOARD AGENDA LETTER



Clerk of the Board of Supervisors
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Agenda Number:
Prepared on: 07/20/04
Department Name: Public Works
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Continued Item: NO
If Yes, date from:

TO: Board of Supervisors

FROM: Phillip M. Demery, Director
Public Works Department

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SUBJECT: Term Extensions for Exclusive Solid Waste Franchise Agreements

Recommendation(s):

That the Board of Supervisors:

1) Receive and file report on staff determination of compliance with extension right preconditions of the amended and restated agreements between the County of Santa Barbara and MarBorg Industries, Inc., BFI Waste Systems of North America, Inc., and Health Sanitation Services for Exclusive Solid Waste, Recyclables and Organics Collection and Transportation to Disposal and Processing Facilities and Organics Sites for Zones One through Five.

Alignment with Board Strategic Plan:

The recommendation is primarily aligned with Goal No. 2: A Safe and Healthy Community in Which to Live, Work and Visit

Executive Summary and Discussion:

Background

In December 1996, your Board approved Exclusive Franchise Agreements with several private solid waste collection companies to provide solid waste collection and transportation services to residents and businesses located in five designated collection zones in unincorporated Santa Barbara County. The original term of each agreement was for ten years from July 1, 1997 to June 30, 2007. Each agreement contains a provision allowing an automatic four-year term extension from July 1, 2007 to June 30, 2011 if specific performance criteria contained in each agreement are met. County staff is required to determine if the criteria for agreement extension have been met by each of the service providers and thus whether to grant extensions to the agreements as soon as practicable on or after June 30, 2004. The information contained in this Board

Letter summarizes staff's evaluation and determination that the preconditions contained in each agreement have been met.

Preconditions

A more complete report on the evaluation of the service providers' ability over the last seven years to meet or exceed the performance criteria included in their agreements is attached as Exhibit 1 to this Board Letter. There are six preconditions that are common to all five franchise agreements. These are:

- 1) Minimum Contamination Levels of Collected Recyclables
- 2) Low Assessed Liquidated Damages for Violations of the Agreement
- 3) 75% Customer Satisfaction Rate
- 4) Timely Payment of Tipping, Franchise and Program Fees
- 5) Timely Implementation of Transition Plan to 3-Stream Collection System
- 6) No Unauthorized Customer Charges

Zones 4 and 5 have an additional precondition for Environmental Compliance due to County concern with the poor environmental record of some Waste Management subsidiaries in the past. In addition, Zone 5 has a precondition for a minimum commercial recycling amount of 4.4%.

In order to determine compliance with these preconditions, staff reviewed and evaluated the following:

- Waste characterizations studies of recyclables delivered to processing facilities
- Monthly reports submitted by service providers
- Contact with County Accounting staff
- Review of Transition Plans
- Review of Rate Schedules
- Conducted Two Customer Satisfaction Surveys

To determine compliance with the Environmental Compliance provision of the Zone 4 and 5 agreements, staff obtained letters from the Local Enforcement Agencies in Santa Barbara, San Luis Obispo, and Ventura counties, reviewed Highway Patrol records, and spoke to County Counsel representatives from the counties of Santa Barbara and Ventura, and the City of Atascadero.

Staff reviewed monthly reports submitted by Health Sanitation Services to determine its compliance with the 4.4% commercial recycling rate. Since the passage of the mandatory commercial recycling program, this precondition has become moot as all service providers are recycling over 24% of the commercial material collected.

Based on the review, staff believes all service providers have met the preconditions in their agreements and are therefore eligible for their automatic right of extension. However, based on the extensive evaluation, there are a few issues that deserve greater attention. The current maximum contamination level for commingled recyclables is 16%. The material currently being collected by the service providers ranges between 13 and 14% contamination, very close to the upper threshold of acceptability. Staff encourages the service providers to increase their efforts for educating the public on what materials are collected under the program as well as leaving information on containers that have high levels of contamination.

A second issue is related to information gathered through the latest customer satisfaction survey. A summary of the results from the survey are included in Exhibit A of the attached full report on the service providers' compliance with the preconditions. A full copy of the survey results are filed with the South Coast and North County Clerk of the Board offices. A total of 285 residential and 119 commercial customers participated in the survey over the telephone. Overall, each service provider received very high rankings for both their field and office staff (9 out of a possible 10 points) and staff was very pleased with this result. The most important characteristics in determining overall satisfaction for residential customers were Helpful Office Staff, Respect for Property, Courteous Collectors, and Not Missing Pick Ups. The most important characteristics in determining overall satisfaction for commercial customers were Available Office Staff, Courteous Collectors, Being Informed of Changes in Service, and Not Missing Pick Ups.

The survey also indicated that there was not a significant difference in overall rankings between companies. However, there were differences in rankings between service providers on a few items listed below.

Service Characteristic	Lowest Ranking	Range of Other Rankings
Ease in participating in Christmas tree recycling	Zone 4: 6.00 (HSS: Lompoc Valley)	Other Zones: 8.61-9.61
Ease in using bulky item collection day	Zone 5: 5.38 (HSS: Santa Ynez & Orcutt) Zone 4: 6.00 (HSS: Lompoc Valley)	Other Zones: 7.74-8.90
Maintain green waste and recycling containers	Zone 2: 8.07 (BFI: North Goleta)	Other Zones: 8.98-9.55

Staff will work with Health Sanitation Services and BFI to step up their efforts in the identified areas. One obvious change is bulky item collection day offered in zones 4 and 5. On the South Coast, customers can set up one appointment a year for the collection of bulky items from their home. In the North County, the hauler has offered centrally located roll-off containers that customers must bring their bulky items to for free disposal. Staff will work with Health Sanitation Services to evaluate a shift to an appointment based system for their customer base.

Recycling Service

Your Board has been very supportive of decreasing the amount of waste that is landfilled and increasing the amount of waste that is beneficially reused. Since the onset of the new collection system and the franchise agreements, a number of recycling programs have been added countywide to increase the quantity of materials diverted from the landfill. Based on the service area, a service provider was required to expand recycling services in order to better serve customers in that area. The following summarizes the programs that have been added over time.

- 1999 Replacement of bins with commingled recycling carts in Isla Vista
- 2000 Added green waste collection in Los Alamos
- 2001 Added commingled recycling collection in Summerland
- 2003 Added commingled recycling collection to Trout Club, Painted Cave, Camino Cielo, Rosario Park, Paradise Road, Casmalia, Gary, Sisquoc, Tepesquet Canyon
- 2004 Implemented mandatory commercial recycling countywide

For the next year, the service providers will continue focused efforts on expanding the commercial recycling program in their respective service areas. The table below illustrates the increase in materials collected for recycling as a result of the additional programs.

<i>Category tracked</i>	<i>1997/1998</i>	<i>2003/2004</i>	<i>Increased Tons</i>	<i>Percentage Increase</i>
Tonnage of all materials collected	115,630 tons	142,118 tons	26,488	23%
Tonnage of greenwaste and recyclables collected	24,611 tons	56,767 tons	32,156	131%
Percent of franchised waste recycled	21%	40%		

As illustrated in the table, the quantity of green waste and recyclables collected by the service providers has increased 131% over the past seven years (from 24,611 tons to 56,767 tons per year). Overall, of all the materials collected (trash, green waste, and recyclables), green waste and recyclables has increased from 21% in 1997/1998 to 40% in 2003/2004, which is considered to be a significant increase. Based on this information, the service providers have been cooperative in meeting the needs of County staff and your Board to continue to increase recycling efforts.

Conclusion

Staff has used a variety of tools to evaluate the current performance of the solid waste service providers. Based on all of the information gathered, the service providers are meeting the specified preconditions in their agreements as well as receiving high ranks in a customer satisfaction survey. Based on this analysis, staff has determined that each of the service providers have complied with the preconditions and are therefore eligible for an automatic four-year right of extension of the franchise agreements from June 30, 2007 to June 30, 2011.

Mandates and Service Levels:

This determination of compliance will allow the continuation of service provided to residential and commercial solid waste collection customers by existing service providers. Extra efforts will be made to decrease the quantity of contaminants contained in the commingled recyclables containers in all zones and facilitate the use of the bulky item collection day in zones 4 and 5.

Fiscal and Facilities Impacts: There will be no fiscal or facility impacts to the County.

Special Instructions: None.

Concurrence: County Counsel