



City of Sunnyvale

Agenda Item-No Attachments (PDF)

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REPORT TO COUNCIL

SUBJECT

Approve Budget Modification No. 41 to Appropriate \$50,000 from the Solid Waste Management Fund for Study Issue ESD18-02 Planning for Post-2021 Solid Waste & Recycling Collection Franchise

BACKGROUND

On February 16, 2018, the City Council prioritized Study Issue ESD18-02 Planning for Post-2021 Solid Waste & Recycling Collection Franchise for implementation in 2018.

Solid waste and recycling collection services are currently being provided to residents and businesses by Bay Counties Waste Services (BCWS), that has been granted an exclusive franchise by the City Council, as allowed by Article XVI of the City Charter and Sunnyvale Municipal Code Chapter 8.16. The term of the current solid waste collection franchise began on July 1, 1991 and will expire on June 30, 2021.

As described in the Study Issue, this study would present Council with a discussion of the costs, implications, and mechanics of the various options for addressing the expiration of the current franchise agreement.

Options would include:

- 1) Seeking voter approval of an amendment to the City Charter to remove or change the existing 30-year limit on franchises.
- 2) Implementing a competitive process to select a franchisee for collection services beyond 2021. The time required for such a process, including potential transition to a new franchisee is approximately 36 months.
- 3) Negotiating a new franchise agreement with the incumbent franchisee, including a work plan option that preserves the City's opportunity to implement a competitive process for the award of a new franchise if needed.

EXISTING POLICY

Sunnyvale Charter

Pursuant to Sunnyvale Charter Section 1305, at any meeting after the adoption of the budget, the City Council may amend or supplement the budget by motion adopted by affirmative votes of at least four members so as to authorize the transfer of unused balances appropriated for one purpose to another, or to appropriate available revenue not included in the budget.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15378 (b)(4) in that is a fiscal activity, funding of a study, that does not involve any commitment to any specific project which

may result in a potential significant impact on the environment and CEQA Guidelines section 15378 (b)(5) in that it is a governmental organizational or administrative activity that will not result in direct or indirect changes in the environment.

DISCUSSION

This funding request would pay for a study and recommendations to be prepared by a consulting firm with knowledge of solid waste franchising issues and experience conducting competitive and negotiation-based processes for franchise transitions.

Given the long lead times needed to implement some of the options that will be examined in the study, this funding recommendation is being presented to Council outside the typical Budget Supplement process for Study Issues. Staff will present the study issue results to Council in a study session.

FISCAL IMPACT

Funding for a budget modification would come from the Solid Waste Management Fund reserves.

Budget Modification No. 41 FY 2017/18

	Current	Increase/ (Decrease)	Revised
Solid Waste Management Fund			
<u>Reserves</u>			
Rate Stabilization Fund	\$3,027,022	(\$50,000)	\$2,977,022
<u>Expenditures</u>			
New Project - Solid Waste Franchise Study	\$0	\$50,000	\$50,000

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

RECOMMENDATION

Approve Budget Modification No. 41 to appropriate \$50,000 from the Solid Waste Management Fund to fund a study of options for establishing the next franchise for solid waste and recycling collection services.

Prepared by: Melody Tovar, Interim Director, Environmental Services

Reviewed by: Timothy J. Kirby, Director of Finance

Reviewed by: Teri Silva, Assistant City Manager

Approved by: Kent Steffens, City Manager