

Solid Waste Agreement Athens Services Second Amendment

Athens Services Agreement

Current Status

- Athens Services partnership since 2011
- Year 7 of 9 of First Amendment (2019)
- City's largest service vendor contract
- Serves nearly every resident and business in City



Industry Disruptions

- Waste to Energy facility closure (SERRF)
- Landfill closures
- Athens to collect three streams to comply with SB1383



Proposed Amendment History

- Recognized diversion issue -December 2023
- Athens proposed amendment (SERRF closure and recognize impact on diversion rates) - March 2024
- Athens proposed revised amendment (three stream collection for all categories and other terms) - March 2025
- Presentation to City Council for direction – May 2025

Proposed Second Amendment

Presented to Council in May 2025 , key provisions included:

- Rate structure adjustment (multi-family & commercial)
- Bundled service
- Scout service fee
- Roll-off exclusivity
- SB1383 program changes

*Single family residential rates and multifamily units' rates (less than 4units) not impacted

Amendment Analysis

HF&H Consultants (July 2025)

Scope of work included review of:

- Athens' data illustrating increased expenditures and revenues
- Proposed rate changes justification
- Survey of solid waste services in neighboring cities



Analysis - Rate Competitiveness

Option #1

- 13.5% increase across multifamily (5+ units) and commercial customers

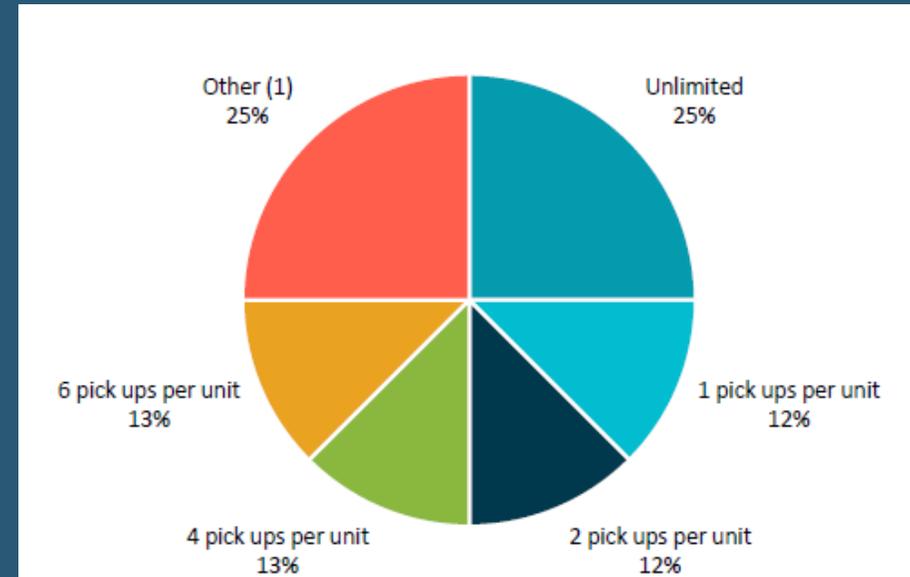
Option #2 (Staff recommended)

- Reclassify multifamily (5+ units) as commercial

Key HF&H Finding: Redondo Beach rates in Option #2 remain among lowest when compared with regional cities studied

Analysis - Solid Waste Services Survey

- HFH surveyed of 7 neighboring cities
- Services surveyed included;
 - bulky item pickup
 - street sweeping
 - no additional costs for cities facilities
 - paper shredding and compost giveaways
- Redondo Beach meets or exceeds services levels in all reviewed areas



Bulky-Item Pick Services Surveyed

Additional Considerations

- **Extended Term** - Extend Term to June 2036, with two five-year options
- **Diversion goals** - Replace 75% target with program-based compliance
- **Bundled services** – New standard bundle defined
- **Roll-off Services** - Exclusive franchise after wind down
- **Fines & Enforcement** - Procedures and dispute resolution

RECOMMENDATION

- Direct staff to negotiate second amendment rate changes using Option 2 structure
- Provide input to staff regarding proposed changes to other terms
- Return to City Council with a draft Second Amendment and a request to initiate a Proposition 218 process.

Terms

- This document lists the terms of the proposed second amendment provided by Athens Services in order of the draft amendment shared with staff. The list is not in order of importance or magnitude of change to existing Agreement. The proposed revisions to the Agreement are listed below with a summary of programmatic/operational adjustments:
 - 1. **Amendment Definitions:** Revised SB1383 language
 2. **References to “Green Waste”:** Revised SB1383 language
 3. **Roll-Off; Scope of Franchise:** Inclusion of exclusive roll-off and temporary bin services in franchise agreement following five-year notice period. Inclusion of cost recovery City fees (13.4%) for program implementation.
 4. **Services to the South Bay Galleria:** Inclusion of “South Bay Galleria” property in franchise agreement. This is currently a “carve-out” in the contract due to the unique operational demands of the mall facility.
 5. **Current Classifications: “Bundled Service”:**
 - Continue Bundled Service for residential customers (one 96-gallon cart for each stream refuse, recycling, and organics) or one 64-gallon organics cart for commercial service
 - Introduce Bundled Service to multi-family/commercial customers. Customers receiving bin service will receive 3-yard refuse bin, 96-gallon recycling bin, and one 64G/ two 35G organics carts as default.

Terms

6. **Overweight and Overflow Containers:** If the customer places more in container than fits or is in excess of weigh capacity the Contractor may charge fee and adjust service. Removal of the notification process prior to assessment of fees/adjustment of service. Occurs when customer overfills, often at locations where owners “under-select” the size of bin needed.
7. **Roll-Off Box Service:** (as above)
8. **Temporary Bin Service:** (as above)
9. **Scout Service Rates:** Introduction of scout fees for pushing or rolling bins to point of collection currently proposed at \$35 per month for one bin per week (trash only).
10. **Elimination of Residential Two-Cart Pilot Collection Program:** (Pilot concluded and eliminated.)
11. **Mandatory Recyclables Collection for Residential Bin and Commercial Customers:** Currently, recycling service is bundled with refuse and organics in the Bundled Service. No change for residential customers. Proposed that multi-family units and commercial customers billed directly by hauler will receive 96G recycling cart in the Bundled Service – additional service will be charged at the rate outlined in the Rate Sheet.

Terms

12. **Diversion Requirement:** Diversion requirement will be eliminated and replaced with “implementation of programs designed to achieve diversion”. This meets state law requirement but removes a numerical diversion target.
13. **Organic Waste Collection for Residential Bin and Commercial Customers:** Organic waste collection will be included in the Bundled Service. No change for residential customers. Proposed that multi-family units and commercial customers billed directly by hauler will receive one 64G recycling cart or two 35G carts in the Bundled Service – additional service will be charged at the rate outlined in the Rate Sheet.
14. **SB 1383 Program:** Replace Appendix I with new Appendix I.
 - Eliminate two-stream service, where still in operation, and replace with three-stream service (trash, recycling and organics).
 - Changing Organic Contamination Fee to contamination fee for any commodity and customer may be charged for each contaminated container.
 - Adjustments to contamination fee processes.
 - In current Agreement, Athens is required to process all trash to recover recyclables prior to landfilling. The Contractor is required to divert a minimum of 8.5% of solid waste collected from residential refuse carts. Given changes in recycling practices, Athens advises achieving this additional level of diversion is no longer practical and proposes eliminating and directly transporting all trash to landfill.
15. **Approved Facilities:** Removal of named approved receiving facilities and proposes Contractor shall transport all solid waste that is collected in the City to a lawfully permitted Transfer Station, MRF, processing Facility, or Disposal Facility.

Terms

- 16. Capacity Guarantee:** Removal of guaranteed tonnage levels at named facility and replaced with Contractor shall guarantee capacity at Contractor-selected facilities for all refuse, recyclable materials, and organic waste collected by Contractor during the term of this Agreement.
- 17. Liquidated Damages (Diversion):** Adjustments to Liquidated Damages (LD) for diversion to account for revised diversion requirements. LD for failure to submit and/or implement a corrective action plan.
- 18. Faithful Performance Letter of Credit (LOC):** Removal of LOC from the Agreement.
- 19. Customer Billing:** Multi-family units (5+units) will be considered commercial and billed in accordance with Section 12.1.3.1 (Commercial rate structure). Other revised language related to customer billing.
- 20. Events of Default:** Revised language.
- 21. Other Failures to Perform:** Revised language.
- 22. Events of Default (Diversion):** Revised language due to changes to diversion requirements.

Terms

- 23. Term of the Agreement:** Proposes term for second amendment to expire June 30, 2036 (8-year extension over current term) with option for City to grant two five-year extensions.
- 24. General Indemnification:** Revised language
- 25. Hazardous Substances Indemnification:** Revised language
- 26. Exception:** New section
- 27. Approved Rate Schedule:** Appendix E will be replaced in its entirety with a new rate schedule for multi-family units and commercial customers billed directly by the Contractor.