

BLUE FOLDER ITEM

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CITY COUNCIL MEETING May 20, 2025

N.1. DISCUSSION AND POSSIBLE DIRECTION ON THE PROPOSED SECOND AMENDMENT TO THE CITY'S SOLID WASTE HANDLING SERVICES AGREEMENT WITH ATHENS SERVICES TO MODIFY RATE STRUCTURES, CERTAIN SOLID WASTE PROGRAMS, AND OTHER TERMS OF THE AGREEMENT

CONTACT: ANDREW WINJE, PUBLIC WORKS DIRECTOR

- *Email*

From: Zein Obagi <Zein.Obagi@redondo.org>

Sent: Tuesday, May 20, 2025 10:25 AM

To: Mike Witzansky <Mike.Witzansky@redondo.org>; Andrew Winje <Andrew.Winje@redondo.org>

Cc: Scott Behrendt <Scott.Behrendt@redondo.org>; Eleanor Manzano <Eleanor.Manzano@redondo.org>

Subject: N1 - HF&H Question re Proposed Athens Contract Amendment (Complete Questions)

Sorry, prior email launched early by accident.

Hi all,

Let me start by saying I think Athens is top notch in responsiveness to concerns and complaints and has first class customer service. With that said, the City has contracted Athens since 2011, and now, we're looking at extending them 7 years while we're in year 5 of 7 because of challenges that Athens has faced economically fulfilling its obligations under our contract.

I am all for supporting our partners when they need support, but I just want to do my diligence. I would like HF&H to provide us a written analysis of the amendments sought by Athens and HF&H's recommendation on how to proceed, taking into consideration specifically the following:

1. **Diversification:** What are the SB1383 requirements, and what is Athens doing to or what's in the contract to provide us with indemnity for any violations/ fines from CalRecycle?
2. **Customer Billing (5+ Units):** Why were multi-family not already considered commercial previously?
3. **Changes in Classification:** Does this mean that Athens can transition us all over to smaller or bigger trash bins? Different questions abound depending on which way Athens elects to go - bigger or smaller. Perhaps put the burden on Athens to show why they need a different size, the difference in price, and require the City's consent? Is there a financial incentive for Athens to increase container sizes? Or reduce them?
4. **Approved Rate Schedule.** I don't see this. Can we see it compared to our current rates?
5. **Scout Service Rates.** \$35 per bin sounds reasonable, but, if the residential development then has recycling and organics, is that 3x scout service for that property? Is there a charge if the other two - recycling and organics are in the blue and green bins rather than the big roller?
6. **Roll Off Franchise.** Can we get a better explanation of this please. Net positive for the City or Athens, if so, at whose expense?

7. **Overweight and Overflow Containers.** Does this mean people can be fined at Athens' discretion without warning? I thought a perk of Athens is we were not capped in our trash. Also, 50% of the recycling bins on my block on Thursday have collapsed cardboard sticking out. Fine for that? What constitutes overweight or overfilled? How do we know that the enforcement of this standard will not change from Year 1 to Year 7
8. **SB 1383.** Allowing residents to be charged for contamination in each type of container with no warning, and unknown fee structure could cause significant resident distress. What constitutes a contaminated container? How much will residents be charged? De minimus or significant?
9. **Diversion Requirements.** Shouldn't this reflect the SB1383 requirements and indemnification provided to the City?
10. **Organic Waste Collection for Residential Bins and Commercial Customers.** Does this change what residents are charged? What's the increase?
11. **liquidated Damages (Diversion).** Adjustments in just the threshold, or the amount of the damages too?
12. **Faithful Performance LOC:** What purposed did this serve? Will some other security serve in its place like a bond? Do we need it?
13. **Event of Default:** What language is being revised? More favorable to the City or Athens?
14. **Other Failures to Perform:** What language is being revised? More favorable to the City or Athens?
15. **Term of Agreement:** What is Athens providing to the City for the extended term?
16. **General Indemnification, Hazardous Substances Indemnification, Exception...** do we have an idea of the changes sought? Good for the City or Athens?

Finally, macro, what's the total value of our annual contract with Athens? I imagine this is a significant budget expenditure, even if some or all is passed on to residents... Should this go to Budget & Finance Commission for their input?

There's obviously a lot of work here for our staff, and paid consultant and legal counsel to thoroughly consider these amendments. Is Athens willing to pay our costs considering these amendments? I'm looking at proposed budget right now with \$40K left in it for discretionary spending after all DPs are approved. How much will the thorough analysis of these proposed amendments cost?

Thanks

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