



CITY OF GLENDALE, CALIFORNIA REPORT TO THE CITY COUNCIL

AGENDA ITEM

Report: Amendment No. 1 to the to the “Agreement for Business and Multi-Family Solid Waste Collection Services in Zone A” Contract R107070 between the City of Glendale and Southland Disposal Company.

1. Resolution authorizing Amendment No. 1 to the Agreement for Business and Multi-Family Solid Waste Collection Service in Zone A between the City of Glendale and Southland Disposal Company (Contract R107070) assignment of the agreement to Southland Environmental Services, Inc.

COUNCIL ACTION

Item Type: Consent Calendar

Approved for July 16, 2024 **calendar**

EXECUTIVE SUMMARY

On July 27, 2021, the Glendale City Council authorized the establishment of four zones for exclusive solid waste franchises for solid waste collection services for commercial establishments and multi-family residential establishments of five units or greater and Southland Disposal Company was awarded a franchise agreement for Zone A (Contract R107070). On April 8, 2024, the city received a letter, from Southland Disposal Company, notifying staff of an operational and administrative name change. Southland Disposal Company has changed their name to Southland Environmental Services, Inc. for solid waste collection services. Council authorization is needed to for an amendment of this franchise agreement to accommodate the requested name change.

RECOMMENDATION

That the Council approve a Resolution authorizing an amendment to the Agreement for Business and Multi-Family Solid Waste Collection Service in Zone A Between The City of Glendale and Southland Disposal Company (Contract R107070) assigning the agreement to Southland Environmental Services, Inc.

ANALYSIS

The franchise agreement between Southland Disposal Company and the city was formally executed on August 26, 2021. The Agreement was one of four agreements signed with private waste haulers to provide collection service to commercial accounts as part of the city's exclusive franchise collection program.

The city received a letter on April 8, 2024, from Southland Disposal Company notifying staff of an operational and administrative name change. Southland Disposal Company has changed their name to Southland Environmental Services, Inc. for solid waste collection services.

Paragraph 18 of the Agreement provides, in relevant part:

The right granted by this Agreement shall not be transferred, sold, hypothecated, sublet or assigned (collectively "transferred"), nor shall any of the rights or privileges in this Agreement be hypothecated, lease, assigned, sold or transferred, wither whole or in part, nor shall title thereto, either legal or equitable, or any right, interest or property therein, pass to or vest in any person, either by act of Contractor or by operation of law, without the prior consent of the City expressed by resolution. Any attempt to do any of the foregoing with respect to any of the rights in this Agreement without the consent of the City shall be void. For purposes of this Agreement, any dissolution, merger, consolidation, change in control or other reorganization of Contractor shall be deemed an assignment of this Agreement.

The decision to consent to any assignment shall be in the sole discretion of the City Manager, as approved by Resolution adopted by the City's City Council.

Any application for a transfer of rights shall be in a manner prescribed by the City Manager. The application shall include a transfer fee in an amount equal to fifty thousand dollars (50,000.00). The transfer fee shall be paid by Contractor or Contractor's assignee upon any such transfer of this Agreement. If City does not receive the transfer fee within thirty (30) days of the transfer date, City shall have the right to terminate this Agreement.

The letters and agreement were reviewed by the City Attorney's office, which has indicated the assignment request is within parameters of the agreement. Staff recommends assigning Southland Disposal Company's Exclusive Franchise Agreement for Business and Multi-Family Solid Waste Collection Service to Southland Environmental Services; Inc. Services will proceed without operational impacts to multi-family and

commercial customers within Franchise Zone A.

On July 9, City Council reviewed the requested assignment from Robert Arsenian, for the assignment of the Agreement from Southland Disposal Company to Southland Environmental Services, Inc., along with the request to lower the contractual assignment fee from \$50,000 based on Mr. Arsenian's representation that he was the sole owner of both entities. Accordingly, City Council requested staff to return with a updated resolution lowering the fee from \$50,000 to \$15,000. Council also requested that staff provide the complete required Campaign Finance Disclosure Forms. Because this Agreement is a franchise agreement, an additional Campaign Finance Disclosure Form for entitlements must be completed, which requires the applicant to disclose whether the applicant has made campaign contributions in the preceding 12 months to City of Glendale elected officials.

STAKEHOLDERS/OUTREACH

Staff anticipates no public outreach related to this company name change as it is not expected to impact services.

FISCAL IMPACT

The transfer fee set forth in the franchise agreement entitles the City of Glendale to a payment \$50,000, reduced to \$15,000, which will be revenues deposited into the Refuse Disposal Fund (5300).

CAMPAIGN DISCLOSURE

The names and businesses address of the members of the board of directors, the chairperson, CEO, COO, CFO, Subcontractors and any other person or entity with more than 10% interest in the company proposed for contract in this Agenda Item Report are attached in Exhibit 1 in accordance with City Campaign Finance Ordinance No. 5744.

The names of applicants seeking an entitlement and disclosure of any campaign contributions in the preceding 12 months to City of Glendale elected officials are attached in Exhibit 2 in accordance with City Campaign Finance Ordinance No. 5744.

ALTERNATIVES TO STAFF RECOMMENDATION

1. The City Council may elect not to approve the resolution and not authorize the name change.
2. The City Council may consider any other alternative not proposed by staff.

ADMINISTRATIVE ACTION

Submitted by:

Daniel Hernandez, Interim Director of Public Works

Prepared by:

Etienne Ozorak, Integrate Waste Superintendent
Daniel Hardgrove, Assistant Director of Public Works

Approved by:

Roubik R. Golanian, P.E., City Manager

EXHIBITS/ATTACHMENTS

Exhibit 1: Disclosure - Campaign Finance Ordinance - Contractors and Subcontractors

Exhibit 2: Disclosure – Campaign Finance Ordinance – Applicants seeking Entitlement