

AGENDA

TUESDAY, JULY 11, 2023

REGULAR MEETING - 5:00 p.m.

Council Chambers, 505 Forest Ave., Laguna Beach, CA

- 1. You may submit comments on any agenda item on the agenda in writing via mail to the City Clerk at: 505 Forest Avenue, Laguna Beach, CA. 92651 or by email to a [href="mailto:amckay@lagunabeachcity.net">amckay@lagunabeachcity.net](mailto:amckay@lagunabeachcity.net) or by using this comment form: Comment Form. Please send your comments to the City Clerk no later than 3:00 p.m. on July 10, 2023 (the day before the City Council meeting) in order for your comments to be submitted to the members of the City Council with sufficient time to review the comments. You may continue to provide written comments up to 12:00 p.m. on July 11, 2023 (the day of the meeting). Please note that while these comments will be provided to the City Council at 2:00 p.m. on July 11, 2023, the Councilmembers may not have sufficient time to review them prior to the meeting. Written comments WILL NOT be read aloud during the City Council Meeting. Please note that written comments are posted on the City's website, so do not include any personal information you do not want posted on the web. Any comments received after the deadline for submittal may not become part of the public record for that meeting.**
- 2. You may view the meeting live on Cox cable channel 852 and online on the City of Laguna Beach website: www.lagunabeachcity.net/meetings**
- 3. You may listen and comment over the phone or computer during designated public comment periods by following the steps below: * You can click on this link from your computer or smart phone to participate via zoom: <https://lagunabeachcity.zoom.us/j/91641723096> * You may call (669) 900-9128, and wait for instructions. The Webinar id is 91641723096#. - Let us know you want to comment on an item that is being discussed by pressing *9 on your phone. - When you hear from the meeting operator, "your phone is unmuted," please press *6, then proceed with your comment. The time for comments may be limited, so prepare your remarks accordingly. **If you have issues getting into the Zoom meeting, or raising your virtual hand to comment, you may TEXT the City Clerk: (310) 722-5051 If you are not able to use this Webinar system, you may submit comments via email during the meeting to email amckay@lagunabeachcity.net. The City Clerk will attempt to briefly identify the author and the content of the email during the City Council meeting. Unless an email is brief and to the point, it will not likely be read into the record and a summary may be provided. To aid the City Council in the timely consideration and completion of its business, we are asking that all written comments be limited to 200 words or less.**
- 4. You may speak in person in Council Chambers.**

CLOSED SESSION - 3:30 p.m. to 5:00 p.m.

Closed Session

CITY COUNCIL MEETING - 5:00 p.m.

EXTRAORDINARY BUSINESS

1. YEARS OF SERVICE RECOGNITION

Recommendation: Receive and file the report.

Staff Report

PUBLIC COMMUNICATION

At this time, members of the Public may address the City Council regarding any items not on the agenda but within the subject matter jurisdiction of the City Council. No action may be taken on off-agenda items unless authorized by law. Comments shall be limited to 3 minutes each and 30 minutes for all comments, unless extended for good cause by the City Council.

COUNCIL AND STAFF REPORTS

CONSENT CALENDAR

The Consent Calendar encompasses items that require no separate discussion; they may be enacted by one motion approving the various minute orders and resolutions. Second reading / adoption of Ordinances will be placed on the Consent Calendar. The Mayor will determine whether any items on the Regular Order of Business should be transferred to the Consent Calendar. The Mayor will also determine whether any items should be removed from the Consent Calendar so that it may be discussed separately. A Councilmember, the City staff, or the public may request removal of an item from the Consent Calendar. Once any additions or removals are made, the Council will vote to approve all items remaining on the Consent Calendar, any item that was removed will be considered immediately following the action on the Consent Calendar.

2. MINUTES OF THE CITY COUNCIL MEETING

Recommendation: It is recommended by the City Clerk that the City Council approve the Minutes of the Regular Meeting of the City Council of June 27, 2023.

Minutes

REVISED Minutes

**3. WARRANT LISTING Warrants: \$2,586,590.74 06/23/2023 Payroll #26
\$1,948,623.81 06/30/2023 Total \$4,535,214.55**

Staff Report

4. CITY TREASURER'S MONTHLY INVESTMENT REPORT FOR MAY 2023

Recommendation: It is recommended by the City Treasurer that the City Council receive and file the Monthly Investment Report for May 2023.

Staff Report

5. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA BEACH TO CONFIRM WEED ABATEMENT ASSESSMENT ROLL

Recommendations:

(1) Adopt the Resolution titled, “A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA BEACH, CALIFORNIA, CONFIRMING ASSESSMENTS FOR WEED ABATEMENT,” which will direct the Fire Chief to file a copy of the 2023 report with the County Auditor on or before August 10, 2023; and

(2) Adopt the Resolution titled, “A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA BEACH, CALIFORNIA, CONFIRMING ASSESSMENTS FOR WEED ABATEMENT,” with Councilmember Rounaghi to abstain.

Staff Report

6. TIER 3 SEISMIC ASSESSMENT OF CITY HALL AND FIRE STATIONS #2 AND #3

Recommendation: Award and authorize the City Manager to execute a contract with IDS Group, in the amount of \$780,688, to perform an American Society of Civil Engineers Standard 41 Tier 3 seismic evaluation and retrofit design for the City Hall and Fire Station No. 2 and 3 buildings.

Staff Report

7. ACCEPTANCE OF BURKART ESTATE DONATION

Recommendations:

(1) Accept the donation from the Edward Burkart estate in the amount of \$29,751.46;

(2) Appropriate the \$29,751.46 to be used for animal-related matters at the Animal Shelter, which include facility maintenance, animal care, and educational outreach with a matching increase in estimated Animal Shelter Estate Donations; and

(3) Authorize the Mayor to send a thank you letter to the estate.

Staff Report

8. AWARD OF TOW SERVICE AGREEMENTS AND FEE ADJUSTMENTS

Recommendations:

(1) Authorize the City Manager to execute an agreement with two contracted city towing service companies, To and Mo Towing and Laguna Towing; and

(2) Adopt the Resolution titled, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA BEACH, CALIFORNIA, ESTABLISHING TOWING

CHARGES AND STORAGE RATES FOR OFFICIAL POLICE TOW SERVICES AND RESCINDING RESOLUTION NO. 15.083."

Staff Report

9. APPROVAL OF 46TH ANNUAL VICTORIA SKIMBOARD CHAMPIONSHIPS AT ALISO BEACH

Recommendations:

(1) Approve the Annual Skimboard Championships at Aliso Beach, scheduled for August 26 - 27, 2023; and

(2) Waive \$270 in parking fees associated with using three parking spaces during the event and \$2,880 costs related to additional Marine Safety staff needed for the event.

Staff Report

Public Communications

10. ADOPTION OF ORDINANCE AMENDING LAGUNA BEACH MUNICIPAL CODE SECTION 25.05.040 (DESIGN REVIEW) AND CHAPTER 25.07 (COASTAL DEVELOPMENT PERMITS) AS MODIFIED AND APPROVED BY THE CALIFORNIA COASTAL COMMISSION ON FEBRUARY 9, 2023

Recommendations:

(1) Adopt the Ordinance titled, "AN ORDINANCE OF THE CITY OF LAGUNA BEACH, CALIFORNIA, AMENDING LAGUNA BEACH MUNICIPAL CODE SECTION 25.05.040 (DESIGN REVIEW) AND CHAPTER 25.07 (COASTAL DEVELOPMENT PERMITS) AS MODIFIED AND APPROVED BY THE CALIFORNIA COASTAL COMMISSION ON FEBRUARY 9, 2023, AND A FINDING OF EXEMPTION FROM CALIFORNIA ENVIRONMENTAL QUALITY ACT"; and

(2) Adopt the Resolution titled, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA BEACH, CALIFORNIA, ACKNOWLEDGING RECEIPT OF THE CALIFORNIA COASTAL COMMISSION'S CERTIFICATION; ACCEPTING AND AGREEING TO THE SUGGESTED MODIFICATIONS; ADOPTING LOCAL COASTAL PROGRAM AMENDMENT 21-8778 TO AMEND LAGUNA BEACH MUNICIPAL CODE SECTION 25.05.040 (DESIGN REVIEW) AND CHAPTER 25.07 (COASTAL DEVELOPMENT PERMITS) AS MODIFIED AND APPROVED BY THE CALIFORNIA COASTAL COMMISSION ON FEBRUARY 9, 2023, AND EXEMPTION FROM CALIFORNIA ENVIRONMENTAL QUALITY ACT, AND REQUESTING ITS CERTIFICATION BY THE CALIFORNIA COASTAL COMMISSION, AND AGREEING TO IMPLEMENT THE LOCAL COASTAL PLAN IN A MANNER FULLY CONSISTENT WITH THE CALIFORNIA COASTAL ACT."

Staff Report

11. BUDGET POLICY RESOLUTION FOR FISCAL YEAR 2023-24 AFFIRMING ANNUAL TRANSFER TO HOUSING FUND, DISASTER CONTINGENCY FUND RESTRICTIONS, MID-YEAR TRANSFER TO OPEN SPACE FUND,

AND A COMMITMENT TO CONTRIBUTE TOWARD THE POTENTIAL PURCHASE OF SOUTH LAGUNA GARDEN PARK

Recommendation: Approve funding policies for the Fiscal Year 2023-24 Proposed Budget by adopting the Resolution titled, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA BEACH, CALIFORNIA, TO RESTRICT FUNDING IN THE DISASTER CONTINGENCY FUND, TRANSFER TRANSIENT OCCUPANCY TAX REVENUE IN EXCESS OF BUDGET ESTIMATES TO THE HOUSING FUND, TRANSFER MID-YEAR BUDGET SAVINGS UP TO \$300,000 TO THE OPEN SPACE FUND, AND A CONTRIBUTION TOWARD THE POTENTIAL PURCHASE OF THE SOUTH LAGUNA COMMUNITY GARDEN."

Staff Report

Public Communications

COUNCILMEMBER REQUESTS

A. RENAMING TOP OF THE WORLD PARK TO WILLIAM M. WILCOXEN PARK (KEMPF)

Recommendation: It is recommended by Mayor Pro Tem Sue Kempf that the City Council approve the renaming of Top of the World Park to William M. Wilcoxen Park and authorize the installation of a new park identification sign.

Agenda Report

Public Communications

Additional Public Communications

B. RESOLUTION SUPPORTING ASSEMBLY CONSTITUTIONAL AMENDMENT (ACA) 12 RELATING TO CONTROLLED SUBSTANCES (ROUNAGHI)

Recommendation: It is recommended by Councilmember Alex Rounaghi that the City Council adopt the Resolution titled, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA BEACH, CALIFORNIA, SUPPORTING ASSEMBLY CONSTITUTIONAL AMENDMENT (ACA) 12 RELATING TO CONTROLLED SUBSTANCES."

ITEM B

REGULAR ORDER

The Regular Order of Business section of the Agenda is designed for items that will require separate discussion and citizen input before the City Council makes a determination of the items.

12. TEMPORARY USE PERMIT 23-1215 AND COASTAL DEVELOPMENT PERMIT 23-1216 TO ESTABLISH AND OPERATE A TEMPORARY ANIMAL CARE FACILITY LOCATED AT 20652 LAGUNA CANYON ROAD

Recommendations:

(1) Adopt the Resolution titled, “A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA BEACH, CALIFORNIA, APPROVING TEMPORARY USE PERMIT 23-1215 TO ESTABLISH AND OPERATE A TEMPORARY ANIMAL CARE FACILITY LOCATED AT 20652 LAGUNA CANYON ROAD” for a one-year period; and

(2) Approve Coastal Development Permit 23-1216 to establish and operate a temporary animal care facility located at 20652 Laguna Canyon Road for a one-year period.

Staff Report

13. **FIRST READING APPROVING GENERAL PLAN AMENDMENT 2023-0658, ZONING ORDINANCE AMENDMENT 2023-0659, AND LOCAL COASTAL PROGRAM AMENDMENT 2023-0660 RELATED TO REZONING TWENTY-SIX PARCELS OBTAINED THROUGH PROPOSITION 12 FUNDING TO OPEN SPACE**

Recommendation: Introduce the first reading of the Ordinance approving General Plan Amendment 2023-0658, Zoning Ordinance Amendment 2023-0659, and Local Coastal Program Amendment 2023-0660 to amend portions of the General Plan and Laguna Beach Municipal Code pertaining to the Land Use Map and Zoning Map by 1) asking the City Clerk to read the title of the Ordinance; and 2) approving a motion to waive further reading of the Ordinance and to pass it to a second reading.

Staff Report

Public Communications

14. **AWARD OF CONTRACT FOR SOLID WASTE FRANCHISE AGREEMENT**

Recommendations:

(1) Award the Franchise Agreement for the Collection, Transportation, Processing and Diversion of Recyclable Materials, Food Scraps, Yard Trimmings, Construction, Transportation and Disposal of Municipal Solid Waste to CR&R Incorporated to commence on July 1, 2024 and continue for eight years;

(2) Adopt the Resolution titled, “A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA BEACH APPROVING THE EXCLUSIVE FRANCHISE AGREEMENT BETWEEN THE CITY OF LAGUNA BEACH AND CR&R, INCORPORATED FOR THE COLLECTION, TRANSPORTATION, PROCESSING AND DIVERSION OF RECYCLABLE MATERIALS, FOOD SCRAPS, YARD TRIMMINGS, CONSTRUCTION, TRANSPORTATION AND DISPOSAL OF MUNICIPAL SOLID WASTE AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT REPEALING ALL RESOLUTIONS INCONSISTENT HEREWITH”; and

(3) Authorize the City Manager to execute the contract on behalf of the City with any non-substantive changes approved by the City Manager.

Staff Report

Public Communications

Additional Public Communications

COMMITTEE REQUEST

15. REQUEST FROM THE CITIZENS' AUDIT REVIEW AND INVESTMENT ADVISORY COMMITTEE TO CONTINUE EVALUATING OUTSOURCING THE MANAGEMENT OF THE CITY'S INVESTMENT PORTFOLIO

Recommendation: Approve further evaluation of outsourcing of the management of the City's investment portfolio by issuing a Request for Proposals (RFP) to potentially outsource the investment program and comparing it with the investment program managed by the City Treasurer.

Staff Report

Public Communications

PUBLIC HEARING FOR APPEAL

A. APPEAL OF APPROVAL OF DESIGN REVIEW 22-1633, VARIANCE 22-1634 AND REVOCABLE ENCROACHMENT PERMIT 22-1635 FOR ADDITIONS TO AN EXISTING SINGLE-FAMILY DWELLING AT 31101 BROOKS STREET IN THE R-1 ZONE

Recommendation: Deny the appeal and sustain the Design Review Board's approval of Design Review 22-163 3, Variance 22-1634 and Revocable Encroachment Permit 22-1635 at 31101 Brooks Street. The Board determined that the project qualified for a Class 3 Categorical Exemption pursuant to Section 15301 of the State CEQA Guidelines. The appeal does not encompass the Board's CEQA determination.

Staff Report

Letter by Applicant's Agent

Letter by Applicant's Attorney

ADJOURNMENT TO THE CLOSED SESSION AT 4:00 P.M, AND HYBRID VIRTUAL/IN-PERSON REGULAR CITY COUNCIL MEETING AT 5:00 P.M., TUESDAY, JULY 25, 2023

ADA ACCOMMODATIONS

Pursuant to the Americans with Disabilities Act, persons with a disability who require a disability-related modification or accommodation in order to participate in a meeting, including auxiliary aids or services, may request such modification or accommodation from the City Clerk at (949) 497-0705 (telephone) or (949) 497-0771 (facsimile). Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to assure accessibility to the meeting.

COMPLIANCE WITH GOVERNMENT CODE SECTION 54957.5

Materials related to an item on this Agenda submitted to the City Council after distribution of the agenda packets are available for public inspection in the City Clerk's Office at 505 Forest Avenue, Laguna Beach, California, during normal business hours.



AGENDA REPORT

Regular
14

Meeting Date
July 11, 2023

SUBJECT: AWARD OF CONTRACT FOR SOLID WASTE FRANCHISE AGREEMENT

RECOMMENDATION: It is recommended that the City Council:

1. Award the Franchise Agreement for the Collection, Transportation, Processing and Diversion of Recyclable Materials, Food Scraps, Yard Trimmings, Construction, Transportation and Disposal of Municipal Solid Waste to CR&R Incorporated to commence on July 1, 2024 and continue for eight years;
2. Adopt the Resolution titled, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA BEACH APPROVING THE EXCLUSIVE FRANCHISE AGREEMENT BETWEEN THE CITY OF LAGUNA BEACH AND CR&R, INCORPORATED FOR THE COLLECTION, TRANSPORTATION, PROCESSING AND DIVERSION OF RECYCLABLE MATERIALS, FOOD SCRAPS, YARD TRIMMINGS, CONSTRUCTION, TRANSPORTATION AND DISPOSAL OF MUNICIPAL SOLID WASTE AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT REPEALING ALL RESOLUTIONS INCONSISTENT HEREWITH"; and
3. Authorize the City Manager to execute the contract on behalf of the City with any non-substantive changes approved by the City Manager.

Appropriation: _____ **Fund Name:** _____

Submitted By: Mark McAvoy **Approved:** Shohreh Dupuis
Mark McAvoy, Director of Public Works Shohreh Dupuis, City Manager

SUMMARY OF THE MATTER

Presenting a new solid waste collection franchise agreement is part of the City Council's 2023 Priority Matrix (Item #36).

The City's solid waste franchise agreement with Waste Management of Orange County (Franchise Agreement) is set to expire on June 30, 2024, following a one-year contract extension approved on March 21, 2023. The City obtained the services of the consulting firm EcoNomics, Inc. (Consultants) to develop the Request for Proposals (RFP) and Franchise Agreement (Agreement) for the Collection, Transportation, Processing, and Diversion of Recyclable Materials, Food Scraps, Yard Trimmings, Construction Waste, Transportation, and Disposal of Municipal Solid Waste. On August 16, 2022, the City Council authorized the issuance of the RFP and Agreement.

Subsequently, on November 21, 2022, the City received proposals from CR&R Incorporated (CR&R) (Attachment 1, Section Y) and Waste Management of Orange County (Attachment 2). City staff and Consultants thoroughly reviewed the proposals, and representative panels from each firm were interviewed by City staff and Consultants.

Following a thorough evaluation, staff recommends that the City Council award the Agreement to CR&R and a final Agreement with CR&R for the Collection, Transportation, Processing, and Diversion of

Award of Contract for Solid Waste Franchise Agreement

July 11, 2023

Page 2 of 7

Municipal Solid Waste is included as Attachment 1. If approved, an eight-year service term will commence on July 1, 2024, with the potential for two one-year extensions based on satisfactory service. This report provides a summary of the proposals, evaluation process, and the recommended course of action. Additional information, including proposals, and recordings of the interviews can be found on the City's website at www.lagunabeachcity.net/solidwaste_Agreement.

DISCUSSION

The evaluation of the proposals was completed by City staff and Consultants and occurred in five phases:

Phase 1 - Reviewed each proposal to ensure minimum RFP requirements were met.

Phase 2 – Four sets of follow up questions were sent to each proposer.

Phase 3 - Reference checks were completed.

Phase 4 - Interviews with each proposer conducted.

Phase 5 - Final meetings held with consultants to make decision about which firm to recommend.

The Consultants prepared an Evaluation of Proposals Received for Solid Waste and Recycling Services (Evaluation Report) (Attachment 3) that provides a detailed review of each proposal applicable to each of the nine evaluation sub-categories contained in the RFP (Attachment 4, Section 5.2). Below is a summary of the proposal evaluation results.

Evaluation Criteria 1: Organization

CR&R Findings:

- Senior management personnel assigned with experience in diversion program implementation and contract management.
- Offers local ownership and decision-making authority.
- References noted some minor equipment issues (i.e., vehicle leaks) and customer service issues solved by providing dedicated phone lines.

WM Findings:

- Experience of assigned personnel varies.
- References noted high staff turnover for contract management team in recent years, equipment issues (i.e., vehicle leaks), customer service issue, and significant issues with SMART Truck technology system which led to customer overcharges.

Evaluation Criteria 2: Contract Exceptions

CR&R Exceptions:

- CR&R withdrew three exceptions that the City found unacceptable and took limited exceptions to the contract.

WM Exceptions:

- Exceptions were not withdrawn after receiving a request from the City.
- Unacceptable exceptions to the City include four deleterious and harmful exceptions, and three exceptions that would have significant negative impacts on the City.
- Exceptions to the Agreement would negate performance requirements and cost controls built into the Agreement and would shift financial risks to the City.

Award of Contract for Solid Waste Franchise Agreement

July 11, 2023

Page 3 of 7

Evaluation Criteria 3: Technical Capability

CR&R Findings:

- Has 48 municipal collection contracts in Southern California with 16 of these cities in Orange County.
- Demonstrated technical proficiency with public education, compliance implementation, landfill diversion program, and the use of technology.
- Committed to having the electric collection vehicle in service by July 1, 2024.
- Employs an extensive network of 20+ Sustainability Coordinators in Orange County.

WM Findings:

- Has 17 municipal collection contracts in Southern California with 3 of these cities in Orange County. Local division has experience with Compology bin sensors requested in the RFP, however, stated preference for use of SMART Truck instead of bin sensors, which City had repeated issues with in the past and prohibits the use of, in the current WM contract for assessing contamination and overage charges.
- Has tested a Peterbilt 220 EV in 2020 including one in Palmdale.
- Demonstrated technical proficiency with public education, compliance implementation, landfill diversion program, the use of technology.
- Does not currently employ an extensive network of Sustainability Coordinators.

Evaluation Criteria 4: Proposed Approach

CR&R Findings:

- Submitted a cohesive and comprehensive proposal aligned with the RFP requirements with many detailed features tailored to the demographics, character, and features of Laguna Beach.
- Committed to providing light-weight collection vehicles for recyclables proposed to weigh 5000 pounds less than traditional collection vehicles and save \$38,000 over life of contract.
- Included a heavy-duty Peterbilt 520 EV collection vehicle matched to the duty cycle required.
- Included detailed build-up of capital and operating costs as well as charging station permitting and installation costs. CR&R proposed an additional charging station for in-city use. Proposed cost of \$705,000 for EV and \$75,000 per charging station.
- Offered to credit ratepayers if operational cost-savings of EV exceed projections.
- Included 15 collection vehicles and 4 support vehicles, which is adequate to perform work in contract.
- Use of fully-permitted composting facility in Yuma, AZ owned by CR&R for organics. Proposed local MRF facility owned and operated by CR&R located in Stanton, CA.
- Comprehensive 2-pass solution for hard-to-service households in City using split-body collection vehicles to reduce traffic and road impacts.
- Comprehensive implementation plan. Due to the workload for the transition to the new contract, included a second sustainability coordinator for the first two years of the contract.
- Provided detailed driver training and safety information during interview.
- Has a Worker's Comp Experience Modification rating of 0.99.
- Has corporate commitments to zero waste, zero fossil fuels, 100% renewable fuels, and zero emissions by 2045.
- Provides monthly SB 1383-aligned reports to other OC client cities.
- Provided adequate number of collection containers.

Award of Contract for Solid Waste Franchise Agreement

July 11, 2023

Page 4 of 7

- Proposed to purchase 19 new vehicles at a cost of \$7 million for the contract. CR&R's per unit pricing was lower than WM.

WM Findings:

- Submitted a proposal that was more generic in nature with many of the sections seeming to be a standardized approach that is proposed across WM on a national level, with only small portions customized to Laguna Beach and its needs.
- Proposed using a light-weight vehicle with \$30,000-\$50,000 in capital cost savings. Fuel costs savings not specified.
- Proposed using a light-duty Peterbilt 220 EV collection vehicle that does not appear to be suited for the required duty cycle.
- Included 17 collection vehicles and 3 support vehicles, which is adequate to perform work in contract.
- Use of two fully permitted composting facilities: Tierra Verde in Irvine, CA and WM South Valley Compost Facility in Tulare, CA (owned by Shannon ("A" and "B" and operated by WM) for organics. Proposed local MRF facility owned and operated by WM located in Orange, CA.
- 3-pass hard-to-service household collection solution, which will result in more road impacts, congestion, and noise than CR&R's proposed 2-pass system.
- A comprehensive implementation plan.
- Detailed driver training and safety information.
- Has a Worker's Comp Experience Modification rating of 0.92.
- WM, as a corporation, has committed to a 42% reduction in Scope 1 and 2 emissions by 2032 and a 60% increase in recovery of materials by 2030.
- Provided adequate number of collection containers, although several rounds of written questions were required to identify total container count due to errors in Proposal Form 12.
- Proposed to purchase 20 new vehicles at a cost of \$7.9 million for the contract.

Evaluation Criteria 5: Financial Capability

CR&R Findings:

- Sufficient financial capacity and strength to finance new vehicles and equipment and to carry out all required services in contract.
- Has 48 municipal contracts, 6 material recovery facilities, and 3 composting facilities across seven western states.
- Has capacity to handle recycled market risks demonstrated by no exceptions seeking cost recovery.
- Has a history of selling into secondary markets where the company has long-term relationships.

WM Findings:

- USA Waste of California, Inc. is a subsidiary of WM, and the City would be contracting with the local subsidiary backed by a parent company guaranty.
- Parent company total revenue in 2021 reported at \$17.93 billion, with an asset base of \$29.1 billion.
- Has sufficient financial capacity and strength to finance new vehicles and equipment and to carry out all required services in contract.
- Contract exceptions indicate a strong desire to shift as many potential future financial risks as possible by placing the risk onto the City and ratepayers.

Award of Contract for Solid Waste Franchise Agreement

July 11, 2023

Page 5 of 7

Evaluation Criteria 6: Diversion Strategy

CR&R reported:

- Worked with nine cities in Orange County to achieve 85%+ AB 341/AB 1826 implementation (Attachment 5), including 100% compliance in one City and 95%+ compliance in four cities.
- Proposed to allocate two FTE sustainability coordinators during the first 2-years of the transition. Then reduced to the one coordinator required by the contract.
- Designates three high-level, senior staff and two well-experienced Sustainability Coordinators to be assigned as the day-to-day team to work with the City of Laguna Beach on the implementation of state-mandated SB 1383 implementation programs (Attachment 5), maintenance of diversion programs, maximizing diversion rates and minimizing contamination rates.

WM reported:

- Achieved 100% AB 341/AB 1826 implementation in the City of Laguna Beach.
- Allocated one sustainability coordinator to the City, as required by the Contract.
- Identified only one mid-level staff member and a yet-to-be-hired Sustainability Coordinator in its proposal as part of Laguna Beach's day-to-day team to work with the City of Laguna Beach on the implementation of state-mandated SB 1383 programs, maintenance of diversion programs, maximizing diversion rates and minimizing contamination rates.

Evaluation Criteria 7: Cost Evaluation

CR&R Findings:

- With CR&R's rates, ratepayers will pay a total of approximately \$1,755,712 less per year than the rates provided by WM.
- Year 1 projected annual costs to rate payers/rate revenue to hauler of \$9.9M
- Residential aggregate cost/revenue of \$3.7 million.
- Provided the lowest residential rates for all service configurations.
- Commercial aggregate cost/revenue of \$6.3 million.
- Provided rates that resulted in a lowest aggregate cost to City's commercial ratepayers.

WM Findings:

- With WM's rates, ratepayers will pay a total of approximately \$1,755,712 more per year than the rates provided by CR&R.
- Year 1 projected annual costs to rate payers/rate revenue to hauler of \$11.7M.
- Residential aggregate cost/revenue of \$4.1 million.
- Commercial aggregate cost/revenue of \$7.6 million.

Evaluation Criteria 8: Procedural Compliance

CR&R followed:

- Four out of the four procedures required by the RFP.

WM followed:

- Three of the four procedures required by the RFP. By including use of an anaerobic digestion processing facility that was prohibited by the RFP, WM did not comply with the first procedure (following requested proposal requirements). After this was pointed out by the City, WM substituted composting facilities for processing organics.

Award of Contract for Solid Waste Franchise Agreement

July 11, 2023

Page 6 of 7

Evaluation Criteria 9: AB 1669 Employment Offers to Incumbent's Employees

CR&R reported:

- Will offer employment to the employees of the existing contractor in the City of Laguna Beach per AB 1669.

WM:

- As the incumbent, the requirement is not applicable.

CONCLUSION AND RECOMMENDATION

In summary, City staff and Consultants found that both proposers have the financial capacity and technical ability to perform the basic collection of trash, recyclables, and organics. However, overall CR&R provided the most detailed, comprehensive, and well thought out proposal, custom-tailored to the needs and requirements of the City of Laguna Beach. CR&R's proposal provides the most value to the City with both the least cost and with less risk.

Staff is recommending that the contract be awarded to CR&R for the following reasons, discussed in detail in the Evaluation Report included in Attachment 3, Section 10:

1. Lowest overall costs and rates.
2. Took limited exceptions to the contract.
3. Well-researched, cost-effective operational plan for the incorporation of an electric vehicle with split-body to collect two streams (organics and recyclables) in the downtown area. Proposed two charging stations for the electric vehicle instead of the one required in the RFP.
4. Fully embraced providing the light-weight vehicle that is less costly and causes less wear and tear on City streets.
5. The operational approach to service hard-to-service (narrow streets) neighborhoods was informed by pilot studies conducted within the City and experience in other space-constrained communities (such as Balboa Island and Catalina Island). Provides a 2-pass collection program instead of three passes using split-bodied collection vehicles.
6. Vehicle capital costs were lower and obtained favorable pricing on new collection vehicles.
7. The proposed senior management team has extensive experience with transitions and diversion program implementation and can quickly obtain decisions from local owners.
8. Provided a well-prepared, extensively researched, and complete proposal tailored to the City's specific demographics, character, and current conditions.
9. Was timely, cooperative, and forthcoming during the proposal evaluation. Provided detailed responses to all questions from the City, was well-prepared for its interview, and answered all questions directly and to the satisfaction of the City.

If the City Council approves the recommendation, a resolution (Attachment 6) is attached authorizing the City Manager to execute the Agreement with CR&R (Attachment 1) on behalf of the City. The Agreement with CR&R would go into effect on July 1, 2024.

City Staff and consultants determined that the WM proposal would not be the most beneficial to the City and its ratepayers. WM proposed higher costs, rates and several exceptions to the Agreement that would negate performance requirements and cost controls built into the contract, shifting financial risks to the City. In addition, WM did not accurately or fully complete some of the required proposal forms in the RFP requiring several sets of questions to obtain information needed to evaluate the proposal, such as specificity

Award of Contract for Solid Waste Franchise Agreement

July 11, 2023

Page 7 of 7

regarding operational staffing details. WM did not comply with RFP requirements that prohibited use of anaerobic digestion to process the City's food scraps and yard trimmings. To avoid disqualifying WM as being non-responsive to the RFP, the City asked WM to substitute a composting facility to process the food scraps and yard trimmings.

FINANCIAL ANALYSIS

Upon commencement of the new Agreement, CR&R will pay a franchise fee of 10% of revenues collected for commercial services. Additionally, the RFP required proposers to include in the proposed rates an annual Administrative Cost Reimbursement Compliance Fee of \$423,900 to pay the City's costs of implementing the SB1383 requirements. CR&R will also be required to pay \$221,600 for the costs associated with developing the RFP, administering the RFP process, and evaluating proposals.

ENVIRONMENTAL ANALYSIS

The project is exempt under the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15060(c)(2) and 15061 (b)(3) in that the proposed project is not anticipated to result in a direct or reasonably foreseeable indirect physical change in the environment nor will it have the potential of creating a significant effect on the environment.

ATTACHMENTS (Available on the City's website at: www.lagunabeachcity.net/solidwaste_Agreement, with the exception of Attachment 6, which is provided on pages 8-10)

1. Proposed Franchise Agreement between the City and CR&R and CR&R Proposal (Section Y)
2. WM Proposal
3. Evaluation of Proposals Received for Solid Waste and Recycling Services Report
4. RFP and Addenda
5. Summary SB 1383 and Other Legislative Mandates
6. Resolution (Pgs. 8-10)

Report Prepared By:

Liz Vazquez-Avila, Senior Public Works Analyst/
Solid Waste Program Coordinator

Coordinated With:

Patrick Munoz, Office of the City Attorney
Gavin Curran, Assistant City Manager/CFO

RESOLUTION NO. 23.XX

1
2
3
4
5
6
7
8
9

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA BEACH, CALIFORNIA APPROVING THE EXCLUSIVE FRANCHISE AGREEMENT BETWEEN THE CITY OF LAGUNA BEACH AND CR&R, INCORPORATED FOR THE COLLECTION, TRANSPORTATION, PROCESSING AND DIVERSION OF RECYCLABLE MATERIALS, FOOD SCRAPS, YARD TRIMMINGS, CONSTRUCTION, TRANSPORTATION AND DISPOSAL OF MUNICIPAL SOLID WASTE AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT REPEALING ALL RESOLUTIONS INCONSISTENT HEREWITH

10
11
12
13
14

WHEREAS, the State of California has found and declared that due to the amount of Municipal Solid Waste (MSW) generated in California, coupled with diminishing landfill space and potential adverse environmental impacts from landfilling, that there is an urgent need for State and local agencies to enact and implement an aggressive integrated waste management. The State has also found that the recycling or reuse of MSW will conserve not only landfill capacity but also water, energy, and other natural resources; and

15
16
17
18
19

WHEREAS, the Legislature of the State of California, by enactment of the California Integrated Waste Management Act of 1989 (Public Resources Code section 40000 et seq.) directed responsible State Agencies, and all local agencies, to promote Recycling and to maximize the use of feasible Source Reduction, Recycling and Composting options in order to reduce the amount of MSW that must be disposed of by land Disposal; and

20
21
22

WHEREAS, California Public Resources Code Section 40059 authorizes cities to award exclusive franchises for the collection of solid waste, and to determine the procedure by which such franchises will be awarded; and

23
24

WHEREAS, California Public Resources Code Section 49300 authorizes cities to award such contracts by resolution; and

25
26
27
28

WHEREAS, the City Council authorized a Request for Proposals from qualified Solid Waste Enterprises in an effort to enter a new Solid Waste Franchise Agreement (Agreement), attached hereto and incorporated herein, which will comply with all requirements of SB 1383 and is implementing regulations; and

1 **WHEREAS**, the City Council has determined that CR&R Incorporated (“CR&R”) has
2 submitted a proposal that will allow the City to comply with its obligations under the law, and
3 desires to enter the Agreement with CR&R and thereby award an exclusive franchise to CR&R to
4 allow CR&R to provide exclusive solid waste collection and related services within the City from
5 July 1, 2024 at 12:01 a.m. through midnight on June 30, 2032 with option for extension through
6 June 30, 2034; and

7 **WHEREAS**, given that the Agreement will provide for the continued collection of solid
8 waste in the service areas as it currently exists, entering the Agreement is exempt from the California
9 Environmental Quality Act (“CEQA”).

10 **NOW, THEREFORE, THE CITY COUNCIL OF LAGUNA BEACH HEREBY**
11 **RESOLVES, AND ORDERS AS FOLLOWS:**

12 **SECTION 1.** Each of the above recitals is true and correct and is adopted by the City
13 Council.

14 **SECTION 2.** The City Council finds that the approval of the Agreement is exempt from
15 CEQA pursuant to State CEQA Guidelines Section 15060(c)(2) and 15061(b)(3) in that the
16 Agreement is not anticipated to result in a direct or reasonably foreseeable indirect physical change
17 in the environment nor will they have the potential of creating a significant effect on the
18 environment.

19 **SECTION 3.** The City Council hereby authorizes CR&R to provide exclusive solid waste
20 collection and related services within the City, subject to the terms set forth in this Resolution and
21 the Agreement.

22 **SECTION 4.** The Agreement attached to this resolution as Exhibit A and incorporated by
23 this reference is hereby approved and the City Manager is hereby authorized to execute the
24 Agreement on behalf of the City of Laguna Beach.
25
26
27
28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

ADOPTED this 11th day of July 2023.

Bob Whalen, Mayor

ATTEST:

Ann Marie McKay, City Clerk

I, Ann Marie McKay, City Clerk of the City of Laguna Beach, California do hereby certify that the foregoing Resolution No. 23.XXX was duly adopted at a regular meeting of the City Council of said City on July 11th, 2023, by the following vote:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:

City Clerk of the City of Laguna Beach, CA

THIS CONCLUDES THE CITY'S STAFF REPORT

**EVERYTHING BEYOND THIS PAGE
IS NOT PART
OF THE STAFF REPORT**

McKay, Ann Marie CC

Subject: Support for WM

From: Nicole ARTime

Sent: Wednesday, June 7, 2023 2:40 PM

To: City Council <CityCouncil@lagunabeachcity.net>

Subject: Support for WM

Dear City Council,

This letter is to voice my support of Waste Management to continue serving Laguna Beach businesses, and especially to continue the Laguna Beach Green Business Program. WM's staff has provided one-on-one support to my business to help me make important changes that made my business greener and more efficient.

WM has been a great resource for Laguna Beach. Please keep WM, and this program in the next contract!

Sincerely,

Nicole Peredo
ARTime BARRO
450 Ocean Ave
Laguna Beach 92651

McKay, Ann Marie CC

Subject: ROOTS laguna beach

From: Laura Linsenmayer

Sent: Thursday, June 15, 2023 5:02 PM

To: City Council <CityCouncil@lagunabeachcity.net>

Subject: ROOTS laguna beach

Dear City Council,

I am writing to express my enthusiastic support for Waste Management remaining the City's waste hauler. I'd also like to highlight their Green Business Program that not only benefits local businesses but also contributes significantly to the long-term well-being of our community and the broader environment.

As a resident and business owner, I have witnessed firsthand the positive impact that the Green Business Program had on my business and the \$500 rebate was really helpful to make the required upgrades for things like LED bulbs and greener paper products.

WM has been a strong partner to Laguna Beach businesses. Please keep WM in Laguna Beach!

In gratitude,
Laura Linsenmayer



phone // [949.424.4266](tel:949.424.4266)

384 Forest Ave. Suite 9

Laguna Beach, Ca 92651

[website](#) | [instagram](#) | [facebook](#) | [yelp](#)

McKay, Ann Marie CC

Subject: My support of Waste Management

From: Simone Adams

Sent: Friday, June 23, 2023 7:06 AM

To: City Council <CityCouncil@lagunabeachcity.net>

Subject: My support of Waste Management

Dear Council members,

This is a quick letter in support of Waste Management.

I'm a Friends of the Library board member. I think Waste Management has been a loyal, dedicated community partner and outstanding environmental leader.

Waste Management has provided terrific recycling and composting outreach and support for our children's program at the Laguna Beach branch library. We had a demo by WM's composting instructor at our recent Earth Day event and they also provided prizes for our contest winners, the coveted mini recycling totes.

I hope you will vote in support of keeping WM in Laguna Beach, who has been so supportive of our community.

Warmest regards,

Simone Adams

FOL Board member

McKay, Ann Marie CC

Subject: Waste Management

From: Jennifer Rosenfeld

Sent: Saturday, June 24, 2023 3:02 PM

To: City Council <CityCouncil@lagunabeachcity.net>

Subject: Waste Management

Dear Council-

This is a quick letter in support of Waste Management.

I'm a 60+ year resident, home and commercial property owner. Waste Management has done an excellent job and I see no need to change trash haulers. WM has been very helpful at both locations where I have their service.

Please keep WM in Laguna. They have been a trusted partner for our city for as long as I can remember.

Jennifer Wilcoxon Rosenfeld, on behalf of

Lois Wilcoxon

Legion Street
Laguna Beach

McKay, Ann Marie CC

Subject: Letter in Support of Waste Management

From: Kim Toro-Shields

Sent: Monday, June 26, 2023 9:39 AM

To: City Council <CityCouncil@lagunabeachcity.net>

Subject: Letter in Support of Waste Management

Dear Council members,

This is a quick letter in support of Waste Management.

I'm a long time resident of Laguna Beach and Co-manager of the the Fairy Garden 🧚‍♀️ (in front of the LB Public Library). I think Waste Management has been a loyal, dedicated community partner and outstanding environmental leader. The drivers have always been punctual and respectful.

Waste Management has also provided terrific recycling and composting outreach and support for our children's program. We had a demo by WM's composting instructor at our recent Earth Day event and they also provided prizes for our contest winners, the coveted mini recycling totes. Lisa Ryder is an absolute gem and is great with adults and kids! She is very knowledgeable and her composting classes are just starting to gain momentum. I think the city should look into utilizing her more:)

I hope you will vote in support of keeping WM in Laguna Beach, who has been so supportive of our community. If it's not broken and functioning well, why change it?

Warmest regards,
Kim Shields

McKay, Ann Marie CC

Subject: Waste Management Vote on 7/11

From: Tristan Miller

Sent: Wednesday, July 5, 2023 12:43 PM

To: City Council <CityCouncil@lagunabeachcity.net>

Subject: Waste Management Vote on 7/11

Dear Council members,

I am writing to express my family's support of Waste Management remaining as the City's trash and recycling hauler.

Waste Management has been a dedicated community partner with an environmental focus for Laguna.

Please vote to keep WM in Laguna Beach. T

Kind regards,

TM Miller | Lower Cliff Drive

McKay, Ann Marie CC

Subject: Waste Management Contract - KEEP

From: Christen Hickman

Sent: Thursday, July 6, 2023 10:45 AM

To: City Council <CityCouncil@lagunabeachcity.net>

Subject: Waste Management Contract - KEEP

I have service with CR&R and with Waste Management. Please do not use CR&R their customer service is subpar, their pick up is inconsistent. Waste Management customer service is excellent and it is easy to get a hold of a person. WM communicates when trash will not get picked up, it is easy to order & receive large trash bins for spring cleaning time. As a resident here in Laguna Beach, I would like to share that I would not appreciate the move to cancel Waste Management's services.

Sincerely,
Christen Hickman
Bluebird Canyon Dr

McKay, Ann Marie CC

Subject: In support of Waste Management

From: Emailelyse

Sent: Thursday, July 6, 2023 1:59 PM

To: City Council <CityCouncil@lagunabeachcity.net>

Subject: In support of Waste Management

Dear Laguna Beach City Council,

My husband and I have owned our current home in Laguna Beach for nine years, during which our trash, yard waste and recycling service have been very professionally handled by Waste Management (WM). Their customer service division is highly efficient, quickly resolving any questions or issues regarding service such as large item pickups or other special requests. Also, the drivers on our route are very courteous, ensuring that the bins are properly replaced at curbside in a tidy and orderly manner. These may seem like small details until you see otherwise when visiting nearby communities in Newport and Costa Mesa. I urge you to please retain WM as our Laguna Beach waste management company.

Elyse Caraco Miller
Dunnegan Place