

City of Brisbane
Agenda Report

TO: Honorable Mayor and Council

FROM: David Kahn, City Attorney, through City Manager

SUBJECT: Authorization For City Manager To Extend South San Francisco Scavenger Franchise Agreement

DATE: June 19, 2014

Purpose

The City has a franchise with South San Francisco Scavenger Company (“SSFSC”) for waste collection and recycling that expires on June 30, 2014, after a 15 year term, and a first amendment extending the term. Drafting of a new SSFSC Franchise Agreement has been in progress for several months, and a working draft has been completed. Due to the number of required changes to the former Franchise Agreement and continued negotiations with SSFSC, it is necessary to extend the current Franchise Agreement through October 30, 2014, to allow the completion of negotiations.

Recommendation

Staff recommends that the City Council consider and approve authorization for the City Manager to sign an amendment to the SSFSC Franchise Agreement extending the term to October 30, 2014.

Background and Discussion

SSFSC has been the historical provider of waste and recycling services for the City of Brisbane and currently has an exclusive franchise for the entire city that was entered into in 1999 and had been scheduled to expire on March 1, 2014. The First Amendment extended the term to June 30, 2014. Since 1999, there have been significant changes to recycling programs and opportunities, and the City recently established 3 separate waste collection zones for the City that can have separate franchise agreements for waste collection. Major redrafting of the Franchise Agreement is required to address these issues, and to update the agreement to comply with current legal and waste management requirements.

Staff has been working on revising the Franchise Agreement for several months and has met with the Council Sub-Committee to discuss changes. Additional negotiations with SSFSC will be required after the draft is completed to reach agreement on terms and conditions.

Due to the complexity and number of revisions to the current agreement, the drafting and negotiations for the revised Franchise Agreement will not be completed by June 30, 2014, when the agreement is scheduled to end pursuant to the First Amendment to the agreement. It is necessary to extend the term of the agreement to allow adequate time to complete negotiations for the new agreement. SSFSC agrees with the need for the extension. The extension will be through October 30, 2014.

Fiscal Impact


The franchise terms of the existing agreement will continue through October 30, 2014, and the City will continue to receive the franchise revenue pursuant to the current agreement.

Recommendation:

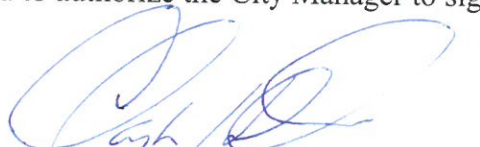
City staff recommends approval of the extension of the 1999-2014 SSFSC Franchise Agreement to October 30, 2014, and authorization to City Manager to sign an extension amendment.

Motion:

1. Move to approve extension of the South San Francisco Scavenger Company franchise agreement through October 30, 2014, and to authorize the City Manager to sign the extension amendment.



David Kahn, City Attorney



Clay Holstine, City Manager

SECOND AMENDMENT TO AGREEMENT FOR THE COLLECTION
AND DISPOSAL OF SOLID WASTE MATTER IN THE CITY OF BRISBANE

This Amendment to the Agreement For The Collection And Disposal Of Solid Waste Matter In the City Of Brisbane, dated _____, is by and between the CITY OF BRISBANE, a municipal corporation ("CITY") and SOUTH SAN FRANCISCO SCAVENGER CO., INC., a California corporation ("Scavenger Company"), with reference to the following:

WHEREAS, on March 1, 1999, City and Scavenger Company entered into an Agreement For The Collection And Disposal Of Solid Waste Matter In the City Of Brisbane (the "Agreement"); and

WHEREAS, the term of the Agreement, as amended, expires on June 30, 2014 and City and Scavenger Company are negotiating a revised franchise agreement for the collection of solid waste and recycling, and negotiations will extend past the current expiration date; and

WHEREAS, the City and Scavenger Company therefore agree that an Amendment to the Agreement is advisable and in the best interests of the City and Scavenger Company;

NOW, THEREFORE, THE PARTIES ENTER INTO THIS AMENDMENT TO THE AGREEMENT:

3. Term

Replace the existing with the following:

3.1 The term of the franchise shall be for the period commencing on the effective date of March 1, 1999, and ending October 30, 2014. The term may be further extended by the mutual agreement of the City and Scavenger Company.

All other terms and conditions remain unchanged.

ATTEST:

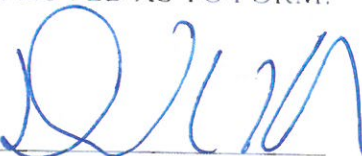
CITY OF BRISBANE


By _____
City Clerk

By _____
City Manager

APPROVED AS TO FORM:

SOUTH SAN FRANCISCO
SCAVENGER CO., INC.

By 
City Attorney

By 
President