



City of Culver City

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Staff Report

File #: 22-1169, **Version:** 1

Item #: C-5.

CC - CONSENT ITEM: (1) Approval of a Commingled Recyclables Processing Agreement with Athens Services; and (2) Approval of a Termination Agreement and Mutual Release with Los Angeles County Sanitation District.

Meeting Date: July 11, 2022

Contact Person/Dept: Sean Singletary/Public Works - EPO
Phone Number: 310-253-6457

Fiscal Impact: Yes [] No [X]

General Fund: Yes [] No [X]

Attachments: Yes [X] No []

Commission Action Required: Yes [] No [X]

Public Notification: (E-Mail) Meetings and Agendas - City Council (07/07/2022)

Department Approval: Yanni Demitri, Public Works Director/City Engineer (06/20/2022)

RECOMMENDATION

Staff recommends the City Council (1) approve a Commingled Recyclables Processing Agreement with Athens Services; and (2) approve a Termination Agreement and Mutual Release with Los Angeles County Sanitation District.

BACKGROUND/DISCUSSION

Public Works Environmental Programs & Operations Division (EPO) is the exclusive provider of refuse, recycling and organics collection, construction, and demolition (C&D) collection, and transfer services to residential and commercial customers. EPO recovers its costs of operations through refuse rate charges to customers. These revenues cover the costs for refuse collection, disposal, recycling programs, and public outreach. Sanitation operations are 100% supported by enterprise fund revenues and are not dependent upon other funds or tax contributions.

The City's customers generate approximately 450-500 tons of mixed recycling materials monthly. Materials are collected by refuse vehicles and deposited at the City's Transfer Station, where it is weighed and loaded onto trucks for transport to ultimate processing locations outside of the City.

Since 2020, the recycled material collected by the City has been transported to Puente Hills Materials

Recovery Facility (PHMRF) for processing. The City entered into a Commingled Recyclables Processing Agreement (CRPA) in July 2020 with Los Angeles County Sanitation District (LACSD) to accept, sort, recycle and market this material through December 2023. However, in December 2021, LACSD issued a Request For Proposal to lease out a portion of the PHMRF. Since LACSD will be reducing services it had been providing to the City pursuant to the CRPA, LACSD has requested that the City approve and execute a related termination agreement.

The lessor of the PHMRF, Athens Services, will assume operation of the facility on August 1, 2022. A new CRPA with Athens Services must be approved and executed by the City. The term of the agreement is through December 31, 2023, unless terminated sooner, and may be extended for no more than one consecutive two-year term if mutually agreeable to the Athens Services and the City.

FISCAL ANALYSIS

The pricing structure of the Athens CRPA services is equivalent to how LACSD currently charges the City for services: the monthly rates are variable, based on the weighted value of the various commodities recovered by PHMRF minus the processing costs of the facility. If that number is positive, the City receives a rebate; however, since the recycling market was upended by China's refusal to accept these materials in 2017, this number is typically negative and the City is charged a tipping fee. These costs have been included in the Adopted Budget for Fiscal Year 2022/2023 in the Environmental Programs and Operations Division's operating budget.

ATTACHMENTS

1. 2022-07-11-ATT-ID22-1169-Commingled_Recyclables_Processing_Agreement.pdf
2. 2022-07-11-ATT-ID22-1169-Termination_Agreement_and_Mutual_Release.pdf

MOTION

1. Approve a Commingled Recyclables Processing Agreement with Athens Services; and
2. Approve a Termination Agreement and Mutual Release with Los Angeles County Sanitation District; and
3. Authorize the City Attorney to review/prepare the necessary documents; and
4. Authorize the City Manager to execute such documents on behalf of the City.