

MINUTES
GARDEN GROVE CITY COUNCIL
Special Meeting
Monday, May 16, 2022
Community Meeting Center
11300 Stanford Avenue, Garden Grove, CA 92840

CONVENE MEETING

At 6:32 p.m., Mayor Jones convened the meeting in the A Room.

ROLL CALL PRESENT: (6) Mayor Jones, Council Members Brietigam, O'Neill, D. Nguyen, Klopfenstein, K. Nguyen

 ABSENT: (1) Council Member Bui was absent at Roll Call, but joined the meeting at 7:11 p.m.

Study Session

ORAL COMMUNICATIONS

Speakers: None

REVIEW OF REPUBLIC SERVICES' EXTENDED CONTRACT PROPOSAL
(F: 55-Republic Services)

City Manager Stiles introduced this matter noting that in attendance were Dan Capener and Tania Ragland-Castaneda with Republic Services; consultants for Garden Grove, Haley Kunert and Laith Ezzet with HF&H; as well as Public Works Director Bill Murray and staff. He noted that Council Members Bui and O'Neill, who were both absent from the Study Session held on May 3, 2022, for this topic, have been briefed. He thanked everyone on their work in providing an alternate proposal for the Council's review, and turned over the meeting to start with a PowerPoint presentation provided by Republic Services.

Republic Services representatives Dan Capener and Tania Ragland-Castaneda provided an overview for lower rate options including lowering their revenue requirement by \$690,000. They provided three scenarios along with an additional scenario structuring rates for commercial and residential along with two options for commercial and multi-family rate structures. Also provided were comparative market rates for other trash providers indicating Republic Services offered the most competitive rates for multi-family and commercial properties. They also provided analysis for rates for SteelCraft and 7 Leaves restaurants. Republic Services proposal includes: Grandfathered rates for existing commercial trash cart customers; full legal compliance with SB 1383; three dedicated outreach/compliance staff; Clean City services to help combat illegal dumping;

battery and sharps collections; and compost and shredding events.

Haley Kunert, Project Manager and Laith Ezzet, Sr. Vice President with HF&H, the City's consultants for contract negotiations with Republic Services, provided a PowerPoint presentation that compared rates as proposed in the scenarios provided by Republic Services.

Also provided were follow-up items needing to be addressed by Republic Services that included:

1. Proof of service completion;
2. Current comps;
3. Agreement language on compliance with SB 1383;
4. Reworking of commercial rates;
5. Number of businesses in each service level category;
6. Scenarios with SB 1383 compliance across different types of businesses;
7. Differences in sample scenarios;
8. Comparable bulky services for multi-family as residential properties;
9. Other areas that can lower costs; and
10. Customers who do not have service and are using other's containers.

Stated advantages of renegotiating the current contract:

1. Ensures continued service from a "known entity";
2. existing contractor understands jurisdiction's unique requirements;
3. avoids potentially contentious RFP process;
4. avoids potential transition issues that may be associated with a change of service provider; and
5. Less adjustments for customers.

Stated advantages of conducting a Request for Proposal:

1. Appearance of fairness in awarding large contracts;
2. allows for other proposals offering unique services with alternative approaches;
3. rates are determined in a competitive marketplace; and
4. Provides for an opportunity to obtain a contract with favorable terms at lowest reasonable rates.

Following City Council discussion, consensus was to decrease residential rates by \$2.76 as outlined in the additional scenario provided by Republic Services, as well as maintaining the existing rate structure for commercial and multi-family customers with all rates uniformly impacted as outlined in Option 2. The proposed contract extension is to be considered by the City Council at their July meeting.

ADJOURNMENT

At 8:30 p.m., Mayor Jones adjourned the meeting.

Teresa Pomeroy
City Clerk