



Agenda Report

Fullerton City Council

MEETING DATE: AUGUST 19, 2025

TO: CITY COUNCIL

SUBMITTED BY: STEPHEN BISE, PUBLIC WORKS DIRECTOR

PREPARED BY: JEROME JOAQUIN, ADMINISTRATIVE MANAGER
MICHELLE DURON, SOLID WASTE AND RECYCLING SPECIALIST

SUBJECT: SOLID WASTE SERVICES REQUEST FOR PROPOSAL

SUMMARY

The City solid waste services agreement term ends June 30, 2027. City Council formed a Solid Waste Ad Hoc Committee to evaluate service levels, identify future needs and assist in developing a competitive Request for Proposal (RFP) process. Staff is ready to issue the Solid Waste Service RFP as recommended by the Ad Hoc Committee.

PROPOSED MOTION

Authorize and direct the Interim City Manager to issue the Solid Waste Service Request for Proposal.

ALTERNATIVE OPTIONS

- Approve the Proposed Motion
- Other options brought by City Council.

STAFF RECOMMENDATION

Staff recommends the Proposed Motion.

CITY MANAGER REMARKS

None.

PRIORITY POLICY STATEMENT

This item matches the following Priority Policy Statements:

- Fiscal and Organizational Stability

- Infrastructure and City Assets.

FISCAL IMPACT

This item has no General Fund (Fund 10) fiscal impact. The City Refuse Fund (Fund 46) manages funding for solid waste services. The RFP process will ultimately lead to negotiating and executing a new long-term service agreement for solid waste collection, processing and disposal. Staff will analyze the financial implications of the agreement and present at a future City Council meeting.

BACKGROUND AND DISCUSSION

The solid waste services agreement term ends June 30, 2027. City Council formed a Solid Waste Ad Hoc Committee to evaluate current service levels, identify future needs and assist in developing a new competitive RFP process.

Senate Bill 1383 (SB 1383) adopted in September 2016 takes precedence over RFP proceedings to establish required organic waste collection services and assistance with other components of the law such as procurement, waivers and exemptions, contamination monitoring, recordkeeping and reporting. The current contract does not meet new regulatory laws and collection services. Continued non-compliance could result in penalties amounting to \$500 to \$10,000 per violation per day.

The City is on a SB 1383 Corrective Action Plan (CAP) due to collection service implementation tasks delayed by unsuccessful contract negotiations with Republic Services since 2021. This delay placed the City in jeopardy of not meeting legal compliance. The state required an RFP contingency plan to receive a final CAP extension in case negotiations continued to fail. Republic Services submitted proposals that did not align with the best interest of the City. The City was obligated to move forward with the RFP process receiving an extension from the state until June 30, 2027. The following RFP timeline aligns with the state stipulation to begin new contract services on July 1, 2027.

Activity	Milestone Date
RFP Posted - Electronic Delivery	August 26, 2025
Mandatory Pre-Proposer Conference	September 9, 2025
Last Day to Submit RFP Questions	September 23, 2025
Last Written Response to Proposer Questions	September 26, 2025
Deadline For Submittal of Proposals	November 25, 2025
Complete Proposal Evaluation	January 15, 2026
Interview Selected Proposers	January 16 through 23, 2026
Review Committee Finalize Recommendation	February 2, 2026
Finalize Agreement with Recommended Firm	March 2, 2026
Finalize Equipment Purchase and Roll-Out Plan	March 16, 2026
Present Evaluation at Council Study Session	April 7, 2026
Present Final Recommendation to the City Council	April 21, 2026
Selected Firm Orders Equipment	July 1, 2026
Roll Out of Commercial Program	July 1, 2027
Roll Out of Residential Program	July 1, 2027

The City Manager's Office, Public Works staff and the Ad Hoc Committee (Mayor Jung and Council Member Valencia) held three meetings over the past few months to review and discuss various elements of the proposed RFP. City priorities and key service component expectations such as enhancing collection services, organics and recycling program improvements, compliance with state-mandated waste diversion requirements, value added services, financial sustainability, transparent rate structures, and ensuring cost efficiency guided the discussions.

The committee identified specific service gaps within the community and included succeeding enhancements for improved daily residential, multifamily and commercial sector activities.

Key service components include:

- SB 1383 compliance collection services
- residential senior discount
- commercial three cart system collection
- bulky item quarterly collection services
- City-owned waste enclosure maintenance services
- downtown block maintenance services
- household hazardous waste, paper shredding, compost give-away additional collection programs
- collection vehicles (new or as-new condition)
- equipment (new additional container configurations with identified markings).

The committee established contract fees to provide a structured mechanism to generate revenue to support municipal operations and oversight as part of ongoing efforts to ensure the financial sustainability of City solid waste services. These fees would offset contract administration costs, administration costs and various regulatory compliance requirements. Additionally, this framework provides flexibility for future program enhancements while maintaining fiscal responsibility.

Description	Fee
RFP Reimbursement Fee	Actual Cost (Estimate \$75,000)
Franchise Fee	10% Gross Receipts
NPDES Fee	\$1,550,000 + CPI
City Billing Fee	\$155,000 + CPI
Legislative Compliance Fee	\$2,000,000 + CPI

Issuing an RFP for a solid waste services contract offers the several key benefits. An RFP gives the City an opportunity to ensure the selected hauler aligns with long-term community needs. Ultimately, it allows the City to make informed, strategic decisions in the best interest of the community.

RFP key benefits include:

- *Encouraging competitive bidding:* Promotes fairness and transparency while providing an opportunity to evaluate multiple vendors and innovative service approaches.
- *Improving service levels:* Allows the City to refine service expectations and incorporate enhancements based on public and stakeholder feedback.
- *Cost control:* Enables the City to compare pricing and service models to ensure it selects the most cost-effective solution. The City is in the top two-thirds of residential and the second highest in commercial waste collection rates in Orange County even without organic collection services.
- *Revised rate structures:* Permits the City to restructure the multifamily and downtown block account pricing to a set flat rate model.
- *Sustainability alignment:* Addresses evolving environmental goals and regulatory requirements through performance-based proposals.
- *Contractual flexibility:* Provides an opportunity to restructure contract terms to improve accountability, reporting and responsiveness.

Staff scheduled the RFP for release on August 26, 2025, initiating a formal bidding process. The City will invite qualified firms to submit proposals outlining their approach to delivering solid waste services in line with City expectations.

Staff will hold a mandatory pre-proposal meeting with prospective vendors on September 9, 2025. Staff anticipates returning to City Council in Spring 2026 with a recommendation for contract award based on the evaluation of submitted proposals.

The release of the Solid Waste Services RFP represents a critical step in ensuring the City continues to receive high-quality, cost-effective and environmentally responsible waste management services. Staff appreciates the guidance of the Ad Hoc Committee and looks forward to reviewing competitive proposals in the coming months.

Attachments:

- Attachment 1 – PowerPoint Presentation

cc: Interim City Manager Eddie Manfro