



# ***Agenda Report***

## ***Fullerton City Council***

**MEETING DATE:** JUNE 30, 2026

**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 MANAGEMENT SERVICES REQUEST FOR PROPOSAL EVALUATION

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### **SUMMARY**

Staff requests City Council direction on the next phase of the Solid Waste Management Services Request for Proposal (RFP) process and authorization for staff to negotiate the final terms of the service agreement with the selected proposer(s) and prepare the negotiated contract(s) for City Council consideration and approval.

### **PROPOSED MOTION**

Provide direction on the selected proposer(s) and authorize staff to negotiate final contract terms, and direct staff to return to City Council for final contract approval.

### **ALTERNATIVE OPTIONS**

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

Customer service rates in the Refuse Fund (Fund 46) incorporate the Solid Waste Management Services contract cost structure for residential and commercial solid waste services. Staff will present final fiscal implications for the City General Fund and customer service rates with the contract award.

#### DISCUSSION

Governor Brown signed Senate Bill 1383 (SB 1383) in September 2016 in response to California climate challenges. The legislation established statewide organic waste recycling and surplus food recovery requirements to reduce methane emissions from landfills and advance State environmental objectives.

The City submitted a Senate Bill 619 (SB 619) Notice of Intent to Comply after the law took effect on January 1, 2022, giving the City extended time to implement regulations. The City received an SB 619 Corrective Action Plan (CAP) in March 2023 with orders to meet 73 required tasks by March 1, 2024. The City completed 60 of the 73 tasks. Ongoing contract negotiations with Republic Services (Republic) delayed the remaining 13 tasks related to collection services.

HF&H Consultants initiated SB 1383 contract negotiations with Republic on behalf of the City on July 6, 2021 including a specific City negotiating requests guidance document. The City attempted to finalize a complete SB 1383 amendment package (approved amendment and rates) with the hauler for over four years but ultimately received unresponsive proposals that did not align with City interests despite numerous discussions and understanding of agreements. HF&H Consultants and the City Solid Waste City Attorney, Rutan & Tucker, remained constant in attempting to move towards a mutual solution despite staff turnover on both sides in prior years,.

The City team, including dedicated staff since 2023, HF&H Consultants and Rutan & Tucker, and Republic reached an agreement in early 2024. However, the contractor submitted a proposal during amendment finalization that deviated from the agreed-upon terms and included an additional inflation-related cost without supporting documentation, stalling negotiations from that point forward.

The state granted a final CalRecycle CAP extension option until the June 30, 2027, Republic contract term end, due to negotiation delays, to allow time to complete an RFP process and execute a new SB 1383 compliant contract.

City Green Consulting, the City's Solid Waste RFP Consultant, conducted a final round of negotiations with Republic before proceeding with the RFP process. The parties could not reach agreement on reasonable terms and City staff proceeded with the formal solicitation process in accordance with State procurement requirements.

City Council appointed Mayor Jung and Council Member Valencia to an Ad Hoc Committee on May 20, 2025, to assist with the Solid Waste and Recycling Services Request for Proposals (RFP) review and evaluation. The Committee provided input and staff guidance throughout the process.

City Council approved releasing a Solid Waste Management Services RFP on September 16, 2025, to secure long-term, high-quality solid waste collection, recycling and organics management services.

The City electronically posted RFP #2526-03 Solid Waste Management Services in OpenGov, the City's e-Procurement solicitation platform, on September 17, 2025. The RFP included a comprehensive scope of services, RFP requirements and timeline (Attachment 2). The City held a mandatory pre-proposal conference on October 1, 2025, to provide project details and clarifying requirements to proposers. The question and answer period closed October 15, 2025, with final written responses issued on October 17, 2025, to ensure transparency and equal access to information. The City received nine proposals by the November 17, 2025 deadline.

Five staff members from relevant departments formed an Evaluation Committee and conducted a comprehensive review of all submissions. The City invited all nine firms to the interview phase held January 22 and 23, 2026, to discuss qualifications with the Evaluation Committee and how they align with City priorities. The Committee finalized evaluation scores on January 29, 2026. Staff prepared findings for the Ad Hoc Committee and received guidance on next steps. Staff made RFP Packets available for independent Council Member review between February 9, 2026, and contract award.

#### *Evaluation Criteria and Scoring*

The Evaluation Committee performed an extensive scoring analysis for each proposal. Scoring criteria prioritized overall proposal quality and completeness, assessing each firm's operational capabilities, regulatory compliance expertise, team qualifications, and relevant experience. Reviewers also considered financial stability, service reliability, available resources, proposed rates, commitment to community benefits, local support, and performance during the oral interviews. Scores were combined across 15 evaluation categories, resulting in the following final ranking:

1. EDCO Disposal
2. CR&R Environmental Services
3. Universal Waste Systems
4. NASA Services
5. Athens Services
6. Valley Vista Services
7. GreenWaste Recovery
8. Ware Disposal
9. Republic Services

Based on the scoring and analysis, the Evaluation Committee identified the following top three ranked firms as the most responsive and qualified:

1. EDCO Disposal
2. CR&R Environmental Services

### 3. Universal Waste Systems

These firms demonstrated strong operational expertise, competitive rate structures, comprehensive compliance frameworks, diverse range of value-added services and enhancements, and significant infrastructure capabilities.

#### *Ad Hoc Committee Evaluation and Recommendation*

City staff presented a summary of the RFP proceedings to the Ad Hoc Committee on February 2, 2026, including a review of the top-ranked firms. The Ad Hoc Committee requested a follow-up meeting to examine scoring, proposals, and supplemental materials.

The subsequent meeting was held on February 24, 2026. At that meeting, the Ad Hoc Committee supported consideration of the top three firms, and following its independent review, recommended that three additional firms also be considered for potential deliberation:

- Republic Services
- Athens Services
- Valley Vista Services

The Committee's intent was to expand the range of options available to City Council when selecting a firm or multiple firms, with particular emphasis on pricing structures, infrastructure, organizational integrity, and service reliability. The Committee also directed that the study session exclude presentations from the proposing firms, allowing City Council members to further explore the proposal details through a dedicated Question and Answer format.

#### *City Council Evaluation and Recommendation*

At the April 14, 2026, Solid Waste Evaluation Study Session, City Council directed staff to advance the following six firms (Evaluation Committee and Ad Hoc Committee recommended firms) for continued consideration and requested that each proposer submit a final offer proposal.

- EDCO Disposal
- CR&R Environmental Services
- Universal Waste Systems
- Republic Services
- Athens Services
- Valley Vista Services

The six shortlisted firms were invited to strengthen their submissions through price reductions, additional value-added services, and/or financial enhancements, and submitted their proposals on May 5, 2026.

#### *Final Offer Review*

Staff reviewed the six final offer submissions and prepared a comparative summary for City Council consideration.

Each firm enhanced its proposal during the final offer process. While some firms strengthened their competitive position through their final offers, others entered the process with strong initial proposals and made targeted refinements summarized as follows.

#### Athens Services

Many of the enhancements identified by other proposers are standard operating practices for Athens Services rather than optional add-ons, as they are routinely provided and included in the overall pricing structure.

In its final offer, Athens Services proposed several commitments, including the development of a Fullerton hauling yard within three years of contract commencement, deployment of a full-time mini street sweeper and porter in the Downtown District, and unlimited bulky item collection services for residents. The proposal also included rate reductions, lowering the residential rate from \$42.32 to \$35.49, the senior rate from \$33.85 to \$31.94, and the commercial standard rate from \$318.37 to \$291.96. Even with these reductions, the residential rate remains the highest among all proposers, with the commercial standard rate being the second-highest.

#### CR&R Environmental Services (CR&R)

This firm applied its previous street-sweeping service cost proposal as a rate reduction rather than an NPDES fee offset, lowering its standard residential rate from \$32.64 to \$30.66 and its senior rate from \$29.37 to \$27.60, while reducing its commercial standard rate from \$275.67 to \$256.67. Accordingly, CR&R is positioned in the middle range for residential pricing and second-lowest for commercial standard pricing.

The CR&R enhancement package is the most complete of the six, including a 100% SB 1383 procurement guarantee, \$300,000 in capital improvements (including Downtown District enclosure upgrades), and ongoing monthly bulky-item collection for multi-family complexes at single-family item levels. The most significant new enhancement is an unconditional upfront \$4 million road improvement investment payment to the City.

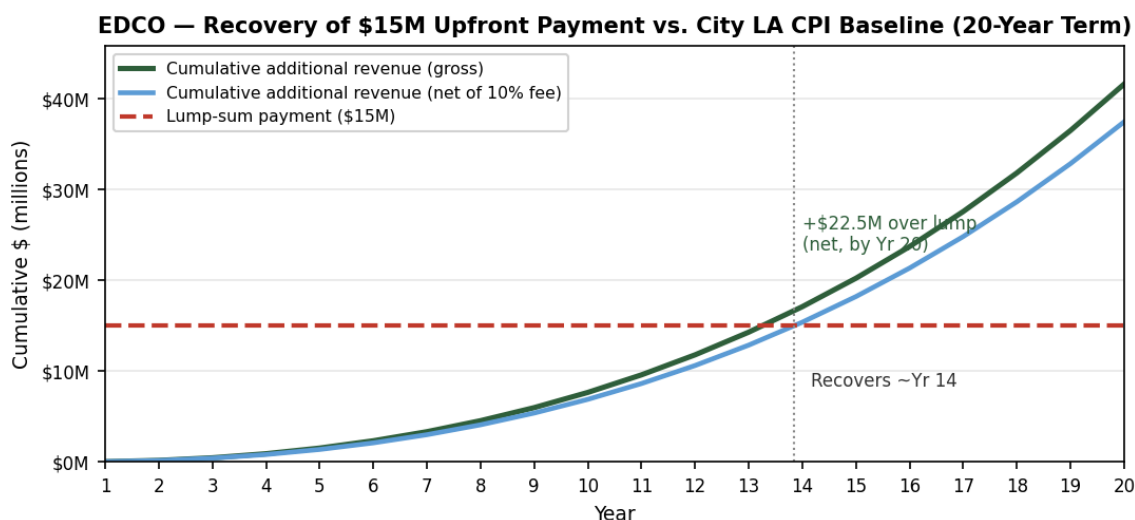
#### EDCO Disposal

EDCO delivered key new enhancements, including the elimination of the residential bill charge, additional recycling cart at no extra cost, select commercial services at no extra cost, and as its headline feature, the Fullerton Administrative Terminal structure tied to a fixed 20-year term with less favorable CPI adjustment provisions. These components are partially offset by a one-time \$15 million payment to the City. The ratepayer and General Fund impacts are as follows:

- Comparable CPI basis: On a like-for-like trailing 10-year average (2016–2025), the City's baseline LA CPI-U averages approximately 3.48% annually, while EDCO's proposed US Water/Sewer/Trash index (CUSR000SEHG) averages approximately 4.01%, a difference of roughly 0.5 percentage points. On this basis, EDCO's 4.5% cap is not expected to bind. This is a narrower differential

than the single-year snapshot comparison (4.74% vs. 3.0%) and is considered a more representative measure of the long-term trend.

- Recovery of the \$15M payment: Based on this differential, the higher index is estimated to generate approximately \$7.6 million in additional revenue over the City’s baseline through Year 10, and approximately \$41.6 million through Year 20 (CPI-eligible service component). Net of the City’s 10% franchise fee, EDCO is estimated to recover the \$15 million payment at approximately Year 14, rather than within the first 10 years, and to be approximately \$22.5 million ahead of the payment by the end of the 20-year term.



*EDCO — cumulative additional revenue vs. the City’s LA CPI baseline (comparable 10-yr basis); the \$15M payment is recovered around Year 14, net of the City’s 10% franchise fee.*

Separate from the rate impact comparison, the Fullerton Administrative Terminal represents a benefit that flows to the City’s General Fund and local economy. EDCO is the only proposer to include direct tax contributions, claiming \$8 million in property taxes and approximately \$350,000 in one-time sales tax, as well as the creation of local jobs and ongoing local spending.

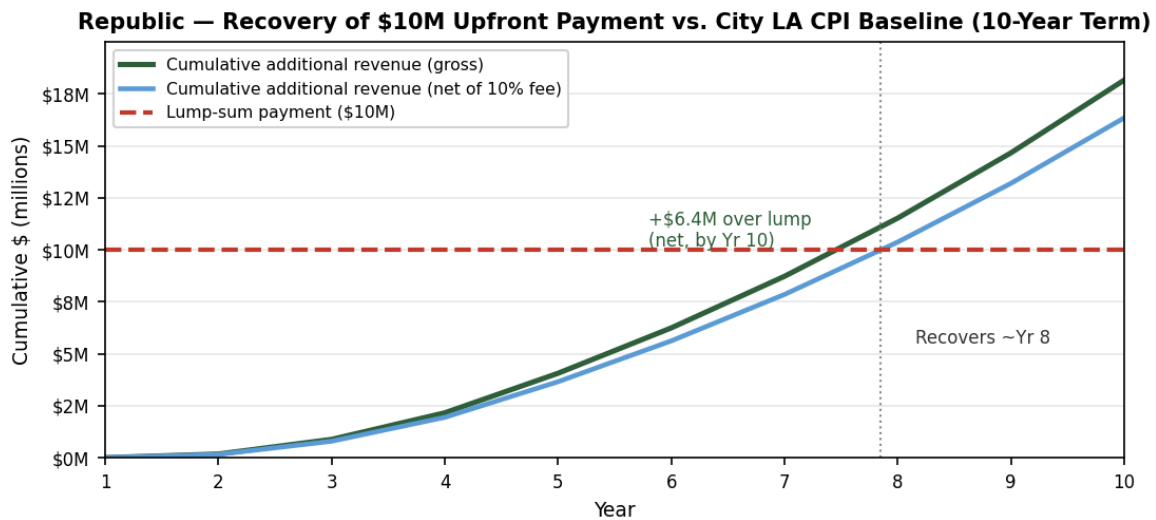
EDCO also lowered its residential rate from \$32.75 to \$32.59 and its senior rate from \$26.20 to \$26.07, while increasing its commercial standard rate from \$236.82 to \$244.00. This positions the firm as second-highest in residential rates and lowest in commercial standard rates among the proposers. The proposal also included quarterly bulky item service for multi-family residential customers, increasing the required \$155,000 annual City Billing Fee to \$200,000, and raising SB 1383 procurement assistance to 100% of the City’s obligation.

Republic Services

Republic Services highlighted an immediate SB 1383 compliance commitment, and a \$10 million Community Enhancement Payment tied to a single-family residential and multi-family rate alignment contingent to a more costly CPI adjustment provision plus a

1.25% increase applied from Years 3-5. Although, they remain open to negotiate an alternative proposal. The ratepayer and General Fund impacts are as follows:

- Comparable CPI basis: On a trailing 10-year average, the City’s LA CPI-U baseline is approximately 3.48% annually, while Republic’s Garbage/Trash GTCI index (CUUR0000SEHG02) averages approximately 4.15%, with an additional 1.25% in Years 3–5 (resulting in 5.40% during those years).
- Recovery of the \$10M payment: This differential is estimated to generate approximately \$18.2 million in additional revenue over the City’s baseline across the 10-year term (CPI-eligible service component). Net of the City’s 10% franchise fee, Republic is estimated to recover its \$10 million payment by approximately Year 8 and finish approximately \$6.4 million ahead of the payment by the end of the term.



*Republic — cumulative additional revenue vs. the City’s LA CPI baseline (comparable 10-yr basis); the \$10M payment is recovered around Year 8, net of the City’s 10% franchise fee.*

The final offer also included unlimited residential bulky item collection services, and a commitment to modernize its fleet. However, the firm is the only proposer not meeting the all-new fleet requirement, instead offering a partial replacement of new vehicles upfront with the remainder to be deployed over five years from contract commencement. The proposed pricing results in the least improvement to ratepayers, increasing residential rates from \$25.82 to \$28.42 and senior rates from \$17.67 to \$18.68, positioning the firm in the middle range for residential pricing. While the commercial standard rate was reduced from \$351.96 to \$347.64, the firm continues to offer the highest commercial standard pricing among all proposers.

Universal Waste Services

Universal Waste Services offers the lowest residential rate at \$20.69, mid-tier senior pricing at \$18.62, and mid-tier commercial standard pricing at \$261.98. The firm’s final offer reflects its initial best pricing proposal and remains highly competitive, with the lowest overall rates among all proposers.

The final offer included several notable features, including a proposed relocation of its Costa Mesa operations yard to Fullerton, a reduction in the alternative residential billing cost from \$1.45 to \$0.95 per month, as well as street sweeping services funded through a 1.75% increase in residential and commercial rates. Additional enhancements include SB 1383 procurement assistance supported by an RNG-fueled fleet, and a waste characterization study to assist the City in reducing its annual procurement target.

The proposal also provides a Downtown District Program featuring daily uncontainerized waste collection, quarterly bin container cleaning and/or exchanges, and assignment of a route supervisor to monitor daily activity.

Valley Vista Services

The Valley Vista proposal includes a variety of additional services and enhancements, including an annual household hazardous waste collection event, additional residential carts at no charge, incidental waste collection of up to 20 bags per household annually, and porter services for all enclosures within the Downtown District.

The proposal also increases annual community donations to numerous local organizations, totaling \$23,000, and includes participation in and sponsorship of City events valued at up to \$50,000 annually. Other notable enhancements include a \$250,000 SB 1383 procurement assistance commitment and no-cost street sweeping services.

The firm reduced its residential rate from \$29.24 to \$26.39 and its senior rate from \$18.89 to \$17.05, while increasing its standard commercial rate from \$242.10 to \$267.99. This positions Valley Vista as the second-lowest residential rate provider and in the middle range for standard commercial pricing among all proposers.

*Revised RFP Timeline Schedule*

The RFP timeline was adjusted to better align with the deliberation process and anticipated City Council direction. Key milestones, including the City Council Study Session and Final Recommendation meeting, were advanced to later dates to allow sufficient time for City Council review of internal documents, public engagement, and remaining compliant with the State’s Corrective Action Plan (CAP) deadline.

\*Italicized sections indicate revised activities and dates

<b>Activity</b>	<b>Milestone Date</b>
RFP Posted - Electronic Delivery	September 17, 2025
Mandatory Pre-Proposal Conference	October 1, 2025
Last Day to Submit RFP Questions	October 15, 2025
Last Written Response to Proposer Questions	October 17, 2025
Deadline For Submittal of Proposals	November 17, 2025
Complete Proposal Evaluation	January 15, 2026
Interview Selected Proposers	January 19 through 23, 2026
<i>Review Committee Presents Findings to Ad Hoc Committee</i>	<i>February 2, 2026</i>
<i>Prepare RFP Report Packet for City Council Review</i>	<i>Week of February 2, 2026</i>
<i>RFP Report Packet Available for City Council</i>	<i>February 9, 2026 – Contract</i>

<i>Review</i>	<i>Award</i>
<i>Follow-Up Evaluation with Ad Hoc Committee</i>	<i>February 24, 2026</i>
<i>Present Evaluation at City Council Study Session</i>	<i>April 14, 2026</i>
<i>Present Final Evaluation to City Council</i>	<i>June 30, 2026</i>
<i>Finalize Agreement with Recommended Firm</i>	<i>TBD</i>
<i>Finalize Equipment Purchase and Roll-Out Plan</i>	<i>TBD</i>
<i>Present Final Selection to City Council</i>	<i>TBD</i>
<b>Selected Firm Orders Equipment</b>	<b>TBD</b>
<b>Roll Out of Commercial Program</b>	<b>July 1, 2027</b>
<b>Roll Out of Residential Program</b>	<b>July 1, 2027</b>

\*Bolded sections indicate firm timeline requirements for the City to meet the CAP deadline

### *CalRecycle Corrective Action Plan*

On June 8, 2026, City staff met with CalRecycle’s Jurisdiction and Agency Compliance and Enforcement (JACE) Branch to discuss progress and delays associated with the CAP RFP implementation milestones. During the meeting, CalRecycle expressed concern regarding the missed April 2026 contract negotiation milestone, as well as other proposed schedule delays that could jeopardize the City’s ability to meet the final SB 1383 implementation deadline of July 1, 2027.

JACE staff indicated that a follow-up meeting will be scheduled in July 2026 to review the City’s proposed next steps and assess the feasibility of achieving the final implementation deadline. Should CalRecycle determine that the delays are likely to result in non-compliance, the agency may cancel the CAP and initiate a formal Compliance Review audit. Such an action could result in administrative penalties ranging from \$500 to \$10,000 per violation per day, potentially retroactive to January 1, 2022.

CalRecycle subsequently formalized these concerns in a letter to the City dated June 19, 2026 (Attachments 9 and 10).

Staff continues to recommend adherence to the CAP milestone schedule to maintain compliance and avoid further implementation delays. It is imperative that sufficient time remain available to complete the planning, procurement, outreach, education, and operational transition activities necessary to successfully implement a fully compliant SB 1383 collection program.

### *Deliberation Priorities*

City Council direction at this stage is essential to authorize the development of detailed scopes of work, rate structures, and service level deliberation needed to finalize contract terms. Timely action is necessary to maintain progress toward awarding and transitioning contracts in accordance with the State-mandated CAP timeline.

City Council should consider the following priorities:

- Reasonable Pricing Structure Relative to Services Provided
- Service Quality and Reliability

- Compliance and Regulatory Alignment
- Local Economic Impacts
- Long-Term Rate Stability
- Community Engagement
- Innovation, Infrastructure & Sustainability
- Workforce Reliability, Minimizing the Risk of Labor Stoppages
- New Contract Transition Timeline for All Proposed Firms (i.e., Customer Data Evaluation, Customer Service Level Assessment, Equipment Purchases, SB 1383 Education and Outreach Campaign, Citywide SB 1383 Collection Service Rollout)

The overarching objective of the procurement process is to secure regulatory compliance, operational reliability, cost-effective service delivery, and alignment with the City's sustainability goals. Staff requests City Council direction to finalize service agreement terms with top firm(s) and prepare for Solid Waste contract award.

Attachments:

- Attachment 1 – PowerPoint Presentation
- Attachment 2 – Solid Waste Management Services RFP
- Attachment 3 – Athens Services Final Proposal & Fact Sheet
- Attachment 4 – CR&R Environmental Services Final Proposal & Fact Sheet
- Attachment 5 – EDCO Disposal Final Proposal & Fact Sheet
- Attachment 6 – Republic Services Final Proposal & Fact Sheet
- Attachment 7 – Universal Waste Systems Final Proposal & Fact Sheet
- Attachment 8 – Valley Vista Final Proposal & Fact Sheet
- Attachment 9 – CalRecycle Letter
- Attachment 10 – CalRecycle Fullerton CAP
- Attachment 11 – Letters of Support and Recommendation

cc: City Manager Eddie Manfro