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NEWPORT BEACH

City Council Staff Report

January 27, 2026
Agenda Item No. 10

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: David A. Webb, Public Works Director - 949-644-3311,
dawebb@newportbeachca.gov

PREPARED BY: Charles Springer, Senior Management Analyst - 949-718-3466,
cspringer@newportbeachca.gov

TITLE: Approval of Amendment No. Two to Trash and Recycling Container Removal Services Contract with CR&R Inc. (Contract No. 8549-1)

ABSTRACT:

The City of Newport Beach contracts trash and recycling collection services for designated trash containers in public rights-of-way. The current contract with CR&R Incorporated (CR&R) expires on February 28, 2026. After review and discussion with the City Council's Ad Hoc Refuse Committee, staff requests an amendment to the current agreement with CR&R to extend the term to December 31, 2029, and increase the not-to-exceed contract amount by \$2,367,140 for a new total of \$5,720,000.

RECOMMENDATIONS:

- a) Determine this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) and 15060(c)(3) of the CEQA Guidelines because this action will not result in a physical change to the environment, directly or indirectly;
- b) Approve Amendment No. Two to Agreement with CR&R, Incorporated for Trash and Recycling Container Removal Services increasing the total not-to-exceed amount by \$2,367,140 for a new contract total of \$5,720,000 and extend the term to December 31, 2029; and
- c) Authorize the Mayor and City Clerk to execute the amendment.

DISCUSSION:

Trash containers in public spaces, such as on streets or in beach areas, are necessary to provide proper litter collection and disposal in high foot-traffic areas. The City currently contracts with CR&R to collect and dispose of the trash disposed of in City-owned containers. Currently, there are approximately 677 containers in the winter and 708 containers in the summer that are largely located throughout the Balboa Peninsula, West Newport, Corona del Mar, Balboa Island and on all public docks and piers that are serviced by this contract. This contract also includes service for two leased facilities: Ruby's on the Balboa Pier and West Newport Community Center.

Additionally, Orange County Waste & Recycling is in the process of revising its master Waste Disposal Agreements, which expire June 30, 2026, that governs landfill disposal cost provided to local jurisdictions. The current draft County agreement being reviewed and negotiated is proposing significant landfill disposal rate increases, extending over the next 10 years. In reviewing this new draft County agreement, and considering the potential higher end of the proposed disposal cost, as well as adding in a potential annual Consumer Price Index (CPI) increase of 4.23%, staff estimated our City trash container contract cost could increase by an average of approximately \$630,000 per year, or \$2,367,140 over the additional term being requested as these increased county landfill disposal costs are paid by CR&R and then are passed-through to the City as part of their contract.

In order to ensure the City can maintain and pay for future collection service, staff is requesting approval of amendment No. Two to the Agreement with CR&R for Trash and Recycling Container Removal Services to increase the total not-to-exceed amount by \$2,367,140, and extend the term to December 31, 2029.

FISCAL IMPACT:

The adopted budget includes sufficient funding to cover the increased Contract cost of this amendment. It will be expensed to the Beach Trashcan Collection account in the Public Works Department, 0108051-811031. Additional necessary funding for future years will be programmed during the annual budget process.

ENVIRONMENTAL REVIEW:

Staff recommends the City Council find this action is not subject to the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

NOTICING:

The agenda item has been noticed according to the Brown Act (72 hours in advance of the meeting at which the City Council considers the item).

ATTACHMENTS:

Attachment A – Amended Rate Sheet

Attachment B – Amendment No. Two to the Trash and Recycling Container Removal Services Contract with CR&R Inc.