



CITY OF

NEWPORT BEACH

City Council Staff Report

September 27, 2022
Agenda Item No. 9

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

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TITLE: Approval of Amendment No. Three to Agreement for Beach
Container Refuse Collection Service with Rainbow Disposal Co., Inc.

ABSTRACT:

The City of Newport Beach (City) utilizes a contractor to collect refuse from designated bins located on City beaches on a regularly scheduled basis. The current contract with Rainbow Disposal Co. (Rainbow) for this service was approved in January 2011 and expires on December 31, 2022. Rainbow has since merged with Republic Services, Inc. (Republic). Staff is requesting an amendment to the current agreement with Republic to extend the term until February 28, 2026 with annual Consumer Price Index (CPI) adjustments through the extended term. This amendment will also require an increase to the not-to-exceed amount to provide for the additional years of service.

RECOMMENDATION:

- a) Determine this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15060(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. Three to Agreement with Republic Services, Inc. for Beach Container Refuse Collection Service to modify the compensation terms, increase the total not-to-exceed amount by \$1,153,439 for a total not-to-exceed amount of \$3,051,063, and extend the term to February 28, 2026; and
- c) Authorize the Mayor and City Clerk to execute the amendment.

DISCUSSION:

To keep the City beaches clean and safe, Republic currently provides trash collection and disposal services for trash carts on City beaches from the Santa Ana River Jetty in West Newport to Corona del Mar State Beach. Collection services are provided for 170 trash carts scheduled two times per week in the winter, and for 204 trash carts scheduled five times per week in the summer.

Over the past few years, warmer weather has arrived earlier than usual. Summer crowds have arrived at City beaches earlier in the season and the volume of visitors has remained high later into the fall months. Also, since the pandemic, staff has seen an uptick in the number of beach visitors. Staff added refuse carts and increased collections to keep the beaches free of litter and debris. Twenty-four additional carts were placed on the sand at Newport Pier during the summer months and 10 were placed at the Corona del Mar State Beach. Collection days were expanded up to seven days a week depending on volume and demand during peak summer months. This has helped decrease excessive litter and overflowing trash receptacles on the beaches and surrounding areas. Staff has also seen an increase in the need for additional cart cleanings due to sanitation needs, graffiti and excessive use.

The original contract rate was set in 2011, only accounting for the collection of material in beach carts. The contract was amended in 2019 to separate the cost associated with the emptying or 'tipping' of carts, and the cleaning of carts. The contract was further amended in 2020 to account for the added cost of an extended peak season. Throughout the contract and ensuing amendments, rates were capped by a 3% maximum escalator, though CPI had exceeded this rate at times. As the contract term was set to conclude at the end of 2022, the City negotiated a contract extension with representatives of Republic. This negotiation resulted in a 3% CPI increase to existing rates, effective October 1, 2022, followed by a February 1, 2023 implementation of adjusted rates for cart tipping and cleanout to compensate for increased operation costs. Throughout the remainder of the contract term, the rates for cart tip and cleanout shall only increase by a maximum of 3% annually as per the original contract terms. The 2023 level of service for the emptying, or 'tipping', of carts, as well as two annual cart cleanouts is estimated to be \$364,961.

	Tip Rate	Cart Cleanout Rate
Current Rate	\$6.81	\$17.39
October 2022 - 3% Increase	\$7.02	\$17.91
February 2023 - Adjusted	\$7.55	\$19.34

The not-to-exceed contract amount also accommodates increased services as needed, up to seven days per week if necessary. The increase provides flexibility to add and service additional refuse carts on an as-needed basis. This includes up to 8,000 service collections during the life of the contract and the supplemental cleaning of up to 3,000 carts or a mixture thereof.

As part of the City Council Working Group on Solid Waste and Recycling issues, staff has been tasked with consolidating various refuse contracts to improve efficiency and management, where feasible. By extending this Beach Container Refuse Collection Service agreement with Republic, the planned end of the contract will align with the Refuse Container Removal Services contract (street refuse can collection), currently assigned to CR&R, allowing the potential to merge the two refuse collection contracts in 2026.

Both contracts require specialized equipment and merging both contracts will spread initial capital costs over both services and provide consistency in the service and contract administration.

Staff recommends that the City Council approve Amendment No. Three for the Republic Beach Container Refuse Collection contract and increase the total not-to-exceed amount by \$1,153,439, placing the new contract total at \$3,051,063, and extending the term by approximately three years, to February 28, 2026. The contracted billing rates include an annual adjustment factor of CPI or 3%, whichever is less.

FISCAL IMPACT:

The adopted budget includes sufficient funding for this amendment. It will be expensed to the Refuse Beach Trashcan Collection account in the Public Works Department, 0108051-811031.

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).

ATTACHMENT:

Attachment A – Amendment No. Three