



MARK PESTRELLA, Director

COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

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ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

IN REPLY PLEASE

REFER TO FILE: **EP-2**

May 13, 2025

41 May 13, 2025

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Edward Yen
EDWARD YEN
EXECUTIVE OFFICER

Dear Supervisors:

**SERVICE CONTRACT
ENVIRONMENTAL SERVICES CORE SERVICE AREA
AWARD A NEW RESIDENTIAL WASTE COLLECTION FRANCHISE CONTRACT
FOR THE UNINCORPORATED AREAS OF
ROWLAND HEIGHTS AND SOUTH DIAMOND BAR
(SUPERVISORIAL DISTRICTS 1)
(3 VOTES)**

SUBJECT

Public Works is seeking Board approval to award a new exclusive residential waste collection franchise contract for the unincorporated areas of Rowland Heights and South Diamond Bar to provide for the collection of refuse, recyclables, and organic waste and to monitor and remove illegal dumping on public rights of way within these communities.

IT IS RECOMMENDED THAT THE BOARD:

1. Determine that the recommended actions are within the scope of the Residential Waste Collection Franchise Contracts project impacts analyzed in the Negative Declaration and Addendum previously adopted by the Board.
2. Find that the health, safety, and welfare of the public require that the County award the exclusive franchise contract for residential waste collection services for the unincorporated areas of Rowland Heights and South Diamond Bar.

3. Award an exclusive residential franchise contract for the unincorporated areas of Rowland Heights and South Diamond Bar to Arakelian Enterprises, Inc., dba, Athens Services, consisting of the following two separate tasks: Task 1 - Customer Services for the collection of refuse, recyclables, and organic waste from carts at an initial monthly rate of \$39.84; and Task 2 - County Services for daily monitoring of illegal dumping and collection of solid waste discarded in public rights of way and alleys. For an initial annual contract sum not to exceed \$720,777 and a potential contract sum of \$8,259,330 for the maximum term of the contract. The contract shall be effective upon the Board's approval and final execution by both parties, whichever occurs last. The waste collection services will start on July 1, 2025, and expire on June 30, 2032, with month-to-month extensions of up to 12 months, for a maximum potential contract term of 8 years.
4. Delegate authority to the Director of Public Works or his designee to adjust the monthly rate for basic services billed directly to the customers; the monthly rates as billed by the contractor for additional customer services, such as more containers or collection at a higher frequency billed directly to the customers; the monthly rate billed to the County by the contractor for County services; and the contract amount, if applicable, up to 5 percent of the previous year's rate to allow for changes affecting the solid waste industry.
5. Delegate authority to the Director of Public Works or his designee to (1) execute this contract; (2) take all the necessary and appropriate steps to carry out this contract; (3) renew this contract using any extension period if, in the opinion of the Director of Public Works or his designee, the contractor has successfully performed during the previous contract period and the services are still required; (4) approve and execute amendments to incorporate necessary changes within Task 1 - Customer Services and Task 2 - County Services and specifications; and (5) suspend and/or terminate the contract if, in the opinion of the Director of Public Works or his designee, it is in the best interest of the County to do so.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended actions is to comply with the California Environmental Quality Act (CEQA) and allow Public Works to award a new exclusive franchise contract for residential waste collection services for the unincorporated areas of Rowland Heights and South Diamond Bar (Franchise Contract) (Enclosure 1).

The recommended actions will allow for the collection of refuse, recyclables, and organic waste from residential properties and the collection of abandoned solid waste discarded in the public rights of way in these unincorporated communities. These services are essential to protect public health and safety and improve the quality of life in these unincorporated communities.

Additionally, the proposed contract will allow the County to develop programs, records, and reports required under Assembly Bill 939 (1989), Senate Bill 1383 (2016), and other applicable laws and regulations.

On January 7, 2025, Public Works submitted to your Board a recommendation for the award of the Franchise Contract to Arakelian Enterprises, Inc., dba Athens Services (Athens Services). At the Board meeting, a request was made for Public Works to complete additional community outreach to provide more information about the new contract and to return to the Board with feedback from the community. Public Works met with the community to explain the procurement process for the Franchise Contract, offering multiple languages including Mandarin and Spanish. The purpose was to further explain the basis for the contract award.

Public Works met with the community three times by (1) attending the Rowland Heights Community Coordinating Council monthly meeting on February 10, 2025; (2) hosting an in-person meeting on March 1, 2025, at the Rowland Heights Community Center, and (3) holding a virtual meeting on March 4, 2025. Spanish and Chinese (Mandarin) translators were available at the in-person and virtual meetings hosted and held by Public Works and Athens Services.

Implementation of Strategic Plan Goals

These recommendations support the County Strategic Plan: North Star 2, Foster Vibrant and Resilient Communities, Focus Area Goal D, Sustainability, Strategy I, Climate Health, by improving the environmental, economic, and social well-being of our communities while maximizing and leveraging resources by collecting adequate funding to provide trash collection and recycling services, including the collection of illegal dumping, which protects the environment and improves the quality of life of the residents within the service areas and surrounding areas.

FISCAL IMPACT/FINANCING

There will be no impact on the County General Fund.

Task 1 - Customer Services includes the automated collection, disposal, and processing of refuse, recyclable, and organic waste services, which are billed to and paid for directly by the customers to the contractor. Task 2 - County Services includes the monitoring, cleanup, collection, transportation, disposal, and management of discards from all public rights of way, alleys, and specified public curbside receptacles, which are billed to and paid for directly by the County to the contractor.

Upon your Board's approval to award this Franchise Contract, Arakelian Enterprises, Inc., dba, Athens Services would pay the County franchise fees in the amount of 10 percent of their monthly gross receipts. Payment of the franchise fee is the sole responsibility of the franchised contractor. In Fiscal Year 2025-26, the County expects to collect \$564,000 in franchise fees from the exclusive Franchise Contract for residential waste collection services for the unincorporated areas of Rowland Heights and South Diamond Bar. The franchise fees will be deposited in the Solid Waste Management Fund (GD1- Revenue Source: 8355). The amount of franchise fees to be collected shall not exceed the County's reasonable costs to administer the franchises for the benefit of the franchised contractors.

Task 1 - Customer Services and Task 2 - County Services rate adjustments authorized by the contract are as follows:

A rate adjustment increases on July 1 following the commencement of the contract and annually thereafter based on annual changes affecting the solid waste industry, including prices for labor, fuel, and the processing of various types of commodities for a maximum annual adjustment of 5 percent over the initial period and up to 5 percent for each optional renewal year.

Funding for the first year of Task 2 - County Services for Rowland Heights and South Diamond Bar is available in the Road Fund (B03 - Services and Supplies) Fiscal Year 2025-26 Budget. The Solid Waste Management Fund will reimburse the Road Fund for Task 2 -County Services.

Funding for Task 2 - County Services contracts' future years, including up to 5 percent each year for annual rate adjustments for changes affecting the solid waste industry, will be requested through the annual budget process.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Title 20 – Utilities, of the Los Angeles County Code, Section 20.70.020 authorizes the Board to award nonexclusive, partially exclusive, or wholly exclusive franchises for certain solid waste handling services for any given geographic area of the unincorporated territory of the County. The selected contractor pays the County a fee for benefits conferred upon the contractor by the franchise that does not exceed the County's reasonable costs to administer the franchise program.

Public Works developed the scope of work offering services that fit the needs of the Diamond Bar and Rowland Heights community for the lowest possible price. Public Works hosted community meetings prior to the start of the solicitation process including a virtual meeting on May 30, 2023, and an in-person meeting on June 3, 2023, which was held at the Rowland Heights Community Center. At these meetings, residents provided feedback on the new services that were incorporated into the scope of work.

Athens Services was selected for this Franchise Contract through a solicitation process. A Request for Proposal (RFP) was released on June 18, 2024, inviting interested parties to submit proposals in response to the scope of work included in this RFP. Public Works received proposals from Athens Services, Valley Vista Services, Inc., and Ware Disposal, Inc. These proposals met the minimum requirements set forth in the RFP and were evaluated using the informed averaging methodology, which as described above, included categories such as price; experience; work plan; performance history/references; disputes, actions, contests, and debarments; environmental history; and financial resources.

The recommended contractor for the proposed Franchise Contract, Athens Services, is located at 14048 Valley Boulevard, City of Industry, CA 91746. Waste collection services will start on July 1, 2025, and expire on June 30, 2032, with month-to-month extensions of up to 12 months, for a maximum potential contract term of 8 years.

The proposed Franchise Contract, which will be in a form substantially similar to the form previously viewed and approved by County Counsel as shown in the enclosed sample contract (Enclosure 2), was solicited on an open-competitive basis, in accordance with applicable Federal, State, and County requirements. Enclosure 3 reflects the proposers' utilization participation and community business enterprise program information. Data regarding the proposers' minority participation is on file with Public Works. The recommended contractor was selected upon final analysis and consideration without regard to race, creed, gender, or color.

Public Works has evaluated and determined that the Living Wage Program (Los Angeles County Code, Chapter 2.201) does not apply to the proposed contract, which is not subject to Proposition A. Authority to award contracts for solid waste handling services is expressly provided by California Public Resources Code, Section 49019. The proposed contract contains terms and conditions set forth by the County's ordinances, policies, and programs. The Director of Public Works will execute the proposed contract in accordance with the Board's authorization and only upon approval as to form by County Counsel and execution by the contractors.

ENVIRONMENTAL DOCUMENTATION

On November 20, 2007, the Board adopted the Negative Declaration for the Franchise Solid Waste Collection System project, finding that there was no substantial evidence the project would have a significant effect on the environment. On January 30, 2018, the Board adopted an Addendum to the Negative Declaration to address the potential environmental impacts due to changes to the previously approved project, which concluded that the changes would not have a significant effect on the environment.

The recommended actions are within the scope of the project in the previously adopted Negative Declaration and Addendum. The proposed contract would allow the selected waste hauler to provide weekly automated solid waste, recycling, and organic waste collection, as well as the removal of abandoned waste from the public rights of way and emptying of curbside public receptacles if needed in the unincorporated County communities of Rowland Heights and South Diamond Bar.

There are no changes to the project or to the circumstances under which the project is undertaken that require further review under CEQA.

The location of the documents and other materials constituting the record of the proceedings upon which the Board's decision is based on this matter is with the Los Angeles County Public Works, Transportation Planning and Programs Division, 900 South Fremont Avenue, 11th Floor, Alhambra, California 91803. The custodian of such documents and materials is Ms. Reyna Soriano, Civil Engineer.

Upon the Board's approval of the project, Public Works will file a Notice of Determination with the Register-Recorder/County Clerk and the State Clearinghouse in the Office of Planning and Research in accordance with Section 21152 of the California Public Resources Code.

CONTRACTING PROCESS

On June 18, 2024, a notice of the RFP was placed on both the County's "Doing Business With Los Angeles County" website (Enclosure 4) and "Do Business With Public Works" website, and X (formerly Twitter). Advertisements were also placed in the Los Angeles Daily Journal, Los Angeles Sentinel, La Opinión, The Daily Breeze, The Signal (Santa Clarita), World Journal, Watts Times, The Malibu Times, Press Telegram, and Pasadena Star News. Also, Public Works informed 1,591 Local Small Business Enterprises, 166 Disabled Veteran Business Enterprises, 170 Social Enterprises, 873 Community Business Enterprises, and 1,385 Community-Based Organizations about this business opportunity. Additionally, the Department of Economic Opportunity conducted focused outreach and informed 17 related businesses about this business opportunity.

As described in more detail above, on August 12, 2024, three proposals were received. The proposals were first reviewed to ensure that they met the minimum requirements in the RFP. All proposals were evaluated by an evaluation committee consisting of Public Works staff utilizing the informed averaging methodology for applicable criteria. The evaluation was based on criteria described in the RFP, which included Task 1 price; Task 2 price; experience; work plan; disputes, actions, contests, and debarments; environmental history; performance history/references; and financial resources.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommended actions will continue waste collection services without disruption to the public and will not result in the displacement of any County employees.

The Honorable Board of Supervisors
May 13, 2025
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CONCLUSION

Please return one adopted copy of this Board letter to Public Works, Environmental Programs Division.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mark Pestrella". The signature is fluid and cursive, with the first name "Mark" and last name "Pestrella" clearly distinguishable.

MARK PESTRELLA, PE
Director of Public Works

MP:EKT:ak
Enclosures

c: Chief Executive Office (Chia-Ann Yen)
County Counsel
Executive Office, Board of Supervisors