



CITY COUNCIL STAFF REPORT

ITEM NO. 5.6

DATE: April 14, 2025

TO: Honorable Mayor and City Council

FROM: Judy Erlandson, Acting Public Works Director

SUBJECT: Resolution authorizing execution of an agreement with Republic Services Vasco Road, LLC for the disposal of solid waste through June 30, 2035, and rejecting all other bids for the disposal of solid waste.

RECOMMENDED ACTION

Staff recommends the City Council adopt a resolution

1. Finding that the Project is categorically exempt under the California Environmental Quality ("CEQA") Guidelines Section 15301, Existing Facilities and Section 15308, Actions by Regulatory Agencies for Protection of the Environment, as well as exempt under CEQA Guidelines Section 15061 (b)(3), Common Sense Exemption;
2. Authorizing the City Manager to execute an agreement with Republic Services Vasco Road, LLC for the Disposal of Solid Waste through June 30, 2035; and
3. Rejecting all other bids for the disposal of solid waste.

SUMMARY

The City of Livermore has been operating under a Disposal Agreement with Republic Services Vasco Road, LLC for the disposal of solid waste, which initially expired on December 31, 2023, and has been extended through short-term agreements to June 30, 2025.

A Request for Proposals for disposal services was released on July 24, 2024. The City received two qualifying responses; Republic Services Vasco Road, LLC and Waste Management Altamont Landfill.

Staff recommends the City Council adopt a resolution authorizing the City Manager to execute an agreement with Republic Services Vasco Road, LLC for the disposal of solid waste through June 30, 2035, and reject all other bids for the disposal agreement.

DISCUSSION

At the May 13, 2002, City Council meeting, the City Council entered into an Agreement between the City of Livermore and Republic Services Vasco Road, LLC, for Disposal of Solid Waste for an initial term

beginning January 1, 2004, and expiring on December 31, 2023.

On May 24, 2010, the City Council adopted a resolution approving the Amended and Restated Agreement Between the City of Livermore and Republic Services Vasco Road, LLC for Disposal of Solid Waste (Disposal Agreement).

Livermore Sanitation, Inc., now owned by Waste Connections, is the City's franchise hauler of solid waste, recyclable, and compostable materials. The Franchise Agreement with Livermore Sanitation has a term ending on June 30, 2030. Livermore Sanitation currently collects and transports solid waste to Republic Services Vasco Road, LLC. Recyclable and compostable material are processed elsewhere.

On February 27, 2023, the City Council approved a one-year extension of the Disposal Agreement to December 31, 2024, and directed staff to negotiate with Republic Services Vasco Road, LLC for a longer-term Disposal Agreement. Staff pursued negotiations, but the proposed terms did not meet the City's initial expectations.

On May 13, 2024, the City Council approved a six-month extension of the Disposal Agreement, which now terminates on June 30, 2025. The current total rate for disposal at Republic Services Vasco Road, LLC is \$42.79 per ton through June 30, 2025.

On July 24, 2024, staff released a Request for Proposals (RFP), and subsequently received proposals from Republic Services Vasco Road Landfill, LLC and Waste Management Altamont Landfill.

The proposals had similar terms, with the key difference being the rates. The total cost per ton of waste disposed of at the landfill consists of two fees; the Government Fee and the Base Rate. The Government fee is fixed and the Base Rate is compensation for disposal services paid to the landfill facility. Republic Services Vasco Road, LLC proposed a total tipping fee of \$50.31 per ton comprising of a \$19.93 per ton Government Fee and a \$30.38 per ton Base Rate. Waste Management Altamont Landfill proposed a tipping fee of \$53.75 per ton comprising of a \$20.07 Government Fee and a \$34.18 Base Rate.

The key provisions of the proposed Republic Services Vasco Road, LLC disposal agreement include:

- Contract term
 - The contract term is set for 10 years. After that, it will remain in effect until either party provides a five-year notice to terminate. This five-year period ensures the City has ample time to prepare a new RFP for future disposal services.
- Guaranteed lowest rate
 - Republic Services Vasco Road, LLC has guaranteed the lowest rate compared to all other public and private disposal agreements using the Vasco Road Landfill.
- Annual Base Fee Escalation: San Francisco-Bay Area CPI-U
 - The annual tip fee escalation will be tied to the San Francisco-Bay Area Consumer Price Index (CPI), ensuring the rate increases are predictable and aligned with regional inflation.
- Opportunities for partnerships
 - The agreement includes potential for innovative program partnerships and disaster debris management, enhancing the City's long-term sustainability goals and disaster response.

Staff recommends the City Council adopt a resolution authorizing the City Manager to execute an agreement with Republic Services Vasco Road, LLC for the disposal of solid waste beginning July 1, 2025, with an initial term ending June 30, 2035, and reject all other bids for the Disposal Agreement.

ENVIRONMENTAL DETERMINATION

The project is Categorically Exempt from the provisions of the California Environmental Quality Act (CEQA), per CEQA Guidelines Section 15301, Existing Facilities. Under this Categorical Exemption, operation, repair, maintenance, or minor alterations of an existing facility involving negligible or no expansion of existing or former use are exempt.

Additionally, the project qualifies for the Commonsense Exemption under CEQA Guidelines Section 15061(b)(3), which applies when it can be seen with certainty that there is no possibility the activity may have a significant effect on the environment. The disposal of solid waste is not only mandated and regulated by state law but is also an essential service for public health, safety, and welfare. This agreement for a service provider to dispose of solid waste will not result in significant environmental impacts and is therefore eligible for this exemption.

Furthermore, the project is exempt under CEQA Guidelines Section 15308, Actions by Regulatory Agencies for Protection of the Environment. This exemption applies to actions taken to ensure the maintenance, restoration, enhancement, or protection of the environment. The agreement supports environmental protection by incorporating regulatory mandates that ensure compliance with state law for the proper disposal of solid waste in a manner that safeguards the environment.

FISCAL AND ADMINISTRATIVE IMPACTS

The disposal rate increase will have an impact on Livermore Sanitation's rates because landfill disposal charges are a pass-through cost. The increased disposal fee will add approximately 1% to Livermore Sanitation's rates, which are scheduled for review and consideration in May 2025.

PILLAR

3: Environmental Stewardship

GOAL

2: Manage the City's solid waste contract and develop and implement the City's recycling program ensuring compliance with state and local regulations.

ATTACHMENTS

1. Resolution
2. Exhibit A - Agreement

Prepared by: Anna Zamboanga
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Approved by:



Marianna A. Burch
City Manager

Fiscal Review by:



Tina Olson
Administrative Services Director