

MOTION

BUDGET & FINANCE

In January 2017, the City of Los Angeles (City) awarded exclusive franchise agreements, known as the recycLA Program, to seven waste hauling companies, referred to as recycLA Service Providers (RSPs). The City is divided into eleven franchise zones, each with a single RSP. Several RSPs were awarded multiple franchise zones. The RSPs are required to, among other requirements detailed in the recycLA contracts, provide solid waste and recycling collection services to all businesses and larger multifamily properties within each of their respective zone(s). The recycLA contracts also required the RSPs to pay quarterly AB939 and Franchise Fees, based on gross receipts.


In 2019, the recycLA contracts were amended to include a new Removing Barriers to Recycling Program. Under this program, the City agreed to pay the RSPs for 50% of the access and distance charges, to eligible customers, related to the collection of the recycling containers (blue bins). In exchange, the RSPs agreed to credit customers all access and distance charges associated with the collection of the blue bins. The City provides the RSPs with quarterly reimbursement credits, to be used as credits towards AB939 payments. The reimbursements are calculated by the City based on self-reported data provided by the RSPs.

LA Sanitation and Environment (LASAN) seeks to engage the services of a qualified firm to perform financial audits on the accuracy of the AB939 fees credited to customers, the recycLA franchise fees, and Removing Barriers to Recycling requests remitted by the RSPs. Funding for the recycLA franchise audits in the amount of \$300,000 is budgeted in the FY 2022-23 Unappropriated Balance.

I THEREFORE MOVE that the City Council, subject to the approval of the Mayor, authorize the Controller to transfer/appropriate \$300,000 from Unappropriated Balance Fund No. 100/58, RecycLA Franchises Audits Account No. 580400, to Citywide Recycling Trust Fund No. 46D/50, Sanitation Expense and Equipment Account No. 50WX82, in order to perform the recycLA franchise audits described in the body of this motion.

I FURTHER MOVE to authorize the City Administrative Officer to make technical corrections as necessary to the above instructions to implement Mayor and Council intentions.

PRESENTED BY:


KATY YAROSLAVSKY
Councilmember, 5TH District

SECONDED BY:



MAR 24 2023



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