



recyclA

# Midterm Report & Proposed Options

Barbara Romero

Director & General Manager

September 29, 2023

1





# recycLA Roadmap



recycLA Goals Update

Knowledge Gained

Short Term and  
Long Term Options



# How we collect waste in LA



Single family homes and small multifamily apartment complexes



Medium & large multifamily complexes, condo buildings, and commercial businesses

Specialized Waste Haulers



Construction and Demolition



# recycLA background





# recycLA goals

## partial achievement

- Meet landfill reduction target (Feb. 2022 - Jan. 2023)  
5 of the 6 recycLA Service Providers (RSPs) did not meet targets
- Create a consistent clearly defined system, fair and equitable rates  
Base rates are uniform citywide.  
However, Extra Service Charges have had a substantial impact to customer cost.



# recycLA goals

## achieved

- Blue Bin recycling, at minimum, at every customer site  
Succeeded with financial help from the City Removing Barriers to Recycling Program (RBR).
- Improve efficiency of the City's solid waste system  
recycLA Service Providers (RSPs) are continually re-routing to improve collection efficiencies.
- Improve health and safety for solid waste workers enforced by provisions in Franchise Agreements
- Provide the highest level of customer service.  
Over a 99% collection efficiency.



# recycLA goals

## achieved

- Include only a capped cost of living increase in franchise agreements.

Rates are capped per contract terms.

- Provide for infrastructure development sufficient for management of solid waste.  
recycLA Service Providers (RSP) have invested over \$175 million in new or improved infrastructure

- Improve air quality – required natural gas vehicles at the launch of the program.





# recycLA goals

not achieved

- 1 million ton landfill reduction by 2025.

recycLA Service Providers (RSP) not on a trajectory to achieve.

- Phase in citywide organics diversion programs.

Currently less than 20% of customers have organics Service.





# recycLA update



## RATES & FEES

- recycLA Service Providers appear to predominately charge maximum base rate
- 10 – 34% of customers charged for Access and Distance
- Access and Distance charges on Black Bins make up 4 – 11% of charges

## DIVERSION

- NASA, Republic, Universal Waste Systems (UWS), Ware and Waste Management (WM) did NOT achieve their zone targets and were assessed liquidated damages. Athens did not meet target in 1 zone, but liquidated damages have not been assessed yet.
- LASAN assessed \$12 million in liquidated damages.



## INFRASTRUCTURE

- \$175 million in new and upgraded infrastructure
- 41 City Certified Facilities
- 3 new facilities constructed
- 2 new facilities under construction
- 5 facilities upgraded





# recycLA update



## FOOD RESCUE

- \$3.1 million in financial support
- 26,652 tons of food rescued
- 44 million meals rescued



## QUALITY OF SERVICE

- recycLA Service Providers collection efficiency of over 99 percent
- Documented over 1,400 vehicle miles traveled reduction per week, through re-routing



## COLLECTION VEHICLES

- All recycLA Service Providers are utilizing compressed natural gas (CNG) vehicles
- 543 CNG vehicles
- Some recycLA Service Providers reported that they are at the early stages of their electric vehicle planning, including pilot testing



# recycLA knowledge gained

➤ PROPOSED ITEMS THAT NEED TO BE IMPROVED IN EXISTING CONTRACT. EXAMPLES INCLUDE THE FOLLOWING:

- Removing Barriers to Recycling Program – City financial exposure
- Access and Distance charges
- Organic service cost – bundling maximum rates



➤ THESE FIXES CAN BE ADDRESSED THROUGH EITHER, OR A COMBINATION OF:

- Contract amendment
- New RFP
- Change in service model such as LASAN service



# knowledge gained

## RBR program



- recycLA Service Providers agreed to give 50% of the value of extra service charged for Blue Bins. The City made up the other 50%, with a 10% average growth annually over the contract term.
- City Removing Barriers to Recycling (RBR) evaluation of funding to determine continuing the RBR Program.
- RBR program costs the City over \$22 million annually .



# knowledge gained

## access & distance charges

- These fees have had an adverse impact on customers (noted as maximum rates, subject to recycLA Service Providers discretion on assessing)
- In many cases these fees can exceed the maximum Base Rate for solid waste and recycling services
- Access and distance fees are applicable on black, blue and green bins providing a disincentive for recycling
  - Removing Barriers to Recycling was established for blue bin

### Black Bin (Annual Assessment)

- Dist. \$38.4 M
- Acc. \$22.9 M

### Blue Bin (Annual Assessment & Credit)

- Dist. \$28.8 M
- Acc. \$15.7

### Green Bin (Current Annual Assessment)

- Dist. \$ 0.25 M
- Acc. \$ 0.42 M

### Green Bin (Future Potential Annual Assessment, at Full Compliance)

- Dist. \$ 38.4 M
- Acc. \$ 22.9 M



# knowledge gained

## organics service

- Currently sufficient processing capacity
- The recycLA contracts were developed as a three-bin collection system.
  - Base Service includes Black and Blue Bin.
  - Organic service is provided at an additional cost.
  - Customers must agree to organics service.
- City approved SB 1383 ordinance requires all customers to participate in organics recycling. However, the current recycLA contracts allow customers to opt in organic service.
- Organics should be bundled in base service, as opposed to relying on recycLA Service Providers (RSPs).





# recommendations and options

1

recycLA

- COUNCIL IS REQUESTED TO PROVIDE GUIDANCE TO LASAN BY SELECTING POLICY OPTION(S) TO IMPROVE THE OBJECTIVES OF THE RECYCLA PROGRAM FROM THE FOLLOWING:

Option 1:

Continue the existing recycLA program as is.





# recommendations and options

2

recycleLA

## Option 2:

Authorize the immediate negotiation of contract amendments.

### Option Goals:

- Eliminate City cost associated with the Removing Barriers to Recycling Program, estimated at \$22 million annually.
- Establish a bundled service model for solid waste, recycling and organics, at a reduced maximum rate.
- Eliminate extra service charges on Black, Blue and Green bins.
- Increase organics collection.



# recommendations and options

2a

recyclA

- Option 2a  
AUTHORIZE THE REORGANIZATION AND REDISTRIBUTION OF RECYCLA ZONES BASED ON:
  - THE BEST PERFORMING RSPS AVAILABLE
  - THE PRICE AND ACHIEVEMENT OF ENVIRONMENTAL POLICIES, FOR ZONES WHERE CONTRACT AMENDMENTS NEGOTIATIONS WERE NOT SUCCESSFUL

## Option Goals:

- Maintain uniform service, after January 2027, for zones in which contract amendment negotiations were not successful.





# recommendations and options

3

recycLA

## Option 3

AUTHORIZE THE DEVELOPMENT AND RELEASE OF A NEW REQUEST-FOR-PROPOSAL (RFP) TO CODIFY THE PROGRAMMATIC AND STRUCTURAL CHANGES LEARNED ABOUT THE RECYCLA PROGRAM TO DATE.

### Option Goals:

- Develop an RFP that addresses the lessons learned from existing contracts.
- Simplified uniform maximum rate structure.
- Award contract(s) to replace existing contracts in February 2027.





# recommendations and options

4

recycLA

## Option 4

AUTHORIZE LASAN TO ASSUME OPERATING SERVICES TO ONE, MULTIPLE, OR ALL RECYCLA SERVICE ZONES





# recommendations and options

recycle LA

- DIRECT LASAN TO EXTEND THE REMOVING BARRIERS TO RECYCLING INCENTIVE PROGRAM UNTIL LASAN, CAO, AND CLA RETURN TO COUNCIL WITH FURTHER RECOMMENDATIONS.





# recycLA options timeline

RecycLA Options	Est. Start Date	Est. Completion Date
Option 2 & 2a Negotiate Contract Amendment	Oct. 2023	Dec. 2023
Option 2 & 2a Prepare Contract Amendment	Jan. 2024	Mar. 2024
Options 2 & 2a Amendment Approval - Board of Public Works, followed by Mayor & Council approval	Apr. 2024	Aug. 2023
Option 2 & 2a - New Amended Contract Terms Begins	Aug. 2024	
Option 3 RFP Development	Oct. 2023	Mar. 2024
Option 3 Release RFP	Apr. 2024	Sept. 2024
Option 3 Evaluate, Negotiate and Execute New Contracts	Oct. 2024	Jan. 2027
Option 3 - Existing contracts expire and new recycLA contracts begin	Feb. 2027	

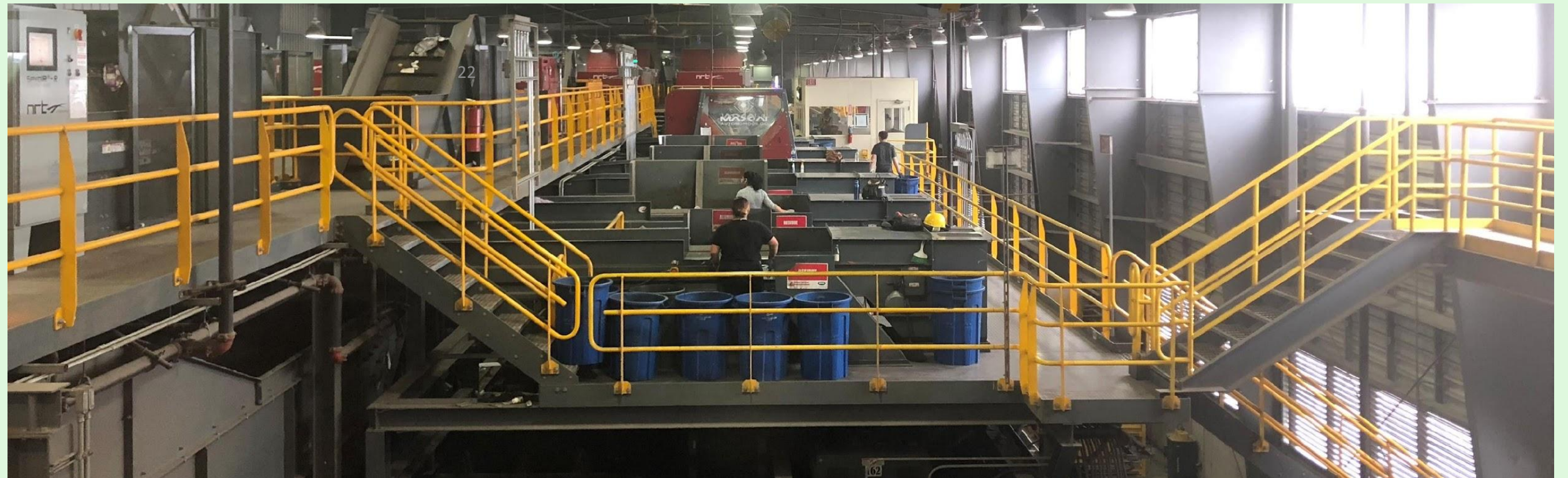


# LASAN proposed options

recycLA

- CONCURRENTLY AUTHORIZE THE FOLLOWING:
  - Immediately begin contract amendment negotiations
  - The immediate development of a new request-for-proposal (RFP)

If these options are not implemented concurrently and/or fail, then proceed to LASAN assuming operating services to one, multiple, or all recycLA service zones.







# THANK YOU!

## Questions?



  
environment  
**LA SANITATION**  
CITY OF LOS ANGELES  
zero waste • zero wasted water

**recyclA**  
Make  
waste  
history