



CITY OF HUNTINGTON BEACH

City Council Interoffice Communication

To: Honorable Council Members
From: Erik Peterson, Mayor 
Lyn Semeta, Mayor Pro Tem 
Date: March 25, 2019
Subject: ***City Council Member Item for the April 1, 2019, City Council Meeting – Notice of Termination of Rainbow/Republic Services Evergreen Contract***

STATEMENT OF ISSUE:

The City of Huntington Beach is under contract (“Contract”) with Rainbow Disposal/Republic Services (“Republic”) for refuse collection and other services. This Contract has not been substantially revised since 2006 and contains an “evergreen” clause that in essence requires a 15-year notice of cancellation. On May 15, 2017, Mayor Erik Peterson and Mayor Pro Tem Lyn Semeta brought an H-Item before the City Council seeking a review of the Contract. The City Council took action on the H-Item and established an Ad Hoc Committee.

The Ad Hoc Committee gave direction to staff to attempt to negotiate a revised contract. Evergreen clauses put cities at a disadvantage as they renew automatically and hamper a city’s ability to obtain competitive pricing and terms. Despite multiple attempts to come to new terms, no agreement has been reached for a new or revised contract.

It is in the best interests of the City and the taxpayers to give notice of cancellation of the Contract. Such cancellation does not preclude the parties from attempting to negotiate new terms and enter into a mutually agreeable new contract.

RECOMMENDED ACTION:

Direct the City Manager to prepare a letter of written notification to Republic Services of the City’s intent to terminate the current franchise agreement pursuant to the terms of the agreement, and present that termination letter to the City Council for approval at the next-scheduled City Council Meeting.

xc: Fred Wilson, City Manager
Lori Ann Farrell Harrison, Assistant City Manager
Robin Estanislau, City Clerk
Michael Gates, City Attorney