DEPARTMENT OF PUBLIC WORKS

BUREAU OF SANITATION
BUREAU OF CONTRACT ADMINISTRATION
JOINT BOARD REPORT NO. # 1
NOVEMBER 13, 2026

CD: ALL

CONSIDERATION OF CEQA ADDENDUM NO. 5 TO 2013 CERTIFIED PROGRAM EIR FOR CITYWIDE EXCLUSIVE FRANCHISE SYSTEM FOR MUNICIPAL SOLID WASTE FROM PRIVATELY SERVED COMMERCIAL AND MULTIFAMILY (RECYCLA) AND CONSIDERATION OF AUTHORITY TO AWARD EXCLUSIVE FRANCHISE CONTRACTS FOR THE COLLECTION AND HANDLING OF SOLID RESOURCES FROM COMMERCIAL ESTABLISHMENTS AND APPLICABLE MULTIFAMILY PROPERTIES UNDER THE RECYCLA PROGRAM (WO#S16QS025)

RECOMMENDATIONS

1. FIND, based on the independent judgment of the decision-maker, after consideration of the whole of the administrative record, including the Environmental Impact Report for the Citywide Exclusive Solid Waste Collection and Handling system (SCH #2013021052), certified on April 8, 2014 (2013 PEIR) and Addendum No. 5 to the 2013 PEIR dated October 19, 2026; and pursuant to CEQA Guidelines, Sections 15162 and 15164 and Addendum No. 5, dated October 19, 2026, that no major revisions to the 2013 PEIR are required and no subsequent EIR, or negative declaration is required for approval of the Project, as amended by Addendum 5.

2. APPROVE and forward this report with transmittals to the Mayor and City Council (Council) with the request that the Board of Public Works (Board) be authorized to award and execute exclusive franchise contracts for the collection and handling of solid resources from commercial establishments and applicable multifamily properties in specified zones under the recycLA program with:

Table 1 - Recommended Awards for Exclusive Franchise Zone Contracts

Large Zones	Small Zones
Arakelian Enterprises, Inc. (dba Athens Services) – West Los Angeles, North Central, Harbor Zones	NASA Services, Inc. – Downtown Zone
Consolidated Disposal Service, LLC (dba Republic Services) – Northeast Valley, South Los Angeles Zones	Ware Disposal, Inc. – Southeast Los Angeles, East Downtown Zone
Universal Waste Systems, Inc. – Northeast Zone	

Large Zones	Small Zones
USA Waste of California, Inc. (dba Waste Management) – West Valley, Southeast Valley Zones	

3. FIND that the recommended awards are in the best interests of the City and will support the continued provision of reliable, environmentally responsible, and cost-effective solid resources collection services to commercial establishments and applicable multifamily properties.

4. Upon the Mayor's and Council's authorization, the President or two members of the Board will execute the contracts.

5. DIRECT LASAN to oversee the seamless transition from the existing recycLA agreements to the recycLA 2.0 agreements and to provide coordinated outreach and assistance to affected customers before and during implementation.

TRANSMITTALS

1. Addendum No. 5 - CEQA Consistency Review for the Award of the recycLA 2.0 Franchise Contracts (Citywide Exclusive Franchise System) with the City-Wide Exclusive Franchise System for Municipal Solid Waste Collection and Handling PEIR (SCH #2013021052)
2. Copy of Ordinance No. 182986 authorizing the Commercial and Multifamily Franchise Hauling System.
3. Request for Proposals (RFP) dated September 2025, for the Citywide Exclusive Franchise System for Municipal Solid Resources Collection and Handling.
4. City Administrative Officer (CAO) report dated November 14, 2025, Council File Nos. 23-1032 and 09-0170, CAO File No. 0150-13098-0000, regarding termination of the Removing Barriers to Recycling Program.
5. Proposed exclusive franchise agreement with Athens Services.
6. Proposed exclusive franchise agreement with NASA Services.
7. Proposed exclusive franchise agreement with Republic Services.
8. Proposed exclusive franchise agreement with Universal Waste Systems.
9. Proposed exclusive franchise agreement with Ware Disposal.
10. Proposed exclusive franchise agreement with Waste Management.

EXECUTIVE SUMMARY

LASAN recommends approval of six (6) exclusive franchise agreements for the recycLA Commercial and Multifamily Solid Resources Collection and Handling Program across the City's 11 franchise zones. For purposes of this report, the existing franchise agreements for commercial and multifamily solid waste collection and handling as approved by the City Council in December 2016 are referred to as "recycLA 1.0" while the proposed new agreements resulting from the current procurement are referred to as "recycLA 2.0" solely to distinguish between the two contractual frameworks. The program will continue to be known as recycLA. The proposed recycLA 2.0 agreements result from the competitive solicitation (in the form of a Request for Proposals (RFP)) and negotiation process authorized by the Board in September 2025. If approved, the initial term of these agreements will commence on the Contract Execution Date as defined in the agreements, and continue through January 31, 2035. A Contractor that achieves its Calendar Year 2032 Landfill Reduction requirements would be entitled to elect a two-year extension through January 31, 2037.

The current term of the existing recycLA 1.0 agreements are set to expire on January 31, 2027, and collection services under the proposed new recycLA 2.0 agreements are scheduled to take over immediately, beginning February 1, 2027. Timely approval and execution are thus crucial to maintaining uninterrupted collection service for approximately 65,000 commercial and multifamily customer accounts; establishing updated rates and service requirements; eliminating access and distance charges for Black Bin, Blue Bin, Green Bin service; expanding Green Bin organics collection needed to support City compliance with Senate Bill (SB) 1383; and strengthening customer protections and service-provider accountability.

Nine firms submitted proposals for one or more Franchise Zones in response to the RFP. Following Step 1 evaluation, LASAN did not advance GreenWaste to Step 2 negotiations because it had not demonstrated sufficient operational readiness within the required implementation schedule. The remaining eight proposers advanced to negotiations addressing maximum rates, service requirements, environmental and operational commitments, customer protections, and contractual terms. Of those eight, seven proposers received and accepted the City's final counteroffers. Valley Vista did not receive a final counteroffer because its Best and Final pricing remained materially above LASAN's internal benchmarks. During the final administrative review, one of those proposers, CR&R, was determined non-responsive and removed from further award consideration. LASAN has determined that the six remaining recommended proposers possess the experience, operational capacity, financial capability, equipment, facilities, and other resources necessary to provide the required services. The recommended awards preserve the City's existing 11-zone franchise structure and continue to provide opportunities for both large and smaller service providers

As an alternative to implementing the proposed new agreements, LASAN also evaluated a five-year extension of the existing recycLA 1.0 agreements, under which Green Bin organics service would be added to the existing bundled Black Bin and Blue Bin container rate structure to address SB 1383 requirements, while the remaining recycLA 1.0 program terms would remain unchanged. The Removing Barriers to Recycling (RBR) Program did not eliminate the underlying access and distance charges; rather, the City funded a portion of eligible Blue Bin charges and the Recycling Service Providers (RSPs) absorbed a corresponding portion. In light of the City Council's January 2026 action terminating the RBR

program effective January 31, 2027 any extension term of the existing agreements would be without the City's contribution of up to approximately $25 million annually and the RSPs' corresponding contribution, potentially making affected customers responsible for the full applicable Blue Bin access and distance charges.

By contrast, recycLA 2.0 eliminates access and distance fees for Black Bin, Blue Bin, and Green Bin service. It also eliminates extra service charges for overweight and overfilled containers; establishes separately identified Black Bin, Blue Bin, and Green Bin maximum rate schedules; strengthens proof-of-service and container return requirements; expands customer protections; and establishes stronger organics, diversion, reporting, performance, and enforcement requirements. Accordingly, the proposed new agreements provide the General Fund savings associated with terminating RBR while preventing the underlying Blue Bin access and distance charges – previously offset through RBR – from reappearing as separate customer charges. Moreover, by requiring Green Bin organics service for applicable customers, with its own separately identified maximum rate schedule alongside Black Bin and Blue Bin service, recycLA 2.0 better positions the City with respect to requirements under SB 1383.

The recommended contract awards have also been evaluated in accordance with the California Environmental Quality Act (CEQA). The recycLA program was previously analyzed through a certified Program Environmental Impact Report and subsequent addenda addressing changes to the program and procurement framework. Most recently, CEQA Addendum No. 5 evaluates the proposed contract awards and associated implementation of the new agreements and supports the determination that the recommended actions remain within the scope of the environmental analysis previously completed for the recycLA program.

Based on account-level modeling comparing the proposed recycLA 2.0 maximum rates with the recycLA 1.0 five-year extension rates, approximately 61,272 accounts, or 95 percent of comparable accounts, are projected to receive lower monthly bills under recycLA 2.0, while approximately 3,283 accounts, or 5 percent, are projected to experience increases. Projected increases are primarily associated with required Green Bin organics service, adjustments to certain multifamily rate structures, or Blue Bin service levels exceeding applicable minimum recycling requirements. Projected decreases are primarily associated with elimination of access and distance charges and lower negotiated rates for certain service configurations. Actual customer impacts will vary based on service configuration, existing charges, organics compliance, and applicable waivers.

The proposed agreements have an estimated combined customer-paid value of more than $600 million annually, or approximately $5.1 billion over the initial service period through January 31, 2035, and do not create a City payment obligation for collection services. The City is expected to receive approximately $41.66 million annually through the recycLA Administration Fee to cover the cost of ongoing program administration and oversight. In addition, the Contractors will provide approximately $3.18 million in one-time implementation funding within 30 days after Contract Execution to support transition and implementation activities. Termination of RBR is also expected to eliminate up to approximately $25 million annually in General Fund-supported costs. Based on the competitive procurement, negotiated rates and requirements, customer-impact analysis, and enhanced contractual protections, LASAN recommends approval of the proposed new agreements.

The proposed recycLA 2.0 agreements allow compressed natural gas (CNG) or other approved low-emission collection vehicles, subject to applicable air-quality requirements, while several service providers continue operating, acquiring, and testing battery-electric collection vehicles. Full fleet electrification at launch would increase customer rates by at least 10 percent and require charging infrastructure and electrical capacity that are not yet sufficient for systemwide deployment. LASAN will work with RSPs to evaluate opportunities to expand zero-emission operations as infrastructure and utility capacity become available and will report to Council on progress.

BACKGROUND

City Authority and Program Framework

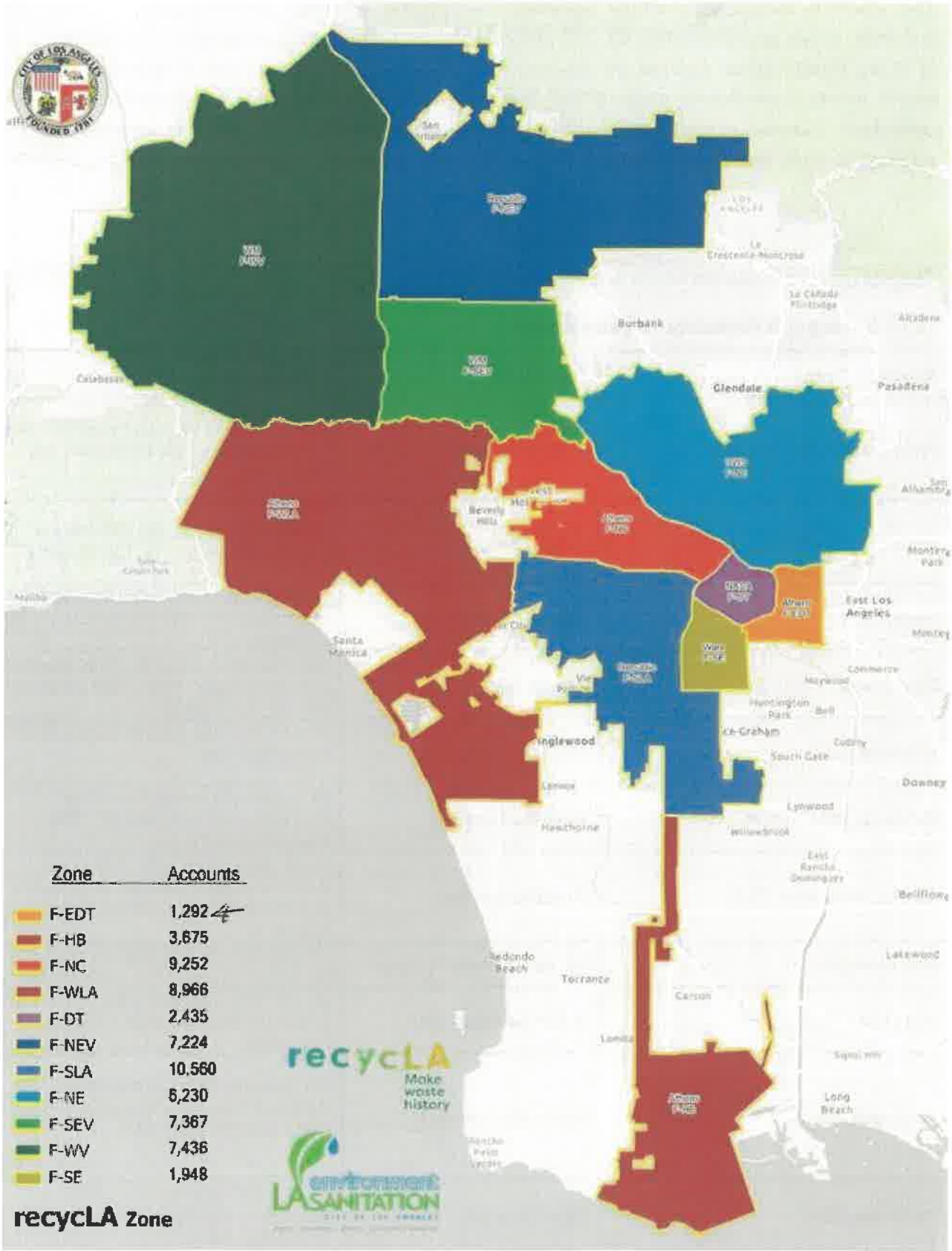
The City has both the authority and responsibility to manage solid waste collection and handling services within its jurisdiction. California Public Resources Code Sections 40050 et seq. provide that solid waste handling services are a matter of local concern. Pursuant to Public Resources Code Section 40059, the City may determine the appropriate means of providing these services, including contracting with, licensing, or permitting private service providers and establishing requirements governing collection frequency, collection and transportation methods, service levels, rates and fees, and the nature, location, and extent of solid waste handling services.

Consistent with this authority, in 2014, the City adopted Ordinance No. 182986 (Transmittal 2) establishing the Exclusive Commercial and Multifamily Solid Resources Franchise Hauling System, known as recycLA, to provide exclusive franchise collection and handling services to privately serviced commercial establishments and applicable multifamily properties.

The program name will remain recycLA. For purposes of this report, however, the terms "recycLA 1.0" and "recycLA 2.0" are used to distinguish between the existing franchise agreements establishing the current recycLA program that became effective in 2017, and the proposed new agreements, rate structure, and program requirements resulting from the new RFP and procurement process. These references are not intended to rename or rebrand the recycLA program.

Under the existing recycLA 1.0, the City is divided into 11 exclusive franchise service zones, with each zone assigned to one recycLA service provider (RSP) responsible for collection and handling services for customers in that zone . Base level service includes Black Bin (refuse) and Blue Bin (recycling) collection. Green Bin (organics) collection was originally available upon customer request. State law (SB1383) and City ordinance now require applicable customers to subscribe to organics collection service unless LASAN approves a waiver or exemption authorized by law. However, the recycLA 1.0 agreements still required customer approval before an RSP could begin Green Bin service, which created a contractual barrier to automatically initiating required organics service. Refer to Map 1 for the geographic area and number of accounts in each zone.

Map 1 - Franchise Zones' Geographical Area



Existing recycLA Program and Lessons Learned

The existing recycLA franchise agreements became effective on February 1, 2017, and currently serve approximately 65,000 commercial and multifamily accounts. The current term of those agreements expires on January 3 1, 2027. Within each of the 11 recycLA zones, a single recycLA service provider (RSP) holds the exclusive right and responsibility to provide collection, transfer, processing, and disposal services for solid resources to commercial and applicable multifamily customers for the term of the applicable franchise agreement.

The current RSP assignments are shown below:

Table 2 - recycLA Franchise Service Zones

Service Zone	Current RSP	Street / Freeway Boundaries
West Los Angeles (WLA)	Athens Services	(N) Mulholland Dr. | (E) Robertson Blvd. / City Boundary | (S) I-105 | (W) City Boundary
North Central (NC)	Athens Services	(N) Mulholland Dr. | (E) US-101 / I-110 | (S) Olympic Blvd. | (W) City Boundary
Harbor (HB)	Athens Services	(N) I-105 | (E) I-110 / City Boundary | (S) City Boundary | (W) Western Ave. / City Boundary
East Downtown (EDT)	Athens Services	(N) I-10 | (E) Indiana St. / City Boundary | (S) Washington Blvd. / City Boundary | (W) US-101 / SR-60
Downtown (DT)	NASA Services	(N) US-101 | (E) US-101 / SR-60 | (S) I-10 | (W) I-110
Northeast Valley (NEV)	Republic Services	(N) I-210 | (E) Lowell Ave. / City Boundary | (S) Vanowen St. / City Boundary | (W) I-405
South Los Angeles (SLA)	Republic Services	(N) Olympic Blvd. | (E) I-110 / City Boundary | (S) I-105 / City Boundary | (W) Van Ness Ave. / Vermont Ave. / City Boundary
Northeast (NE)	Universal Waste Systems	(N) SR-134 / City Boundary | (E) I-710 | (S) I-10 / City Boundary | (W) US-101
West Valley (WV)	Waste Management	(N) SR-118 / City Boundary | (E) I-210 / I-405 | (S) Mulholland Dr. | (W) City Boundary
Southeast Valley (SEV)	Waste Management	(N) Vanowen St. / City Boundary | (E) Clybourn Ave. / City Boundary | (S) Mulholland Dr. | (W) I-405
Southeast (SE)	Ware Disposal	(N) I-10 | (E) Alameda St. / City Boundary | (S) Slauson Ave. / City Boundary | (W) I-110

Athens currently operates in four service zones, Republic and WM each operate in two service zones, and NASA, UWS, and Ware each operates in one service zone. Although each RSP operates within an exclusive geographic area, all RSPs are subject to the requirements of the City's franchise agreements and LASAN oversight.

Since implementation, recycLA has expanded recycling services, improved collection and processing infrastructure, transitioned the collection fleet away from diesel-powered vehicles to cleaner-fuel technologies, improved working conditions, and increased City oversight of privately provided commercial and multifamily solid resources services.

Administration of the existing agreements has also provided the City with substantial operational experience and identified opportunities to improve and strengthen the program. Areas identified for improvement include inconsistent application of access and distance fees and other supplemental charges; inconsistent proof-of-service practices; delays in returning containers to their proper locations; incomplete or inaccurate reporting; and the need for stronger customer protection, diversion, service, accountability, and performance requirements.

These lessons, together with evolving State regulatory requirements and City policy objectives, informed development of the new franchise program, recycLA 2.0 and will strengthen the City's compliance with SB 1383.

Authorization of the recycLA 2.0 Request for Proposal (RFP)

On March 15, 2024, under Council File No. 23-1032, the City Council directed LASAN to develop a new competitive solicitation for the recycLA franchise system. Council direction, regulatory requirements, and lessons learned from administration of the existing program formed the basis for the service, environmental, operational, customer-protection, performance, and procurement requirements incorporated into the recycLA 2.0 Request for Proposals (RFP) (Transmittal 3).

On September 15, 2025, the Board of Public Works considered and adopted California Environmental Quality Act (CEQA) Addendum No. 3 to the previously certified Program Environmental Impact Report (PEIR), approved the recycLA 2.0 project, and authorized LASAN to distribute and advertise the RFP.

The Board further authorized LASAN to evaluate proposals in accordance with the published evaluation criteria, interview qualified proposers, negotiate proposed franchise agreements, and return to the Board with recommendations for contract awards and authority to execute the resulting agreements, subject to applicable Mayor and City Council approvals.

recycLA 2.0 Ordinance Amendments and CEQA Addendum No. 4

As the recycLA 2.0 procurement advanced, the City evaluated amendments to the Los Angeles Municipal Code and Los Angeles Administrative Code necessary to implement the updated franchise and administrative framework.

The amendments are significant and critical to advancing and strengthening recycLA. Together, the amendments:

- replace the existing negotiated franchise fee structure with a cost-based annual recycLA Administration Fee and a one-time Implementation Fee;
- establish the recycLA Administration Fee Special Fund;
- redesignate the three single franchise zones as small franchise zones and authorize those zones to be awarded together while prohibiting their combination with the remaining eight franchise zones; and
- clarify minimum service requirements for solid waste, commingled recyclable materials, source-separated recyclable materials, and source-separated organic waste.

On September 22, 2026, the City Council considered and approved CEQA Addendum No. 4 to the certified PEIR in connection with these ordinance amendments. Addendum No. 4 evaluated the proposed administrative, fiscal, procurement, and enforcement-related modifications and determined that they would not alter the established 11-zone franchise structure or zone boundaries; expand the customer base or customer density; materially change collection routes; increase truck trips or vehicle miles traveled; require fleet changes beyond existing regulatory requirements; or require new or expanded solid waste infrastructure.

Accordingly, Addendum No. 4 determined that the proposed modifications remained within the scope of the environmental analysis previously completed for the recycLA program and did not require preparation of a subsequent or supplemental environmental impact report.

Termination of the Removing Barriers to Recycling Program

The City Council approved the Removing Barriers to Recycling (RBR) Program in 2019 as part of a settlement agreement following disputes with the recycLA service providers (RSPs) regarding the application of access and distance charges to recycLA customers. Under RBR, eligible access and distance charges associated with Blue Bin recycling collection were not billed directly to customers. Instead, the foregone revenue was shared between the City and the RSPs, with the City funding a portion of the cost and the RSPs absorbing a corresponding portion. City payments were subject to an annually adjusted cap, with amounts exceeding the cap accruing for subsequent reconciliation.

RBR did not eliminate the underlying contractual authority for access and distance charges under the existing recycLA agreements. Rather, it established a temporary cost-sharing mechanism that prevented eligible Blue Bin access and distance charges from appearing directly on customer bills. RSP participation in the program was contingent upon the City continuing to fund its share, and the City retained the discretion to discontinue the program if continued funding was determined to be unsustainable.

On November 14, 2025, the City Administrative Officer (CAO) concluded that continued City funding of RBR was not financially sustainable (Transmittal 4). On January 21, 2026, the City Council adopted the CAO report and directed LASAN to terminate the RBR provisions effective January 31, 2027, concurrent with expiration of the existing recycLA franchise agreements. LASAN notified the RSPs of the termination on January 28, 2026.

Given the termination of the RBR Program, any further terms under the existing recycLA 1.0 agreements would mean there is no General Fund contribution and no obligation by the RSP to absorb their corresponding share of the applicable charges. Thus, if the existing contractual rate and fee structure were to continue without a replacement mechanism, affected customers could become responsible for the full applicable access and distance charges.

The CAO identified the following fiscal impacts associated with the RBR Program:

Table 3 - RBR Program Fiscal Impacts

CAO Fiscal Measure	Amount
Cumulative General Fund subsidy through the CAO report date	$19.37 million
First over-cap payment made in FY 2022-23	$28.75 million
General Fund appropriation supporting the first over-cap payment	$18.46 million
Estimated final over-cap obligation at agreement expiration	Approximately $58 million
Potential additional exposure if replacement agreements are delayed	Up to $2.49 million per month

The CAO further identified approximately 19,095 accounts, representing 28.9 percent of recycLA accounts, that could have been subject to reinstated Blue Bin access and distance charges if RBR terminated while the existing agreements and rate structure remained in effect. Average monthly charges were approximately $104 for accounts subject only to access fees, $633 for accounts subject only to distance fees, and $421 for accounts subject to both. These averages represent separate customer groups and are not additive.

recycLA 2.0 addresses the underlying issue through a structural change to the rate framework rather than continuation of the RBR subsidy. Under the new agreements, separate access and distance charges are eliminated, and the cost of servicing applicable site conditions is incorporated into the negotiated maximum rates. Because the recycLA 2.0 agreements are scheduled to become effective February 1, 2027, immediately following termination of RBR and expiration of the existing agreements, RSPs will not need to reinstate separate access and distance charges to customers.

This approach eliminates the need for up to approximately $25 million annually in General Fund-supported RBR costs while preventing both the City-funded portion and the RSP-absorbed portion of the former RBR charges from reappearing as separate access and distance fees on customer bills.

Senate Bill 1383 Compliance and Mandatory Organics Service

Senate Bill (SB) 1383 and its implementing regulations require jurisdictions to provide organic waste collection service to residents and businesses, except where an authorized waiver,

exemption, or other compliance alternative applies. The regulations require jurisdictions to provide this service automatically rather than relying on individual organic waste generators, i.e., customers, to affirmatively subscribe. Jurisdictions are also responsible for education and outreach, monitoring, enforcement, recordkeeping, and other activities necessary to demonstrate compliance.

The California Department of Resources Recycling and Recovery, or CalRecycle, is responsible for evaluating jurisdictional compliance with SB 1383, including organic waste collection, education and outreach, enforcement, recordkeeping, and reporting. If CalRecycle determines that a jurisdiction is not in compliance, it may initiate enforcement proceedings, require corrective action, and impose administrative civil penalties. Depending on the severity of the violation, penalties may range from $500 to $10,000 per day, with aggregate penalties for multiple violations not to exceed $10,000 per day.

In December 2025, CalRecycle initiated a compliance review of the City's implementation of SB 1383. As of September 2026, LASAN data indicate that approximately 42 percent of the privately serviced commercial and multifamily recycLA accounts receive organics collection service, leaving approximately 58 percent without this service required under SB 1383. RecycLA 1.0 does not provide the ability to mandate customer subscription to organics services. Continuing to rely on customers to voluntarily subscribe to organics service would therefore leave a substantial portion of the recycLA customer base without the collection service required under the State regulatory framework and expose the City to increased compliance and enforcement risk.

recycLA 2.0 addresses this issue [VC1] by incorporating Black Bin, Blue Bin, and Green Bin collection into the required service structure. RSPs will be required to provide organics collection service without requiring customers to affirmatively opt into the service, except where LASAN has approved an applicable waiver, exemption, or other alternative authorized by law. The proposed agreements also establish requirements for customer outreach and education, contamination monitoring, route reviews, reporting, and data management to document service delivery, support enforcement, and demonstrate the City's ongoing compliance with SB 1383.

Accordingly, universal Green Bin service under recycLA 2.0 represents a transition from an optional subscription-based approach to a service model designed to best position the City with respect to mandatory organics collection obligations under State law.

DISCUSSION

RFP PROCUREMENT AND EVALUATION PROCESS

RFP Procurement Framework

The September 2025 RFP for recycLA 2.0 retained the City's 11-zone exclusive franchise structure, including three small franchise zones intended to provide opportunities for smaller collection companies to participate in the procurement. Proposers were permitted to submit proposals for individual zones and for specified combinations of small or large zones. To limit concentration within the franchise system, the RFP also prohibited any single service provider from serving more than 49 percent of all recycLA customers.

These procurement provisions were designed to support competition, maintain operational redundancy among multiple service providers, and reduce the City's reliance on any single provider for commercial and multifamily solid waste collection services.

The RFP established an initial eight-year contract term, with the potential for a two-year extension based on demonstrated performance in achi[VC1] eving specified landfill reduction requirements. Proposers were also required to demonstrate that they possessed sufficient organizational, operational, technical, and financial capacity to perform the required services, including adequate personnel, collection vehicles, facilities, equipment, information systems, financial resources, and contingency capabilities necessary to support ongoing operations and an orderly transition to the new agreements.

RFP Development and Program Requirements

Consistent with City Council direction, the Board's authorization, applicable regulatory requirements, and lessons learned through administration of the existing recycLA program, LASAN developed the recycLA 2.0 RFP to strengthen customer protections, improve service accountability, increase diversion, support regulatory compliance, and enhance the City's ability to monitor and enforce contractor performance, including through the following:

- Elimination of separate access and distance fees for black, blue, and green [VC1] container service.
- Discontinuation of the Removing Barriers to Recycling (RBR) Program because the underlying access and distance charges addressed by the subsidy would be eliminated under recycLA 2.0.
- Mandatory Green Bin organics collection service, except where an authorized waiver, exemption, or other compliant alternative applies, to support the City's compliance with Senate Bill 1383.
- Elimination of the Recycling Not Provided requirement as a result of the establishment of minimum recycling service capacity requirements.
- Elimination of extra fees for overweight and overfilled containers.

- Return of containers placed in the public right-of-way to customer storage sites within two hours after collection.
- Stronger reporting and performance requirements for diversion, contamination reduction, customer education, customer billing dispute resolution and landfill reduction.
- Strengthened information technology and City-interface requirements to improve operational data collection, system integration, performance monitoring, and reporting.
- Enhanced sustainability requirements, including reduced reliance on landfill disposal and support for the City's climate and zero waste goals.
- Expanded edible food recovery and reuse requirements, including support for donation activities and partnerships with nonprofit organizations engaged in food recovery and material reuse.

Collectively, these requirements were intended to address operational and customer-service issues identified under the existing agreements while establishing a more standardized, accountable, and performance-based framework for recycLA 2.0.

Proposals Received

Nine firms submitted proposals in response to the recycLA 2.0 RFP for one or more franchise zones (listed in alphabetical order):

1. Athens Services (Athens)
2. CR&R Incorporated (CR&R)
3. GreenWaste Recovery (GreenWaste)
4. NASA Services (NASA)
5. Republic Services (Republic)
6. Universal Waste Systems (UWS)
7. Valley Vista Services (Valley Vista)
8. Ware Disposal (Ware)
9. Waste Management (WM)

Proposals Submitted by Franchise Zone

Proposers were permitted to submit proposals for one or more franchise zones in accordance with the RFP. The table below identifies the firms that submitted proposals for each zone.

Table 4 - Received Proposals

Zone	Proposers
West Los Angeles (WLA)	Athens; GreenWaste
North Central (NC)	Athens; GreenWaste; Valley Vista
Harbor (HB)	Athens; CR&R; Republic; UWS
East Downtown (EDT)	CR&R; NASA; Ware
Downtown (DT)	CR&R; NASA
Northeast Valley (NEV)	Athens; Republic; Valley Vista; WM
South Los Angeles (SLA)	Athens; GreenWaste; Republic; Valley Vista
Northeast (NE)	Athens; CR&R; UWS

Zone	Proposers
West Valley (WV)	Athens; WM
Southeast Valley (SEV)	Athens; Valley Vista; WM
Southeast (SE)	CR&R; NASA; Ware

Summary of Proposers

The following summaries provide an overview of the nine (9) firms that responded to the RFP and are based on information obtained from their proposals.

Athens Services (Athens). Athens is a family-owned business that has provided waste collection and recycling services in Southern California since 1957. Athens has many company-owned materials recovery facilities (MRFs) (Irwindale MRF, Sun Valley MRF, Crown Recycling Services, City of Industry MRF and American Organics) and company-operated facilities (Downey Area Recycling and Transfer (D.A.R.T) and Puente Hills MRF in partnership with LA County Sanitation District). Athens has many hauling and container yards within and around the Los Angeles area to support their day-to-day collection routes. Athens has hauling yards in Pacoima (LA North), Torrance (LA South), Montebello (Van Norman), Paramount, Irwindale and Thousand Oaks. Athens operates five container yards located in Montebello, Irwindale, Paramount, City of Industry and Thousand Oaks. Athens maintains a fleet of more than 1,000 collection vehicles that allows them to operate more than 100 routes within the City. Athens is an incumbent recycLA service provider in the West LA, North Central, East Downtown and Harbor zones and submitted proposals for multiple large zones.

CR&R Incorporated. CR&R is a local, family-owned corporation providing solid resources management services for over 60 years in Southern California and is also an operator of recycling and organics processing infrastructure. CR&R submitted proposals for the three small zones and the Harbor and Northeast Zones. CR&R is not an incumbent recycLA service provider, but has many years of waste hauling experience in the City; CR&R has served the City's residential program for more than 20 years under recycling and solid-waste transfer contracts, demonstrating substantial relevant experience and an established record of performance on City contracts.

GreenWaste Recovery. GreenWaste Recovery was founded in San Jose, CA in 1991 with more than 40 years of providing solid waste collection and processing services in Northern California. GreenWaste Recovery submitted proposals for the West Los Angeles, North Central, and South Los Angeles Zones. GreenWaste Recovery is not an incumbent recycLA service provider. Although its proposal was well organized, the company did not demonstrate existing local personnel, facilities, or collection vehicles and relied in part on a future merger or acquisition to establish the necessary Southern California capacity. GreenWaste Recovery was not advanced to negotiations.

NASA Services (NASA). NASA is a family-owned service provider serving the greater Los Angeles region for seventy years, prior to being awarded a recycLA contract in 2017, handling large geographic areas in West Los Angeles, Hollywood and the Valley. NASA is an incumbent recycLA service provider in the Downtown Zone and submitted proposals for their current zone, the East Downtown Zone, and Southeast LA Zone.

Republic Services (Republic). Republic is a national environmental-services company with extensive collection, transfer, recycling, organics, and disposal operations. Republic has over 60 years' experience providing solid resources collection services to Los Angeles businesses and residents. Republic has made infrastructure improvements to its facilities, including investing in its American Transfer Station to install an organic separation press for highly contaminated loads of food and mixed waste and upgrading its Anaheim Recycling Center processing lines. Republic purchased a 160-acre organics management facility that is under development called the San Bernardino Sustainability Park (SBSP) anticipated to be able to accept up to 1,800 tons of material per day. Republic is an incumbent recycLA service provider in the Northeast Valley and South Los Angeles Zones and submitted proposals for their current zones and the Harbor Zone.

Universal Waste Systems (UWS). Universal Waste Systems is a family owned waste hauling and processing business with over 40 years of experience. UWS offers an interconnected processing network convenient to Downtown Los Angeles. UWS is the incumbent provider in the Northeast Zone and submitted proposals for their current zone and the Harbor Zone.

Valley Vista Services. Valley Vista Services provides solid resources collection services to over 200,000 commercial, multifamily and residential customers in Orange and Los Angeles counties. Valley Vista is not an incumbent recycLA service provider. Valley Vista advanced to negotiations; however, the pricing in its Best and Final Offer remained materially above the level the City determined would provide acceptable value to customers, and it did not receive the City's final counteroffer.

Ware Disposal (Ware). Ware is a family-owned and operated waste management and recycling company serving Southern California since 1968. Ware has over 25 years of franchise experience and has served as the exclusive residential and/or commercial franchise hauler for the City of Los Angeles, Monterey Park, La Habra Heights, Lennox Garbage Disposal District and San Gabriel Valley West. Collectively, Ware provides service to over 32,000 single family and multifamily residences in these areas, and also services other locations through non-exclusive agreements. Ware is the incumbent provider in the Southeast Zone and submitted proposals for their current zone and the East Downtown Zone.

Waste Management (WM). Waste Management is a national environmental-services company with extensive collection, transfer, recycling, organics, and disposal operations. WM has served the City for over thirty years. WM has an established network of transfer stations, material-recovery facilities, organics processing sites, fleet yards, and administrative centers to support its current recycLA operations. Facilities include transfer and recyclables processing (Sun Valley Recycling Park and Azusa Transfer Station & MRF), disposal and renewable natural gas [TCV1] (RNG) (Simi Valley Landfill & Recycling Center, Antelope Valley Recycling & Disposal, Lancaster Landfill), and organics (SVRP for organics pre-processing via OREX system, South Valley Compost, and Rialto BioEnergy). WM's hauling yards are located within or immediately adjacent to their current recycLA zones. WM is the incumbent recycLA service provider in the West Valley and Southeast Valley Zones and submitted proposals for their current zones and the Northeast Valley Zone.

Proposal Evaluation and Negotiation Process

RFP Evaluation Framework

The City received nine proposals in response to the recycLA 2.0 RFP. Article 4 of the RFP provided that the City would select the proposer or proposers determined to be most qualified based on experience, competitive pricing, and demonstrated ability to successfully perform the required services. Section 4.2 of the RFP established the following evaluation criteria and final weights:

Table 5 - RFP Scoring Weights

Evaluation Criterion	Weight
Qualifications	10%
Customer Service, Outreach, and Education/Training	10%
Service Plan	10%
Diversion Plan	20%
Cost Proposal	40%
Payment Performance	10%

Separate from the six evaluation criteria, Section 7.18 of the RFP incorporated the City's Local Business Preference (LBP) Program under Los Angeles Administrative Code Section 10.25. Certified Local Business Enterprise proposers were eligible for a six-percent preference, with additional preferences for Local Small Business and Local Transitional Employer certifications, up to a maximum of ten percent. Certified City Business Enterprise proposers were eligible for a ten-percent preference, with applicable additional certifications increasing the preference to a maximum of twelve percent. Proposers without LBE or CBE certification could receive a subcontracting preference of up to five percent based on commitments to certified LBE, CBE, LSB, or LTE subcontractors. Any applicable preference was added to the proposer's evaluation score in accordance with the verified certifications and requirements described in Appendix 7.13 of the RFP.

These criteria and weights governed the final evaluation and were not changed by the sequencing of the evaluation and negotiation process.

The RFP also reserved the City's right to determine the number of proposers and Franchise Zones for which it would conduct negotiations, negotiate simultaneously with multiple proposers, request additional information or clarification, and discontinue negotiations when the City determined that an acceptable agreement could not be reached.

For purposes of administering the evaluation and negotiation process, LASAN organized its review into two sequential steps:

- **Step 1 – Initial Proposal Evaluation:** Initial review of the proposals, proposer interviews and clarifications, identification of proposal strengths and risks, and interim scoring of the non-cost criteria under the Step 1 framework, as detailed below. Cost proposals were reviewed, but numerical cost proposal points were deferred until negotiations and best and final rates were completed.

- **Step 2 – Proposal Negotiations and Final Evaluation:** Negotiation of service requirements and contractual terms, evaluation of best and final rates, confirmation of final commitments, and scoring under the complete 100-point framework established by the RFP.

Step 1 results informed advancement to negotiations and identified matters requiring clarification or negotiation; they did not establish a final award ranking or create an entitlement to a contract or Franchise Zone. Step 2 reflects the final evaluation based on the proposals as clarified and the final contract terms as agreed to through negotiations. Final award recommendations were then developed from the totality of the evaluation record and the need for an integrated, operationally feasible allocation across all 11 Franchise Zones.

Step 1 – Initial Proposal Evaluation

Step 1 was structured as an initial evaluation within the two-step process and was intended to identify the relative strengths, weaknesses, and risks presented by the proposals; identify matters requiring clarification; and inform advancement to negotiations. Step 1 did not establish a final award ranking or create an entitlement to a contract or Franchise Zone.

LASAN initially structured Step 1 around an interim 50-point framework, with each RFP category assigned one-half of its final point value. During its review, however, the Cost Evaluation Team determined that the initial Cost Proposals, considered collectively, did not provide a sufficiently comparable or reliable basis for numerical scoring. A substantial majority of the proposed rates materially exceeded LASAN's internal target levels, while the submissions also reflected different zone combinations, operating assumptions, and unresolved contractual terms. Because negotiations, revised pricing, and Best and Final Offers had not yet occurred, assigning comparative Cost Proposal points at that stage could have overstated the competitiveness or acceptability of the initial rates. LASAN therefore deferred numerical Cost Proposal scoring uniformly for all proposers until Step 2, when pricing could be evaluated following negotiations and under the final contractual requirements.

The Cost Evaluation Team nevertheless reviewed each initial cost proposal for completeness, rate structure, financial assumptions, reasonableness, potential risk, and matters requiring clarification or negotiation. This review informed the LASAN's negotiations with advancing proposers to improve pricing for recycLA customers.

Deferring Cost Proposal points did not eliminate or reduce the RFP's 40-percent Cost Proposal weighting. Instead, the full 40 points remained available during Step 2, after each advancing proposer had received the same opportunity to participate in negotiations and submit revised best and final pricing. The final Step 2 evaluation applied the complete 100-point framework and the category weights established in the RFP.

For Step 1, LASAN established five multidisciplinary Evaluation Teams corresponding to the RFP evaluation categories: (1) Qualifications and Payment Performance; (2) Customer Service, Outreach, and Education/Training; (3) Service Plan; (4) Diversion Plan and Innovative Ideas; and (5) Cost Proposal.

Each Evaluation Team consisted of three to four qualified City staff and was supported by a contractor staff facilitator responsible for facilitating the evaluation meetings and documenting consensus scores reached by City evaluators. Evaluation Team members received training regarding the evaluation process and confidentiality requirements before beginning their reviews.

Evaluation packets were developed for each team containing the portions of the proposals relevant to the team's assigned evaluation categories. The evaluation packets were structured so that each required proposal subsection identified in Appendix 1.1, Table A1 of the RFP was assigned for review by at least one Evaluation Team. Appendix 1.1 required proposers to provide detailed information regarding, among other matters, qualifications and past performance, customer service, technology, transition planning, collection operations, facilities, staffing, routing, diversion, financial qualifications, and cost.
The Evaluation Teams reviewed the relevant portions of all nine proposals and met to establish consensus scores for the scored Step 1 categories. The Cost Evaluation Team conducted its review without assigning numerical Cost Proposal points. During the evaluation meetings, the teams also identified proposer-specific matters requiring clarification.

Consistent with Section 4.3 of the RFP, which authorized the evaluation panel to request additional information or clarification and conduct oral presentations, LASAN interviewed all nine proposers during the week of February 16, 2026. Following the interviews, the Evaluation Teams reconvened to consider the responses provided and adjusted their evaluation scores where appropriate.

The recorded Step 1 category and total scores are reflected in the evaluation record:

Table 6 - Step 1 Proposer Evaluation Scores

Proposer	Qualifications	Customer Service	Service Plan	Diversion Plan	Cost Proposal	Payment Performance	Step 1 Total
Athens	3.80	4.63	4.56	6.08	Deferred	3.75	22.82
CR&R	3.40	1.07	3.00	2.75	Deferred	5.00	15.22
GreenWaste	3.45	2.28	4.98	4.38	Deferred	5.00	20.09
NASA	4.78	4.82	5.00	5.08	Deferred	4.38	24.06
Republic	4.20	3.19	3.75	3.00	Deferred	2.50	16.64
UWS	3.90	1.82	4.75	2.25	Deferred	2.50	15.22
Valley Vista	3.50	1.50	3.55	1.50	Deferred	5.00	15.05
Ware	4.28	1.25	4.53	1.69	Deferred	4.38	16.13
WM	4.40	3.57	4.69	8.08	Deferred	3.75	24.49

Advancement to Step 2

The Step 1 scores informed LASAN's determination regarding which proposers should advance to negotiations; however, the numerical score was not treated as an automatic entitlement to negotiations or contract award. Consistent with Article 4 of the RFP, LASAN used Step 2 negotiation meetings and answers to follow up questions to confirm Step 1 information and whether the information presented in the proposal and evaluation interview demonstrated the proposer's ability and readiness to successfully perform the required services within the City's implementation schedule.

Eight of the nine proposers advanced to Step 2.

Although GreenWaste demonstrated relevant industry experience through its Northern California operations, LASAN also evaluated whether it could begin reliable collection service in its proposed zones by February 1, 2027. To further assess its readiness, LASAN met with GreenWaste on May 28, 2026, and GreenWaste submitted supplemental information on June 1, 2026, addressing its proposed infrastructure, facilities, fleet, staffing, and implementation strategy.

GreenWaste proposed acquiring underutilized material recovery facilities (MRFs), transfer stations, and organics facilities with existing permits, expanding their capacity, and integrating them into the recycLA system. While LASAN considered this strategy and GreenWaste's prior acquisition experience, the plan remained dependent on the actual consummation of future acquisitions, facility improvements, permit modifications, and other approvals. GreenWaste offered to disclose its complete acquisition pipeline under a nondisclosure agreement, but only after receipt of a zone award. LASAN therefore could not verify during the evaluation process the proposed facilities, status of acquisition discussions, site control, available capacity, expansion timelines, or whether the facilities would be operational when needed.

After considering GreenWaste's proposal, the May 28 discussion, and the June 1 supplemental information, LASAN could not confirm that the necessary facilities, fleet, personnel, and operational systems would be ready by February 1, 2027. Because a delayed startup could result in significant customer service disruptions and require the City to arrange alternative service on short notice, LASAN determined that GreenWaste had not demonstrated sufficient operational readiness within the required implementation schedule and did not advance it to Step 2 negotiations.

Step 2 – Proposal Negotiations and Final Evaluation

LASAN entered into negotiations with the remaining eight proposers. Each proposer received the City's draft Master Agreement and was provided the opportunity to identify proposed revisions, comments, exceptions, and other matters requiring discussion. LASAN also requested revised pricing and complete rate schedules and advised proposers that pricing would remain a material consideration in the City's award determination.

From May through September 2026, LASAN conducted multiple negotiation sessions addressing contractual provisions, customer service requirements, operational requirements, performance standards, diversion and environmental requirements, financial provisions, implementation requirements, and proposed customer rates.

The negotiations provided proposers an opportunity to explain their proposed approaches and request modifications while allowing the City to determine which proposed revisions were consistent with the objectives of the recycLA 2.0 program. Following negotiations with multiple proposers, LASAN reconciled accepted revisions and clarifications into a uniform Draft Master Agreement establishing common program requirements and performance standards.

LASAN's objective throughout negotiations was to secure the most favorable rates for City ratepayers while establishing enforceable service requirements and confirming the proposers' ability to perform.

LASAN did not establish new evaluation categories or change the weighting identified in the RFP during Step 2. Instead, the final evaluation applied the same six RFP categories and weights while recognizing that certain differing elements of the initial proposals had been replaced by uniform negotiated commitments.

Treatment of Negotiated Evaluation Categories

For the categories of Customer Service, Outreach, and Education/Training; Service Plan; and Diversion Plan, the negotiation process resulted in uniform contract terms that superseded proposer-specific exceptions or differing contractual commitments. A proposer that accepted the final uniform contract terms without exception demonstrated its commitment to perform at the standard needed by the City. Having uniform terms is also in the City's best interest, allowing the City to more consistently and efficiently manage contracts across the various Franchise Zones. Because the final contractual obligation was therefore the same for each proposer accepting those terms, full available points were assigned in those categories during the final evaluation.

This approach recognized the distinction between evaluating differing initial proposals in Step 1 and evaluating the final contractual commitments resulting from negotiations in Step 2. It also avoided continuing to score a proposer based upon a proposed approach or exception that had subsequently been withdrawn or replaced by the final uniform contract terms.

For Qualifications, negotiations did not eliminate the underlying proposer-specific distinctions. Experience and organizational capacity remained characteristics of the individual proposer. Accordingly, those distinctions continued to be reflected in the final scores.

Payment Performance was also evaluated separately based on the information received regarding each proposer's payment performance, including available payment history and supporting documentation. Based on this review, LASAN determined that each proposer evaluated in Step 2 satisfied the Payment Performance criterion and awarded each proposer the full 10 points available.

Cost Proposal

Cost represented 40 percent of the final evaluation, consistent with the weighting established in the RFP. Because the initial proposed rates materially exceeded LASAN's internal cost analysis, the Cost Proposal points were deferred until Step 2, when proposers had an opportunity to clarify their assumptions and submit Best and Final rates.

During Step 2, LASAN informed proposers that their rates exceeded the City's benchmarks but did not disclose the benchmark values or prescribe target rates. Proposers instead submitted their best and final rates based on their own financial analyses, operating assumptions, and willingness to compete. Because proposers proposed different combinations of Franchise Zones, LASAN evaluated the rates associated with each

submitted zone or zone combination using consistent financial assumptions, and internal benchmarks.

Some proposers' submitted zones and zone combinations produced rates sufficiently close to the City's desired rate levels to support further negotiations, while others did not. Seven proposers submitted at least one such zone or zone combination, although their rates did not yet meet the City's objectives. LASAN used those combinations to develop proposed zone assignments and issued counteroffers with lower maximum rates. Each proposer accepted its counteroffer, confirming its commitment to the resulting rates, zone assignment(s), and financial terms.

Valley Vista's best and final rates remained significantly above the rate levels LASAN considered reasonable based on its internal cost analysis across all submitted zones and zone combinations. During its interview, Valley Vista confirmed that its rates were its best and final rates and indicated that it was unwilling to reduce them at that time. Other proposers submitted proposals for those same zones with more competitive rates that provided a basis for further negotiations. LASAN therefore did not advance Valley Vista to the final counteroffer stage.

Step 2 Scores

The final Step 2 evaluation scores for the eight proposers that participated in negotiations were:

Table 7 - Step 2 Proposer Evaluation Scores

Proposer	Qualifications	Customer Service	Service Plan	Diversion Plan	Cost Proposal	Payment Performance	Step 2 Total
Athens	7.60	10.00	10.00	20.00	40.00	10.00	97.60*
CR&R	6.80	10.00	10.00	20.00	40.00	10.00	96.80
NASA	9.55	10.00	10.00	20.00	40.00	10.00	99.55
Republic	8.40	10.00	10.00	20.00	40.00	10.00	98.40
UWS	7.80	10.00	10.00	20.00	40.00	10.00	97.80
Valley Vista	7.00	10.00	10.00	20.00	10.00	10.00	67.00
Ware	8.55	10.00	10.00	20.00	40.00	10.00	98.55
WM	8.80	10.00	10.00	20.00	40.00	10.00	98.80

* May receive an additional 8 points under the LBP Program

LASAN also reviewed the applicable Local Business Preference (LBP) Program certifications and subcontracting commitments in accordance with Section 7.18 and Appendix 7.13 of the RFP, and determined that only Athens qualified for LBP preference points, as the only LBE-certified proposer. As the overall Step 2 scores did not automatically entitle a proposer to a particular zone, the LBP Program did not affect the award recommendation.

The seven proposers that advanced to final counteroffers scored between 96.80 and 99.55. Because those proposers received the same final scores in five of the six evaluation categories, the differences in their Step 2 totals reflect their Qualifications scores. Valley Vista's total of 67.00 reflects the Cost Proposal determination described above.

These are proposer-level summary scores and do not constitute separate rankings for each Franchise Zone. In developing the final zone assignments, LASAN considered the Step 2 scores together with the underlying zone-combination evaluations, financially acceptable rate combinations, proposer preferences, implementation capability, operational readiness, and the need to establish a complete and workable allocation across all 11 zones. Accordingly, the highest overall Step 2 score did not automatically entitle a proposer to a particular zone.

GreenWaste is not included because it did not advance to Step 2. CR&R's subsequent removal based on the final administrative responsiveness review is addressed separately and does not alter the Step 2 evaluation results shown above.

Final Counteroffers and Award Consideration

Following completion of Step 2, LASAN considered the evaluation record as a whole, including the Step 1 findings, evaluation interviews and clarifications, Step 2 scores, best and final rates for proposed zone combinations, negotiated contractual commitments, implementation readiness, proposer preferences, and the need for a workable allocation across all 11 Franchise Zones. Based on this review, LASAN identified seven proposers for final counteroffers. Each had submitted at least one financially acceptable zone or combination and demonstrated the ability to satisfy the negotiated program requirements, subject to final administrative review.

For each of the seven advancing proposers, LASAN developed a proposed assignment using financially acceptable zone combinations and issued a final counteroffer identifying the proposed Franchise Zone assignment(s), uniform Master Agreement, applicable appendices, and maximum rates. Each proposer accepted its counteroffer in writing. These acceptances confirmed the proposers' commitments to the proposed assignments, rates, and contractual terms; resulting in no change to the Step 2 evaluation scores.

CR&R was subsequently determined non-responsive during the final administrative review and removed from further award consideration, as described below.

Final Administrative Responsiveness Review

Acceptance of a final counteroffer did not conclude the City's administrative review or waive mandatory RFP requirements. Before recommending the award, LASAN continued to verify that each proposer had submitted the required administrative documentation.

The RFP required satisfactory evidence that the proposer and any collection subcontractor complied with the Labor Peace Agreement requirement. Form 15 was the form identified in the RFP to document that compliance. During final review, LASAN determined that CR&R had not provided a completed Form 15 or other evidence LASAN determined satisfactory. LASAN notified CR&R of the deficiency and afforded it more than one week to provide the required documentation.

On October 1, 2026, CR&R informed the City by email that it could not provide Form 15. Because CR&R had not submitted satisfactory evidence demonstrating compliance with the Labor Peace Agreement requirement, LASAN determined that its proposal was

non-responsive and removed CR&R from further award consideration. This determination was independent of CR&R's Step 2 score and prior acceptance of the City's counteroffer.

East Downtown Reassignment

Because CR&R proposed for and was being considered for the East Downtown zone, its removal from the process required LASAN to review the remaining responsive proposers that had submitted proposals for that zone to find an alternative. NASA and Ware had both proposed on the zone and had been evaluated during Step 1. On October 6, 2026, LASAN contacted both proposers and requested meetings on October 7 to further assess their readiness and operational capability to assume a second Franchise Zone. During the meetings, LASAN asked each proposer additional questions regarding its available resources, implementation readiness, and ability to serve an additional zone. At the conclusion of the meetings, each proposer was asked to confirm its interest in writing by October 8.

On October 8, NASA respectfully declined consideration for a second zone assignment, while Ware confirmed that it remained interested and was prepared to assume the responsibilities of an additional zone. On October 12, LASAN provided Ware with its proposed assignments for East Downtown in addition to Southeast Los Angeles, for which it was originally being considered, together with the final uniform Master Agreement, applicable appendices, and maximum rates. Ware accepted the agreement terms and proposed zone assignments. Based on Ware's initial evaluation for East Downtown, its demonstrated readiness and operational capacity, and its acceptance of the City's final contractual and financial terms, LASAN recommends Ware for East Downtown in addition to Southeast Los Angeles.

Final Franchise Zone Allocation

LASAN developed the recommended assignments as a single, integrated eleven-zone system. The allocation considered the evaluation record, proposer preferences, final rates and contractual commitments, fleet and staffing resources, routing and facility plans, and transition readiness. The assignments collectively provide coverage across all eleven zones and comply with the applicable limitation on the share of accounts assigned to a single contractor. LASAN assessed each proposer's ability to provide uninterrupted service beginning February 1, 2027, applying the same readiness standard to incumbent and non-incumbent proposers.

Athens — West Los Angeles, North Central, and Harbor. Athens received the highest zone-specific evaluation results for West Los Angeles, North Central, and Harbor. Athens' final zone combination cost proposal for three zones, along with demonstrated available fleet, staffing, routing, facility, and operational resources, was the City's best option to support the combined three-zone assignment. LASAN therefore determined that the assignment was in the City's best interests as it represented the most financially acceptable, operationally feasible, and reliable allocation (Transmittal 5).

NASA — Downtown. NASA received the highest zone-specific evaluation result for Downtown and demonstrated the resources and readiness necessary to continue serving that zone. Following CR&R's removal from further award consideration, LASAN also evaluated NASA for East Downtown. NASA participated in the additional readiness

assessment but declined consideration for a second zone assignment on October 8, 2026 (Transmittal 6)

Republic — Northeast Valley and South Los Angeles. GreenWaste received the highest initial result for South Los Angeles but did not advance to Step 2 because it did not demonstrate sufficient implementation readiness, which could have exposed the City to significant risk of operational challenges in South Los Angeles. Valley Vista was not eligible for assignment because none of its best and final rate combinations were determined financially acceptable. Republic was the highest-ranked remaining proposer for South Los Angeles. LASAN also determined that Republic's final cost proposal commitments for two zones, along with demonstrated fleet, staffing, routing, facility, and management capacity supported the combined Northeast Valley and South Los Angeles assignment (Transmittal 7).

UWS — Northeast. UWS received the highest zone-specific evaluation result for Northeast and demonstrated the resources and implementation readiness necessary to meet the City's final service and performance requirements for that zone (Transmittal 8).

Ware — Southeast Los Angeles and East Downtown. Ware demonstrated the operating resources and transition readiness necessary to serve Southeast Los Angeles. Following CR&R's removal, LASAN conducted an additional assessment of NASA and Ware regarding their readiness and operational capability to assume a second zone. After NASA declined further consideration, Ware confirmed its continued interest and readiness. Ware accepted the City's final agreement terms, maximum rates, and proposed assignments for Southeast Los Angeles and East Downtown (Transmittal 9).

WM — West Valley and Southeast Valley. WM received the highest zone-specific evaluation results for both zones and demonstrated the fleet, staffing, routing, facility, and operational capacity necessary to perform the combined assignment. LASAN determined that the two-zone assignment was in the City's best interests as it represented the most financially acceptable, operationally feasible, and reliable allocation (Transmittal 10).

The recommended allocation retains established zone-specific operating capacity in ten zones and requires a provider transition only in East Downtown, where the current provider did not submit a proposal. This result was not based on an incumbent preference; it followed from the final proposals, objective readiness evidence, uniform contractual and rate commitments, and the integrated allocation of all eleven zones.

The recommended Franchise Zone assignments are summarized below:

Table 8 - Recommended Franchise Zone Assignments

Proposer	Recommended Franchise Zone(s)
Athens	West LA; North Central; Harbor
NASA	Downtown
Republic	Northeast Valley; South LA
UWS	Northeast
Ware	Southeast LA; East Downtown
WM	West Valley; Southeast Valley

Each of the six recommended proposers accepted the City's uniform Master Agreement, applicable appendices, maximum-rate framework, and proposed Franchise Zone assignments.

Accordingly, LASAN's award recommendations are based on the totality of the procurement record, including the initial proposals, Step 1 evaluation results, proposer interviews and clarifications, demonstrated implementation capability, Step 2 negotiations, best and final pricing, final evaluation results, proposed Franchise Zone assignments, and acceptance of the final negotiated contractual and financial terms.

PROPOSED RECYCLA 2.0 AGREEMENTS

The proposed recycLA 2.0 agreements convert the requirements established through the RFP and the commitments and terms accepted through contract negotiations into enforceable contractual obligations.

The proposed agreements establish the service, rate, environmental, customer protection, operational, reporting, and performance framework that would govern exclusive commercial and multifamily solid waste collection beginning February 1, 2027. Among other requirements, the agreements govern maximum customer rates and permissible supplemental charges; required Black Bin, Blue Bin, and Green Bin service; landfill reduction and diversion; collection performance; facilities and vehicles; billing and information systems; customer service; and contractual remedies for nonperformance.

Service Requirements and Customer Protections

The proposed agreements strengthen and standardize the service requirements applicable to recycLA customers. RSPs will be responsible for providing required Black Bin solid waste, Blue Bin recycling, and Green Bin organics collection service, subject to applicable waivers, exemptions, or other authorized alternatives.

The agreements incorporate several customer protections developed in response to experience under the existing program. These include elimination of access and distance charges for Black Bin, Blue Bin, and Green Bin service; elimination of overweight and overfilled container charges; stronger documentation requirements for permissible supplemental charges; and clearer requirements governing collection, missed-service response, customer notification, and dispute resolution. The proposed agreements also require containers placed in the public right-of-way for collection to be returned in accordance with specified contractual timeframes.

Service verification requirements are also strengthened. RSPs must maintain appropriate photographic, video, or other documentation necessary to substantiate service completion, service exceptions, and other events addressed by the agreements. These records will provide customers and LASAN with more objective information when reviewing missed collections, disputed charges, contamination, blocked access, and other service-related issues.

Missed Collection Customer Credits

The proposed agreements establish a new customer credit requirement when an eligible missed collection is attributable to the RSP and the service is not timely recovered. This provision provides customers with a direct financial remedy for scheduled collection service that was not ultimately provided and is separate from any liquidated damages the City may assess against the RSP for contract nonperformance.

A credit is required when the RSP fails to recover the missed collection before the customer's next regularly scheduled collection day, or when the RSP cannot provide documentation demonstrating that the original or recovery collection was completed. The credit is calculated as the prorated portion of the customer's recurring monthly charge for the affected container,

material stream, and collection frequency. Approved credits must be reflected within the next two billing cycles and separately identified as a "Missed Collection Service Credit."

This provision adds an additional level of customer protection by linking payment more directly to actual service delivery and ensuring that customers are compensated when scheduled service is not provided and not timely recovered.

Rates, Billing, and Supplemental Charges

The agreements establish the negotiated maximum customer rates resulting from the competitive procurement and contract negotiations. Maximum rates define the highest amount an RSP may charge for the applicable service; an RSP may charge less than the established maximum. The new framework establishes separate rate schedules for Black Bin, Blue Bin, and Green Bin service based on container size, number of containers, and collection frequency.

Following implementation of the negotiated rates, annual rate adjustments will range from zero to five percent. Any portion of a calculated adjustment exceeding five percent may be carried forward to a subsequent year, provided the total adjustment in any year does not exceed five percent.

The agreements also establish maximum charges and documentation requirements for permissible supplemental services. Access and distance charges are eliminated for all three commodities, and overweight and overfilled-container charges are eliminated. These changes are discussed in greater detail in the Customer Rate Framework and Impact Analysis section of this report.

Contract Performance and Oversight

The proposed agreements establish measurable performance standards intended to improve service reliability and contractor accountability. RSPs will be required to promptly address missed collections, document completion or attempted completion of service, comply with container-return requirements, and respond to customer complaints through defined response, escalation, and dispute-resolution procedures.

RSPs must also submit operational and performance information required by LASAN and maintain systems capable of interfacing with City reporting systems. LASAN will use reported information, customer-service data, audits, field verification, and other contract-monitoring tools to evaluate compliance.

Where performance deficiencies are identified, the agreements provide LASAN with contractual remedies that may include corrective action requirements, liquidated damages, and other remedies for nonperformance, inaccurate or incomplete reporting, and violations of applicable agreement requirements.

Environmental Performance and Landfill Reduction

The proposed agreements establish stronger and more measurable environmental performance requirements than the existing framework. RSP responsibilities include landfill

reduction, recycling and organics participation, contamination reduction, customer education, edible food recovery, and reuse activities. These requirements are intended to support the City's waste-reduction objectives and compliance with applicable State recycling and organics requirements.

The agreements continue programs supporting edible food recovery, reuse, recycling, and landfill reduction while establishing stronger reporting and performance requirements. RSPs will be required to document program activities and results so that LASAN can monitor performance throughout the agreement term.

Landfill-reduction requirements also establish measurable performance expectations rather than relying solely on program participation. These requirements are supported by reporting, monitoring, liquidated damages, and other contractual remedies and provide the City with a more direct mechanism for evaluating environmental performance.

Facilities, Collection Operations, and Continuity of Service

The proposed agreements establish requirements governing the processing, transfer, and disposal facilities used to manage materials collected through recycLA. RSPs are responsible for maintaining sufficient facilities, vehicles, equipment, personnel, and operational resources to perform required collection and handling services.

The agreements also establish requirements related to collection vehicles, health and safety, and applicable labor standards. RSPs must maintain contingency resources and emergency-response capabilities necessary to continue service during equipment failures, facility disruptions, emergencies, or other conditions that could affect normal collection operations.

These provisions are intended to ensure that exclusive franchise service is supported by sufficient operational capacity and that customers continue to receive collection service when unexpected disruptions occur.

Information Systems, Data, and Reporting

The proposed agreements strengthen information-system, data, and reporting requirements to improve LASAN's ability to administer and oversee the recycLA program. RSPs must maintain compatible information systems and provide required billing, customer, operational, service, and performance information to LASAN.

These requirements are intended to improve the completeness, accuracy, and timeliness of information available to the City for customer service, billing review, operational oversight, performance monitoring, contract enforcement, and regulatory reporting. Enhanced system interfaces will also provide LASAN with improved tools to verify service and identify recurring operational or customer-service issues.

Clean-Fuel and Zero-Emission Collection Vehicles

Consistent with Council direction and the City's air-quality, climate, and sustainability objectives, the RFP required proposers to evaluate available heavy-duty collection-vehicle

technologies and separately identify the cost of providing service using battery-electric Class 8 collection vehicles compared with compressed natural gas (CNG) or other approved clean-fuel vehicles. The evaluation was intended to determine whether full fleet electrification could be implemented reliably and cost-effectively when the new agreements commence.

Based on the negotiated proposals and final counteroffers, implementation of the battery-electric vehicle option at the beginning of the new agreements would increase customer rates by at least 10 percent. LASAN also identified operational and infrastructure constraints affecting immediate systemwide deployment, including production-vehicle availability, vehicle range under stop-and-go collection conditions, payload limitations, utility capacity, and the time necessary to design, permit, finance, and construct charging infrastructure and related facility improvements. At some locations, necessary infrastructure improvements may require several years to complete.

Five of the six recommended RSPs reported during the procurement and negotiation process that they had acquired, ordered, or begun testing battery-electric refuse collection vehicles. These deployments provide an opportunity to evaluate vehicle range, payload, charging requirements, maintenance, safety, reliability, and other operational considerations under actual collection conditions.

The amended Advanced Clean Fleets (ACF) regulations became effective September 10, 2026. CARB's Final Statement of Reasons, submitted to the Office of Administrative Law on July 29, 2026, distinguishes the dispatch of specific vehicles from general contractual requirements establishing service areas. Under recycLA, the City establishes franchise zones and service standards, while service providers assign, route, and dispatch individual collection vehicles. Based on this operating structure and CARB's published explanation, LASAN's position is that recycLA service-provider vehicles are not included in the City's fleet under the ACF State and Local Government Fleet requirements.[1] The proposed agreements require collection vehicles to comply with applicable CARB requirements. Applicable South Coast Air Quality Management District and other air-quality requirements remain in effect.

Based on current vehicle availability, infrastructure readiness, operational considerations, customer cost, and the applicable regulatory framework, LASAN recommends allowing CNG or other approved clean-fuel collection vehicles at commencement of the new agreements, subject to all applicable regulatory requirements, rather than requiring the full battery-electric vehicle option evaluated through the RFP. The agreements preserve the City's ability to incorporate battery-electric and other zero-emission vehicles as technology and supporting infrastructure become operationally reliable and economically feasible. LASAN will continue evaluating vehicle technology, infrastructure readiness, regulatory requirements, available funding, and RSP pilot results during the agreement term.

Additional Agreement Requirements

The proposed agreements also address transition obligations, subcontracting, small-business participation, emergency response, labor requirements, facility operations, and other administrative and contractual provisions necessary to implement and administer the

[1] California Air Resources Board, Final Statement of Reasons for Rulemaking, Proposed Amendments to the Advanced Clean Fleets and Low Carbon Fuel Standard Regulations, submitted to the Office of Administrative Law July 29, 2026, p. 258.

franchise system. Transition activities are discussed in the following Implementation and Transition section, while subcontracting commitments and Business Inclusion Program requirements are addressed separately later in this report.

recycLA 2.0 SB 1383 Implementation Commitments

recycLA will further augment LASAN's ability to fulsomely document the following SB 1383 milestones:

- **Enrollment baseline.** As of September 2026, approximately 58 percent of privately serviced commercial and multifamily accounts do not subscribe to organics collection. This figure serves as the baseline against which enrollment progress will be measured following recycLA 2.0 implementation.

- **Customer outreach.** LASAN and the recommended service providers will begin targeted organics enrollment outreach to non-subscribing accounts upon contract execution of recycLA 2.0 contracts, coordinated with the broader customer notification campaign described elsewhere in this report, and will continue through service commencement on February 1, 2027.

- **Service-activation deadline.** All covered accounts without an approved waiver or exemption will be required to have active green-container service in place no later than May 1, 2027.

- **Waiver and Alternative Compliance Review.** Customers meeting the de minimis or physical-space waiver must be recommended by their RSP through completion of a comprehensive waste assessment and subject to LASAN approval upon verification of documentation demonstrating compliance with the applicable SB 1383 waiver eligibility criteria.
    - LASAN may conduct a site inspection, review documentation, collect and generate records, and obtain additional information from the service provider necessary to evaluate the information presented in the RSPs customer waste assessments.
    - LASAN will issue a list of approved waivers to the RSPs, by zone, every 30 business days notifying RSPs of City waiver approval. Unless and until LASAN notifies the RSP of a waiver approval, the customer must maintain the required collection service.
    - LASAN will retain sole authority to approve, deny, modify, or rescind a waiver. Service providers may assist with inspections, waste assessments and documentation but may not grant a waiver. Approved waivers will be recorded in the City's SB 1383 Implementation Record and verified through updated waste assessments at least once every two years. Customers must notify LASAN of any material change affecting eligibility. LASAN may rescind a waiver if the customer no longer satisfies the applicable requirements.
    - Customers proposing to comply through self-hauling or back-hauling must register with LASAN and provide documentation demonstrating that organic waste is properly separated, transported, and delivered to an authorized facility that processes or recovers the material. Commercial self-haulers must maintain and, upon request, provide delivery receipts, weight tickets, quantities

transported, receiving-facility information, and other records required by State law. Approval of a self-haul arrangement does not constitute a waiver from SB 1383.

- **Inspection and route-review schedule.** RSPs will conduct organics-contamination and route-compliance reviews as outlined in the recycLA 2.0 contracts and in accordance with SB 1383 requirements, with results reported to LASAN.

- **Enforcement escalation.** Non-compliant accounts will initially receive a Notice of Violation and have up to 60 days to comply prior to enforcement penalties being issued, consistent with Section 66.07 of the Los Angeles Municipal Code, the City ordinance 187711, which implements SB 1383 and face fines of up to $250 per violation.

- **CalRecycle reporting.** LASAN will report organics enrollment and compliance data to CalRecycle on a monthly basis, consistent with State reporting requirements.

Staff Analysis and Award Recommendations by Zone

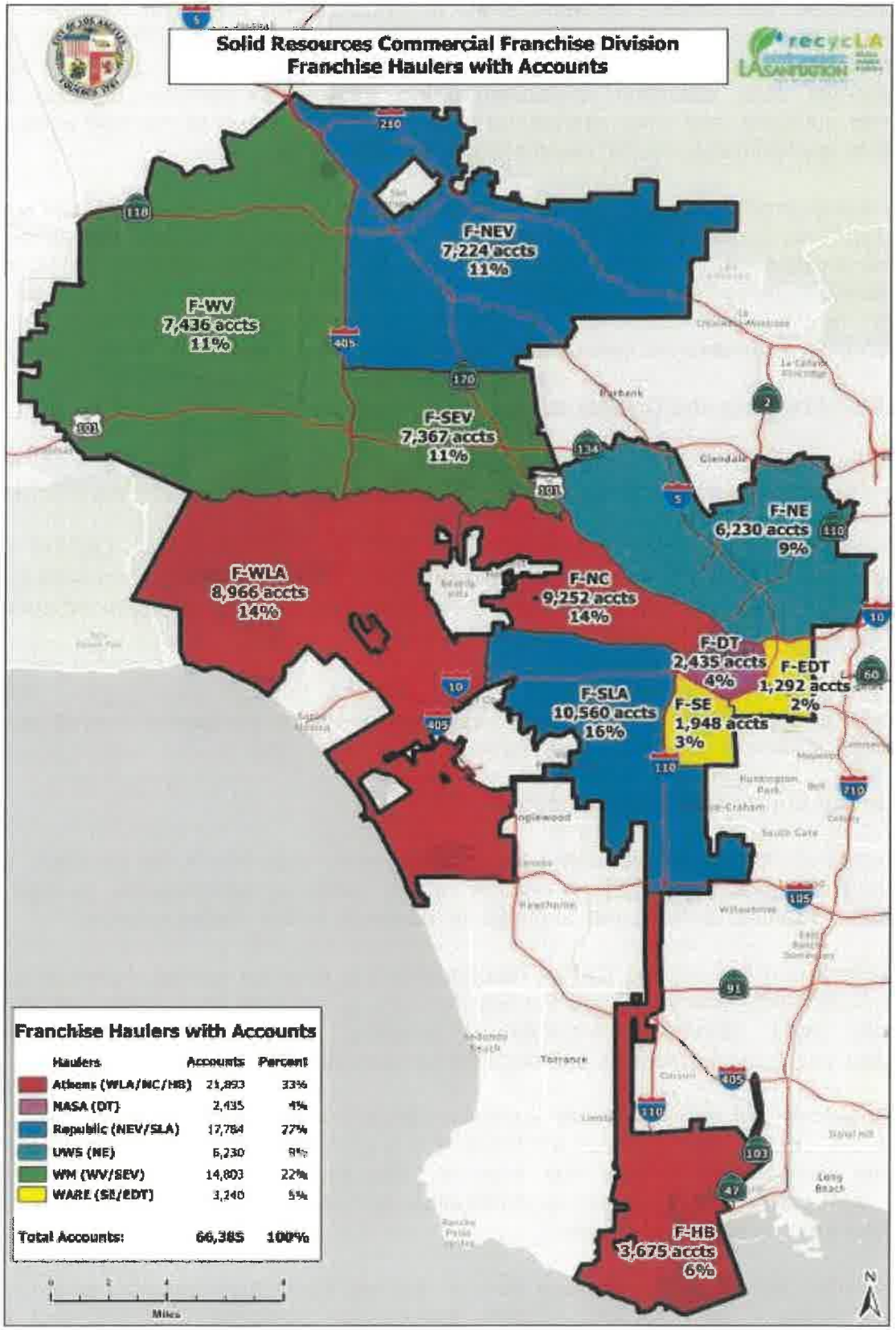
The six recommended proposers possess the qualifications, experience, operational capacity, and financial capability necessary to perform the required services and have accepted the City's final program requirements, maximum-rate structure, and contractual framework. Approval will allow LASAN and the recommended contractors to complete transition activities and begin recycLA 2.0 service on February 1, 2027.

Based on the competitive evaluation, proposer qualifications and operational capabilities, negotiated rate structures, and service and environmental commitments, LASAN recommends the following awards:

Table 9 - recycLA 2.0 Recommended Service Providers

Zone	Recommended Provider
West Los Angeles (WLA)	Athens Services
North Central (NC)	Athens Services
Harbor (HB)	Athens Services
Northeast Valley (NEV)	Republic Services
South Los Angeles (SLA)	Republic Services
Northeast (NE)	Universal Waste Systems
West Valley (WV)	Waste Management
Southeast Valley (SEV)	Waste Management
East Downtown (EDT)	Ware Disposal
Downtown (DT)	NASA Services
Southeast (SE)	Ware Disposal

Map 2 - Recommended Franchise Zone Awards



IMPLEMENTATION AND TRANSITION

The proposed new recycLA agreements are scheduled to commence on February 1, 2027, following completion of all required City approvals and contract execution. To support implementation, LASAN has developed a coordinated transition plan addressing customer and account data, collection operations, billing, information systems, organics service, customer outreach, and other operational requirements necessary to maintain uninterrupted service to approximately 65,000 commercial and multifamily accounts.

Under the recommended awards, 10 of the City's 11 franchise zones would continue to be served by their current RSP. East Downtown is the only zone in which a change in service provider is proposed. Notwithstanding this continuity, all recommended RSPs will be required to complete transition activities because the new agreements establish new rate structures, service requirements, organics obligations, information-system interfaces, reporting requirements, and customer service standards.

Transition Planning and Coordination

LASAN has established a coordinated transition-planning process with the recommended RSPs organized around the operational functions necessary for successful implementation.

To advance implementation planning before final contract execution, LASAN initiated voluntary coordination activities with the recommended RSPs. These activities were identified during contract negotiations as mutually beneficial to the City and the proposed contractors and are intended solely to address transition readiness.

LASAN will continue to coordinate transition activities through working-group meetings, milestone tracking, readiness reviews, and issue-resolution processes leading up to the February 1, 2027 start of service and beyond.

Service Continuity and Zone Transition

Maintaining uninterrupted collection service is a primary objective of the transition. LASAN will coordinate with each RSP to confirm routes, customer assignments, service levels, equipment, facilities, staffing, and contingency resources before implementation.

For zones where the existing RSP is recommended to continue service, transition activities will primarily involve conversion to the requirements of the new agreements, including new customer rates, service configurations, reporting requirements, information-system interfaces, customer protections, and organics-service obligations.

East Downtown will require a more extensive transition because Ware is recommended to replace the existing RSP. LASAN will implement a zone-specific transition plan addressing customer assignment, service and account information, route development, container coordination, billing cutover, customer notification, and other operational activities necessary to transfer service without interruption.

The transition approach incorporates lessons learned from implementation of the existing recycLA program. In particular, LASAN will provide complete customer and service information to the incoming RSP and validate account assignments before service

commencement to minimize customer-assignment gaps, billing errors, and collection disruptions.

Information Systems and Customer Account Data

The transition also requires coordination between RSP information systems and City systems used for customer service, reporting, contract management, and performance monitoring. Prior to implementation, LASAN and the RSPs will complete required system configuration, testing, data exchange, and service code and rate table mapping.

System readiness is particularly important because the new agreements establish enhanced data and reporting requirements intended to improve LASAN's ability to monitor service delivery, investigate customer issues, and enforce contract requirements.

Accurate customer information is essential to both service continuity and correct billing. Prior to implementation, LASAN and the RSPs will validate customer and account information, including service addresses, customer contacts, container quantities and sizes, collection frequencies, current service configurations, billing information, approved waivers, and applicable special service conditions.

Organics Service Transition

Expansion of Green Bin service through the recycLA program represents one of the most significant implementation activities necessary for the City to meet SB 1383 state mandated requirements. Customers that do not currently receive compliant organics collection and do not qualify for an authorized waiver, exemption, or other alternative will need to transition to Green Bin service consistent with SB 1383 law and the new agreement requirements.

LASAN and the RSPs will identify affected accounts, validate existing waivers, conduct customer outreach and waste assessments as appropriate, coordinate container delivery, and activate required service in accordance with the final organics implementation schedule. The transition will also include customer outreach and education regarding acceptable materials, contamination prevention, and proper use of the Green Bin. The transition framework similarly identifies organics enrollment, system coordination, and customer education as key implementation activities.

Green Bin service will be implemented without requiring customers to affirmatively opt into organics collection since green bin service is part of recycLA 2.0 three bin system of black, blue and green at each site (except where LASAN has approved an applicable waiver, exemption, or other authorized alternative). LASAN will monitor implementation progress and RSP reporting to identify remaining service gaps and support the City's continued compliance with SB 1383.

Customer Notification, Outreach, and Assistance

LASAN will coordinate with the RSPs to notify customers before implementation of the new agreements. Outreach will provide information regarding the February 1, 2027 effective date, the customer's RSP, applicable rates, service configuration, organics requirements, customer protections, elimination of access and distance charges, and available dispute and assistance procedures. The current transition framework anticipates direct mail, bill inserts,

email, website information, community and business outreach, and messaging associated with customer billing.

Customer materials will be provided in applicable threshold languages consistent with LASAN practices. LASAN will also use its account-level rate-impact analysis to support targeted outreach to customers projected to experience significant changes and to identify opportunities to right-size service before implementation.

Customers will continue to utilize the City's LASAN Customer Care Center at 1-800-773-2489 for all recycLA service needs including but not limited to requests for service, reporting operation and billing complaints, etc.

Implementation Monitoring and Post-Launch Oversight

Transition related oversight by LASAN staff will continue beyond the February 1, 2027 start of service. Following implementation, oversight will include, but not be limited to, monitoring collection performance, customer complaints, missed collections, container delivery and return, billing accuracy, organics service implementation, information system performance, and other indicators that may identify transition related issues. LASAN will work with the applicable RSP to promptly address identified deficiencies.

This coordinated transition and post implementation oversight framework is intended to maintain continuity of service while moving the City's commercial and multifamily customers to the revised rates, service standards, customer protections, environmental requirements, and performance framework established through the competitive procurement.

CALIFORNIA ENVIRONMENTAL QUALITY ACT

The recycLA Program has undergone environmental review pursuant to the California Environmental Quality Act (CEQA) since establishment of the Citywide Exclusive Franchise System. In 2014, the City Council certified the Program Environmental Impact Report for the City-Wide Exclusive Franchise System for Municipal Solid Waste Collection and Handling (2013 PEIR; SCH No. 2013021052), adopted the associated CEQA Findings of Fact, Statement of Overriding Considerations, and Mitigation Monitoring and Reporting Program (MMRP), and adopted Ordinance No. 182986 establishing the recycLA Exclusive Franchise System. The 2013 PEIR evaluated the environmental effects of transitioning from the open-market commercial waste collection system to an exclusive franchise system consisting of 11 geographic zones, with one exclusive recycLA Service Provider (RSP) responsible for collection and processing within each zone.

Since certification of the 2013 PEIR, the City has evaluated subsequent recycLA activities through a series of CEQA addenda. Addendum 1, completed in 2016 in connection with the original franchise contract awards, evaluated minor program changes related to manure recycling and container cleaning. Addendum 2, completed in 2018, evaluated the Facility Certification Program, including requirements applicable to certain new and existing solid resources facilities. Addendum 3, approved by the Board of Public Works in September 2025, evaluated the recycLA 2.0 Request for Proposals. Addendum 4, considered by the City Council in September 2026, evaluated conforming amendments to the Los Angeles Municipal Code and Los Angeles Administrative Code associated with recycLA 2.0, including modifications to the franchise fee structure, redesignation of the three single zones as Small zones, clarification of minimum service requirements, and establishment of the recycLA Administration Fee Special Fund.

Addendum 5 (Transmittal 1) addresses the complementary discretionary action of awarding the recycLA 2.0 franchise contracts and evaluates the operational requirements incorporated into the proposed agreements, including each RSP's Diversion Plan (Appendix A) and Facility Utilization Plan (Appendix B). The analysis was prepared pursuant to CEQA Guidelines Sections 15162, and 15164 to determine whether the proposed contract awards remain within the scope of the certified 2013 PEIR, as supplemented by Addenda 1 through 4, and whether any circumstances exist requiring subsequent or supplemental environmental review.

Addendum 5 finds that recycLA 2.0 retains the fundamental program structure evaluated in the 2013 PEIR, including 11 geographic zones, one exclusive RSP per zone, zone-restricted operations, and weekly collection. The operational changes incorporated into the agreements are primarily administrative and fiscal, service-quality and enforcement measures, regulatory-compliance requirements, or environmentally beneficial measures, and do not authorize or require construction or expansion of facilities or other physical changes beyond those previously analyzed.

The Addendum also evaluates the RSP Facility Utilization Plans and concludes that the contract awards rely on existing permitted facilities, do not authorize or require construction of new facilities or expansion of existing facilities, and are not expected to result in new significant environmental effects associated with anticipated hauling activities. The RSP Diversion Plans establish declining landfill disposal targets and increasing diversion through

2035, furthering the landfill-reduction objectives of the recycLA Program and applicable state diversion requirements.

Based on substantial evidence in the record, Addendum 5 concludes that none of the conditions identified in CEQA Guidelines Section 15162(a) requiring preparation of a subsequent or supplemental environmental document are present. Accordingly, the award of the recycLA 2.0 franchise contracts is within the scope of the program evaluated in the certified 2013 PEIR, and no new environmental document is required. The previously adopted MMRP, CEQA Findings of Fact, and Statement of Overriding Considerations remain applicable to the recycLA 2.0 contract awards.

CONTRACT TERMS

Terms of Agreement and Cost Ceiling

The proposed Agreements will commence on the Contract Execution Date as defined in Article 14 of each proposed Agreement, and continue through January 31, 2035, unless earlier terminated in accordance with the Agreements. Collection services under the new recycLA Agreements are scheduled to begin February 1, 2027.

If a Contractor achieves its contractual Calendar Year 2032 Landfill Reduction requirements, the Contractor may elect to extend its Agreement for an additional two years, through January 31, 2037. If the Contractor exercises the two-year extension, the City may thereafter, at its sole discretion, exercise up to two additional five-year renewal options, potentially extending the Agreement through January 31, 2047. If the Contractor does not achieve its Calendar Year 2032 Landfill Reduction requirements, the Agreement will expire on January 31, 2035, and no further extensions or renewals will be available.

The Agreements also provide the City with limited month-to-month extension authority, for up to six months, under the conditions specified in Article 14.

There are no City cost ceilings associated with the proposed franchise Agreements. Customer charges are instead governed by the negotiated maximum rates and other applicable rate provisions established in the Agreements.

Community Level Contracting

As part of the City's Community Level Contracting (CLC) initiative led by the Department of Public Works (DPW) as per the CLC Board Motion issued on May 19, 2021, LASAN seeks to help make City contracting more accessible and equitable by providing small contractors the opportunity to work directly with the City as Prime contractors on smaller, more manageable projects.

Three (3) of the eleven (11) Franchise Zones were designated as "small" in order to create opportunities for smaller collection companies to compete for Franchise contracts. The three small zones are Downtown, recommended for award to NASA; Southeast, recommended for award to Ware; and East Downtown, recommended for award to Ware. No single Contractor is awarded more than 49% of all customers

Subcontracting and Business Inclusion Program (BIP)

On January 12, 2011, the Mayor issued Executive Directive No. 14, which created the BIP. The Program provides Minority Business Enterprise (MBE), Women Business Enterprise (WBE), Small Business Enterprise (SBE), Emerging Business Enterprise (EBE), Disabled Veteran Business Enterprise (DVBE), and Other Business Enterprise (OBE) firms an equal opportunity to compete for, and participate in, City contracts.

On June 26, 2026, the Board of Public Works found Athens Services, CR&R Incorporated, GreenWaste Recovery, NASA Services, Republic Services, Universal Waste Systems, Valley Vista Services, Ware Disposal, and Waste Management to have substantially met the City's Business Inclusion Program requirements.

At the time of distribution of the RFP for these services, the City established anticipated participation levels for this contract of 2% MBE, 1% WBE, 0.75% SBE, 0.50% EBE and 3% DVBE.The following Contractors and their participation levels are as follow:

Athens Services has pledged participation levels of 5.78% MBE, 2.91% WBE, 0.24% SBE, 0.24% EBE, 0.00% DVBE, and 1.15% OBE.

NASA has pledged participation levels of 0.00% MBE, 0.03% WBE, 2.91% SBE, 2.91% EBE, 0.05% DVBE, and 1.10% OBE.

Republic Services has pledged participation levels of 3.25% MBE, 0.18% WBE, 0.32% SBE, 0.14% EBE, 0.00% DVBE, and 7.29% OBE.

Universal Waste Systems has pledged participation levels of 2.03% MBE, 0% WBE, 0% SBE, 0% EBE, 0.00% DVBE, and 0.09% OBE.

Ware Disposal has pledged participation levels of 0.02% MBE, 0.06% WBE, 0.09% SBE, 0.03% EBE, 0.01% DVBE, and 0.02% OBE.

Waste Management has pledged participation levels of 0.67% MBE, 0.21% WBE, 0.42% SBE, 0.42% EBE, 0.00% DVBE, and 1.06% OBE.

It should be noted that the subcontractor dollar amounts and participation percentages listed in the original Schedule A, submitted as part of the initial proposal, were based on preliminary scope estimates prior to final zone allocations. Following contract award, these amounts are subject to adjustment to reflect the actual operational requirements, customer account densities, and specific service needs of the assigned Franchise Zone(s). Any necessary adjustments to subcontractor commitments will be executed in strict accordance with the City's BIP guidelines and applicable contracting policies.

Gender/Ethnicity Codes:

AA = African American
SAA = Subcontinent Asian American
C = Caucasian
M = Male
HA = Hispanic American
APA = Asian Pacific American
NA = Native American
F = Female

The following explanation applies to all six hauler participation tables:
These are exclusive franchise agreements under which customers in the awarded zones pay the haulers directly; the City makes no payments. The amounts shown represent each hauler's estimated gross revenue from customer payments over the base contract term, based on maximum allowable rates and assumed service levels. Actual revenue will depend on customer accounts, rates charged, and service levels, which may vary from month to month. The subcontractor participation percentages shown in each table are calculated by

dividing the pledged subcontract amounts by the hauler's estimated gross revenue. The City does not guarantee this revenue.

Athens Pledge Participation Level

SUBCONTRACTOR	MBE/WBE/ SBE EBE/DVBE /OBE	GENDER/ ETHNICITY	% OF CONTRACT AMOUNT	SUBCONTRACT AMOUNT
J.I. Gandara Transport, Inc.	MBE	M-HA	5.51%	$100,535,492.00
Upward Solutions LLC	MBE,SBE, EBE	M/HA	0.24%	$4,325,216.00
Carl's Auto Electric	OBE	-	0.03%	$495,981.00
Sierra Transport LLC	WBE	F/C	2.53%	$46,080,000.00
Margaret Hernandez dba Platinum Rigs and Solutions, Inc.	WBE	F/HA	0.35%	$6,435,006.00
Poloma Public Affairs, Inc.	WBE	F/NA	0.03%	$480,000.00
Corporate Translations, Inc.	SBE, EBE	-	0.01%	$100,336.00
InfoSend, Inc.	OBE	-	0.45%	$8,258,131.00
FSP Designs	OBE	-	0.28%	$5,047,633.00
Soft-Pak	OBE		0.22%	$4,000,000.00
Datapage, Inc.	OBE		0.20%	$3,589,264.00
Trash Collective	OBE	-	0.01%	$92,800.00
Angel City Soils LLC	OBE	-	0.00%	$20,000.00
Ecology Transport	OBE	-	0.00%	$19,200.00
Total MBE Participation			5.78%	$104,860,708.00
Total WBE Participation			2.91%	$52,995,006.00
Total SBE Participation			0.24%	$4,425,552.00

Total EBE Participation	0.24%	$4,425,552.00
Total DVBE Participation	0.00%	$0.00
Total OBE Participation	1.15%	$21,523,009.00
Total MBE/WBE/SBE/EBE/DVBE/OBE Subcontractor Firm Participation	9.84%	$179,479,059.00
Base Estimated Contract Amount*		$1,823,333,346.37

*See "Basis for Estimated Revenue and Subcontractor Participation" at the beginning of this section.

NASA Pledge Participation Level

SUBCONTRACTOR	MBE/WBE/ SBE EBE/DVBE/ OBE	GENDER/ ETHNICITY	% OF CONTRACT AMOUNT	SUBCONTRACT AMOUNT
The V-Group	OBE	-	0.46%	$1,200,000.00
Scrapp	OBE	-	0.02%	$48,000.00
SMART Compliance	OBE	-	0.10%	$250,000.00
Bombora Media Agency	OBE	-	0.15%	$384,000.00
Adapt Advertising Specialty	WBE, LBE	F/C	0.03%	$75,000.00
S. Groner Associates*	OBE	-	0.00%	$5,000.00
Bubel Consulting, LLC	SBE, EBE,DVBE	-	0.02%	$50,000.00
Go2Zero Strategies, LLC	SBE, EBE	-	2.86%	$7,500,000.00
Amrep Manufacturing Company, LLC	OBE	-	0.38%	$1,000,000.00
GNNR, LLC	DVBE, EBE, SBE	-	0.03%	$80,000.00
Total MBE Participation			0.00%	$0.00
Total WBE Participation			0.03%	$ 75,000.00
Total SBE Participation			2.91%	$7,630,000.00
Total EBE Participation			2.91%	$7,630,000.00
Total DVBE Participation			0.05%	$130,000.00

Total OBE Participation	1.10%	$2,882,000.00
Total MBE/WBE/SBE/EBE/DVBE/OBE Subcontractor Firm Participation	4.04%	$10,592,000.00
Base Estimated Contract Amount*		$262,294,796.43

*See "Basis for Estimated Revenue and Subcontractor Participation" at the beginning of this section.

Republic Pledge Participation Level

SUBCONTRACTOR	MBE/WBE/ SBE EBE/DVBE/ OBE	GENDER/ ETHNICITY	% OF CONTRACT AMOUNT	SUBCONTRACT AMOUNT
Clean City Pros	MBE	M/HA	0.64%	$7,500,000.00
Ecology Auto Parts	OBE	-	5.09%	$60,000,000.00
Eco Partners	OBE	-	0.18%	$2,100,000.00
Finishing Studio	OBE	-	0.12%	$1,400,000.00
Fleet Genius	OBE	-	0.11%	$1,350,000.00
GIC Transport	OBE	-	1.78%	$21,000,000.00
Guy Brown LLC	MBE	M/APA	0.27%	$3,200,000.00
Mariposa Eco Consulting	WBE,SBE	F/C	0.18%	$2,100,000.00
Mayday Electric Co	MBE	M/HA	0.03%	$300,000.00
Vizcarra Trucking	MBE	M/HA	2.59%	$30,500,000.00
Zero Waste Pro	SBE	-	0.12%	$1,400,000.00
Bubel Consulting, LLC	SBE,EBE, DVBE	-	0.00%	$20,000.00
Go2Zero Strategies, LLC	SBE,EBE	-	0.02%	$250,000.00
On-Site Truck Wash	OBE	-	0.13%	$1,500,000.00
Total MBE Participation			3.25%	$38,300,000.00
Total WBE Participation			0.18%	$2,100,000.00
Total SBE Participation			0.32%	$3,770,000.00
Total EBE Participation			0.14%	$1,670,000.00
Total DVBE Participation			0.00%	$20,000.00
Total OBE Participation			7.29%	$87,350,000.00

Total MBE/WBE/SBE/EBE/DVBE/OBE Subcontractor Firm Participation	11.26%	$132,620,000.00
Base Estimated Contract Amount*		$1,177,644,900.52

*See "Basis for Estimated Revenue and Subcontractor Participation" at the beginning of this section.

UWS Pledge Participation Level

SUBCONTRACTOR	MBE/WBE/ SBE EBE/DVBE /OBE	GENDER/ ETHNICITY	% OF CONTRACT AMOUNT	SUBCONTRACT AMOUNT
CMAX Sanitary Services	MBE	M/NA	2.03%	$ 9,600,000.00
SMART Compliance, LLC	OBE	-	0.05%	$ 250,000.00
Finishing Studio	OBE	-	0.03%	$ 150,000.00
Taika Translations	OBE	-	0.01%	$ 49,000.00
Total MBE Participation			2.03%	$10,000,000.00
Total WBE Participation			0.00%	$0.00
Total SBE Participation			0.00%	$0.00
Total EBE Participation			0.00%	$0.00
Total DVBE Participation			0.00%	$0.00
Total OBE Participation			0.09%	$449,000.00
Total MBE/WBE/SBE/EBE/DVBE/OBE Subcontractor Firm Participation			2.12%	$10,049,000.00
Base Estimated Contract Amount*				$473,988,562.41

*See "Basis for Estimated Revenue and Subcontractor Participation" at the beginning of this section.

WARE Pledge Participation Level

SUBCONTRACTOR	MBE/WBE/ SBE EBE/DVBE /OBE	GENDER/ ETHNICITY	% OF CONTRACT AMOUNT	SUBCONTRACT AMOUNT
Urban Strategy Group	MBE,SBE	M/HA	0.01%	$25,000.00
Patten Energy Enterprises, Inc.	MBE, SBE,EBE	M/AA	0.01%	$25,000.00

Go2Zero Strategies, LLC	WBE, SBE	F/C	0.06%	$119,000.00
SMART Compliance, LLC	OBE	-	0.02%	$50,000.00
The Soyemi Group LLC	MBE, SBE, EBE	M/AA	0.00%	$5,000.00
Orchard Operations	MBE, SBE, EBE	M/AA	0.00%	$10,000.00
Bubel Consulting, LLC	SBE,EBE, DVBE	-	0.01%	$2,500.00
Total MBE Participation			0.02%	$50,000.00
Total WBE Participation			0.06%	$119,000.00
Total SBE Participation			0.09%	$209,000.00
Total EBE Participation			0.03%	$40,000.00
Total DVBE Participation			0.01%	$25,000.00
Total OBE Participation			0.02%	$50,000.00
Total MBE/WBE/SBE/EBE/DVBE/OBE Subcontractor Firm Participation			0.11%	$234,000.00
Base Estimated Contract Amount*				$212,627,297.99

*See "Basis for Estimated Revenue and Subcontractor Participation" at the beginning of this section.

Although Ware initially submitted a blank Schedule A with its proposal, the Board determined that the BIP requirements were adequately met because Ware completed the BIP Summary Sheet identifying chosen subcontractors before the submission deadline. Consequently, LASAN requested a revised Schedule A from Ware reflecting the subcontractors designated in the BIP Summary Sheet.

Waste Management Pledge Participation Level

SUBCONTRACTOR	MBE/WBE/ SBE EBE/DVBE /OBE	GENDER/ ETHNICITY	% OF CONTRACT AMOUNT	SUBCONTRACT AMOUNT
Bubel Consulting, LLC	SBE/EBE/DVBE	-	0.00%	$25,000.00
Dakota Communications, LLC	OBE	-	0.21%	$2,500,000.00
Environmental Innovations, Inc.	WBE, SBE, EBE	F/C	0.21%	$2,500,000.00

RE:CIRCLE Solutions, Inc.	OBE	-	0.00%	$1.00
Zero Waste Pro, LLC	SBE, EBE	-	0.21%	$2,500,000.00
R.R. Donnelley & Sons Company	OBE	-	0.09%	$1,100,000.00
JI Gandara Transport, Inc.	MBE	M/HA	0.67%	$8,000,000.00
Santiago Hernandez Trucking, Inc.	OBE	-	0.6%	$8,000,000.00
Wastequip Manufacturing Company, LLC	OBE	-	0.09%	$1,100,000.00
Total MBE Participation			0.67%	$8,000,000.00
Total WBE Participation			0.21%	$2,500,000.00
Total SBE Participation			0.42%	$5,025,000.00
Total EBE Participation			0.42%	$5,025,000.00
Total DVBE Participation			0.00%	$25,000.00
Total OBE Participation			1.06%	$12,700,001.00
Total MBE/WBE/SBE/EBE/DVBE/OBE Subcontractor Firm Participation			2.15%	$25,725,001.00
Base Estimated Contract Amount*				$1,198,706,000.00

*See "Basis for Estimated Revenue and Subcontractor Participation" at the beginning of this section.

Notification of Intent to Contract and Charter Section 1022

The required Notification of Intent (NOI) to contract was filed with the City Administrative Officer (CAO) Clearinghouse on September 18, 2024. This contract is exempt from the Charter Section 1022 requirements because City-initiated payments under the contract will total less than $25,000. An exemption from Charter Section 1022 was approved by the CAO on October 29, 2024.

Approved as to Form

The proposed contracts have been approved as to form by the Office of the City Attorney.

Other City Policies and Requirements

Athens, NASA, Republic, UWS, WARE, and Waste Management shall comply with City requirements, including:

- Non-Discrimination/Equal Employment Practices/Affirmative Action
- Living Wage and Worker Retention Ordinances
- Equal Benefits Ordinance
- Business Tax Registration Certificate
- Child Support Obligations Ordinance

- Insurance and Performance Bond Requirements
- Slavery Disclosure and Disclosure of Border Wall Contracting Ordinances
- Americans with Disabilities Act
- Municipal Lobbying Ordinance
- Los Angeles Residence Information
- City of Los Angeles Contract History
- Non-Collusion Affidavit
- First Source Hiring Ordinance
- Contractor Bidder Campaign Contribution and Fundraising Restrictions
- Iran Contracting Act of 2010
- City Contractors' Use of Criminal History for Consideration of Employment Applications Ordinance
- Contractor Data Reporting

Local Business Preference (LBP) Program

For this opportunity, LASAN determined that NASA, Republic, UWS, WARE, and Waste Management were not certified LBE nor CBE; therefore, the LBP Program did not affect the award and selection process.

Contractor Responsibility Ordinance

All contractors participating in this program are subject to the requirements of the City of Los Angeles Contractor Responsibility Ordinance No. 173677 (Article 14, Chapter 1, Division 10, L.A.A.C.). Failure to comply with the requirements of this ordinance will render the contractor's contract subject to termination pursuant to the conditions specified therein.

Contractor Performance Evaluation

Consistent with Article 13, Chapter 1, Division 10 of the Los Angeles Administrative Code, the City personnel responsible for quality control of this contract will submit Contractor Performance Evaluation Reports to the Bureau of Contract Administration upon completion of the contract.

Los Angeles Residence Information

- The headquarters of Athens Services is 14048 Valley Blvd., City of Industry, CA 91746. Athens Services employs 2,709 people, of whom 634 reside in the City of Los Angeles.
- The headquarters of Republic Services is 9200 Glenoaks Blvd., Sun Valley, CA 91352. Republic Services employs 929 people, of whom 173 reside in the City of Los Angeles.
- The headquarters of NASA Services is 1100 S. Maple Ave., Montebello, CA 90640. NASA Services employs 132 people, of whom 30 reside in the City of Los Angeles.
- The headquarters of Universal Waste Systems is 9016 Norwalk Blvd., Santa Fe Springs, CA 90670. Universal Waste Systems employs 637 people, of whom 120 reside in the City of Los Angeles.
- The main office of Waste Management is 9081 Tujunga Ave., Sun Valley, CA 91352. Waste Management employs 61,700 people, of whom 297 reside in the City of Los Angeles.
- The headquarters of Ware Disposal is 1035 E 4th St., Santa Ana, CA 92701. Ware Disposal employs 295 people, of whom 5 reside in the City of Los Angeles.

Contract Administration
Responsibility for the administration of this contract will be with the Solid Resources Commercial Franchise Division of LASAN.

STATUS OF FINANCING

There is no General Fund obligation for payment of collection services under the proposed franchise Agreements. Customers are billed directly by the Contractor for services provided under the Agreements, and customer payments are made directly to the Contractor. Accordingly, the proposed Agreements do not create a City payment obligation for commercial and multifamily collection services.

The estimated aggregate value of the proposed Agreements is more than $600 million annually. Based on the initial service period through January 31, 2035, the estimated aggregate contract value is approximately $5.1 billion. Actual revenues will depend on customer service levels, applicable maximum rates, supplemental services, customer participation, and future rate adjustments authorized under the Agreements.

If the applicable Calendar Year 2032 Landfill Reduction requirements are achieved, a Contractor may elect to extend its Agreement for an additional two years through January 31, 2037. If that extension is exercised, the City may thereafter, at its sole discretion, exercise up to two additional five-year renewal options in accordance with Article 14. Any additional contract value associated with those extensions would depend on the rates, customer service levels, and other applicable Agreement provisions in effect during the extension periods.

FINANCIAL IMPACT

The City is expected to receive approximately $41.66 million annually through the recycLA Administration Fee paid by the Contractors. The Administration Fee is intended to recover the City's ongoing costs of administering and overseeing the recycLA program, including staffing, equipment, and other program-related expenditures. Revenues from the Administration Fee will be deposited into the recycLA Administration Fee Special Fund and used to support eligible program administration and oversight costs.

In addition, LASAN estimates approximately $3.18 million in one-time implementation and transition costs associated with the new agreements. This amount will be paid by the Contractors within 30 days following Contract Execution and will be used to support City costs associated with implementation, including transition planning, customer and account-data preparation, and other implementation-related activities.

Termination of the Removing Barriers to Recycling (RBR) Program will also eliminate the General Fund subsidy currently used to offset eligible Blue Bin access and distance charges. Because the new agreements eliminate separate access and distance charges, continuation of the RBR subsidy will no longer be necessary. This change is expected to result in General Fund savings of up to approximately $25 million annually.

Future Action

Upon Approval by the Board, the Report will go to the Mayor for their approval. The Mayor may commission an independent analysis by the City Administrative Officer. Upon their approval, the Mayor will refer the Reports to the City Council for its consideration and approval. Upon approval by the City Council, the President of the Board or two members will execute the agreements.

Respectfully submitted,

JOONE KIM-LOPEZ
Director and General Manager
Bureau of Sanitation

COMPLIANCE REVIEW PERFORMED AND APPROVED BY:

Lynda McGlinchey (Nov 5, 2026 18:59:55 PST)

LYNDA McGLINCHEY,
Program Manager II
Office of Contract Compliance
Bureau of Contract Administration

JOHN L. REAMER, JR.
Inspector of Public Works
Bureau of Contract Administration

REVIEWED AND APPROVED BY:

SARAI BHAGA, Chief Financial Officer
LA Sanitation and Environment

Date _____

Prepared by:
Alexander E. Helou, LASAN
Paul S. Cobian, LASAN SRCFD

APPENDIX 1

ALTERNATIVE OPTIONS CONSIDERED

Although LASAN completed the competitive recycLA 2.0 procurement in accordance with City Council direction and the Board's authorization, it was not without extensive analysis and consideration of the alternative option, i.e., extending the existing agreements at their January 31, 2027 expiration.

The two possible paths differ substantially in their rate structures, treatment of access and distance charges, organics service requirements, customer protections, performance standards, and allocation of financial risk. The following discussion summarizes each alternative. Detailed customer rate impacts associated with the alternatives are presented separately in the Customer Rate Framework and Impact Analysis section of this report.

Alternative – Five-Year Renewal of Existing recycLA Agreements

Under this alternative, the City would exercise its contractual authority to renew the existing recycLA agreements for an additional five years rather than award new agreements resulting from the recycLA 2.0 procurement. The existing contractual structure would generally remain in place, subject to amendments necessary to address regulatory requirements, rates, and other negotiated extension terms.

Base service rates and applicable extra-service rates would increase by five percent effective January 1, 2027. Subsequent annual adjustments would also be subject to a five-percent annual cap; however, CPI-based adjustments exceeding the annual cap could be banked and potentially applied in future years, subject to the terms of the extension agreements.

The existing Black Bin and Blue Bin bundled-rate structure would remain substantially unchanged, while Green Bin organics service would continue to be priced separately. Customers not currently receiving compliant organics service would be required to add Green Bin service unless an applicable waiver, exemption, or other authorized alternative applies.

The five-year extension would also retain the existing contractual structure for access and distance charges. As described in the City Administrative Officer's November 14, 2025 report under Council File Nos. 23-1032 and 09-0170, upon termination of the Removing Barriers to Recycling (RBR) Program on January 31, 2027, the City-funded and service-provider-funded offsets for eligible Blue Bin access and distance charges would end. Accordingly, affected customers could become responsible for those charges under the extended agreements. Existing Black Bin and Green Bin access and distance charges would also remain applicable.

For estimation purposes, the following rates apply a 5-percent increase to the 2026 rates, consistent with historical annual increases.

Table A1 - Estimated January 2027 Rates - Monthly Black + Blue Bundled Rates

Frequency	96 Gal	1 Yd	1.5 Yd	2 Yd	3 Yd	4 Yd	6 Yd	8 Yd
1/week	$150.77	$307.11	$320.20	$333.28	$359.46	$385.64	$438.01	$490.36
2/week	$263.22	$569.37	$595.56	$621.74	$674.10	$726.44	$831.17	$935.89
3/week	$375.70	$831.67	$870.93	$910.20	$988.74	$1,067.28	$1,224.35	$1,381.42

Frequency	96 Gal	1 Yd	1.5 Yd	2 Yd	3 Yd	4 Yd	6 Yd	8 Yd
4/week	$488.17	$1,093.95	$1,146.32	$1,198.68	$1,303.39	$1,408.09	$1,617.53	$1,826.97
5/week	$600.64	$1,356.24	$1,421.70	$1,487.15	$1,618.03	$1,748.92	$2,010.71	$2,272.50
6/week	$713.11	$1,618.52	$1,697.06	$1,775.59	$1,932.68	$2,089.76	$2,403.90	$2,718.05

Table A2 - Estimated January 2027 Rates - Monthly Green/Organics Rates

Frequency	32 Gal	64 Gal	96 Gal	1 Yd	1.5 Yd	2 Yd	3 Yd
1/week	$114.03	$128.53	$150.77	$307.11	$320.20	$333.28	$359.46
2/week	$185.47	$219.87	$263.22	$569.37	$595.56	$621.74	$674.10
3/week	$256.90	$311.21	$375.70	$831.67	$870.93	$910.20	$988.74
4/week	$328.35	$402.55	$488.17	$1,093.95	$1,146.32	$1,198.68	$1,303.39
5/week	$399.78	$493.89	$600.64	$1,356.24	$1,421.70	$1,487.15	$1,618.03
6/week	$471.22	$585.23	$713.11	$1,618.52	$1,697.06	$1,775.59	$1,932.68

Table A3 - Selected Supplemental Charges

Category	Condition	Estimated 2027 Charge
Access	Enter secured building/unlock gate	$16.58 per collection event
Distance	100-200 feet	$41.46 per container/collection
Distance	Over 200 feet	$58.05 per container/collection
Blocked access	Return or delay	$82.92
Overfill	Per occurrence	$41.46
Overweight	Per occurrence	$166.58
Contamination	Per occurrence	$82.92
Bulky item	Commercial establishment, per item	$49.75
Late payment	More than 30 days overdue	$8.28 or 1.5% of debt/month, whichever is greater

Because the five-year extension would continue the principal framework of the existing agreements, many of the customer-service, performance, reporting, and enforcement provisions developed under recycLA 1.0 would also remain in place unless specifically modified through the extension negotiations. A notable impact of extending recycLA 1.0 is that the City would remain at 42 percent compliance with SB 1383 for its commercial and multi-family customers.

The Current Proposal – Implementation of recycLA 2.0 Agreements

Under this option, the City would implement the new agreements resulting from the competitive recycLA 2.0 RFP, evaluation, and negotiation process.

The proposed agreements establish negotiated maximum rates effective February 1, 2027, eliminate separate access and distance charges for Black Bin, Blue Bin, and Green Bin service, incorporate organics collection into the required service framework, and strengthen customer protection, service verification, reporting, and performance requirements.

The proposed agreements also establish a revised commodity-based rate structure for Black Bin, Blue Bin, and Green Bin service. Subsequent annual rate adjustments would be limited to a range of zero to five percent. Any calculated percentage outside that range would be

carried forward and included in future rate adjustments, provided that each future annual adjustment remains within the same range.

Because separate access and distance charges would be eliminated, termination of the RBR Program would not result in those charges reappearing as separate customer fees under recycLA 2.0. The cost of providing service under applicable site conditions is instead incorporated into the negotiated maximum-rate structure.

The recycLA 2.0 agreements also establish enhanced requirements for landfill reduction, organics participation, contamination reduction, customer education, operational data, information systems, proof of service, customer dispute resolution, liquidated damages, and other contractual remedies. These requirements are discussed in greater detail in the Proposed recycLA 2.0 Agreements section of this report.

Comparison of the Alternatives

The principal differences between the above two alternatives are summarized below:

Table A4 - Summary of Differences Between Alternatives

Feature	recycLA 1.0 Five-Year Renewal	recycLA 2.0
Contract Basis	Renewal of existing agreements as-is at City's sole discretion	New agreements resulting from competitive RFP and negotiations
Rate Structure	Black and blue bundled; green priced separately	Black, blue, and green priced under negotiated commodity rate tables
Rate Adjustments	Five-percent increase effective January 2027. Subsequent annual adjustments capped at five percent; CPI amounts exceeding the annual cap may be banked and carried forward for possible application in later years, subject to the extension terms.	Negotiated maximum rates effective February 1, 2027. Subsequent annual rate adjustments limited to zero to five percent. Amounts calculated outside that range will be carried forward, but no annual adjustment may be less than zero or greater than five percent.
Access and Distance Charges	Customers will be responsible for separate access and distance charges for black, blue, and green	Separate access and distance charges eliminated for black, blue, and green
Organics	Additional green service required where needed for compliance at higher legacy rates.	Required green container organics service at rates lower than recycLA 1.0 renewal, unless customer qualifies for waiver.
Effect of RBR Termination	Ends the City subsidy and the associated service-provider contribution, potentially exposing affected customers to the full applicable access and distance charges	Ends the City subsidy but eliminates separate access and distance fees, preventing those costs from appearing as separate customer charges
Customer Protections	Existing customer-service, billing, dispute-resolution, service-verification, and performance provisions	Clearer charge documentation and proof-of-service standards; strengthened dispute-resolution, data-retention, and performance requirements; and direct customer credits for eligible missed collections

Feature	recycLA 1.0 Five-Year Renewal	recycLA 2.0
Environmental and Performance Requirements	Existing diversion and sustainability requirements remain in effect, but no additional diversion target years are established for the renewal term	Measurable annual landfill-reduction targets; enhanced reporting and verification; and a potential two-year extension conditioned on achieving the calendar year 2032 landfill-reduction target

The five-year renewal would provide continuity through the existing contractual framework but would retain the rate and service structures developed under recycLA 1.0. Implementation of recycLA 2.0 would instead transition the City to the contractual, rate, customer-protection, and performance framework developed through the competitive procurement and negotiations.

The financial effect of either alternative will vary by customer based on service configuration, container size and frequency, existing supplemental charges, organics-service status, site conditions, and applicable waivers. The following section provides the City's account type-level analysis of the expected customer-rate impacts under each alternative.

CUSTOMER RATE FRAMEWORK AND IMPACT ANALYSIS

The recycLA 2.0 procurement resulted in negotiated maximum customer rates that would become effective February 1, 2027. These rates represent the maximum amounts an RSP may charge for the applicable service; an RSP may charge less than the established maximum but may not exceed it.

Unlike the existing recycLA rate structure, which bundles Black Bin and Blue Bin service and prices Green Bin service separately, recycLA 2.0 establishes separate rate schedules for Black Bin, Blue Bin, and Green Bin service. The revised structure is intended to more closely align customer charges with the type, quantity, and frequency of service provided while maintaining minimum and mandatory recycling and organics service requirements.

Proposed Maximum Rate Framework

The principal elements of the recycLA 2.0 rate framework that differ from 1.0 include:

- Negotiated maximum rates effective February 1, 2027 based on the new recycLA 2.0 program changes.
- Separate rate schedules for Black Bin, Blue Bin, and Green Bin service with minimum black, blue and green bin service at every recycLA customer site.
- Continued minimum Black and Blue Bin service requirements.
- Required Green Bin service consistent with SB 1383, except where an authorized waiver, exemption, or other compliant alternative applies.
- Elimination of access and distance charges.
- Elimination of overweight and overfilled container charges.
- Annual rate adjustments capped at five percent.

Detailed maximum rate schedules are included in the applicable agreement appendices and transmitted supporting documents.

Customer Rate Impact Methodology

LASAN evaluated projected customer impacts by comparing modeled monthly charges under a five-year extension of the existing recycLA agreements with modeled charges under the negotiated recycLA 2.0 rate structure.

Individual customer impacts vary based on existing service levels and account characteristics, including container sizes, collection frequencies, existing supplemental charges, organics service, recycling capacity, site conditions, and applicable waivers.

The recycLA 1.0 five-year extension scenario assumes continuation of the existing rate structure, including the January 2027 five-percent rate adjustment, termination of the RBR Program, continuation of applicable access and distance charges, and the addition of Green Bin service where required for regulatory compliance. The recycLA 2.0 scenario applies the negotiated maximum rates and service requirements proposed to take effect February 1, 2027.

Citywide Customer Rate Impacts

Account-level modeling of 64,555 accounts indicates that recycLA 2.0 is projected to reduce total monthly billing by approximately $24.9 million, or 33 percent, compared with the estimated cost of renewing recycLA 1.0. Approximately 61,272 accounts, or 94.9 percent, are projected to experience lower monthly bills. Projected increases for some customers are primarily attributable to required Green Bin service, changes affecting certain multifamily service configurations, or recycling service levels above the applicable minimum.

The following tables summarize the customer rate-impact analysis:

Table A5A - Modeled Monthly Billing Comparison

Customer Type	Accounts Modeled	recycLA 1.0 Renewal	recycLA 2.0	Modeled Monthly Change
Commercial	36,198	$39,461,949	$29,293,330	−$10,168,619 (−26%)
Multifamily	28,357	$36,758,769	$22,053,835	−$14,704,934 (−40%)
Total	**64,555**	**$76,220,718**	**$51,347,165**	**−$24,873,553 (−33%)**

Table A5B – Projected Account-Level Monthly Bill Changes: recycLA 1.0 renewal vs. recycLA 2.0

Measure	Commercial	Multifamily	Total
Accounts with lower monthly bills	33,425 (92.3%)	27,847 (98.2%)	**61,272 (94.9%)**
Accounts with monthly bill increases of less than $10	515 (1.4%)	68 (0.2%)	**583 (0.9%)**
Accounts with monthly bill increases greater than $10	2,258 (6.2%)	442 (1.6%)	**2,700 (4.2%)**
Median monthly change per account	−$75 (−14.4%)	−$250 (−30.0%)	**−$140 (−19.5%)**
Average monthly change per account	−$280.90 (−25.8%)	−$518.60 (−40.0%)	**−$385.30 (−32.6%)**

Primary Drivers of Potential Customer Increases

Projected increases are primarily associated with changes in service requirements or service configurations rather than a uniform increase applied to all recycLA customers.

Required Green Bin Organics Service. Customers who do not currently subscribe to organics collection and do not qualify for a waiver will require green-container service to comply with Senate Bill 1383 and other applicable organics recycling requirements. While the addition of this service will increase the total number of services on a customer's bill, Green container rates under recycLA 2.0 are generally lower than comparable legacy rates, which may partially offset the net bill impact for customers newly subject to this requirement. Customers who qualify for a waiver under SB 1383 requirements would not be required to subscribe to organics service for the duration of the waiver.

Waivers under SB 1383 are available in two forms, consistent with statewide criteria: a De Minimis Waiver, for properties that generate minimal amounts of organic waste — typically less than 20 gallons per week for customers producing more than two cubic yards of total waste (or less than 10 gallons per week for smaller generators producing less than two cubic yards of total waste) — and a Physical Space Waiver, for properties that lack adequate space to accommodate additional organics containers. LASAN applies the State's waiver criteria directly, rather than a separate City-specific standard. Waivers must be renewed periodically and require the property to notify LASAN if circumstances change such that the property no longer qualifies. Absent an approved waiver, SB 1383 requires customers to subscribe to all three container types — black (solid waste), blue (recycling), and green (organics) — in order to be in compliance with state organics-recycling requirements.

As shown in Table A6 below, the negotiated recycLA 2.0 maximum rates would reduce monthly base rates for Green Bin service across every container size shown compared with the projected recycLA 1.0 renewal rates. Monthly base-rate savings range from $28.03 to $109.52 per container, representing reductions of 23.8 to 37.5 percent. For example, the monthly rate for a 96-gallon container would decrease from $150.77 to $94.24, saving $56.53 per month, or approximately $678 annually.

These figures reflect base-rate savings only. The recycLA 2.0 agreements would also eliminate access and distance fees. Customers who would otherwise be assessed those fees under a recycLA 1.0 renewal would therefore realize greater total savings than reflected in the table.

Table A6- Comparison of Monthly Organic Rates Collected Once Weekly

Container Size	recycLA 1.0 Renewal	recycLA 2.0	Monthly Base-Rate Savings	Reduction
32 gallon	$114.03	$86.00	$28.03	24.6%
64 gallon	$128.53	$90.12	$38.41	29.9%
96 gallon	$150.77	$94.24	$56.53	37.5%

1 cubic yard	$307.11	$204.15	$102.96	33.5%
1.5 cubic yards	$320.20	$210.68	$109.52	34.2%
2 cubic yards	$333.28	$231.79	$101.49	30.5%
3 cubic yards	$359.46	$274.01	$85.45	23.8%

Certain Multifamily Service Configurations. Alignment of certain multifamily and mobile-home properties receiving cart-based, residential-comparable service with the applicable negotiated rate methodology. Certain multifamily properties, including mobile home communities, receive cart-based collection services comparable to those provided by LASAN to residential customers, including black, blue, and green container service. LASAN's residential rate increased from $36.32 to $59.33 per month and is scheduled to increase further to $69.44 per month effective July 1, 2027. Similarly, rates for these multifamily properties are expected to increase to align more closely with the current LASAN residential rate and the comparable services they receive. Although the services are provided through different systems (the recycLA franchise system for these multifamily properties and LASAN for residential customers) the rate adjustment reflects increased service costs and the need to update rates that have not kept pace with those costs.

The current affected properties include:

Table A7 - Properties Receiving Cart-Based, Residential-Comparable Services

Address	Units	Currently Billed	recycLA 2.0 Max. Rate
Property 1	50	$6,576.39	$2,750.00
Property 2	23	$3,061.28	$2,881.44
Property 3	24	$2,359.91	$3,006.72
Property 4	37	$3,643.28	$4,635.36
Property 5	76	$8,952.15	$9,521.28
Property 6	263	$10,409.54	$15,656.39
Property 7	136	$6,738.72	$8,096.08
Property 8	50	$5,899.50	$2,976.50
Property 9	96	$5,655.35	$5,714.88
Property 10	112	$13,097.49	$6,667.36
Property 11	4	$223.80	$238.12
Property 12	66	$9,321.21	$3,928.98

Blue Bin Service Above Minimum Requirements. Under the current recycLA program, black- and blue-container service is bundled: the base rate is determined by the selected black-container size and service frequency. Customers may receive unlimited blue-container capacity at the same collection frequency as the black-container service at no additional charge. Only organics (green-container) service is priced separately under this structure.

Unlimited blue-container service has historically been provided at a subsidized rate that does not reflect the full cost of actual service. In 2020 and 2021, the recycLA contracts embedded a cumulative recycling market rate adjustment of 0.5% into the base rate structure to help offset recycling-related revenue losses from declining commodity markets. Because this adjustment became part of the base rate rather than a separate fixed fee, it has compounded along with subsequent annual rate increases; in today's dollars, this original 0.5% adjustment represents an estimated $5 million per year embedded across all customer bills. Customers have also benefited from a separate General Fund subsidy of approximately $25 million per year that has offset the cost of blue container access and distance service under the RBR Program, further reducing what customers have directly paid relative to the true cost of service delivery.

The current bundled structure ensures that customers have substantial recycling capacity by providing blue-container service that generally corresponds to their black-container size and collection frequency. Under recycLA 2.0, customers will retain access to recycling service while gaining greater flexibility to select blue-container capacity that reflects the types and quantities of recyclable materials they generate. This approach supports continued and expanded recycling, encourages proper separation of materials, and allows customers to tailor their black-, blue-, and green-container service levels to their actual operational needs, subject to applicable minimum-service and regulatory requirements, and reduce contamination within each container type. Now that the recycLA program has matured, and organics and recycling participation are required under state law (SB 1383) and City policy, it is appropriate that customers using unlimited blue-container service pay rates that reflect their actual cost, rather than continuing to rely on cross-subsidization by the General Fund and other rate payers. Accordingly, under recycLA 2.0, each commodity is priced according to its own rate table, and customers requesting recycling capacity beyond their selected bundled service structure may be charged up to the applicable maximum rate for additional blue-container service.

Notably, the rate structure under recycLA 2.0 is intended to ensure that adding blue-container capacity is less costly to the customer than adding equivalent black-container capacity. This pricing differential is intended to encourage customers to expand their recycling capacity and downsize their solid waste capacity rather than defaulting to additional solid waste (black container) service, supporting the City's broader waste diversion and recycling participation goals.

Primary Drivers of Potential Customer Decreases

Projected decreases are primarily associated with removal of existing supplemental charges and the negotiated recycLA 2.0 rate structure.

The principal drivers include:

- Elimination of separate access and distance charges for Black Bin, Blue Bin, and Green Bin service;
- Elimination or reduction of certain extra service charges; and
- Lower negotiated maximum rates for certain Black Bin, Blue Bin, and Green Bin service levels.

Of these factors, elimination of access and distance charges represents one of the most significant structural changes under recycLA 2.0.

Access and Distance Fee Impacts. The existing access and distance dataset includes approximately 64,555 recycLA accounts, of which approximately 24,137 are identified as currently subject to one or more access or distance charges. The average monthly access and distance fees among accounts identified in the table below is approximately $529.

Table A8 - Accounts with Access and Distance Fees

Council District	Accounts	Accounts with Access and/or Distance Fees	Current Average Monthly Fee- recycLA 1.0	Average Monthly Fee- recycLA 2.0
1	3,545	1,582	$539	$0
2	5,728	2,371	$425	$0
3	2,885	1,040	$845	$0
4	4,638	2,278	$617	$0
5	6,505	2,870	$465	$0
6	4,583	1,649	$546	$0
7	2,384	749	$592	$0
8	2,924	996	$299	$0
9	3,259	617	$344	$0
10	5,170	2,092	$435	$0
11	5,308	1,758	$608	$0
12	2,626	704	$833	$0
13	6,072	3,191	$476	$0
14	5,102	1,339	$742	$0
15	3,826	901	$387	$0
Total	**64,555**	**24,137**	**$529 average**	**$0**

The table reflects the access-and-distance dataset used for this analysis.

Existing data further indicate that approximately:

- 17,185 customers currently assessed black-container access fees would save an average of $139 per month;
- 7,508 customers currently assessed black-container distance fees would save an average of $555 per month;
- 15,182 customers currently assessed and credited blue-container access fees would save an average of $118 per month;
- 7,342 customers currently assessed and credited blue-container distance fees would save an average of $531 per month;
- 4,822 customers currently assessed green-container access fees would save an average of $73 per month; and
- 646 customers currently assessed green-container distance fees would save an average of $241 per month

Under recycLA 2.0, these charges would no longer appear as separate customer fees. Costs associated with servicing applicable site conditions were instead incorporated into the negotiated maximum-rate structure.

The elimination of access and distance fees also provides an important equity benefit. The City Administrative Officer's November 14, 2025 report identified 8,450 multifamily customer accounts with blue-bin access and/or distance fees located in census tracts where more than 50 percent of residents earn less than 80 percent of the Area Median Income.[2] Those accounts represent approximately 71.9 percent of all multifamily accounts with such fees. Because each multifamily account represents at least five residential units and may include hundreds of units, eliminating these fees may benefit substantially more households than the number of customer accounts alone indicates.

Extra Services Fee Comparison. As part of the recycLA 2.0 rate analysis, LASAN compared the proposed Extra Services fee structure with projected 2027 fees under the existing recycLA 1.0 program. For comparison purposes, 2026 recycLA 1.0 Extra Services fees were increased by five percent to estimate 2027 amounts.

Overall, recycLA 2.0 reduces most directly comparable Extra Services fees and simplifies the number of separately chargeable services. Most comparable fees—including blocked access, supplemental cleaning, graffiti removal, container repair labor, and administrative charges—are approximately 40 percent lower than the projected 2027 recycLA 1.0 amounts. Lock installation fees are reduced more substantially, from a projected $166.58 per container under recycLA 1.0 to $25 under recycLA 2.0.

The proposed structure also eliminates several charges currently authorized under recycLA 1.0, including access and distance charges, routine secured access charges, idle time charges, and overfill, overweight, and general contamination fees. Under recycLA 2.0, the remaining $50 blocked access charge is more narrowly defined and requires real-time documentation, including a date and time stamped photograph and customer notification within two hours. Street closures, illegal dumping, and unhoused encampments are expressly excluded from the charge.

recycLA 2.0 also restructures certain services. Commercial bulky-item collection is set at $35 for the first three items per pickup, compared with a projected recycLA 1.0 charge of $49.75 per item. New standardized provisions include a $25 cleanup fee for material outside a container, subject to customer approval.

The table below summarizes the most significant customer-facing changes between projected 2027 recycLA 1.0 Extra Services fees and the proposed recycLA 2.0 structure.

Table A9 - recycLA 2.0 Customer Impacts Summary

Major Change	Projected recycLA 1.0 – 2027	recycLA 2.0	Customer Impact
Distance and Routine Access Charges	Extra service charges of approximately $41-$58 per container, per collection event for distance, plus $16.58 per collection event for secured-access	No extra service charges for access and distance or routine secured-access fees	Eliminates recurring charges associated with container location and routine property access

[2] City Administrative Officer report dated November 14, 2025, Council File Nos. 23-1032 and 09-0170, Attachment 1, Table C.

Blocked Access	Approximately $83 per occurrence	$50 per collection event	Approximately 40% lower; charge is also more narrowly defined and requires real-time documentation and customer notification
Lock Installation	Approximately $167 per container for gravity lock or lock bar installation	$25 per container	Approximately 85% reduction in installation cost
Supplemental Cleaning and Graffiti Removal	Cleaning and graffiti fees generally range from approximately $25 to $249, depending on service	Corresponding fees range from $15 to $150	Most comparable fees are approximately 40% lower
Overfill, Overweight and General Contamination	Extra Service charges permitted for overfill, overweight, and contamination events	These charges are not included in the Extra Services fee table	Simplifies the fee structure and removes several potential customer charges
Commercial Bulky Waste	Approximately $50 per item	$35 for the first three items per pickup; $35 per additional item	Substantially lowers the cost of pickups involving multiple bulky items
Administrative Fees	Return payment, container removal, reinstatement, and delivery fees based on higher 1.0 amounts	Corresponding fees generally about 40% lower	Reduces costs associated with payment issues and account reinstatement
New/ Standardized Charges	No directly comparable standalone fee for certain services	$25 cleanup of material outside container	Establishes defined charges and conditions for services not separately standardized under the 1.0 Extra Services schedule

Lower Negotiated Maximum Rates for Certain Service Levels. The competitive procurement and subsequent negotiations resulted in maximum rates that, for certain container sizes and collection frequencies, are lower than the comparable rates that would apply under a five-year extension of the existing agreements. Under recycLA 1.0, Black Bin and Blue Bin service are bundled into a single rate; therefore, the most appropriate comparison for those commodities is the combined cost of the corresponding Black and Blue service under recycLA 2.0.

For example, under the January 2027 recycLA 1.0 five-year extension rate schedule, once-per-week service for a 96-gallon Black and Blue bundled service level would be approximately $150.77 per month. Under recycLA 2.0, the corresponding primary 96-gallon Black Bin rate of $86.78 and Blue Bin rate of $62.37 total approximately $149.15 per month. Similarly, once-per-week one-cubic-yard Black and Blue service would total approximately $304.29 under recycLA 2.0 compared with approximately $307.11 under the extension

scenario. These differences vary by container size and frequency, and not every Black and Blue service configuration is lower under recycLA 2.0.

The negotiated Green Bin rates provide a more direct comparison because organics service is separately priced under both structures. For several commonly used service levels, recycLA 2.0 maximum rates are materially below the rates that would apply under the extension. For example, once-per-week 96-gallon Green Bin service would decrease from approximately $150.77 under the extension to a maximum of $94.24 under recycLA 2.0. Once-per-week three-cubic-yard Green Bin service would decrease from approximately $359.46 to $274.01. The negotiated Green Bin rate structure therefore helps offset, in whole or in part depending on the customer, the cost of adding organics service for customers that do not currently receive it.

recycLA 2.0 also establishes separate, generally lower rates for additional containers after the applicable primary container. This structure can further reduce the cost of service for customers requiring multiple containers of the same commodity compared with applying the primary-container rate to each container. The resulting customer impact will depend on the combination of container sizes, quantities, collection frequencies, and minimum service requirements applicable to each account.

Table A10 - Modeled Monthly Billing Impact by Customer Group

Customer Example	Service Assumptions	Number of Accounts	Extension	recycLA 2.0	Difference
Commercial account	All commercial establishments such as retails, restaurants, services,etc., except multifamily properties	36,198	$39,461,949	$29,293,330	-$10,168,619
Account with access or distance charges	Accounts currently subject to one or more access or distance charges	24,137	$40,148,415	$21,286,875	-$18,861,540
Multifamily account adding organics	Multifamily accounts currently don't have organics service	12,597	$15,571,829	$9,250,763	-$6,321,066
Account already receiving compliant three-container service	Accounts currently have black, blue, and green containers services	26,405	$36,819,662	$24,418,639	-$12,401,023

Housing Authority of the City of Los Angeles Properties. Most Housing Authority of the City of Los Angeles (HACLA) public housing properties receive solid waste collection directly from LASAN and therefore are not subject to recycLA rates. However, certain HACLA properties managed through its Asset Management Department receive service from private waste haulers and are included in the recycLA program.

Based on property information provided by HACLA and LASAN's current rate-impact analysis, 64 HACLA properties receive service through recycLA. Under the modeled recycLA 2.0 rate structure, all 64 properties are projected to experience a decrease in monthly

charges, with an average estimated decrease of approximately $1,188 per property per month. The magnitude of the decrease varies by property based on its existing service configuration, container sizes and frequencies, and current charges.

These projected reductions illustrate how the negotiated recycLA 2.0 rate structure may benefit customers with service configurations that are priced more favorably under the new commodity-based rate schedules. LASAN will continue coordinating with HACLA and the applicable RSPs during implementation to validate service levels, identify opportunities to right-size service, and minimize unnecessary customer costs.

recycLA 2.0 Proposed Maximum Rates

Direct rate comparisons with other jurisdictions are of limited value, as the recycLA contracts include negotiated terms specific to the needs of the City — including restricted collection windows in certain areas, and a labor peace agreement requirement — that are not standard in most other municipal franchise systems and materially affect service costs. recycLA has also delivered program outcomes beyond those typically required or achieved elsewhere; for example, recycLA's Edible Food Recovery program has helped recover an estimated 102 million meals worth of edible food to date, redirecting it to food banks and Angelenos experiencing food insecurity rather than landfill disposal. These City-specific contractual terms and outcomes make recycLA difficult to benchmark on rate alone against programs in other cities that do not carry the same obligations or results.

Rather than benchmarking against dissimilar programs, recycLA 2.0 rates instead reflect the outcome of a competitive procurement process in which nine hauling companies submitted proposals. This competitive field provides a market-tested basis for the proposed maximum rates, reflecting current industry costs and conditions rather than a unilaterally set rate structure.

Proposed Maximum Customer Rate Schedules

The following negotiated maximum monthly container-service rates are proposed for 2027. Frequencies 1 through 6 refer to weekly collection frequency; Sunday rates are stated separately. A service provider may charge less than the applicable maximum but may not charge more.

Table A12 - Rate Schedule Descriptions

Item	Description
Effective date	The proposed maximum rates become effective February 1, 2027.
Billing basis	Rates are maximum monthly rates based on the container size, number of containers, and collection frequency selected to meet each customer's adequate service level needs, subject to applicable minimum-service requirements.
Collection frequency	Frequencies 1 through 6 represent collections per week. Sunday service is priced separately.

Primary and additional bins	The primary-bin rate applies to the first container within the applicable service category. The additional-bin rate applies to each additional qualifying container receiving the same type of service at the same customer location.
Minimum blue and green service	Minimum blue-container service requirements will continue. Green-container service will be provided as required under SB 1383, the City's implementing requirements, and the franchise agreements.
Waivers and exemptions	See the Waiver and Alternative Compliance Review section of this report.
Supplemental services	Customers may request supplemental services based on their operational needs. Charges may not exceed the applicable maximum rates established in the franchise agreements.

Table A13 - Proposed 2027 Solid Waste (Black Container) Unit Rates

		Solid Waste - Unit Rate Summary for Containers								
		32 Gal	64 Gal	96 Gal	1 Yd	1.5 Yd	2 Yd	3 Yd	4 Yd	6 Yd
One / Week	Primary Bin	$82.54	$84.66	$86.78	$195.18	$208.28	$215.96	$236.67	$253.67	$292.64
	Addt'l Bins	$50.91	$59.06	$67.20	$80.73	$93.58	$106.43	$132.12	$157.81	$209.20
Two / Week	Primary Bin	$155.61	$160.50	$157.12	$335.54	$359.64	$383.23	$424.69	$465.42	$539.15
	Addt'l Bins	$87.91	$102.56	$117.22	$139.25	$164.94	$190.64	$242.03	$293.41	$385.85
Three / Week	Primary Bin	$215.98	$223.31	$219.11	$466.34	$502.84	$538.56	$601.79	$667.07	$780.17
	Addt'l Bins	$129.99	$151.97	$173.96	$197.77	$236.31	$274.85	$351.93	$429.01	$568.98
Four / Week	Primary Bin	$276.36	$286.13	$281.10	$597.14	$646.03	$693.89	$778.89	$866.40	$1,018.35
	Addt'l Bins	$172.08	$201.39	$230.70	$256.29	$307.68	$359.06	$460.03	$564.61	$752.10
Five / Week	Primary Bin	$336.73	$346.03	$343.09	$727.93	$789.22	$849.22	$955.99	$1,065.72	$1,282.97
	Addt'l Bins	$214.16	$250.80	$287.43	$336.73	$379.04	$443.28	$570.65	$700.21	$935.23
Six / Week	Primary Bin	$397.10	$408.32	$405.09	$858.73	$932.41	$1,004.55	$1,133.09	$1,265.04	$1,526.16
	Addt'l Bins	$256.24	$316.89	$363.29	$412.01	$450.41	$527.49	$680.36	$835.81	$1,118.35
Sunday Rate	Primary Bin	$123.82	$126.99	$130.17	$292.77	$312.42	$323.94	$355.01	$380.50	$438.95
	Addt'l Bins	$76.37	$88.58	$100.80	$121.10	$140.37	$159.64	$198.18	$236.72	$313.80
Extra Pick Up (One time as needed)		$20.64	$21.17	$21.70	$48.80	$52.07	$53.99	$59.17	$63.42	$73.16
Smaller Size Compactor		$12.63 x the number of cubic yards x the number of collections in a month + the base rates								

Table A14 - Proposed 2027 Recycling (Blue Container) Unit Rates

		Recycling - Unit Rate Summary for Containers								
		32 Gal	64 Gal	96 Gal	1 Yd	1.5 Yd	2 Yd	3 Yd	4 Yd	6 Yd
One / Week	Primary Bin	$61.30	$62.32	$62.37	$109.11	$112.69	$116.78	$123.49	$132.67	$146.96
	Addt'l Bins	$23.96	$25.69	$27.42	$54.24	$63.18	$72.11	$89.98	$95.86	$103.70
Two / Week	Primary Bin	$102.60	$104.33	$106.06	$231.38	$235.37	$238.77	$251.41	$265.58	$296.26
	Addt'l Bins	$41.49	$44.63	$47.78	$104.75	$122.62	$140.48	$176.22	$188.40	$204.69
Three / Week	Primary Bin	$153.33	$155.92	$158.52	$346.31	$356.09	$365.28	$381.87	$396.08	$440.53
	Addt'l Bins	$61.19	$65.91	$70.63	$155.25	$182.06	$208.86	$262.46	$280.94	$305.69
Four / Week	Primary Bin	$204.06	$205.63	$210.98	$456.96	$470.09	$482.43	$514.62	$534.53	$583.24
	Addt'l Bins	$80.90	$87.19	$93.48	$205.76	$241.49	$277.23	$348.70	$373.48	$406.69
Five / Week	Primary Bin	$254.78	$256.75	$261.04	$567.60	$584.08	$599.57	$639.87	$678.19	$725.95
	Addt'l Bins	$100.60	$108.46	$116.33	$256.26	$300.93	$345.60	$430.10	$466.02	$507.68
Six / Week	Primary Bin	$305.51	$305.05	$310.15	$678.25	$698.08	$716.72	$765.13	$811.17	$868.66
	Addt'l Bins	$120.31	$129.74	$139.18	$306.77	$360.37	$413.97	$515.39	$558.56	$608.68
Sunday Rate	Primary Bin	$91.95	$93.49	$93.56	$163.66	$169.03	$175.17	$185.24	$199.01	$220.43
	Addt'l Bins	$35.94	$38.54	$41.13	$81.37	$94.77	$108.17	$134.97	$143.79	$155.54
Extra Pick Up (One time as needed)		$15.33	$15.58	$15.59	$27.28	$28.17	$29.20	$30.87	$33.17	$36.74
Smaller Size Compactor		$12.63 x the number of cubic yards x the number of collections in a month + the base rates								

Table A15 - Proposed 2027 Organics (Green Container) Unit Rates

		Organics - Unit Rate Summary for Containers							
		32 Gal	64 Gal	96 Gal	1 Yd	1.5 Yd	2 Yd	3 Yd	4 Yd
One / Week	Primary Bin	$86.00	$90.12	$94.24	$204.15	$210.68	$231.79	$274.01	$291.90
	Addt'l Bins	$34.10	$40.53	$46.96	$72.16	$90.02	$107.88	$143.60	$179.33
Two / Week	Primary Bin	$170.35	$178.58	$186.81	$417.88	$466.59	$515.30	$571.88	$568.12
	Addt'l Bins	$65.60	$78.46	$91.33	$129.94	$165.67	$201.39	$272.83	$344.28
Three / Week	Primary Bin	$254.69	$267.04	$279.39	$617.01	$690.08	$763.15	$848.67	$844.34
	Addt'l Bins	$97.10	$116.40	$135.69	$187.73	$241.31	$294.89	$402.06	$499.97
Four / Week	Primary Bin	$339.03	$355.50	$371.96	$707.33	$791.77	$876.20	$1,045.07	$1,120.56
	Addt'l Bins	$128.61	$154.33	$180.06	$245.51	$316.96	$388.40	$531.29	$661.92
Five / Week	Primary Bin	$423.38	$443.96	$464.54	$879.92	$985.46	$1,091.00	$1,302.09	$1,396.78
	Addt'l Bins	$160.11	$192.27	$224.42	$303.30	$392.60	$481.91	$660.52	$762.85
Six / Week	Primary Bin	$507.72	$532.42	$557.11	$1,052.50	$1,179.16	$1,305.81	$1,559.11	$1,673.00
	Addt'l Bins	$191.61	$230.20	$268.79	$361.08	$468.25	$575.42	$789.75	$912.81
Sunday Rate	Primary Bin	$129.01	$135.18	$141.36	$306.23	$316.02	$347.68	$411.01	$437.85
	Addt'l Bins	$51.15	$60.80	$70.44	$108.24	$135.03	$161.82	$215.40	$268.99
Extra Pick Up (One time as needed)		$21.50	$22.53	$23.56	$51.04	$52.67	$57.95	$68.50	$72.98
Smaller Size Compactor		$12.63 x the number of cubic yards x the number of collections in a month + the base rates							

Table A16 - Proposed 2027 Permanent Rolloff and Compactor Pull Charges

Material	Delivery/Collection	Disposal/Processing
Black (non-C&D)	$426.51	$113.73 per ton
Blue	$426.51	$107.63 per load
Green	$426.51	$147.70 per ton

The proposed 2027 permanent rolloff and compactor pull charges establish uniform delivery and collection rates across all three material streams, with disposal and processing charges varying by material type. Notably, the proposed disposal and processing rates for Black (non-C&D) and Green materials remain unchanged from 2026 levels, with no increases for 2027.

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Addendum 5 - CEQA Consistency Review for the Award of the recycLA 2.0 Franchise Contracts (Citywide Exclusive Franchise System) with the City-Wide Exclusive Franchise System for Municipal Solid Waste Collection and Handling PEIR (SCH #2013021052):

Date:	October 19, 2026
To:	Christine Batikian Environmental Supervisor LA Sanitation and Environment
From:	Daniel Tormey PhD, PG, Technical Director, Catalyst Environmental Solutions

Introduction

Catalyst Environmental Solutions Corporation (Catalyst) has prepared this Addendum 5 pursuant to California Environmental Quality Act (CEQA) Guidelines Sections 15162 and 15164 to evaluate the award of the recycLA 2.0 (Program) franchise contracts under the 2014 Certified Program Environmental Impact Report for the City-Wide Exclusive Franchise System for Municipal Solid Waste Collection and Handling (the "2013 PEIR"; SCH No. 2013021052). On November 14, 2012, the Los Angeles City Council directed the City of Los Angeles' Bureau of Sanitation (LASAN) to develop an implementation plan for the Exclusive Commercial and Multifamily Solid Waste Franchise system, and LASAN issued its implementation plan in April 2013. On April 8, 2014, the City Council certified the 2013 PEIR, adopted the CEQA Findings of Fact, a Statement of Overriding Considerations, and the Mitigation Monitoring and Reporting Program (MMRP), and adopted Ordinance No. 182986 establishing the recycLA Exclusive Franchise System (Council File 10-1797-S16). The 2013 PEIR evaluated the environmental effects of replacing the open-market commercial waste-hauling system with an exclusive franchise system organized into 11 geographic zones, each served by one exclusive recycLA Service Provider (RSP) responsible for collecting and processing solid resources within its zone. The franchise zones, service accounts, and service levels are provided in Figure 1 below (which is Figure 2.1 of the 2013 PEIR).

The scope of the Program has been examined for later activities through four addenda to the certified PEIR: Addendum 1 (November 22, 2016), for the original franchise contract awards that included two minor Program changes related to Manure Recycling (Brown Bins) and Container Cleaning; Addendum 2 (October 2018), for the Facility Certification Program that would require certain new and existing facilities be enclosed; Addendum 3 (Board of Public Works, September 15, 2025), for the 2025 Request for Proposals that contained amendments to the recycLA Franchise Agreement; and Addendum 4 (City Council, September 22, 2026), for conforming amendments to the Los Angeles Municipal Code (LAMC) and Los Angeles Administrative Code (LAAC), including amendments to the franchise-fee structure (LAMC §66.33.5), the redesignation of the three "single" zones as "Small" zones (LAMC §66.33.4), the minimum-level-of-service clarification (LAMC §66.03(d)), and the new recycLA Administration Fee Special Fund (LAAC §5.121.5(r)). This Addendum 5 addresses the complementary discretionary action: the award of the recycLA 2.0 franchise contracts and the operational changes incorporated into the franchise agreements, together with each Service Provider's Diversion Plan (Appendix A) and Facility Utilization Plan (Appendix B). It evaluates, pursuant to CEQA Guidelines Section 15162 and 15164, whether any of the conditions in Section 15162 requiring preparation of a subsequent or supplemental EIR are present, and documents the City's determination that an addendum to the 2013 PEIR, together with Addenda 1 through 4, is the appropriate CEQA documentation for the contract awards.

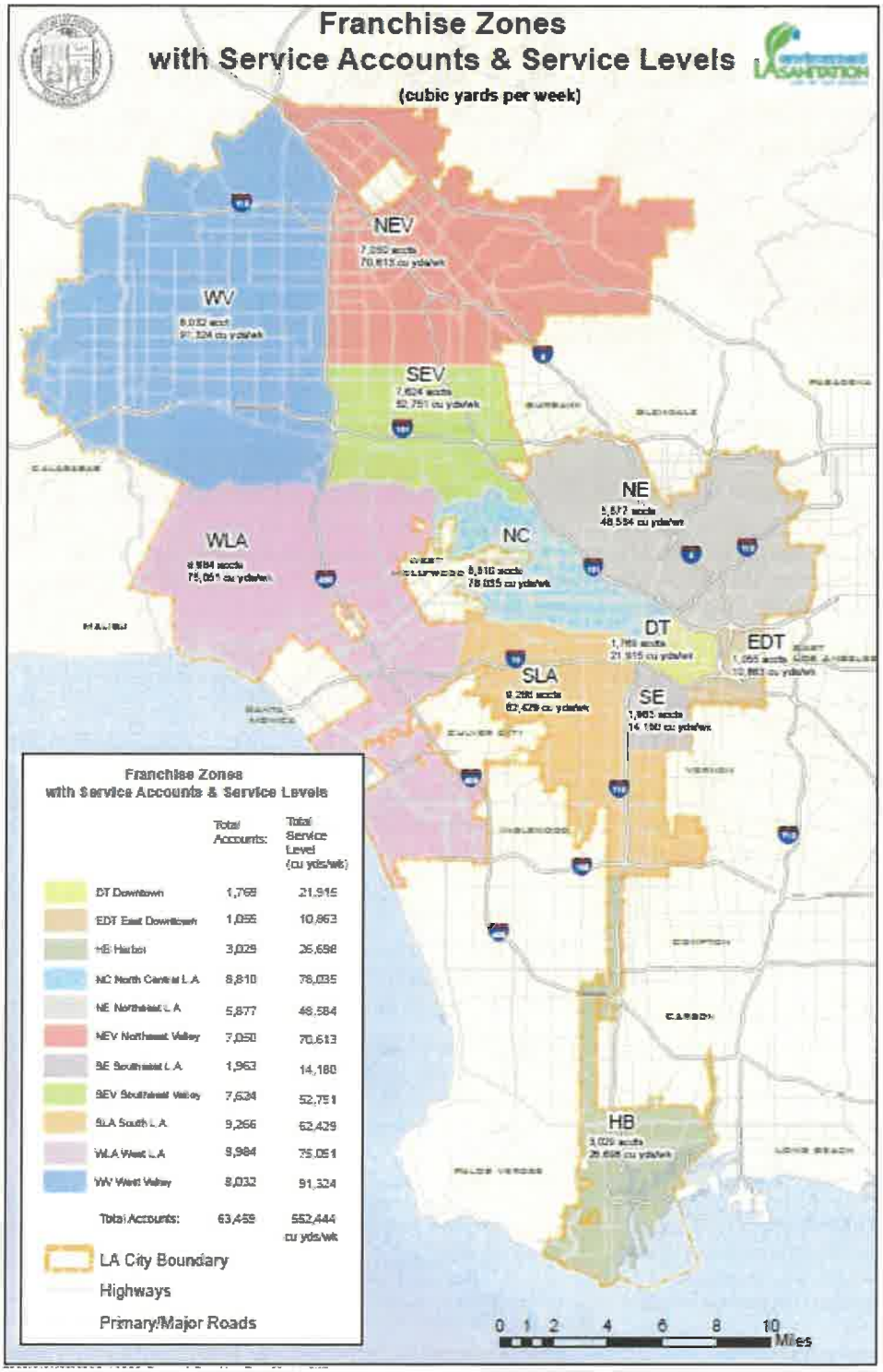


Figure 1. Franchise Zone Map (2013 PEIR)

Description of the recycLA 2.0 Operational Changes

The recycLA 2.0 Program retains the core program analyzed in the 2013 PEIR which specifies 11 geographic zones, one exclusive RSP per zone, RSPs restricted to their assigned zone(s), and weekly collection. The updated Program also incorporates the operational changes summarized in Table 1. These changes are administrative and fiscal, service-quality and enforcement, regulatory-compliance, or environmentally beneficial in nature. None of the operational changes would require construction or expansion of facilities or otherwise direct or result in physical change to the environment beyond what the 2013 PEIR analyzed. Consistent with the draft implementing ordinance, the fee, zone-designation, and minimum-service provisions apply to franchise agreements executed on or after July 1, 2026. The clarification of the minimum level of service under LAMC §66.03(d) confirms a seven-day (weekly) collection standard for solid waste, recyclables, and organics, consistent with the weekly collection analyzed in the 2013 PEIR, and does not increase collection frequency.

Table 1. recycLA 2.0 Operational Changes and Basis for Consistency Determination

recycLA 2.0 Operational Change	Description of Change	Consistent with 2013 PEIR Analysis?
Three-bin base service (Organics Service [Sect. 3.1.5])	Base service now includes black, blue, and green (organics) bins for all customers; the green bin was previously opt-in at additional cost.	Yes. The 2013 PEIR analyzed weekly collection of black, blue, and green bins. Universal organics service implements SB 1383 (effective Jan. 1, 2020) as part of the environmental baseline established in Addendum 3.
Access and distance fees removed	Extra-service rate table no longer includes charges for Access or Distance fees as these costs are folded into base service.	Yes. Fiscal/administrative change with no effect on the physical environment.
Mandatory organics service (Sect. 3.1.5) and stricter waivers (LAMC §66.03(f)(3) and 14 CCR §18984.11)	All commercial and multifamily customers must receive weekly organics (green bin) service and organics service waiver criteria are tightened per LAMC §66.03(f)(3) and 14 CCR §18984.11	Yes. SB 1383 regulatory compliance, part of the baseline; consistent with the LAMC §66.03(d) clarification addressed in Addendum 4.
Container dwell time (Sect. 3.2)	Bins must be returned to their original location within two hours of service.	Yes. Operational/safety requirement that reduces right-of-way obstruction with no adverse physical effect.
Container sizes (Sect. 3.22.1)	Containers range from 32 gallons to 6 cubic yards with the 8-cubic yard container removed as an option, although custom sizes are retained.	Yes. Minor service refinement retains maximum range of container size options considered in the 2013 PEIR and would not result in any adverse physical effect.
Community enhancements (Sect. 3.25)	Contractors provide roll-off containers on request by Director of LASAN or a designee for organized community cleanup efforts.	Yes. On-request, *de minimis* service that would not result in any new significant effect.
Waste assessment requirements and frequency (Sect. 5.2)	Required weekly estimation of solid waste, recycling, and organics quantities on a weekly basis with identification of customers;	Yes. Reporting/administrative measures that support diversion that would not result in any physical effect.

recycLA 2.0 Operational Change	Description of Change	Consistent with 2013 PEIR Analysis?
	mandatory organics-diversion assessments including documentation of food-recovery efforts; additional triggers for waste assessments including container contamination and overflow material metrics.	
Contamination monitoring (Sect. 5.11)	On-site and required 5% route-review contamination monitoring.	Yes. Monitoring/administrative; no physical effect.
Expanded Mandatory Commercial Recycling Requirement / Compliance with SB 54 (Sect. 5.6)	Mandatory collection and processing of all materials designated by the City, including materials identified under CalRecycle's SB 54 producer-responsibility program, as may be amended, or similar regulatory list adopted or recognized by CalRecycle or other applicable regulatory authority.	Yes. State regulatory compliance; the contracts require no new infrastructure and would not result in the reasonably foreseeable development of infrastructure beyond what was considered in the 2013 PEIR and subsequent addenda.
Los Angeles 2028 Olympics service (Sect. 3.18.5)	Requires contractors provide 24-hour collection for customers affected by 2028 Olympic street closures and related activities.	Yes. Temporary, event-specific timing of service for a limited duration. The City regularly hosts major events; no permanent change to program operations.
Bundling of small zones (Sect. 1.4)	For agreements executed on or after July 1, 2026, the three Small zones (DT, EDT, SE) may be awarded as a single combined award; they may not be combined with the eight other zones.	Yes. Analyzed in Addendum 4 (LAMC §66.33.4 redesignation); the 11-zone structure and boundaries are unchanged.
Facility Utilization Plans (Appendix B)	Each Service Provider identifies specific existing primary and backup downstream facilities; certain facilities are not yet certified and are subject to Section 6.1.	Yes. Use of existing permitted facilities involves no construction or ground disturbance; uncertified facilities are overseen through the Facility Certification Program (Addendum 2) as required under Section 6.1 of the RSP contract agreements (see focused analysis).
Diversion Plans / Disposal Targets (Appendix A)	Declining zone-level landfill disposal targets and increasing projected diversion (commingled recyclables, organics, food and yard waste) for 2027–2035.	Yes. Implements SB 1383 and SB 54 and reduces landfill disposal consistent with the purpose of the 2013 PEIR; processing occurs at existing permitted facilities (see focused analysis).

CEQA Framework

Under CEQA Guidelines Section 15162(a), when an EIR has been certified for a project, no subsequent EIR shall be prepared unless the lead agency determines, on the basis of substantial evidence in the light of the whole record, one or more of the following:

1. Substantial changes are proposed in the project which will require major revisions of the previous EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;
2. Substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the previous EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; or
3. New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified, shows any of the following:
    a. The project will have one or more significant effects not discussed in the previous EIR;
    b. Significant effects previously examined will be substantially more severe than shown in the previous EIR;
    c. Mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects, but the proponents decline to adopt them; or
    d. Mitigation measures or alternatives considerably different from those analyzed would substantially reduce significant effects, but the proponents decline to adopt them.

Under CEQA Guidelines Section 15164(a), the lead agency shall prepare an addendum to a previously certified EIR if some changes or additions are necessary but none of the conditions described in Section 15162 calling for preparation of a subsequent EIR have occurred. Per Section 15164(d), the decision-making body shall consider the addendum with the certified EIR prior to making a decision on the project. A brief explanation of the decision not to prepare a subsequent EIR pursuant to Section 15162 should be included in the addendum, the lead agency's findings, or elsewhere in the record, and that explanation must be supported by substantial evidence per Section 15164(d). This Addendum 5 provides that explanation.

Analysis Under CEQA Guidelines Section 15162

The recycLA 2.0 operational changes reflected in the contract awards do not propose substantial changes to the Program as defined under Section 15162(a)(1). The recycLA 2.0 Program retains the 11-zone structure, one RSP per zone, zone-restricted operations, and weekly collection analyzed in the 2013 PEIR. None of the changes authorizes, funds, or requires construction or expansion of facilities, and none directs ground disturbance or other physical modification of the environment. The fiscal and administrative changes (i.e., removal of Access and Distance fees, expanded reporting and waste-assessment requirements, contamination monitoring, and bundling of the Small zones) have no physical effect; the associated legislative amendments are addressed in Addendum 4, which further determined that the recycLA Administration Fee Special Fund (LAAC §5.121.5(r)) is a fiscal action that is not a "project" under CEQA Guidelines Sections 15378(b)(4) and 15060(c)(3). The regulatory-compliance changes (i.e., universal organics service under SB 1383 and expanded recycling under SB 54) implement independent state mandates that apply regardless of the contract awards and are part of the environmental baseline for this determination, consistent with the treatment of SB 1383 in Addendum 3. The

service-quality changes (i.e., two-hour bin return, container-size refinements, on-request community-cleanup roll-offs, and Los Angeles 2028 Olympic operations requirements) are neutral or beneficial.

Changes in Circumstances (Section 15162(a)(2)). No substantial changes have occurred with respect to the circumstances under which the Program is undertaken that would require major revisions of the 2013 PEIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects. The underlying Program, including the 11-zone structure, one RSP per zone, zone-restricted operations, and weekly collection, is unchanged. The contract awards rely on existing permitted facilities and do not authorize, fund, or require the construction or expansion of facilities. SB 1383 organics collection requirements have been an existing condition since 2020 and were addressed in Addendum 3, and the conforming LAMC and LAAC amendments were addressed in Addendum 4. Accordingly, there is no substantial change in circumstances under Section 15162(a)(2).

New Information (Section 15162(a)(3)). LASAN and Catalyst are not aware of any new information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the 2013 PEIR was certified, showing that: (A) the contract awards would have one or more significant effects not discussed in the 2013 PEIR; (B) significant effects previously examined would be substantially more severe than shown in the 2013 PEIR; (C) mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects, but the City declines to adopt them; or (D) mitigation measures or alternatives considerably different from those analyzed in the 2013 PEIR would substantially reduce one or more significant effects, but the City declines to adopt them.

In reaching this conclusion, LASAN considered the information that has become available since certification of the 2013 PEIR on April 8, 2014, including the information evaluated in the four prior addenda. In each of the four prior addenda, the City determined that none of the conditions in Section 15162 requiring preparation of a subsequent or supplemental EIR was present. The recycLA 2.0 contract awards implement the program changes evaluated in Addenda 3 and 4 and do not alter the facts on which those determinations were based. Addenda 1 through 4, and the information on which their determinations rest, are incorporated by reference.

LASAN also considered the following regulatory and methodological developments since 2014 that were not the subject of a prior addendum.

Transportation (Senate Bill 743). Since certification of the 2013 PEIR, CEQA Guidelines Section 15064.3 has established vehicle miles traveled (VMT) as the primary metric for evaluating transportation impacts. A change in the metric used to evaluate an impact is not, by itself, new information of substantial importance showing a new or substantially more severe significant effect. The 2013 PEIR quantified the change in Franchised Hauler VMT and vehicle hours traveled (VHT) and found it negligible relative to regional travel (2013 PEIR Sections 3.1.4.7 and 3.1.4.8), and the contract awards retain the 11-zone structure and weekly collection on which that analysis was based. As discussed in the focused analysis below, the haul patterns reflected in the Facility Utilization Plans are not expected to result in a new or substantially more severe transportation impact.

Greenhouse Gas Emissions. Statewide greenhouse gas (GHG) reduction targets and related guidance have been updated since 2014. The potential for solid waste collection, hauling, and processing to generate GHG emissions was known at the time of certification and was analyzed in the 2013 PEIR, which found GHG impacts significant and unavoidable in connection with the construction and operation of new or expanded facilities. Updated targets and guidance do not show that the contract awards would cause new or substantially more severe GHG effects. The contract awards authorize no new or expanded facilities, and the increased diversion required by the Diversion Plans would reduce landfill disposal and associated methane emissions.

Senate Bill 54. The Plastic Pollution Prevention and Packaging Producer Responsibility Act (Senate Bill 54, 2022) and CalRecycle's implementing regulations establish statewide requirements for covered materials that apply independently of the contract awards. The contract awards require collection and processing of materials designated under Senate Bill 54 at existing permitted facilities and do not require new or expanded infrastructure. The inclusion of Senate Bill 54 materials in franchise collection therefore does not show a new or substantially more severe significant effect.

Based on this review, none of the conditions in Section 15162(a)(3) is present.

Downstream Facilities, Haul Distance, and the 2013 PEIR Significant-and-Unavoidable Findings

The 2013 PEIR evaluated collection of solid resources from existing commercial establishments together with the new or expanded transfer stations, materials recovery facilities (MRFs), organics processing facilities, and truck base yards that could be needed to implement the Program (at a conceptual level). The PEIR's significant and unavoidable determinations for Air Quality, Greenhouse Gas Emissions, and Transportation and Traffic, and Cultural Resources, arose because the locations of those future or expanded facilities were unknown at the program level. Because site-specific construction and operational impacts could not be analyzed for facilities that had not been sited, the PEIR conservatively found these impacts potentially significant and unavoidable and required project-level environmental review once a facility location is identified (Mitigation Measures TR-1 and CR-1 through CR-4; 2013 PEIR Sections 3.1.1, 3.1.2, 3.1.3, and 3.1.4). By contrast, the PEIR found that the collection and hauling operations themselves (i.e., the change in Franchised Hauler VMT and VHT) would be less than significant, because those changes are negligible relative to regional travel (2013 PEIR Sections 3.1.4.7 and 3.1.4.8).

The recycLA 2.0 contract awards are consistent with these findings. Each RSP's Facility Utilization Plan (Appendix B) identifies specific existing, permitted third-party facilities, the substantial majority of which hold CalRecycle Solid Waste Information System (SWIS) permits. The contract awards do not authorize, fund, or require the construction of new facilities or the expansion of existing facilities, and the use of existing permitted facilities involves no ground disturbance or physical modification of the environment. The specific circumstance that drove the PEIR's significant and unavoidable findings (i.e., the siting of unknown future or expanded facilities) is therefore not presented by the contract awards. The contract agreement requires the RSP to comply with Section 6.1 of the contract before and during use, requiring compliance with the City's Facility Certification Program (as authorized by Ordinance No. 182986). Identifying the existing downstream facilities thus resolves the uncertainty underlying the PEIR's significant and unavoidable findings.

With respect to haul activity, the Facility Utilization Plans submitted by the six RSPs in Appendix B identify the facilities anticipated to be used under recycLA 2.0, including primary and backup facilities. Based on review of these Facility Utilization Plans, the anticipated hauling patterns are not expected to result in a new significant environmental effect beyond those identified in the 2013 PEIR. The 2013 PEIR found that franchise hauler vehicle miles traveled and vehicle hours traveled would represent a negligible contribution at the regional scale and that collection and hauling operations would result in less-than-significant impacts. In addition, facilities identified for more limited use are generally designated as backup facilities, while certain organics-related hauling reflects existing SB 1383-driven waste management practices that are part of the environmental baseline and may involve consolidation through transfer facilities. Accordingly, pursuant to CEQA Guidelines Section 15162, implementation of the Facility Utilization Plans identified in Appendix B is not expected to increase the severity of a previously identified significant effect or result in a new significant effect not identified in the 2013 PEIR.

Diversion Plans and Disposal Targets

Each Service Provider's Diversion Plan (Appendix A) establishes declining annual landfill disposal targets and increasing projected diversion of commingled recyclables, organics, and food and yard waste by franchise zone for 2027 through 2035. These targets implement the diversion mandates of SB 1383 and SB 54 and advance the landfill-reduction purpose of the recycLA Program analyzed in the 2013 PEIR. Increased diversion redirects material from landfill disposal to recycling and organics processing at existing permitted facilities and is environmentally beneficial. The Diversion Plans introduce no new physical infrastructure or operational change beyond those analyzed in the 2013 PEIR and addressed in this Addendum 5.

Consistency with 2013 PEIR Impacts

The 2013 PEIR's significant-and-unavoidable determinations for Air Quality, Greenhouse Gas Emissions, Transportation and Traffic, and Cultural Resources were associated with the conceptual construction and operation of new or expanded transfer stations, MRFs, organics processing facilities, and truck base yards whose locations were unknown at the program level. The PEIR found the collection and hauling operations themselves to be less than significant (2013 PEIR Sections 3.1.1, 3.1.3, 3.1.4). This review, conducted by Catalyst subject-matter experts, evaluated whether the recycLA 2.0 operational changes and contract awards would result in new or more severe impacts than the 2013 PEIR. As documented in Table 2, the operational changes and contract awards would not authorize or require the construction or expansion of facilities, or other physical changes, beyond those analyzed in the 2013 PEIR, and would not contribute to cumulative impacts beyond that analysis. They therefore would not result in any new or more severe impacts compared to those identified in the 2013 PEIR.

Table 2. Consistency with 2013 PEIR Impacts

CEQA Environmental Resource Area	Change to the Project That Would Affect the Resource?	New or More Severe Impact?
Aesthetics	No	No. The operational changes involve no construction, modification, or demolition of facilities and would have no effect on scenic vistas or resources within a state scenic highway.
Agricultural and Forestry Resources	No	No. No change in land use or zoning and no ground disturbance thus there would be no effect on agricultural lands, forest lands, or timberlands.
Air Quality	No	No. The PEIR's significant-and-unavoidable air quality finding was tied to the conceptual construction and operation of unknown future or expanded facilities and truck base yards, not to collection or hauling, which the PEIR found less than significant. The contract awards authorize no new or expanded facilities and rely on existing permitted facilities. Incremental haul VMT for the more distant facilities is not expected to constitute a new significant effect (see focused analysis). No new or substantially more severe impact would result.
Biological Resources	No	No. The operational changes involve no construction, modification, or ground disturbance that could affect biological resources.
Cultural Resources	No	No. The PEIR's significant and unavoidable cultural resources finding arose because the locations of future or expanded facilities were unknown. The contract awards authorize no new construction or ground disturbance and rely on existing permitted facilities. Where a facility is not yet certified, Section 6.1 of the contract agreement applies and would require compliance under the City's Facility Certification Program. Identifying the

CEQA Environmental Resource Area	Change to the Project That Would Affect the Resource?	New or More Severe Impact?
		existing facilities resolves the underlying uncertainty that drove the impact analysis in the 2013 PEIR (see focused analysis).
Geology and Soils	No	No. No ground-disturbing activity is involved.
Greenhouse Gas Emissions	No	No. As with Air Quality, the PEIR's significant and unavoidable GHG finding was tied to the conceptual construction and operation of unknown future or expanded facilities and truck base yards. The contract awards authorize no new or expanded facilities. The increased diversion reduces landfill disposal which is expected to reduce GHG emissions. No new or substantially more severe impact results (see focused analysis).
Hazards and Hazardous Materials	No	No. The operational changes do not introduce collection or transport of hazardous materials beyond existing operations and involve no construction or ground disturbance.
Hydrology and Water Quality	No	No. No discharges, construction, or ground-disturbing activity is involved.
Land Use and Planning	No	No. The operational changes do not alter land use or zoning and involve no ground-disturbing activity.
Mineral Resources	No	No. No ground-disturbing activity is involved.
Noise	No	No. Collection would continue primarily within existing routes with no additional impacts from those identified in the 2013 PEIR. Temporary Los Angeles 2028 Olympics 24-hour service is short-term and event-specific. No new or substantially more severe impact would result.
Population and Housing	No	No. The operational changes are not growth-inducing and would not displace housing or people.
Public Services	No	No. No effect on service ratios, response times, or performance objectives for fire, police, school, or park services.
Recreation	No	No. No recreational facility would be constructed and no access to existing facilities would be restricted.
Transportation and Traffic	No	No. The PEIR's significant and unavoidable traffic finding was tied to the siting of unknown future or expanded facilities and truck base yards, not to collection or hauling, which the PEIR found less than significant (negligible change in hauler VMT/VHT relative to regional travel). The contract awards involve no new facility construction. In addition, the 11-zone structure and number of contractors per zone are unchanged and the two-hour bin-return requirement would reduce right-of-way obstruction. Incremental haul VMT for the distant facilities is addressed in the focused analysis. Temporary Los Angeles 2028 Olympics service is short-term and would not contribute to a new or substantially more severe impact.
Utilities and Service Systems	No	No. The operational changes involve no construction or modification of facilities. They implement SB 1383 and SB 54 diversion requirements and increase landfill diversion, consistent with state and local solid-waste policy. Processing occurs at existing permitted facilities.

Continued Implementation of Adopted Mitigation Measures

The City will continue to implement the mitigation measures adopted with the 2013 PEIR certified on April 8, 2014, as set forth in the adopted Mitigation Monitoring and Reporting Program (MMRP). In addition, the CEQA Findings and Statement of Overriding Consideration (adopted April 8, 2014) for significant unavoidable impacts remain applicable to the recycLA 2.0 contract awards.

Conclusion

Based on substantial evidence in the record, including the descriptions above and Table 2 checklist, none of the conditions in CEQA Guidelines Section 15162(a) are present. Specifically, the contract awards authorize no new or expanded facilities, rely on existing permitted facilities, require that any uncertified facility comply with the City's Facility Certification Program per Section 6.1 of the contract agreements, and leave the 11-zone structure and weekly collection unchanged. They therefore would not result in new significant environmental effects or a substantial increase in the severity of previously identified significant effects, and no changed circumstances or new information of substantial importance would require subsequent or supplemental review. Accordingly, pursuant to CEQA Guidelines Section 15162 and 15164, no subsequent or supplemental EIR is required for the award of the recycLA 2.0 franchise contracts, and this Addendum 5 to the certified 2013 PEIR is the appropriate CEQA documentation for the action. The adopted MMRP, CEQA Findings of Fact, and Statement of Overriding Considerations remain applicable and are incorporated by reference with links to the respective documents provided below.

Links to the relevant documents as incorporated by reference:

Final Program Environmental Impact Report for City Ordinance: City-Wide Exclusive Franchise System for Municipal Solid Waste Collection and Handling. SCH #2013021052. Available at:
https://cityclerk.lacity.org/onlinedocs/2017/17-0878-S7_misc_7_11-15-2018.pdf

Final Program Environmental Impact Report for City Ordinance: City-Wide Exclusive Franchise System for Municipal Solid Waste Collection and Handling; Findings of Fact and Statement of Overriding Considerations. Available at: https://cityclerk.lacity.org/onlinedocs/2010/10-1797-s16_MISC_3-13-14.pdf

Final Program Environmental Impact Report for City Ordinance: City-Wide Exclusive Franchise System for Municipal Solid Waste Collection and Handling; Final PEIR Mitigation Monitoring and Reporting Program. Available at:
https://sanitation.lacity.gov/cs/groups/public/documents/document/mhfh/mdax/~edisp/ca001030.pdf

Addendum 1, 2014 Certified Program EIR for the City-Wide Exclusive Franchise System for Municipal Solid Waste Collection and Handling. November 22, 2016. Available at:
https://cityclerk.lacity.org/onlinedocs/2010/10-1797-S16_rpt_11-23-2016.pdf

Addendum 2, 2014 Certified Program EIR for the City-Wide Exclusive Franchise System for Municipal Solid Waste Collection and Handling. October 2018. Available at:
https://cityclerk.lacity.org/onlinedocs/2017/17-0878-S7_misc_3_11-15-2018.pdf

Addendum 3, 2014 Certified Program EIR for the City-Wide Exclusive Franchise System for Municipal Solid Waste Collection and Handling. September 2025. Available at:
https://dpwlacity.primegov.com/viewer/preview?id=24254&type=2

Addendum 4, 2014 Certified Program EIR for the City-Wide Exclusive Franchise System for Municipal Solid Waste Collection and Handling. September 2026. Available at:
https://cityclerk.lacity.org/onlinedocs/2023/23-1032_misc_08-27-26.pdf

Relevant Board and Council Files:

Council File 17-0878-S7 (RecycLA Program / Citywide Exclusive Franchise System / Environmental Impact Report (EIR) / Facility Certification Program Plan / City Charter Section 245):
https://cityclerk.lacity.org/lacityclerkconnect/index.cfm?fa=ccfi.viewrecord&cfnumber=17-0878-S7

Council File 10-1797-S16 (City-Wide Exclusive Franchise System for Municipal Solid Waste Collection and Handling / Exclusive and Multifamily Solid Waste Franchise Collection and Handling System):
https://cityclerk.lacity.org/lacityclerkconnect/index.cfm?fa=ccfi.viewrecord&cfnumber=10-1797-S16

Board of Public Works, Joint Board Report BPW-2025-0575:
https://dpwlacity.primegov.com/viewer/preview?id=24254&type=2

Council File 23-1032 (RecycLA Contracts / Service Providers Compliance / Objectives and Performance / Commercial Green Bin Service):
https://cityclerk.lacity.org/lacityclerkconnect/index.cfm?fa=ccfi.viewrecord&cfnumber=23-1032