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LOS ANGELES COUNTY
SOLID WASTE MANAGEMENT COMMITTEE/
INTEGRATED WASTE MANAGEMENT TASK FORCE
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June 2, 2016

The Honorable Tony Mendoza, Chair
Senate Labor and Industrial Relations Committee
1020 N Street, Room 545
Sacramento, CA 95814

Dear Senator Mendoza:

**ASSEMBLY BILL 1669 (AMENDED APRIL 28, 2016)
DISPLACED EMPLOYEES: SERVICE CONTRACTS: COLLECTION AND
TRANSPORTATION OF SOLID WASTE**

The Los Angeles County Solid Waste Management Committee/Integrated Waste Management Task Force (Task Force) **opposes** Assembly Bill 1669 (AB 1669). AB 1669 would provide a 10 percent bidding preference to proposed bidders of contracts for the collection and transportation of solid waste if they agree to offer employment to employees for a minimum of ninety days from the prior contract to perform essentially the same services.

The Task Force is sensitive to the employment status and economic plight of displaced workers whose employment with a waste hauler was terminated due the waste hauler losing a contract. Although current economic conditions in the State have improved since the economic downturn, the employment prospects for many laborers remain limited. However, the bill would usurp local authority to determine if the incentive proposed is appropriate for particular solid waste contracts since local governments already have the ability to implement incentives intended to reduce unemployment and/or which reflect other local economic conditions.

Local governments implement bidding processes for services primarily to assure services are rendered at the most affordable cost for residents. When ten additional percentage points are factored into the overall score of a contractor's bid, as proposed under AB 1669, the contract may be awarded to a bidder whose price is higher than the lowest responsible bidder. This preference may result in increases to ratepayers' fees for waste collection, recycling, and disposal services, which under the current terms of Jurisdictional solid waste hauler contracts in Los Angeles County, would leave ratepayers committed to higher costs for a period as long as possibly 8 years and/or periods longer than 25 years. When the bill's short-term benefits for extending employment contracts for no more than ninety days is fully examined, it becomes clear

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that they are not proportional to the long-term consequences of increased costs of contracts. Additionally, resulting increases would most likely trigger Proposition 218 (Prop. 218) for some jurisdictions based on their existing waste hauler contracts and/or franchise agreements. If this was to occur, there is a possibility that these extra costs would not be able to be recovered since it is extremely difficult to increase fees pursuant to Prop. 218.

Moreover, while the stated intent of this bill is to reduce unemployment and reliance on social services provided by local governments, the bill specifies that awarded contractors would not be required to retain employees if existing employees who are part of a collective bargaining agreement would be terminated to make room for new employees from the prior contractor. This provision implies that reduction of unemployment and utilization of social services is less important than maintaining represented employees, which appears unfair to unrepresented employees whose jobs would not be protected by the bill.

Pursuant to Chapter 3.67 of the Los Angeles County Code and the California Integrated Waste Management Act of 1989 (Assembly Bill 939 [AB 939], as amended), the Task Force is responsible for coordinating the development of all major solid waste planning documents prepared for the County of Los Angeles and the 88 cities in Los Angeles County with a combined population in excess of ten million. Consistent with these responsibilities and to ensure a coordinated and cost-effective and environmentally sound solid waste management system in Los Angeles County, the Task Force also addresses issues impacting the system on a countywide basis. The Task Force membership includes representatives of the League of California Cities-Los Angeles County Division, County of Los Angeles Board of Supervisors, City of Los Angeles, waste management industry, environmental groups, the public, and a number of other governmental agencies.

For the foregoing reasons, the Task Force **opposes** AB 1669. Should you have any questions regarding this matter, please contact Mr. Mike Mohajer, a member of the Task Force, at MikeMohajer@yahoo.com or at (909) 592-1147.

Sincerely,



Margaret Clark, Vice-Chair
Los Angeles County Solid Waste Management Committee/
Integrated Waste management Task Force and
Council Member, City of Rosemead

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cc: Assemblymember Roger Hernandez
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California State Association of Counties
League of California Cities, Los Angeles Division
Each member of the Los Angeles County Board of Supervisors
Sachi A. Hamai, Los Angeles County Chief Executive Officer
San Gabriel Valley Council of Governments
South Bay Cities Council of Governments
Gateway Cities Council of Governments
Westside Cities Council of Governments
Each City Mayor and City Manager in the County of Los Angeles
Each Member of the Los Angeles County Integrated Waste Management Task Force