

**MEMORANDUM**

**DATE:** June 30, 2010

**TO:** Honorable Mayor and Councilmembers

**FROM:** Patricia Allison, City Manager's Office

**SUBJECT: CONSIDERATION OF PROVIDING WASTE MANAGEMENT A NOTICE OF TERMINATION TO BE EFFECTIVE JULY 1, 2012, AS PROVIDED IN ARTICLE 3.1.C OF THE FRANCHISE AGREEMENT, AND DIRECTION TO STAFF**

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# City of Oceanside

## *Office of the City Manager*

### **Memorandum**

To: Honorable Mayor and City Councilmembers

From: Peter A. Weiss, City Manager 

Date: June 30, 2010

Subject: **WASTE MANAGEMENT FRANCHISE AGREEMENT**

The City's Solid Waste Franchise Agreement has a base term of twelve years from July 1, 2000, to June 30, 2012. The Agreement includes a termination clause that requires the City to provide a two-year notice to Waste Management.

The City, through its designated consultant Sloan-Vazquez, is in the process of negotiating a new solid waste contract with Waste Management. An update of those negotiations is the subject of a separate item on the Council's June 30, 2010, agenda.

Should the City consider issuing a Notice of Termination, such notice would need to be issued on July 1, 2010, to be effective on June 30, 2012. In the event the City does not issue a Notice of Termination, the contract term would automatically continue and the next opportunity to send a Notice of Termination would be on July 1, 2011.

The Council's direction has been to negotiate a new long-term contract with Waste Management. If those negotiations are successfully completed, the issue of terminating the existing contract will be irrelevant. In the event the negotiations are not successful, the City would need to re-initiate a full procurement process. Should the Council issue a Notice of Termination to Waste Management effective June 30, 2012, that procurement process would need to be completed and a new contract negotiated in a timely manner to ensure trash services remain uninterrupted and at a fair and reasonable cost.