



# recycle LA

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## Council File 23-1032

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As a covered entity under Title II of the Americans with Disabilities Act, the City of Los Angeles does not discriminate on the basis of disability and, upon request, will provide reasonable accommodation to ensure equal access to its programs, services and activities.

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# recycLA Background

- Existing recycLA Program
  - January 31, 2017 the City executed contracts with seven (7) recycLA Service Providers (RSPs)
- Current recycLA Contract Term
  - Ten year contract with two 5-yr renewal options
  - Expires January 31, 2027
- City Council instructed LASAN to release a new Request for Proposals due to failed negotiations to amend the existing Contracts

# recyclA 2.0 Timeline





# recycLA 2.0- Ordinance Changes and Amendments

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# recycLA 2.0 - Council Report Overview

## Purpose

- Update LAMC/LAAC to support recycLA 2.0
- Align fee structure with program costs
- Strengthen service and enforcement framework

## Key Actions

- Establish cost-based admin + implementation fees
- Create recycLA Admin Fee Special Fund
- Update service requirements to include compliance with State mandated SB 1383 (trash, recycling, organics)
- Refine franchise zone structure to address City needs

## Outcome

- Enables successful transition to recycLA 2.0 (2027)
- Improves efficiency, accountability, and compliance

# recycLA 2.0 Cost Analysis - Overview

## Purpose of Analysis

- Establish a cost-based framework for recycLA program administration fees
- Identify LASAN's full cost to manage, administer, and oversee recycLA 2.0
- Support long-term fiscal sustainability and cost recovery

## Key Findings

- **\$41.66M annually** recurring costs for program administration
- **\$3.18M one-time costs** for transition and implementation
- Costs reflect full program delivery across multiple LASAN divisions

## Outcome

- Forms the basis for a cost-based administrative fee + one-time implementation fee
- Supports creation of a dedicated special fund and annual cost reconciliation

# recycLA 2.0 Cost Analysis - Methodology & Drivers

## Core Program Functions

- Contract administration and compliance monitoring
- Inspections, enforcement, and audits
- Customer service and dispute resolution (~275K calls/year)
- Data systems and reporting infrastructure
- Outreach, education, and SB 1383 implementation

## Methodology

- Review of:
  - Staffing levels, salaries, and benefits
  - Historical and projected expenditures
  - CAP (Cost Allocation Plan) overhead
  - Customer, revenue, and service data by zone

## Cost Components

- **Labor (Salaries):** \$18.34M
- **CAP / Overhead:** \$19.46M
- **Other Costs:** \$3.86M
  - **Total Annual:** \$41.66M
- **One-Time Costs:** \$3.18M
  - Procurement, transition, systems, equipment

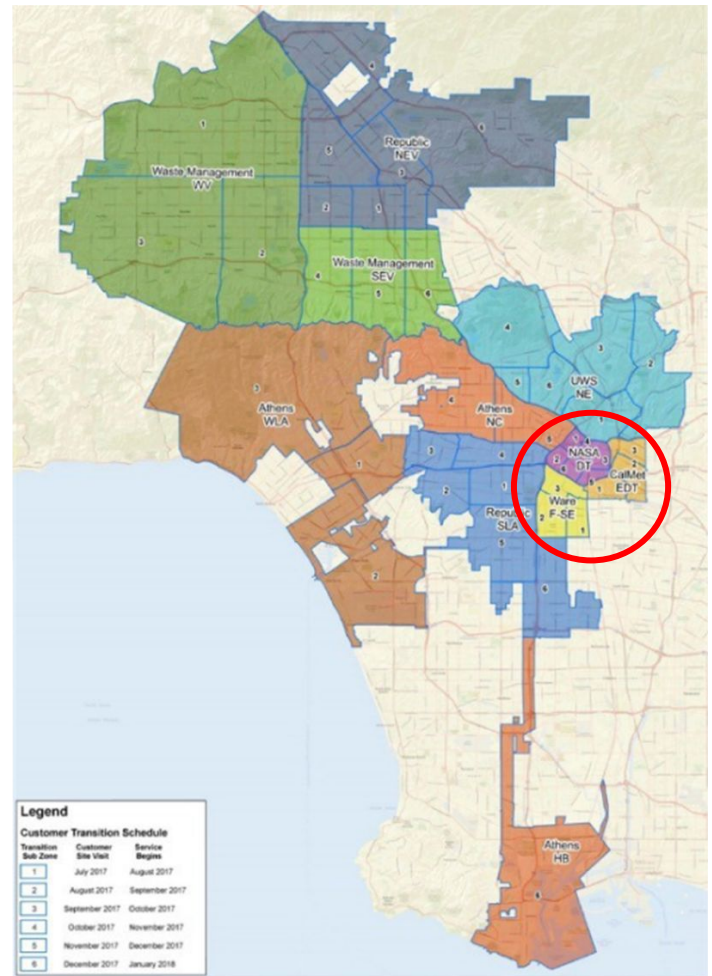
# recycLA Zones

## Current Structure

- 11 franchise zones; 3 smaller “single” zones: DT, EDT, SE
- Original model supported small/medium hauler participation
- Resulted in 7 separate RSP contracts

## recycLA 2.0 Update

- Retains all 11 zones
- Reclassifies DT, EDT, SE as “small” zones
- Allows small zones to be awarded individually or bundled
- Preserves competition while improving efficiency and oversight



# Minimum Level of Service Requirements

## Current Gap

- LAMC 66.03(d) requires adequate solid waste service only
- Opportunity to improve recycling and organics minimum service standard
- Limits ACE enforcement for insufficient blue/green bin capacity

## Proposed Update

- Apply minimum service requirements to trash, recycling, and organics
- Require sufficient container size, number, and collection frequency
- Align LAMC 66.03(d) with existing diversion mandates and operational needs

## Program Benefit

- Closes enforcement ambiguity
- Reduces illegal dumping, contamination, and nuisance conditions
- Strengthens compliance with SB 1383 and City diversion goals



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| Thank You

**LA Sanitation and Environment**  
Solid Resources Commercial Franchise Division