RESOLUTION NO. 6850

RESOLUTION OF THE COUNCIL OF THE CITY OF PASADENA SETTING THE LIABILITY INSURANCE REQUIREMENTS FOR THE SOLID WASTE FRANCHISE SYSTEM.

WHEREAS, on November 3, 1992, the City Council approved an Ordinance which established the Solid Waste Collection Franchise System; and

WHEREAS, Section 8.61.110 of the Pasadena Municipal Code as enacted by said Ordinance, provides that the board of directors shall establish by resolution the minimum levels and standards liability insurance and claims reserve which must be maintained in order to apply for, to receive and to operate a non-exclusive franchise.

WHEREAS, the City Council desires to set such insurance requirements; and

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF PASADENA:

I. Any person granted a franchise by the City of Pasadena to operate in the City is required to maintain levels and standards of liability insurance and claims reserve as follows and demonstrate such in a form acceptable to the City:

A. Evidence of a policy of automobile liability insurance in a minimum amount of $1,000,000 combined single limits.

Evidence of a policy of Comprehensive General Liability insurance in a minimum amount of 1,000,000, including contractual lability coverage, endorsing the City of Pasadena, its Councilmembers, Officers and Employees as additional insured.

Compliance with the California Labor Code provisions relating to worker's compensation insurance.

B. Deductibles must be identified and are to be considered as partial self-insurance.

C. Evidence of a bond (or cash deposited with the City) in the sum of $1 million may be substituted for insurance.

D. Self-insurance (or similar risk program such as

membership in a purchasing group) may be substituted for insurance if certified by City's Risk Management and Finance Directors.

1. A program of self-insurance may be established by showing evidence of the following:

   a. The franchisee owns more than 10 trucks (a requirements for total self-insurance but not partial self-insurance).

   b. The franchisee proves it is able to respond in damages to a judgement equivalent to the insurance requirements set forth in paragraph I.A above.

   c. For partial self-insurance, evidence of ability to respond in damages to a judgment equivalent to the deductible amount is required.

II. Franchisee must indicate to whom claimants are to be referred for processing of a claim.

III. Franchisee must keep financial responsibility records on file with the City current at all times.

IV. Franchisees must comply with any other financial responsibility requirements set by the City or any other regulatory agency.

V. This Resolution shall become effective on the effective date of Ordinance No. _____.

ADOPTED at the regular meeting of the Board of Directors on January 26, 1993, by the following vote:

AYES: Directors Holden, Hughston, Paparian, Thomson, Vice Mayor Nack, Mayor Cole

NOES: None

ABSENT: Director Richard

ABSTAIN: None

Maria Stewart, City Clerk

APPROVED AS TO FORM:

Nicholas George Rodriguez
Deputy City Attorney

Agenda Report

TO: CITY COUNCIL

Date: January 19, 1993

FROM: CITY MANAGER

SUBJECT: RESOLUTION OF THE COUNCIL OF THE CITY OF PASADENA ON SETTING THE LIABILITY INSURANCE REQUIREMENTS FOR THE SOLID WASTE FRANCHISE SYSTEM.

RECOMMENDATION

Staff recommends that the City Council adopt a resolution declaring the minimum levels and standards of liability insurance and claims reserves which must be maintained in order to apply for, to receive and to operate a non-exclusive franchise as required by the Ordinance creating the non-exclusive Solid Waste Franchise System.

BACKGROUND

On November 3, 1992, the City Council adopted the Solid Waste Collection Franchise System. The purpose of that ordinance was to provide standards and procedures for the granting of non-exclusive franchises for solid waste collection and to generate revenue for the preparation and implementation of an integrated waste management plan and for other municipal purposes. As a part of this ordinance, the liability insurance requirements shall be set by Council Resolution.

FISCAL IMPACT

There will be a small amount of administrative costs associated with processing this aspect of the Franchise Application to ensure compliance with liability limits. These funds will be recovered by the Franchise Fee.

Respectfully submitted,

Philip A. Hawkey
City Manager

MEETING OF 1/26/93

AGENDA ITEM NO. 4.A.7

Prepared by:

Barbara B. Cathey
Solid Waste Administrator

Approved by:

Cynthia J. Kurtz
Director of Public Works
and Transportation

CONCURRENCE:

Robert Hays
Liability Claims Coordinator