



Amendment to the 2019 Collection Services Franchise Agreement with Recology Yuba-Sutter



**Presentation By:
Diana Langley, Interim City Manager**



Background – Franchise Agreement

- 10/2/18 – City Council approved a new Collection Services Franchise Agreement with Recology Yuba-Sutter (Recology) for implementation on 10/1/19
- 2/1/19 – City received a request from Recology to amend the Franchise Agreement



Background – Biosolids Disposal

- 12/20/11 – City Council approved a Side Letter Agreement with Recology for biosolids disposal
 - Side Letter Agreement expires 9/30/19
- 5/21/19 – City Council authorized the Interim City Manager to negotiate a new agreement for biosolids disposal



Recology Amendment Requests

- §5.8G – On-Call Electronic Waste Collection
 - Current Agreement – Recology to provide on-call electronic waste collection service to Commercial Units on a subscription basis at a rate not exceeding the Maximum Service Rate for such service.
 - Proposed Amendment – Modify the language to reflect that the need can be met under current programs.
- §5.8H – On-Call Universal Waste Collection
 - Current Agreement – Recology to provide on-call Universal Waste collection service to Commercial Units on a subscription basis at a rate not exceeding the Maximum Service Rate for such service.
 - Proposed Amendment – Modify the language to reflect that the need can be met under current programs



Recology Amendment Requests

- §7.9A – Vehicle Requirements – General Provisions
 - Current Agreement - Requires that Recology shall provide a fleet of model 2019 Collection vehicles sufficient in number and capacity to efficiently perform the work required by the Agreement in strict accordance with its terms.
 - Proposed Amendment – Remove the requirement for model 2019 Collection vehicles and instead include a list of the vehicle inventory Recology intends to use to provide services under the Agreement. It should be noted that the current fleet's in service dates range from 9/01/15 to 2/01/19.



Recology Amendment Requests

- §7.10A – SFD Carts
 - Current Agreement – Recology will provide each single family dwelling with new, wheeled carts for automated collection of Solid Waste, Recyclable Materials and Green Waste. The default service level will be a 96-gallon cart for each material type collected weekly. Recology must provide a 64- or a 32- gallon cart as a substitute depending on the Customer’s preference and need. No discount will be given for using smaller carts.
 - Proposed Amendment – Remove the requirement that the carts be new and the default service will not be a 96-gallon cart for each type of material collected. Single Family Dwelling (SFD) customers will be able to choose between 32-, 64-, or 96-gallon carts for Solid Waste and will receive a 64-gallon cart for Recyclable Materials and a 96-gallon cart for Green Waste.



Recology Amendment Requests

- §7.10B – Distribution of Carts and Bins
 - Current Agreement – Requires Recology to purchase and distribute new carts and bins to customers.
 - Proposed Amendment – Removes the requirement for Recology to purchase and distribute new carts and bins to customers.



Recology Amendment Requests

- §7.15 – Recycling – Improper Procedure
 - Current Agreement – Defines process to work with customers when the customer does not properly segregate the Recyclable Materials from Solid Waste, Green Waste, Exempt Waste or Construction and Demolition Debris.
 - Proposed Amendment – Adds language to clarify that the infractions noted are per Agreement Year and to allow Recology to charge a fee for three or more instances of contamination in a customer’s recyclables container.
- §7.16 – Organic Materials – Improper Procedure
 - Current Agreement - Defines process to work with customers when the customer does not properly segregate the Organic Materials from Solid Waste, Recyclable Materials, Exempt Waste or Construction and Demolition Debris.
 - Proposed Amendment - Adds language to clarify that the infractions noted are per Agreement Year and to allow Recology to charge a fee for three or more instances of contamination in a customer’s recyclables container.



Recology Amendment Requests

- §8.10 – AB 341 and AB 1826 Compliance
 - Current Agreement - Addresses Recology's responsibilities with respect to AB 341 and 1826 compliance. Recology considers the language to be vague.
 - Proposed Amendment – Changes the language to match the RWMA contract, which from Recology's perspective, is more focused. It specifically requires Recology to identify customers that may be out of compliance and prioritize them for outreach.



Recology Amendment Requests

- §8.11 – Right to Audit
 - Current Agreement – Deals with City audits of Recology’s financial and other records. The language is virtually identical to the RWMA contract, but vague about when Recology would need to reimburse the City for audit costs.
 - Proposed Amendment – Adds language that the scope of the audit may be expanded and the City may be able to recover any additional costs resulting from the expanded scope if inaccuracies are found in Recology’s payments to the City.



Recology Amendment Requests

- §10.5 – Extraordinary Rate Adjustments
 - Current Agreement – Allows Recology to request special rate adjustments for a wide variety of unspecified cost changes.
 - Proposed Amendment – Delete the current §10.6 and adopt the RWMA methodology for special rate adjustments which only allows Recology to request special rate adjustments for certain specified events which are standard in the industry, such as changes in law and changes in government fees. The RWMA methodology also allows the City to recover its costs of reviewing the special rate adjustment request, and has a clear process for handling such requests.



Recology Amendment Requests

- §10.6 – Submittal of Request
 - Current Agreement – This section does not exist in the current Agreement.
 - Proposed Amendment – Defines the process for how a request for an extraordinary rate adjustment should be conducted.
- §10.7 - City Review
 - Current Agreement – This section does not exist in the current Agreement.
 - Proposed Amendment – Adds language that “the initiator of the request for an extraordinary rate adjustment shall bear the burden of justifying by substantial evidence its entitlement to any adjustment in Maximum Service Rates under Section 10.6.”



City Amendment Requests

- Add §5.11 – Biosolids Handling
 - Rather than address the biosolids handling through a Side Letter, it was recommended by the City Attorney to include it in the Agreement.
 - Provides the following disposal rate:
 - \$38 per ton as of October 1, 2019
 - \$51 per ton as of October 1, 2020
 - \$61 per ton as of October 1, 2021
 - \$76 per ton as of October 1, 2022
 - On October 1, 2023 and each October 1 thereafter, the Disposal Rate shall be adjusted by the annual percentage change in the WST index



City Amendment Requests

- Add §5.11 – Biosolids Handling
 - Provides the following haul rate:
 - \$375 per haul as of October 1, 2019
 - On October 1, 2020 and each October 1 thereafter, the Haul Rate shall be adjusted by the annual percentage change in the WST index
 - Either party may terminate the biosolids handling in its entirety after the first three years upon ninety days prior written notices.



City Amendment Requests

- Compliance with Current Legislation
 - Since the execution of the Agreement, there have been changes in legislation and the Amendment provides the opportunity to bring the Agreement into compliance



Fiscal Impact

- Recology has agreed to match Yuba City's rates to the other five agencies within the Regional Waste Management Authority (Sutter and Yuba Counties and the Cities of Live Oak, Marysville, and Wheatland)



Fiscal Impact

- Biosolids Handling

Year	Estimated Cost*
Current	\$290,000
As of October 1, 2019	\$496,940
As of October 1, 2020	\$615,630
As of October 1, 2021	\$706,930
As of October 1, 2022	\$843,880

*Based on current volume of biosolids



Recommendation

- Authorize the Mayor to execute an amendment to the 2019 Collection Services Franchise Agreement with Recology Yuba-Sutter