

**AMENDMENT TO FRANCHISE AGREEMENT**

**BETWEEN**

**CITY OF RICHMOND and**

**RICHMOND SANITARY SERVICE, INC.**

This Amendment to the Franchise Agreement is entered into effective August 1, 2014, by and between the City of Richmond, a municipal corporation ("City"), and Richmond Sanitary Service, Inc., a California corporation ("RSS" or "Contractor").

**RECITALS**

WHEREAS, the City and RSS entered into an exclusive franchise agreement entitled "Franchise Agreement Between City of Richmond and Richmond Sanitary Service, Inc. effective July 1, 1986 ("Franchise Agreement"); and

WHEREAS, the Franchise Agreement was previously amended on September 6, 1991; January 20, 1994; March 16, 1999; February 6, 2003; and June 22, 2004 (hereinafter collectively referred to with the July 1, 1986 agreement as the "Franchise Agreement"); and

WHEREAS, all of the terms, conditions, rights and obligations of the parties under the Franchise Agreement shall remain in full force and effect and shall not be changed in any manner except as expressly set forth in this Amendment to the Franchise Agreement; and

WHEREAS, Article IX, section 7 of the Constitution of the State of California empowers the City to make and enforce within its limits all sanitary and other ordinances and regulations not in conflict with general laws for the management of solid waste generated within the City; and

WHEREAS, the Legislature of the State of California, by enactment of the California Integrated Waste Management Act of 1989 (Act) (California Public Resources Code Section

40000 et seq.), has declared that it is in the public interest to authorize and require local agencies to make adequate provisions for Solid Waste management within their jurisdiction; and

WHEREAS, the City is a Member Agency of the West Contra Costa Integrated Waste Management Authority ("Authority"); and

WHEREAS, the Authority is a joint powers agency created by the Cities of El Cerrito, Hercules, Pinole, Richmond, and San Pablo (individually and collectively referred to herein as "Member Agencies") in a Joint Exercise of Powers Agreement dated April 2, 1991, and as amended; and

WHEREAS, on October 10, 2013, the Authority authorized execution of an Agreement for Enhanced Recycling Services, Post-Collection Recycling, and Disposal Services (hereinafter "Post-Collection Agreement") governing the handling of waste and recyclables collected in the franchise areas served by RSS; and

WHEREAS, pursuant to the Post-Collection Agreement, Contractor agrees to specific enhancements of its collection services within the County and Member Agencies for which it is the current franchisee collector ("Franchise Agencies"), by providing weekly recycling and organic materials collection to residential customers; weekly mixed residential organics services; weekly or source separated commercial recyclable and organic materials collection and processing; routing of commercial customers for dry load collection and processing; expansion of recyclable materials accepted curbside; and two full-time recycling coordinators to exclusively serve the Authority's service area with certain new services beginning on the start dates specified herein (hereinafter collectively referred to as "Enhanced Collection Services"); and

WHEREAS, on June 20, 1994, City and RSS entered into an amendment to the Franchise Agreement (also referred to as "the 1994 Amendment") directing City's solid waste and recyclable materials to the Authority through January 1, 2014 or when the IRRF Bonds issued by the Authority were paid off, which ever first occurs; and

WHEREAS, the 1994 IRRF Service Agreement expired on January 1, 2014; and

WHEREAS, the IRRF Bonds were paid off on or before January 1, 2014; and

WHEREAS, the 1994 amendment to the City's Franchise Agreement with RSS directing solid waste and recyclables to the Authority expired upon the pay-off of the issued and outstanding bonds used to finance the IRRF on or before January 1, 2014; and

WHEREAS, City and Golden Bear Transfer Services, Inc. entered into an exclusive franchise agreement on June 28, 2004, whereby City has directed all City solid waste to the Golden Bear Transfer Station for the term of the Golden Bear Agreement;

NOW THEREFORE, in consideration of the promises and mutual covenants set forth herein, the Parties agree as follows:

#### AMENDMENT TO FRANCHISE AGREEMENT

In consideration of the above and the promises and other provisions in this Amendment, the Parties agree to amend the Franchise Agreement as follows effective August 1, 2014.

1. Enhanced Collection Services. For the remaining term of the Franchise Agreement between City and RSS, RSS shall provide the following Enhanced Collection Services at the agreed-upon compensation as set forth below:

a. Weekly Recycling and Organic Materials Collection. No later than March 2, 2015, Contractor shall convert the every-other-week collection program for all residential recyclable materials and organic materials to a weekly collection program. Such weekly recycling and organic materials collection will apply to both single family and multi-family customers. For commercial customers, no later than March 2, , 2015, Contractor shall convert all commercial recyclable materials cart customers from every-other-week to weekly collection and shall service all cart and bin commercial recycling containers weekly, at a minimum.

b. Source Separated Commercial Recyclable Materials Collection and Processing. Prior to May 1, 2014, Contractor shall offer commercial customers (including multi-family customers receiving service in carts and bins) recyclable materials collection from carts and bins

ranging from one to six cubic yards in capacity, and shall offer such service up to three times per week, at the customer's request.

c. Source Separated Commercial Organic Materials Collection and Processing

Prior to July 1, 2014, Contractor shall identify, educate, and sign up, restaurants, institutional kitchens, and food processors for source separated organic materials collection service. Beginning August 1, 2014, Contractor shall commence collection service for commercial source separated organics accounts that have signed up for such service. Commercial organic materials accepted under this program shall include all compostable food waste, and food soiled paper. Prohibited materials under this program shall include hazardous materials, metals, glass, ceramics and plastics (except certain compostable bio-plastic bags and food service ware specified by Contractor). Contractor shall provide such customers the option of using sixty-five (65) gallon carts and one or two cubic yard bins, at the customer's request. Collection of source separated commercial organic materials shall be provided up to three times per week, at the customer's request. This service shall be provided at no additional charge to customers who subscribe to garbage service.

d. Routing of Commercial Customers for Dry Load Collection and Processing

Prior to April 1, 2014, Contractor shall commence a review of commercial customer accounts and waste characterization with the purpose of identifying customers where the primary constituents of their garbage containers are dry and recyclable. The goal for this program is to identify a sufficient volume of material for one full-time equivalent route. No later than July 1, 2014, Contractor shall have completed this review and shall submit a report to the Authority identifying the customers who have been selected for the dry routing program. No later than September 1, 2014, Contractor shall have implemented the dry material collections from customers. All material collected under this program shall be processed in a manner that maximizes the recovery of materials, and no material collected under this program shall be disposed of prior to processing without written approval from the Authority as may be required in Section 4.4 of the Post-Collection Agreement.

e. Expansion of Recyclable Materials Accepted Curbside. Beginning January 1, 2014, Contractor shall accept the following new or additional recyclable materials curbside:

- i. # 1-# 7 plastic beverage and food containers;
- ii. Mixed rigid plastic packaging and other food containers;
- iii. Scrap metal;
- iv. Plastic film and wrapping (properly bagged);
- v. All mixed plastics;
- vi. Milk and juice cartons.

f. Recycling Coordinators. Prior to December 1, 2013, Contractor shall hire two full-time recycling coordinators dedicated to work exclusively within the Authority service area. Responsibilities of the recycling coordinators include, but are not limited to, supervising, coordinating, and implementing all approved public education and outreach activities and recycling and diversion programs; serving as liaisons between the Authority, City and Contractor; interacting with residents, businesses, community groups, and public agencies. The full scope of the recycling coordinators' duties are set forth in Exhibit 4.1.9 of the Post-Collection Agreement. Public education and outreach materials prepared by Contractor shall be subject to the review and approval of the Authority.

2. The 2013 post-collection rates will continue to apply effective January 1, 2014 in 2014 until thirty (30) days after the franchise amendment is approved by that Franchise Agency.

3. Compensation for Enhanced Collection Services. The Contractor's sole compensation for any costs associated with providing Enhanced Collection Services shall be the revenue derived from the initial collection rate adjustment(s) approved by the City which would go into effect at the same time as the new post-collection rates discussed in Sections 2., plus the subsequent CPI-adjustments to this initial collection rate adjustment as authorized pursuant to the Franchise Agreement.

a. 2014 Surplus Disposition. The parties agree that a surplus of approximately \$28,350.41 will be generated as a result of pro-rated rate adjustments in calendar year

2014 as is more fully described in the March 7, 2014 rate analysis submitted by RSS, and shall be transferred to the City on or before December 31, 2014. The City may apply such surplus revenues to uses other than offset of CPI adjustment costs, including without limitation to defray Program costs, or for such other uses as the City deems appropriate, in its sole discretion.

b. 2015 Surplus Disposition and Elimination. In calendar year 2015, the Parties agree that a surplus in the amount of \$68,041 will be generated as result of the rate adjustments referenced in subsection a. above. Effective January 1, 2015 for calendar year 2015, the residential and commercial rate base shall have \$68,041 subtracted from it using the March 7, 2014 rate analysis submitted by RSS, to eliminate the surplus that would otherwise accrue. Effective January 1, 2015, the 2015 rates (as adjusted to subtract \$68,041.00) shall then be adjusted for CPI for 2015. Further residential rate adjustments are as set forth in section 5 below. Effective January 1, 2015, with the subtraction of the \$68,041.00 from the rate base, the surplus is eliminated and no further rate adjustments to account for the rate adjustment surplus shall be made.

4. Exhibit A. The provisions of "Exhibit A" to the Franchise Agreement are deleted in their entirety, and replaced by Exhibits A-1 and A-2 dated February 18, 2014, attached hereto and incorporated by reference as though fully set forth herein.

5. Residential Rates. City and RSS agree that effective January 1, 2014 and continuing throughout the remainder of the Term, annual adjustments to the residential collection rate for changes in the Consumer Price Index for the SF-Oakland Bay Area, all urban consumers ("CPI") shall be as follows: (1) for years 2014 through 2017, annual adjustments to the residential collection rate for changes in the CPI shall be the actual change in CPI for the preceding 12 month period or 3.00%, whichever is less; (2) for years 2018 through 2025, annual adjustments to the residential collection rate for changes in the CPI shall be the actual change in CPI for the preceding 12 month period or 3.25%, whichever is less. For any years, in the event that the change in CPI is greater than either 3.00% for 2014-2107 or 3.25% for 2018-2025 for any given year(s), the amount of increase in excess of 3.00% or 3.25% as the case may be shall be carried over and applied to the following year(s) and applied to the residential rates so long as

the adjustment to the residential rates does not exceed the limit of 3.00% or 3.25%, as applicable.

6. Community Clean Up Offset Funding. Effective January 1, 2015, and annually each year after for the Term of the Agreement, the \$50,000 sum paid to the City by RSS for Community Clean-ups shall be adjusted by the percentage change in the CPI from the preceding year.

7. Annual Residential On-Call Curbside Clean-up Service. Section 5.4 of the Franchise Agreement is deleted in its entirety and replaced with the following new section 5.4 as follows:

(a) In addition to its regular collections, RSS shall provide two (2) On-Call Curbside Clean-ups per year, to each Single-family (including duplexes) residential customer as set forth in the Exhibit B that is attached hereto and incorporated herein by this reference. This service (expanded to include bulky item collection) shall be provided no later than September 1, 2014.

8. Direction of Solid Wastes and Recyclable Materials and Rescission of Contrary 1994 Amendment Provisions.

a. Pursuant to the June 28, 2004, Franchise Agreement between the City and Golden Bear Transfer Services, Inc., City directs all solid waste to the Golden Bear Transfer Station in the City of Richmond for the Term of said June 28, 2004 Golden Bear Franchise Agreement, including any extension of the Term.

b. Effective August 1, 2014, in accordance with the Post-Collection Agreement the City hereby directs the flow of all recyclable materials to the Designated Facilities as defined in the Post-Collection Agreement.

c. Effective on August 1, 2014, City and RSS, Inc. hereby rescind any provisions of the 1994 Amendment to the Franchise Agreement that are contrary to the provisions of this section. No further actions shall be required by City or RSS, Inc. to rescind said contrary provisions of the 1994 Amendment to the Franchise Agreement.

9. Compliance with Laws. Contractor shall comply with all applicable federal, state and local laws, statutes, ordinances, rules and regulations, and the orders and decrees of any courts or administrative bodies or tribunals, with respect to this Contract, including without limitation environmental laws, employment discrimination laws and prevailing wage laws. Compliance under this provision includes compliance with all provisions of the Richmond Municipal Code ("Municipal Code"), including Chapters 2.50, 2.52, 2.56, 2.60, and 2.65, if applicable.

Contractor acknowledges that under § 2.60.070 of the Municipal Code ("Living Wage Ordinance"), Contractor shall promptly provide to City documents and information verifying its compliance with the Living Wage Ordinance. Also as prescribed in § 2.60.070, Contractor shall notify each of its affected employees with regards to the wages that are required to be paid pursuant to the Living Wage Ordinance.

Contractor shall comply with § 2.28.030 of the Municipal Code, obligating every contractor or subcontractor under a contract or subcontract with the City for public work or for goods or for services to refrain from discriminatory employment or subcontracting practices on the basis of race, color, sex, sexual orientation, religious creed, national origin or ancestry of any employee, any applicant for employment or any potential subcontractor.

Contractor acknowledges that the City's Drug Free Workplace Policy, Violence in the Workplace Policy and the Policy Against Workplace Harassment, are available on the City's website at [www.ci.richmond.ca.us/](http://www.ci.richmond.ca.us/). Contractor agrees to abide by the terms and conditions of said policies.

10. Franchise Fees. Article VIII, section 8.1 of the Franchise Agreement is deleted in its entirety and replaced with the following:

Franchise Fee. Beginning July 1, 1990, RSS shall pay to City for said privilege hereby granted a percentage of the gross annual revenues derived from its collection operations under this Franchise Agreement. Effective August 1, 2014, or on the first day of the month following adoption and execution of this Amendment, whichever is later, RSS shall pay to City for said privilege ten percent (10%) of the Gross Revenues derived from its collection operations under

this Franchise Agreement, based upon audited revenue statements submitted annually to the City. The payment shall be made on a monthly basis, with annual adjustments if necessary based on review of the audited revenue statement. As used herein, the term "gross Revenues" means revenues from refuse and recycling collection services provided to residents and businesses within the City, exclusive of governmental taxes, fees and surcharges applicable to such Gross Revenues."

11. All Other Terms and Conditions Remain in Full Force and Effect. All other remaining terms of the Franchise Agreement shall remain in full force and effect.

12. No Other Agreements. There are no other or further Franchise Agreement amendments or other RSS or City agreements or conditions as a prerequisite to approval of this Amendment.

IN WITNESS WHEREOF, the parties hereto executed this First Amendment to be effective as of the date first written above.

"CITY"

City of Richmond,  
a California municipal corporation

  
\_\_\_\_\_  
GAYLE McLAUGHLIN

Mayor  
City of Richmond

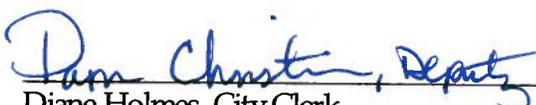
"RSS"

Richmond Sanitary Service, Inc.,  
a California corporation

  
\_\_\_\_\_  
MICHAEL A. CAPRIO

Area President  
Richmond Sanitary Service, Inc.

ATTEST:

  
\_\_\_\_\_  
Diane Holmes, City Clerk

Approved as to form:



Bruce Goodmiller, City Attorney  
By: Everett Jenkins, Senior Assistant  
City Attorney



Scott W. Gordon, Counsel for RSS

## EXHIBIT A-1

### Provided Services Included In Applicable Waste Collection Service Rates

- \*Note: 1) Monthly Residential and Commercial Service (cart and bin) rates are based on waste container capacity, filled to rim with lid properly closed.  
2) Monthly Residential Service rates include one cart for solid waste (20, 35, 65 or 95-gallon), one (1) 65-gallon blue cart for recycling and one (1) green 65-gallon cart for organic materials.

#### **1. RESIDENTIAL SERVICE**

##### **A. Weekly Waste Collection and Disposal Service\***

- 20, 35, 65 and 95-gallon carts

##### **B. Bi-weekly Recycling and Organics Collection and Disposal Service**

(Weekly service no later than 3/2/2015, or as otherwise mutually agreed by the Parties.)

- Recyclable materials (See Exhibit A-2 for accepted materials)
- Green (yard) wastes and food scraps in green organics cart

##### **C. Annual On-call Curbside Clean-up Service (See Exhibit B)**

(Start date of 9/1/2014)

- Single-family and duplex units only
- A total of two (2) On-call Curbside Clean-ups per program year (November 1-October 31) of non-hazardous household residential trash, green (yard) waste, Bulky/E-waste items, including holiday trees.
- Utilization options:
  - Bagged Materials
    - Up to 15 bags (35 to 40-gallon) per Clean-Up
    - Household trash, or all green (yard) waste only
  - Bulky Item/E-waste
    - One (1) On-call Clean-up per year
    - Up to three (3) Bulky Items, including up to five (5) E-waste Items per On-Call Clean-up
  - Holiday tree
    - One (1) On-Call Clean-up per year
    - One (1) Holiday Tree per On-Call Clean-up

##### **D. Holiday Tree Collection Service**

- Single-family and duplex units only
- Compostable trees in green organics cart
  - Natural, unflocked trees cut or trimmed to fit in organics cart
  - No stands, ornaments, tinsel or tree wrappings (plastic or cloth)
  - Trees over 5' must be cut in half or no more than 4' lengths
  - Set-out on at customer convenience on any regular organics ("green waste") collection day

- Holiday Trees set out for collection outside the organics cart without arranging for a scheduled On-Call Curbside Clean-up, will be collected at additional cost billed to the Customer's account (\$15 in 2014 and indexed to CPI annually).
- Non-compostable trees in brown waste cart
  - Flocked, artificial, natural trees contaminated with stands, ornaments, tinsel or wrapped in plastic or cloth, may be cut or trimmed to fit in brown waste cart
  - Set-out at customer convenience on any regular waste collection day
  - Collection and disposal fees apply to whole trees left curbside outside brown waste cart

**E. Senior Discount Service**

- Account holder 62 years or older—owns and resides in a single-family residence or unit in multi-family residence with separately collected and billed cart service
- 32-gallon service only

**F. Disability Carry-out Service**

- Backyard service of solid waste, recycling and organics carts
- No one in household able to move carts to curb for collection
- Medical certification of disability or elder frailty required
- Annual renewal of medical certification of disability or elderly frailty

**2. COMMERCIAL SERVICE**

**A. Weekly solid waste collection and disposal**

- Bins—1, 2, 3, 4, 5 and 7 cubic yards
- Carts—35, 65 and 95-gallon
- Collection Service—One (1) to three (3) times per week

**B. Weekly mixed and source separated recycling collection and disposal**

- Commercial Business and Multi-family customers
- Mixed recyclable materials collection
  - Minimum once a week mixed recycling cart service effective (effective immediately)
  - Source-separated recyclable materials collection Carts (65, 95-gallon) and bins (1-7 cubic yard).
  - Collection up to three (3) times/week at customer's request
- Dry recyclable materials (service provided no later than September 1, 2014)

**C. Weekly food scrap collection (service provided no later than August 1, 2014)**

Source-separated compostable organics (food scraps, food soiled paper)

- Carts—65-gallon
- Bins—1 and 2 cubic yards
- Collection—One (1) to three (3) times per week at customer's request

### **3. CITY SERVICES**

#### **A. Cost of service billed to City**

- City-sponsored Neighborhood Clean-up collection service
  - \$265 per haul, plus then current Saturday overtime labor cost
  - 20, 30, 40-yard debris boxes

#### **B. Included in rates—pass through cost *not* billed to City**

- Disposal of materials collected in City-sponsored Neighborhood Clean-ups
- One (1) time per week collection service for 150 street cans in City-designated business areas.
- Parties shall meet and confer on additional street cans; additional charges may apply.
- Street cans may be relocated with ten (10) days' notice to Contractor
- One (1) time per week collection service for designated City buildings occupied and used for City business conducted by City employees.
- One (1) time a week service for existing City parks—Commercial bins (1, 2, 3, 4, 6 and 7-yard) collected from a central storage point
- Disposal at Golden Bear Transfer Facility for materials collected by City crews from public right-of-way or City-owned property and delivered in identifiable City vehicles driven by City staff.

## EXHIBIT A-2

### Materials Accepted In Residential Curbside, Commercial, and Industrial Recycling and Composting Collection Programs

#### **Paper**

- White and colored
- Newspaper
- Cardboard
- Mixed paper
- Magazines and catalogs
- Paper bags
- Junk mail and envelopes
- Non-carbon forms

#### **Containers**

- Milk, water and juice bottles
- Soda bottles
- Glass bottles and jars (no Pyrex, windows or mirrors)
- #1 through #7 plastic beverage containers
- Mixed rigid plastic packaging and clean food containers
- Film plastic and wrapping (tightly bagged or tie bundled)
- Steel and tin cans
- Scrap metal – small pieces

#### **Organics – Green (Yard) Waste**

- Yard trimmings
- Grass clippings
- Leaves and flowers
- Pine needles
- No palm, bamboo or ivy
- Uncooked fruits and vegetables

#### **Organics—Food Scraps**

- Food (table) scraps
- Food scrap contaminated paper
- Vegetable and fruit
- Grains
- Dairy waste
- Meat and fish
- Coffee grounds and paper coffee filters
- Breadstuffs
- Waxed paper and waxed cardboard

- Compostable food service ware

#### **Construction and Demolition**

- Mixed C&D
- Porcelain
- Cardboard
- Wood (no creosote or chemically treated)
- Green (yard) waste
- Ferrous and non-ferrous metals
- Concrete
- Brick
- Aggregate
- Asphalt
- Base rock
- Dirt/soil (small loads)
- Wallboard, sheetrock and plaster
- Lath
- Shingles
- Carpet and pad
- Plastics and films

#### **Miscellaneous**

- Used motor oil and filters (in JPA-provided oil kits)
- Commercial dry recyclable materials

This list may be amended from time to time by RSS, Inc., based on changes in market conditions, costs of service and City priorities.

**Richmond Sanitary Service**

**ANNUAL RESIDENTIAL ON-CALL CURBSIDE CLEAN-UP SERVICE  
CITY OF RICHMOND**

**July 29, 2014**

Effective September 1, 2014, each year Single-family and Duplex account holders ("Residential Customers") shall be entitled to two (2) Annual On-Call Curbside Clean-ups of non-hazardous household waste per Clean-up.

The current Residential Annual On-Call Curbside Clean-up Service shall be expanded to cover the collection and processing of 1) bagged trash or green (yard) waste, 2) bulky items including electronic waste ("E-waste") items, and 3) holiday trees.

Beginning September 1, 2014, Residential Customers may choose a total of two (2) annual On-call Curbside Clean-up Services per year. Of which, Residential Customers are limited to one (1) Bulky Item Service request per year. The options for the On-call Curbside Clean-up Services include:

- Up to fifteen (15) 35-gallon bags of non-hazardous residential household trash or green waste
- Up to three (3) eligible bulky items which includes up to five (5) E-waste disposal
- One Holiday Tree

**Program Purpose**

The On-Call Curbside Clean-up Service program shall target bulky recyclable and non-recyclable items that are not collected during routine weekly waste and recycling collection services. The program goals are to achieve high waste diversion/recycling and alleviate blight through on-time, complete collection of setouts. RSS will collect materials in a manner that maximizes reuse, recycling and diversion of materials from landfill disposal.

**Program Operation**

RSS shall ensure adequate customer service and operational capacity to provide on-call curbside clean-up services for eligible households. Upon customer request and depending upon the service option selected, RSS/Republic Services will provide two (2) Annual On-Call Curbside Clean-ups of non-hazardous residential household trash or recyclables per Single-family (including duplexes) account holder, utilized as indicated above.

Bagged Service clean-ups shall be collected within ten (10) business days of the customer's request. Holiday Trees shall be collected within five (5) business days of the customer's request. Bulky Item Service shall be collected within ten (10) business days of the customer's request. Same week Bulky Item Service Clean-ups are subject to additional charge. Depending upon collection vehicle capacity, pick-ups will be made beginning at 6:00AM on the

scheduled day. Return Trip charges (\$27.25 in 2014 and indexed to CPI annually) apply for materials set-outs not available for collection by 6:00AM.

RSS shall communicate all cancellation fees, policies and instructions to cancel or reschedule to customers during the initial service request call. Notice of cancellation of scheduled Clean-ups must be received no later than noon (12:00PM) on the day preceding the scheduled collection day. Rerouting charges (\$15.00 in 2014 and indexed to CPI annually) will apply to cancellation notices received after noon (12:00PM). Return Trip charges (\$27.25 in 2014 and indexed to CPI annually) apply to scheduled Clean-ups with no materials set out and without cancellation before noon (12:00PM) on the day preceding the scheduled Clean-up.

All eligible residential household Bulky/E-waste Items set out for collection on the scheduled day, shall be taken. Items set out in addition to those items identified by the customer at the time the Clean-up was requested, will subject to additional service fees at then current collection and disposal rates.

### **Bagged Materials Clean-up**

Bagged Materials Clean-ups can be used for miscellaneous residential trash (no food scraps) or all green (yard) wastes only. Bags must weigh no more than 40 pounds in bags strong enough to hold contents without breaking. Compostable bags must be used for all green (yard) waste only Green (Yard) wastes in plastic bags and mixed set-outs will be collected as solid waste. Miscellaneous residential trash and mixed set-outs will be collected on the customer's regular waste collection day; all yard waste only Clean-ups will be collected on the customer's regular yard waste (green waste) day

### **Bulky/E-waste Items**

Residential household items eligible for collection in the Residential On-Call Curbside Collection Service program are shown in Exhibit B-1. Upon approval by RSS/Republic Services, similar items also may be accepted for collection. Eligible items must weigh no more than 200 pounds and require no special handling. Individual Bulky Items weighing in excess of two hundred (200) pounds will be rejected unless customer has agreed in advance to pay additional costs associated with such collection service. Residential On-Call Curbside Clean-ups for Bulky/E-waste Items will be scheduled within ten (10) business days from the date of Customer request.

### **Holiday Trees**

Whole natural, flocked or artificial Holiday Trees shall be collected in Annual Residential On-Call Curbside Clean-ups, on a scheduled date within five (5) business days of customer request. All natural, unflocked, Holiday Trees that are free of contamination by stands, decorations, cloth or plastic wrapping, will be collected for composting. Flocked, contaminated and artificial trees will be collected as solid waste. Holiday Trees set out for collection outside the organics cart without arranging for a scheduled On-Call Curbside Clean-up, will be collected at additional cost billed to the Customer's account (\$15 in 2014 and indexed to CPI annually).

### **Unacceptable Items**

Liquids, commercial-sized refrigerators or freezers, individual items weighing over 200 pounds, construction and demolition (C&D) wastes, heavy inerts (concrete, asphalt, dirt) hazardous, toxic, explosive or infectious wastes will not be collected in On-Call Curbside Clean-ups. Any

unacceptable items set-out on the scheduled Clean-up day shall be left with a Non-Collection notice advising the customer why the items were left. RSS will photograph the uncollected items and notify the City Code Enforcement Department of all non-collected unacceptable items.

### **Public Education and Outreach**

To encourage participation, RSS/Republic Services will provide:

- An annual mailing describing the Residential On-Call Curbside Clean-up Service to all Single-family Residential Customers (including duplexes) at both the billing and service addresses. An introductory mailer will be mailed by November 1, 2014, informing residents of the service and program guidelines. This introductory mailer will serve as the annual mailer for the Nov. 2014 – Oct 2015 program cycle. Thereafter, the annual mailer shall be distributed no later than January 31 of each year.
- A “reminder” mailer (such as a one-third page billing insert) or postcard will be provided twice annually to all Single-family Residential customers at both billing and service addresses. Depending upon the Residential billing cycle, reminder mailers shall be distributed between March and October.
- Information pertaining to the Annual Residential On-Call Curbside Clean-up Service will be included in the Annual Service Information Guide distributed in the “new start” packet provided to all new customers,
- Information about the Residential On-Call Curbside Clean-up Service posted on the RSS/Republic Services website within one month of City Council adoption of the Annual Residential On-Call Curbside Clean-up Service defined herein.
- A flyer describing service specific set-out guidelines (bagged materials, bulky items, E-waste, Holiday Tree) to each Residential Customer requesting a Clean-up.
- Annual mailers, billing inserts, flyers and educational materials shall be designed by a professional graphic designer and shall contain color photos and be printed on high quality paper. Annual mailers, billing inserts, flyers and educational materials shall be engaging and visually-based. RSS will review and seek input from City Manager’s staff throughout the design process. Clip art is not allowable.
- All program literature will be published in English and Spanish.

Information about the Annual Residential On-Call Curbside Clean-up Service will be posted on the RSS/Republic Services Residential Service website. The website shall be updated within one (1) month of City Council approval of the enhanced Residential On-Call Curbside Clean-up service.

Public Education and Outreach costs will include design, printing and postage for annual mailers, design, and printing and outsource handling of billing inserts, design, printing and postage for the set-out guidelines flyer and updating of the Annual Service Information Guide.

### **Reports**

No later than November 15<sup>th</sup> of each calendar year, RSS/Republic Services shall prepare an Annual Report (provided in Microsoft Excel format) detailing the number, type, date, extra fees charged and address of service requests under the Residential On-call Curbside Clean-up Service. No annual report is required for the first two months of program operation that includes September and October of 2014.

## Program Activity Review

In the event the Participation Rate is less than six percent (6%) in any program year (November 1-October 31), City and RSS/Republic Services shall meet within the first quarter of the next following calendar year to review program activity and collaborate in good faith to identify actions to improve customer utilization of the annual Residential On-Call Curbside Clean-up Service.

## On-Call Curbside Clean-up of Bulky Items - Projections and Costs

The baseline Participation Rate has been set at six percent (6%) as the estimated number of residential customers that will utilize the enhanced Annual Residential On-Call Curbside Clean-up Service, for an average of **30** collections per week, with each collection taking approximately 40 minutes. This translates to **1,521** collections and 1,040 labor hours per year that equates to approximately one-half (1/2) of a fulltime driver position for this route.

A flatbed truck with a lift gate would be used to service these collections. The current RSS equipment fleet is not sufficient to absorb projected collection activity associated with the proposed On-call Curbside Bulky Item Collection Service. Therefore, an additional vehicle will be funded by the program.

All tolled, and allowing for a disposal cost offset from the current Annual On-Call Curbside Bagged Clean-up Service, program costs are expected to be **\$215,983.15**, as outlined below, amounting to **\$8.52** per year per Residential account, for an increase of **\$0.71** per Residential account holder per month.

## Assumptions

The above projections are calculated based on the following assumptions:

- **1,521** account holders will request Bulky Item/E-Waste collection.
- One (1) collection of up to three (3) Bulky Items (or similar items), which includes up to five (5) E-Waste items annually, as described in Exhibit B-1 per collection
- Two (2) Bulky Items per collection will result in disposal costs.
- Disposal @ \$49 per item
- **1,521** collections per year.
- **1,040** labor hours per year.
- One driver and flatbed truck, **20** hours/week.
- Annual mailer to all Single-family (including duplexes) Residential account holders
- Update of Annual Service Information Guide to include information about On-Call Curbside Clean-up Service. .
- Annual informational billing insert, or post card
- Flyer describing service specific set-out guidelines (bagged materials, bulky items, E-waste, Holiday Tree) for Residential Customers requesting a Residential On-Call Curbside Clean-up.
- Update RSS/Republic Services' website.

**Cost Elements**

Equipment, Maintenance and Fuel	\$	20,800.00
Labor		59,893.60
Disposal		149,058.000
Less Disposal offset – Bagged Clean-up		- 60,000.00
Public Education		15,000.00
12% Margin		9,683.23
10% Franchise Fee		<u>21,548.31</u>
TOTAL PROGRAM COSTS	\$	215,983.15

**Program Funding**

Effective August 1, 2014, the above costs for the Residential Annual On-Call Curbside Clean-up Service described above and based on six percent (6%) Single-family Residential Service account holder participation shall be included in the collection service rates.

In 2014, the annualized baseline program costs are expected to be \$215,983.15, as outlined above, amounting to \$8.52 per year per residential account, for an increase of \$0.71 per month per Residential account holder.

**Participation Rate and Service Rate Adjustments**

The baseline participation level will be evaluated on annual basis. The baseline participation rate shall be set at six percent (6%) of total Residential customers at October 31, of every calendar year. Using current 2014 figures, that would amount to 1,521 Bulky/E-waste Clean-ups annually. If RSS/Republic Services exceeds the baseline of six percent (6%) program participation in Bulky/E-waste Clean-ups in a calendar year, then RSS/Republic Services is entitled to recover the additional program costs as described in the Program Activity Review section. The date of the service request from the customer shall be the designated service date – not the actual collection date by RSS. Customers are limited to two On-Call Curbside Clean-up service requests per program year.

The program cycle in 2014 is shortened to 2-months – September and October, and is not subject to participation rate calculations and service rate adjustments described herein. The service shall be made available to residents starting September 1, 2014. The City and RSS agree to assume a 6 percent participation rate for the initial two months. RSS shall collect a prorated amount of approximately \$35,997.19 for the 2-month period irrespective of program participation. No annual report is required for the initial two-month period. Utilization of the program in September and October of 2014 shall not count towards the customer's utilization of the On-call Curbside Clean-up Services under the November 1, 2014-October 2015 program cycle.

Starting November 1, 2014, the program year term will be November 1 through October 31 of each calendar year. The November and December 2014 Clean-up participation and costs shall be included in the participation and rate adjustment calculation for the program year November 2014-October 2015.

Beginning, November 1, 2014, and annually thereafter, In the event and to the extent that Participation Rates exceed the projected six percent (6%) baseline level, the above Cost

Elements shall be recalculated and adjusted to account for the cost of any additional Clean-up services provided, service plan modifications or changes in disposal or operating costs. Rate adjustments related to increases Participation Rate shall be in addition to any Annual CPI Rate Adjustment due under said 1986 Franchise Agreement, as amended, between the City and RSS, and shall be implemented to coincide with the January 1, Annual CPI Rate Adjustment provided for in said Franchise Agreement.

At City's sole discretion, City may choose to compensate RSS/Republic Services for rate adjustments related to participation increases either by 1) adjusting the following year's collection rates; 2) deducting costs from anti-blight funding paid to the City by RSS (\$50,000.00 annually in 2013); or 3) sourcing from other City funds. RSS/Republic Services must obtain City's preferred compensation methodology in writing if compensation is due.

For purposes of the Residential Annual On-Call Curbside Clean-up Service program described herein, or as may be modified from time to time by the parties, "Participation Rate" shall mean the number of Residential Single-family account holders (including duplexes) utilizing the Residential Annual On-Call Curbside Clean-up Service for Bulky/E-waste Item as compared with the total number of Residential Single-Family account holders (including duplexes) subscribing for weekly Residential waste collection service as of October 31 of each calendar year. In no event shall the baseline Participation Rate be deemed to be less than six percent (6%).

**RESIDENTIAL ANNUAL ON-CALL CURBSIDE CLEAN-UP SERVICE  
CITY OF RICHMOND**

**ACCEPTED ITEMS**

Beginning November 1, 2014, Residential Customers may choose a total of two (2) annual On-call Curbside Clean-up Services per year. Of which, Residential Customers are limited to one (1) Bulky Item Service request per year. The options for the On-call Curbside Clean-up Services include:

- Bagged Trash - Up to fifteen (15) 35-gallon bags of non-hazardous residential household trash or green waste
- Bulky Items - Up to three (3) eligible bulky items which includes up to five (5) E-waste disposal
- Holiday Tree

The following (or similar) items are eligible for collection in Annual Residential On-Call Curbside Clean-ups:

**Bagged Trash or Green Waste** – Can be used for one (1) or two (2) Clean-up requests per program year.

- Up to fifteen (15) 35-gallon bags of trash or yard waste per Clean-up
- Contents may be miscellaneous household trash or all yard wastes only (*no food scraps—must be in compostable bags*)

**Bulky Items** – Limit one (1) Bulky Item Service request per program year. Customers may have three (3) bulky items collected for each bulky item service request. Customers may choose to substitute one bulky item for five (5) E-waste items – resulting in a collection of two (2) bulky items and five (5) E-waste items.

**Accepted Bulky Items**

- Washing machine
- Clothes dryer
- Dishwasher
- Refrigerator
- Freezer
- Mattress & Box Springs (*a matched set of mattress and box springs counts as one item*)
- Sofa, loveseat
- Large chair
- Dining set (*A matched set, table & chairs picked up on one collection*)
- Wood furniture
- TV – 24" or larger or with wood cabinet
- Water heater
- Garden/Lawn furniture (*A matched set, table & chairs picked up on one collection*)

- BBQ
- Bicycle, exercise equipment
- Vacuum cleaner
- Four tires (counts as one item)
- Similar sized bulky items not explicitly listed shall be accepted by RSS

**Accepted E-Waste** – Up to five (5) E-waste items is equivalent to one Bulky Item when combined with two (2) Bulky Items. Small items must be bagged or boxed.

- Computers (laptop or desktop)
- Computer monitors
- Desktop fax machine
- Desktop copiers, printers
- Computer keyboards, mouse and peripherals (bagged counted as one item)
- Microwave ovens
- TV 23" or smaller, no wood cabinets
- Similar E-waste items not explicitly listed shall be accepted by RSS

**Holiday Tree** – Can be substituted for One (1) On-Call Bagged Materials Clean-up per year.

- One (1) Christmas Tree

