

**MEMORANDUM
DEPARTMENT OF FACILITY SERVICES
COUNTY OF PLACER**

To: **BOARD OF SUPERVISORS**

Date: **JUNE 24, 2008**

From: **JAMES DURFEE / WILL DICKINSON**

Subject: **AMENDMENT TO EXTEND THE AGREEMENT FOR SOLID WASTE
HANDLING SERVICES IN FRANCHISE AREAS 1 AND 4**

ACTION REQUESTED / RECOMMENDED: Adopt the attached Resolution authorizing the Chairman to sign an Amendment to the Solid Waste Handling Services Agreement for Franchise Areas 1 and 4 with Auburn Placer Disposal Service. The Amendment provides for expanded solid waste handling services and extends the termination date of the Agreement by seven years to June 30, 2016.

BACKGROUND: Auburn Placer Disposal Service (APDS) is the garbage collection franchisee for Franchise Areas 1 and 4, which include all parts of unincorporated Placer County west of Colfax, including the Foresthill and Iowa Hill Divides (see Exhibit A). As part of the Agreement, APDS also operates the Foresthill and Meadow Vista Transfer Stations. The Agreement expires on June 30, 2009.

On February 26, 2008, your Board approved Deal Points (see Exhibit B) for extension of the Agreement with APDS and authorized staff to enter into negotiations for the extension. In summary, the approved Deal Points include the following:

- APDS will implement a Household Hazardous Waste Collection Program to include two annual events in Western Placer County.
- APDS will implement a comprehensive Universal Waste Collection Program including: curbside universal waste collection for specific areas as defined in Exhibit B, 1-day Universal waste collection events in Sheridan and rural Granite Bay, and a used battery collection program.
- A seven year extension of the Agreement from June 30, 2009 to June 30, 2016.
- APDS will forego cost of living adjustments in FYs 2007/08 and 2014/15.

APDS will provide the additional services within the existing rate structure with no fee increases to the ratepayers beyond the cost of living adjustments specified in the Agreement. APDS will continue to pay an 8% Franchise Fee to the County.

Staff recommends that your Board approve the Amendment, which provides for expanded solid waste handling services and extends the Agreement per the previously approved Deal Points. State law allows your Board to contract with APDS or any other collection service provider without following a competitive procurement process. Options to staff's recommendation include preparing bid documents and selecting the lowest bidder, or negotiating with another firm chosen by your Board.

ENVIRONMENTAL CLEARANCE: Household Hazardous Waste and Universal Waste collection programs are exempt from further CEQA review pursuant to Section 15061(b)(3) of the CEQA Guidelines – General Rule exemption. This exemption applies to projects that do not have the potential to significantly affect the environment. Improperly managed hazardous and universal wastes can pose a threat to public health and the environment. These programs provide for the safe collection and proper management of these materials and reduce the potential for improper disposal (e.g. landfills) and illegal dumping.

FISCAL IMPACT: There will be no increase in fees beyond the annual cost of living adjustments as a result of this Amendment. The proposed 1-day household hazardous wastes events are currently funded through the Solid Waste Management Budget at a total cost of \$60,000 per fiscal year. Including these events in the Franchise Agreement will result in a corresponding budget savings.

JD:WD:WS:LM

ATTACHMENTS: EXHIBIT A – MAP OF FRANCHISE AREAS 1 AND 4
EXHIBIT B – DEAL POINTS FOR EXTENSION OF AGREEMENT
RESOLUTION

CC: COUNTY EXECUTIVE OFFICE

T:\FAC\BSMEMO2008\EE APDS AMEND TO EXTEND MEMO

Placer County Solid Waste Franchise Areas

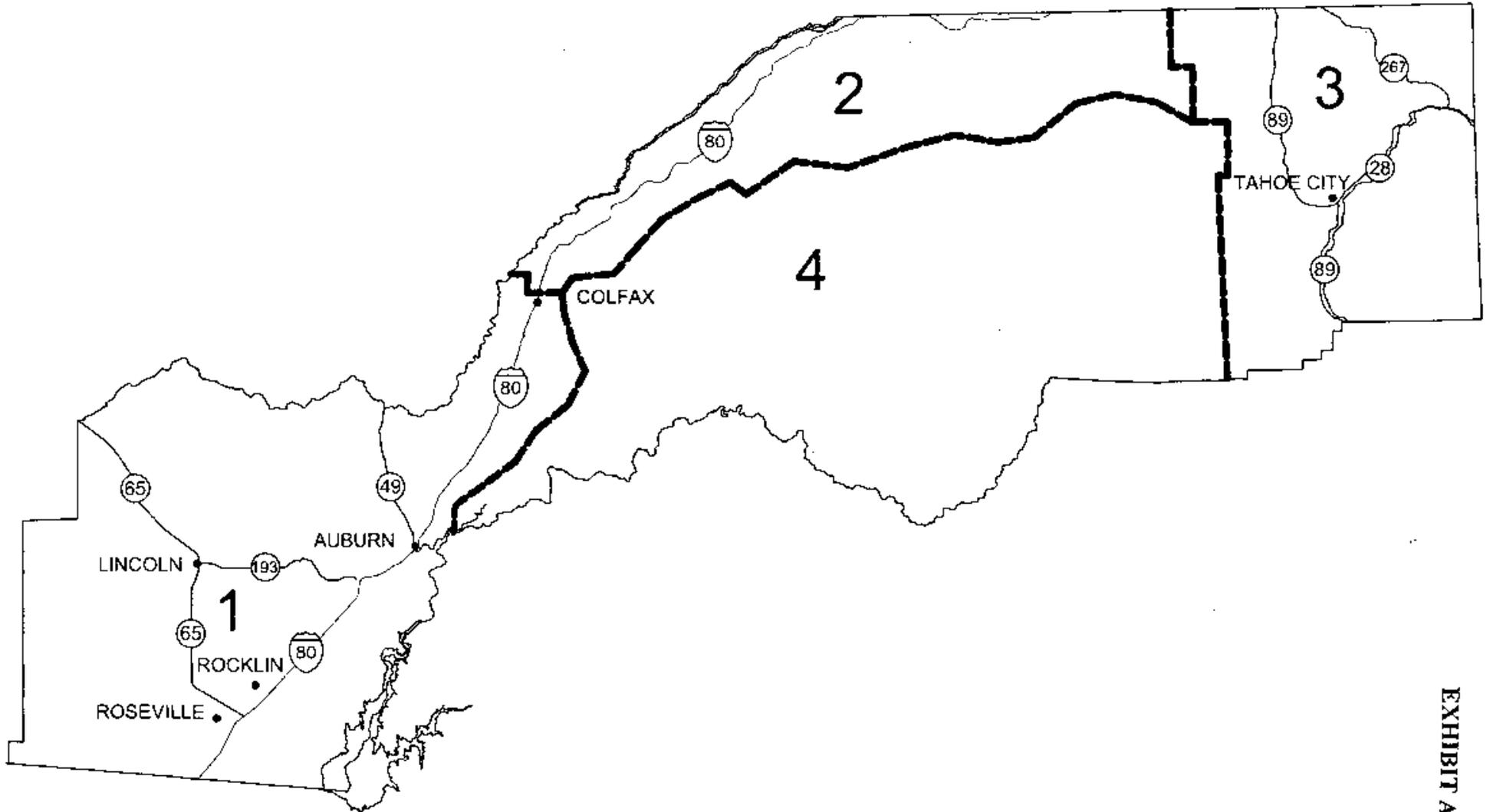


EXHIBIT A

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**COUNTY OF PLACER &
AUBURN PLACER DISPOSAL SERVICE
FRANCHISE AREAS 1 & 4 GARBAGE COLLECTION SERVICE
DEAL POINTS FOR EXTENSION OF AGREEMENT**

JANUARY, 2008

1. TERM

The termination date of the Agreement shall be extended from June 30, 2009 to June 30, 2016 (seven years).

2. ADDITIONAL SERVICE PROVIDED BY APDS UNDER EXISTING FEE STRUCTURE

1 – DAY HOUSEHOLD HAZARDOUS WASTE (HHW) COLLECTION EVENTS

APDS shall conduct two annual HHW collection events in Western Placer County. One annual event will be held in Foresthill and one in Colfax. APDS will schedule the event locations, provide labor for staging, traffic control, and collection of the universal waste and will bulk and dispose of all materials. All costs for these events shall be born by APDS. APDS will provide these services at no additional cost to the County. APDS will begin conducting the 1-day HHW events in the spring/summer of 2009.

UNIVERSAL WASTE COLLECTION

Universal waste includes items such as household batteries, mercury thermometers, fluorescent lamps, and electronic devices including computers, cell phones, and televisions. State regulations took effect in February 2006 that prohibit residents from disposing of universal waste as garbage.

APDS shall implement a comprehensive Universal Waste Collection Program that includes the following elements:

Curbside Universal Waste Collection

APDS shall provide curbside collection of universal waste to customers in the more urbanized areas of western Placer County. The service areas for curbside collection will include major subdivisions in the North Auburn and Granite Bay areas (minimum of 10 lots, 2 acres or less in size) and major subdivisions in the remainder of western Placer County (minimum of 50 lots, 2 acres or less in size). Customers will be able to call APDS once per month to schedule to have universal waste picked up at their residence.

Transfer Station Universal Waste Drop Off

The Meadow Vista, Foresthill and Auburn Transfer Stations currently accept universal waste from residential customers free of charge. Customers in these areas will continue to be able to take advantage of this service.

1-Day Universal Waste Collection Events

APDS shall conduct two annual, 1-day universal waste collection events, one each in the Sheridan and rural Granite Bay areas. APDS will schedule the event locations, provide labor for staging, traffic control, and collection of the universal waste and bulk and dispose of (or recycle) all materials.

Used Battery Collection Program

APDS will implement a household battery collection program. This will include partnering with local businesses in the County to provide drop off facilities in convenient locations such as grocery and hardware stores. APDS will provide a minimum of 8 drop off locations and will be responsible for collecting, bulking and delivering the batteries to an approved HHW or recycling facility.

3. COST OF LIVING RATE ADJUSTMENTS

APDS shall forego cost of living adjustments in FYs 2007/08 and 2014/15.

**Before the Board of Supervisors
County of Placer, State of California**

In the matter of:

Resolution No. _____

**A RESOLUTION APPROVING AND AUTHORIZING
EXECUTION OF AN AMENDMENT TO THE AGREEMENT FOR
SOLID WASTE HANDLING SERVICES FOR FRANCHISE AREAS 1 AND 4**

The following RESOLUTION was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held _____, 2008 by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Chairman, Board of Supervisors

Attest:

Clerk of said Board

WHEREAS, the County of Placer oversees the Franchise Agreements for garbage collection in unincorporated Placer County; and

WHEREAS, both parties agree that additional beneficial services can be provided to the residents of Placer County under the existing rate structure if Auburn Placer Disposal Service (APDS) receives a seven year extension of its contract with Placer County.

WHEREAS, State law allows this Board to contract with APDS or any other collection service provider without following a competitive procurement process.

THEREFORE, BE IT FURTHER RESOLVED that this Board authorizes the Chairman to sign the attached Amendment to the Agreement with Auburn Placer Disposal Service for garbage collection services in Franchise Areas 1 and 4. The Amendment includes additional services, and extends the termination date of Agreement 11846 to June 30, 2016.

ATTACHED. AGREEMENT AMENDMENT

AGREEMENT NO. 11846

DESCRIPTION: AMENDMENT TO EXTEND THE AGREEMENT FOR SOLID WASTE HANDLING SERVICES

This Amendment is made and entered into this _____ day of _____, 2008, by and between Placer County, hereinafter referred to as the "County," and Auburn Placer Disposal Service, hereinafter referred to as the "Contractor."

WITNESSETH

WHEREAS, on the 22nd day of June, 2004, the County and Contractor entered into an Agreement for the collection, transportation, and disposal of Solid Waste in Franchise Areas 1 and 4; and

WHEREAS, the County and Contractor desire to amend Agreement to expand services and extend the term of the Agreement; and

WHEREAS, the County and Contractor wish to memorialize in this Amendment their agreement regarding the foregoing issues.

NOW, THEREFORE, it is hereby agreed by the parties as follows:

- I. ARTICLE ONE – INTRODUCTORY PROVISIONS: Section 1 "DEFINITIONS" shall be amended by insertion of the following after Section 1 II Transfer Stations:

JJ. Universal Waste. "Universal Waste" for the purpose of this Agreement shall include household batteries, mercury thermometers, fluorescent lamps, and electronic devices including televisions and computer monitors, computers, printers, VCRs, cell phones, telephones, radios, portable DVD players with video screens, and some microwave ovens but does not include large appliances.

Subsections JJ and KK shall be re-lettered as subsections KK and LL, respectively.

- II. ARTICLE ONE – INTRODUCTORY PROVISIONS": Section 5 "TERM" shall be revised in its entirety to read as follows:

The term of this Agreement shall commence on the Commencement Date and terminate on June 30, 2016, unless it is extended by written amendment signed by duly authorized representatives of County and the Contractor. Contractor acknowledges that any such extension must be approved by the Board of Supervisors to become effective.

- III. ARTICLE TWO – COLLECTION SERVICES: Section 3, D. Recyclable Materials and Greenwaste Collection Services shall be amended by insertion of the following after Section 3 D. (4) Blue Bag Program:

(5) New Universal Waste Collection Program. Contractor shall provide monthly curb side collection of Universal Waste to all can and toter customers in Zones A and B per Exhibit G, attached hereto and incorporated herein by this reference. Contractor will not offer these services in Franchise Area 4 (Foresthill), Meadow Vista, and Colfax, as these services are available to customers in these areas at no charge at the Foresthill, Meadow Vista, and the Auburn Transfer Stations. In Zone A, Contractor shall provide residential can and toter service customers with curbside Universal Waste collection service if the customer lives in a major

subdivision that has ten lots or more that are two acres or less. In Zone B, Contractor shall provide residential can and toter service customers with curbside Universal Waste collection service if the customer lives in a major subdivision that has fifty lots or more that are two acres or less. Customers in the qualifying areas will be able to call the Contractor one time per month to schedule a day to have Universal Waste picked up at their residence. Contractor will provide a route truck on one weekday each month to collect Universal Waste from customers requesting such service in the qualifying areas described in Exhibit G. Exhibit G depicts the ten lot-Zone A and fifty lot-Zone B areas. The original large-scale map titled Exhibit G is on file at the Department of Facility Services Environmental Engineering Division.

Contractor shall conduct two annual, 1-day Universal Waste collection events, one each in Sheridan and rural Granite Bay. Contractor shall schedule the event locations, provide labor for staging, traffic control, and collection of the Universal Waste. Contractor shall bulk and dispose (or recycle if reasonably feasible) of all materials in accordance with all Federal, State and local laws and ordinances pertaining to such activities at Contractor's sole expense.

Contractor shall establish a household battery collection program. Contractor shall partner with businesses in the unincorporated areas of the County to provide drop off areas in convenient locations. Contractor shall provide a minimum of 8 drop off locations and shall pick up batteries and deliver them to the HHW Facility at the Western Placer Waste Management Authority Material Recovery Facility.

Contractor shall be responsible for all permitting associated with Universal Waste and battery collection programs. Contractor shall conduct these programs in full compliance with all Federal, State and local laws and ordinances. Contractor shall prepare and distribute flyers and advertise in local publications for the Universal Waste and battery collection programs. Informational materials and ad content shall be subject to the review and approval of the County.

IV. ARTICLE TWO – COLLECTION SERVICES: Section 3 “COLLECTION SERVICES PROVIDED BY CONTRACTOR” shall be amended by insertion of the following after Section 3 N:

O. One-Day Household Hazardous Waste Collection Events. Contractor shall conduct two annual Household Hazardous Waste and Universal Waste collection events. One annual event shall be held in the communities of Foresthill and Colfax. Contractor shall schedule the event locations, provide labor for staging, traffic control, and collection of the Household Hazardous Waste and Universal Waste and shall bulk and dispose (or recycle if reasonably feasible) of all materials in accordance with all Federal, State and local laws and ordinances pertaining to such activities at Contractor's sole expense. Contractor shall conduct the first annual one-day events in the spring/summer of 2009. Contractor shall prepare and submit a schedule of the events to the County 90 days in advance for approval by the County.

Contractor shall be responsible for all permitting associated with the events. Contractor shall conduct each event in full compliance with all Federal, State and local laws and ordinances. Contractor shall prepare and distribute flyers and advertise in local publications for each event. Informational materials and ad content shall be subject to the review and approval of the County.

V. ARTICLE FOUR – PAYMENTS AND RATES: Section 2. FRANCHISE FEE, paragraph one shall be revised in its entirety to read as follows:

Contractor shall pay to County a Franchise Fee set by the Board of Supervisors for the collection franchise granted hereunder, which fee shall be a percentage of the gross revenues derived by Contractor from the Collection Rates, the Tipping Fees collected at the Foresthill and Meadow Vista Transfer Stations, and the Foresthill parcel fees. The Franchise Fee for the Collection Rate revenues, Transfer Station Tipping Fees, and the Foresthill parcel fee shall be eight percent (8%) of receipts collected. The Franchise Fee may be further adjusted by resolution of the Board of Supervisors.

VI. ARTICLE FOUR – PAYMENTS AND RATES: Section 7. "ANNUAL COLA ADJUSTMENT METHODOLOGY," the last paragraph shall be revised in its entirety to read as follows:

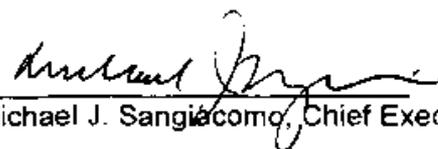
In consideration for the County entering into this Agreement with Contractor, Contractor has waived its right under any or all of the Prior Agreements to receive a COLA adjustment for the Operating Year 2007-2008. Contractor will not be able to recoup under this Agreement the three point one percent (3.1%) rate increase in the service component that Contractor would have been entitled to under the Prior Agreements. Contractor's revised rates set forth in Exhibit B attached hereto shall first be subject to adjustment pursuant to Article Four, Section 7, on July 1, 2009. Contractor's revised rates in Exhibit B have been agreed on and shall be deemed to fully compensate Contractor for all services and obligations described in the Agreement and in this Amendment. Contractor also has waived its right under the current Agreement to receive a COLA adjustment for the Operating Year 2014-2015. The above factors have been taken into consideration by the parties in agreeing to the rates set forth in Exhibit B.

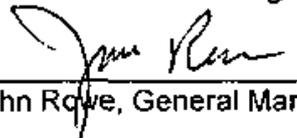
VII. All other terms and conditions of the Agreement shall remain unchanged and in full force and effect.

County of Placer (County)

By: _____
Chairman, Board of Supervisors

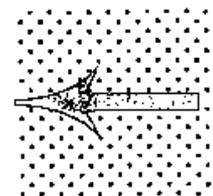
Auburn Placer Disposal Service (Contractor)

By:  _____
Michael J. Sangiacomo, Chief Executive Officer

By:  _____
John Rowe, General Manager

APPROVED AS TO FORM:

By: _____
Counsel to County



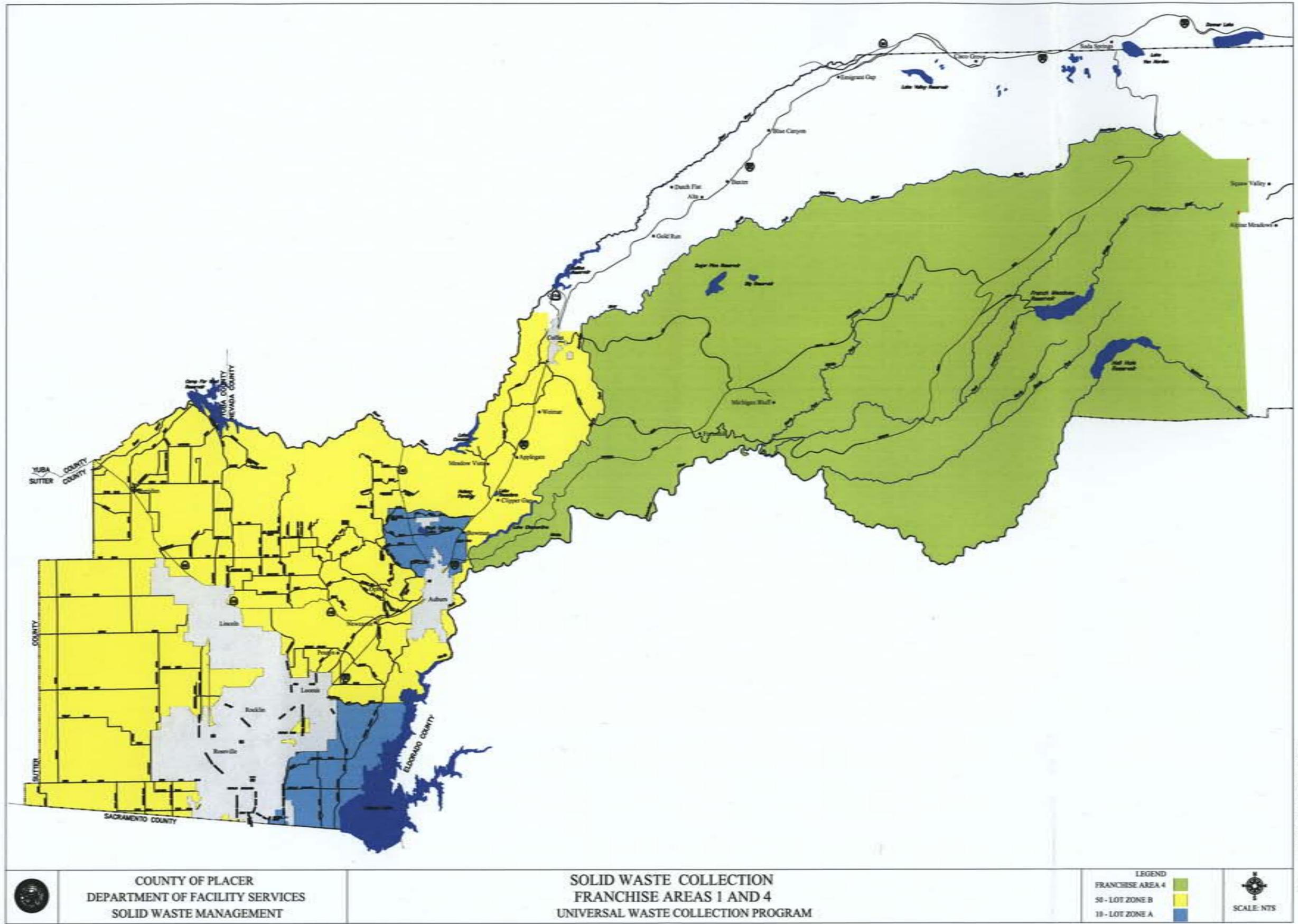


EXHIBIT G

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