



ASSIGNMENT OF CITY CONTRACT WITH
NORTH BAY CORPORATION TO RECOLOGY
SONOMA MARIN; WAIVER OF \$375,000
ASSIGNMENT FEE

City Council Meeting
November 14, 2017

Gloria Hurtado
Deputy City Manager

BACKGROUND

- North Bay Corporation franchise agreement since 2003.
- Ratto agreement to sell substantially all of their assets to Recology, Inc.
- Recology, Inc. awarded new exclusive franchise effective January 1, 2018.

BACKGROUND

- Recology and Ratto request assignment of Solid Waste Collection Services.
- Recology and Ratto request the City waive the \$375,000 assignment/transfer fee set forth in Collection Services Contract.

ANALYSIS

- The Collection Services Contract between the City and Ratto states that the City must approve an assignment of the contract.
- It further states that if the City approves an assignment of the contract, then Ratto agrees to immediately pay City \$375,000

ANALYSIS

- If Council approves the proposed assignment agreement, Recology Sonoma Marin will assume all obligations formerly performed by all Ratto companies, including North Bay Corporation, effective on the date that the sale of Ratto to Recology closes.
- The assignment will permit Recology Sonoma Marin to expedite the transfer of equipment and facilities from North Bay to Recology.

RECOMMENDATION

It is recommended by the City Manager's Office that the Council, by Resolution: 1) approve the Assignment and Assumption Agreement and Consent to Assignment with North Bay Corporation and Recology Sonoma Marin, assigning the Solid Waste Collection Services Contract with North Bay Corporation to Recology Sonoma Marin; and 2) waive the \$375,000 assignment/transfer fee set forth in section 34.01 of the Collection Services Contract.

QUESTIONS?

