

City of Santa Rosa



Legislation Details

File #: 23-0703 **Version:** 1 **Name:** Amendment #5 of Collection Service Agreement with City of Santa Rosa and Recology

Type: CC- Report **Status:** Agenda Ready

File created: 9/6/2023 **In control:** City Council

On agenda: 9/26/2023 **Final action:**

Title: REPORT - APPROVE REFUSE RATE INCREASE EFFECTIVE JANUARY 1, 2024 SET BY RECOLOGY AS CONSISTENT WITH SOLID WASTE COLLECTION SERVICES AGREEMENT AND AUTHORIZE CITY MANAGER TO NEGOTIATE AND APPROVE A FIFTH AMENDMENT TO THE COLLECTION SERVICE AGREEMENT BETWEEN CITY OF SANTA ROSA AND RECOLOGY SANTA ROSA

BACKGROUND: Under the existing contract, Recology Sonoma Marin is entitled to an annual increase of their rates; the next rate adjustment is scheduled to be effective on January 1, 2024. Rate adjustments are requested through an application process where Recology submits a rate adjustment application to the City no later than October 1 annually. The Agreement stipulates that the rate application include a Refuse Rate Index (RRI) Adjustment using five Bureau of Labor Statics indices (labor, diesel, vehicle replacement, vehicle maintenance, and all other) as well as changes in landfill tipping fees, recyclable material revenue, and organic waste processing fees. As an alternative to the RRI adjustment, the Agreement allows the City or Recology to request a detailed rate review every three years.

A Detailed Rate Review includes analyzing:

1. Subscription levels by line of business to test the reasonableness of revenue projections.
2. Forecasted costs such as labor-related costs, vehicle related costs, other others, and lease expenses.
3. Establishing a 90% operating ratio.

RECOMMENDATION: It is recommended by the Transportation and Public Works Department that the Council, by resolution: 1) approve the 4.33% increase set by Recology to be effective January 1, 2023 as correct and in accordance with the City's existing Solid Waste Collection Services Agreement; and 2) authorize the City Manager to negotiate and execute a Fifth Amendment to Solid Waste Collection Agreement between the City and Recology Marin, dba Recology Santa Rosa, to update the refuse rate index methodology, subject to approval as to form by the City Attorney.

Sponsors: Public Works

Indexes: Not a Project

Code sections: 15061(b)(3) - General Rule Exemption, 15378 - Not a Project

Attachments: 1. Staff Report, 2. Attachment 1 - Santa Rosa Detailed Rate Review Analysis Report by R3 Consulting Group, Inc., 3. Resolution, 4. Exhibit A - Fifth Amendment to Franchise Agreement, 5. Presentation

Date	Ver.	Action By	Action	Result
9/26/2023	1	City Council	to waive reading of the text and adopt	Pass