City of Brisbane
Staff Report

To: Infrastructure, Utilities and Franchise Subcommittee

From: Maria Saguisag-Sid, Principal Analyst

Subject: Solid Waste Rate Increases and Amendment to Franchise Agreement with South San Francisco Scavenger Company, Inc.

Date: Meeting of May 10, 2017

Purpose: To review Notices of Intent to adjust current rates in Brisbane for solid waste from South San Francisco Scavenger Company, Inc. and discuss proposed amendment to franchise agreement.

Recommendation: Review and discuss proposed increases and amendment to franchise agreement to be effective July 1, 2017 and direct staff how to proceed.

Background and Discussion:

Rate Increase: The City of Brisbane currently holds franchise agreements for solid waste removal services with South San Francisco Scavenger Company, Inc. (SSF Scavenger) in Zones 1 and 2. This agreements became effective November 2014. Services under these agreement not only include weekly residential and commercial solid waste removal services, but also provides for other services such as the annual citywide yard waste clean-up, management of our annual diversion reports to CalRecycle, assistance in implementing new mandates such as the AB341 mandatory commercial recycling law and AB 1826 mandatory commercial organics recycling, and other recycling and diversion services.

Per State Assembly Bill 939, the City is required to have a diversion rate of 50%, meaning that discarded material needs to be sorted so that reusable and/or recycling material can be diverted from the waste stream. Services provided by SSF Scavengers as well as partnerships with the County of San Mateo's RecycleWorks Program allowed the city to reach a diversion rate of 76% in 2012, 80% in 2013, 82% in 2014 and 80% in 2015.

Each year, the franchise agreement provides for annual adjustments of rates for commercial and residential customers in Brisbane. Section 6.2 – Modification Based on Consumer Price Index provides for an adjustment of 80% of the change in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI) for the previous year. That is, if the CPI had increased during the previous year by 3%, the rates would increase by 2.4%.

The agreements provide that rate increase requests be submitted by March 31st and the City act on the requests by June 30th of each year. South San Francisco Scavenger has submitted their

request in a timely manner. Based on their provisions as noted above, the proposed increase for rates is 2.62%.

Attached is the notice of intent from South San Francisco Scavenger, dated March 28, 2017. Staff has reviewed the proposed rates and they appear to be in line with what is permitted by the franchise agreements. The agreement provides that the City act on the rate increase notice of intent by June 30. Should the subcommittee concur, staff will bring the rate increase to the full Council for approval at a future council meeting in May or June.

Amendment to Franchise Agreement: Under Section 5.14 – Abandoned Waste Cleanup Collection Service, South San Francisco Scavenger currently provides monthly manual cleanup services along the frontage of several City streets. Public Works Director Randy Breault identified that the current level of service being provided along Sierra Point Parkway needs to be increased in order to meet the targets for on-land trash reduction mandated by the Regional Water Quality Control Board. Representatives at South San Francisco Scavengers reviewed the City's request to increase service along Sierra Point Parkway and was amicable to amending the agreement to change the frequency of clean ups along Sierra Point Parkway to semi-monthly, if the City would reduce the number of free debris box loads under Section 5.12 – Annual Citywide Yard Waste Clean-Up from 30 box loads to 20 box loads. Staff reviewed and found the proposal reasonable and recommends approval of the amendment. Should the subcommittee concur, staff will bring an amendment to the franchise agreement to the full Council for approval at a future council meeting in May or June.

Fiscal Impact:
Rate Increase Impact: Based on these rates, the increase for a standard 32-gallon residential can would be $0.81 per month, or an additional $9.72 for the year for solid waste removal service. The increase for a commercial/multi-family 2-yard bin would be $7.84 per month, or $94.08 per year for SSF Scavenger customers.

Amendment Impact: By adjusting the number of free debris box loads from 30 to 20 annually, the fiscal impact of doubling manual cleanup along Sierra Point Parkway will be minimal.

Measure of Success:
Is solid waste removal able to continue efficiently for the community?

Attachments:
- Notice of Intent letter from South San Francisco Scavenger Company, Inc. dated March 28, 2017
- Rates and Charges for South San Francisco Scavenger, Inc.

Maria Saguisag-Sid
Principal Analyst

Clay Holstine
City Manager

SOUTH SAN FRANCISCO
SCAVENGER
COMPANY, INC.

March 28, 2017

Ms. Maria Saguisag-Sid
Senior Human Resources Analyst/Special Projects
City of Brisbane
50 Park Lane
Brisbane, CA 94005

Dear Ms. Saguisag-Sid,

In accordance with the terms of Section 6.2 of the Franchise Agreement, please accept this letter as the required Notice of Intent to adjust the current rates in Brisbane.

We are applying for a rate adjustment equal to 80% of the change in the Consumer Price Index for Urban Wage Earners and Clerical Workers, as described in section 6.2. The calculation for this year yields an increase of 2.62%.

Copies of the calculation, the relevant CPI data, and a proposed rate schedule, are attached for your consideration. The new rates would take effect July 1, 2017, if approved.

Thank you for your consideration of this matter. If you have any questions, please contact me at (650) 589-4020 at your earliest convenience. We are, of course, available to meet with you to discuss any concerns or issues, at your convenience.

Sincerely,

Paul Formosa, CFO
South San Francisco Scavenger Co., Inc.

PO Box 348 • 500 East Jamie Court • South San Francisco, CA 94083-0348
V: (650) 589-4020 • F: (650) 589-7385 • e: info@ssfscavenger.com • web: www.ssfscavenger.com

South San Francisco Scavenger Co.

City of Brisbane

Rate Computation
March 31, 2017

CPI Index February 2016	257.141
CPI Index February 2017	265.569
Numerical change	8.428
Percentage change	3.28%
80% of change	2.62%

Index Used -

Consumer Price Index
Urban Wage Earners and Clerical Workers
San Francisco-Oakland-San Jose, CA
All Items
1982-84 = 100
Series ID - CWURA422SAO

Databases, Tables & Calculators by Subject

Change Output Options: From: 2007 To: 2017 GO

include graphs include annual averages More Formatting Options

Data extracted on: March 28, 2017 (2:33:47 PM)

Consumer Price Index - Urban Wage Earners and Clerical Workers

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Series Id:     CWURA422SA0
Not Seasonally Adjusted
Area:          San Francisco-Oakland-San Jose, CA
Item:          All items
Base Period:   1982-84=100
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Download: xlsx

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2007		208.803		211.189		211.422		211.620		213.133		214.204	211.370	209.986	212.754
2008		214.913		217.913		221.454		221.385		221.192		213.685	218.441	217.487	219.396
2009		216.797		218.587		220.996		221.279		221.708		220.121	219.645	218.182	221.109
2010		222.049		223.821		224.185		224.195		224.352		224.152	223.624	223.012	224.236
2011		226.638		231.600		230.605		231.445		232.371		231.109	230.337	229.074	231.600
2012		234.648		236.626		236.890		238.445		240.864		236.454	237.097	235.572	238.622
2013		240.262		241.764		243.052		242.903		243.711		242.602	242.125	241.141	243.109
2014		245.148		247.932		250.085		249.877		250.508		247.680	248.326	247.097	249.555
2015		249.809		252.875		254.736		256.060		256.107		255.492	253.910	252.041	255.780
2016		257.141		259.386		261.017		262.326		264.026		263.222	260.830	258.715	262.946
2017		265.569													

SOUTH SAN FRANCISCO SCAVENGER, INC.
RATES AND CHARGES EFFECTIVE JULY 1, 2017
CITY OF BRISBANE, CALIFORNIA

		Current Rates	*Proposed change*	**Proposed Maximum Rates**
1. RESIDENTIAL PROPERTY SERVICE -				
Single family, and up to four units. As per section 2.13				
Rate is per month, one pickup per week				
Includes 64 gallon weekly curbside recycling toter service				
Includes weekly mixed organic materials / yardwaste toter service				
20	Gallon Trash Toter	19.29		19.80
32	Gallon Trash Toter	30.86	2.62%	31.67
64	Gallon Trash Toter	61.72		63.34
96	Gallon Trash Toter	121.29		124.47
2. MULTIPLE UNIT RESIDENTIAL PROPERTY SERVICE				
Five or more units, as per section 2.14.				
Rate is per month, one pickup per week, for Solid Waste and / or Source Separated Organic Materials				
Includes Source Separated Recyclable Materials				
0 - 30	Gallons	28.35		29.09
31 - 32	Gallons	30.28		31.07
33 - 40	Gallons	37.78		38.77
41 - 45	Gallons	42.57		43.69
46 - 50	Gallons	51.98		53.34
51 - 64	Gallons	60.49		62.07
1/2 - yard	Container (96 gallon Toter)	121.29		124.47
1 - yard	Container	242.57		248.93
2 - yard	Container	299.15		306.99
3 - yard	Container	448.70		460.46
4 - yard	Container	598.18		613.85
5 - yard	Container	747.74		767.33
6 - yard	Container	897.29		920.80

SOUTH SAN FRANCISCO SCAVENGER, INC.
RATES AND CHARGES EFFECTIVE JULY 1, 2017
CITY OF BRISBANE, CALIFORNIA

		Current Rates	*Proposed change*	**Proposed Maximum Rates**
3. COMMERCIAL CAN SERVICE-				
Rate is per month, one pickup per week, for Solid Waste and / or Source Separated Organic Materials				
Includes Source Separated Recyclable Materials				
0 - 30	Gallons	28.35		29.09
31 - 32	Gallons	30.28	2.62%	31.07
33 - 40	Gallons	37.78		38.77
41 - 45	Gallons	42.57		43.69
46 - 50	Gallons	51.98		53.34
51 - 64	Gallons	60.49		62.07
4. COMPACTED YARDAGE				
Per Cubic Yard, per pickup		60.62	2.62%	62.21
5. DEBRIS BOXES				
Temporary / One Time Use				
Residential, Multi Unit Residential, Commercial, Industrial Customers				
Rate is for each pickup				
5 yard	Container, 1 ton limit	257.54		264.29
7 yard	Container, Dirt - Rock - Concrete	562.29		577.02
14 yard	Container, 3 ton limit	562.29	2.62%	577.02
20 yard	Container, 5 ton Limit	765.44		785.49
30 yard	Container, 6 ton limit	1,104.05		1,132.98
Rental Charge (per day, over 3 days for 5 yard and over 7 days for others)		25.36		26.02
Permanent Commercial and Industrial use				
7 yard	Container, Dirt - Rock - Concrete	474.07		486.49
14 yard	Container, 3 ton limit	474.07		486.49
20 yard	Container, 5 ton Limit	677.29		695.03
30 yard	Container, 6 ton limit	1,015.93		1,042.55
Overweight Charge				
Per ton over limit		146.65		150.49
6. CONTAINER SERVICE				
Commercial and Industrial Property Services.				

SOUTH SAN FRANCISCO SCAVENGER, INC.
RATES AND CHARGES EFFECTIVE JULY 1, 2017
CITY OF BRISBANE, CALIFORNIA

	Current Rates	*Proposed change*	**Proposed Maximum Rates**
Rate is per month, one pickup per week, for Solid Waste and / or Source Separated Organic Materials Includes Source Separated Recyclable Materials			
A) Regular Pickup (Rate per month, one pickup per week)			
1/2 - yard Container (96 gallon Toter)	121.29		124.47
1 - yard Container	242.57		248.93
2 - yard Container	299.15	2.62%	306.99
3 - yard Container	448.70		460.46
4 - yard Container	598.18		613.85
5 - yard Container	747.74		767.33
6 - yard Container	897.29		920.80
B) On Call Pick-up Per yard			
Per pick-up, per yard Plus Container Rental per Month	34.55		35.46
Rental charges (per month)			
1 - yard Container	53.98		55.39
2 - yard Container	58.37		59.90
3 - yard Container	62.76		64.40
4 - yard Container	67.43		69.20
5 - yard Container	76.34		78.34
6 - yard Container	81.02		83.14

7. In the case of any additional service not described in the Agreement, Scavenger Company shall charge such amount as is agreed to by the customer.

SOUTH SAN FRANCISCO SCAVENGER, INC.
RATES AND CHARGES EFFECTIVE JULY 1, 2017
CITY OF BRISBANE, CALIFORNIA

	Current Rates	*Proposed change*	**Proposed Maximum Rates**

8. Trash Container Management Policy Fees
Maximum fees allowed pursuant to approved Policy, as per Section 5.1.

Residential Customers

Container Size		Admin Fee
20 gallon	$	30.00
32 gallon	$	30.00
64 gallon	$	30.00
96 gallon	$	30.00

Multi Unit Residential, Commercial, Industrial Customers

Container Size	Admin fee	Extra Trip Fee		Total Fee
30 gallon	30.00	-	$	30.00
32 gallon	30.00	-	$	30.00
40 gallon	30.00	-	$	30.00
45 gallon	30.00	-	$	30.00
55 gallon	30.00	-	$	30.00
64 gallon	30.00	-	$	30.00
96 gallon	30.00	-	$	30.00
1 yard	30.00	57.45	$	87.45
1.5 yard	30.00	86.17	$	116.17
2 yard	30.00	70.84	$	100.84
3 yard	30.00	106.26	$	136.26
4 yard	30.00	141.66	$	171.66
5 yard	30.00	177.08	$	207.08
6 yard	30.00	212.49	$	242.49

EXHIBIT B

MAXIMUM SERVICE RATES

EFFECTIVE JULY 1, 2017

1. RESIDENTIAL PROPERTY SERVICE -

Single family, and up to four units. As per section 2.13
Rate is per month, one pickup per week
Includes 64 gallon weekly curbside recycling toter service
Includes weekly mixed organic materials / yardwaste toter service

20	Gallon Trash Toter	$ 19.80
32	Gallon Trash Toter	31.67
64	Gallon Trash Toter	63.34
96	Gallon Trash Toter	124.47

2. MULTIPLE UNIT RESIDENTIAL PROPERTY SERVICE

Five or more units, as per section 2.14.
Rate is per month, one pickup per week, for Solid Waste
and / or Source Separated Organic Materials
Includes Source Separated Recyclable Materials

0 - 30	Gallons	$ 29.09
31 - 32	Gallons	31.07
33 - 40	Gallons	38.77
41 - 45	Gallons	43.69
46 - 50	Gallons	53.34
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1/2 - yard	Container (96 gallon Toter)	124.47
1 - yard	Container	248.93
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MAXIMUM SERVICE RATES

EFFECTIVE JULY 1, 2017

3. COMMERCIAL CAN SERVICE-

Rate is per month, one pickup per week, for Solid Waste and / or Source Separated Organic Materials
Includes Source Separated Recyclable Materials

0 - 30	Gallons	$ 29.09
31 - 32	Gallons	31.07
33 - 40	Gallons	38.77
41 - 45	Gallons	43.69
46 - 50	Gallons	53.34
51 - 64	Gallons	62.07

4. COMPACTED YARDAGE

Per Cubic Yard, per pickup 62.21

5. DEBRIS BOXES

Temporary / One Time Use
Residential, Multi Unit Residential, Commercial, Industrial Customers
Rate is for each pickup

5 yard	Container, 1 ton limit	$ 264.29
7 yard	Container, Dirt - Rock - Concrete	577.02
14 yard	Container, 3 ton limit	577.02
20 yard	Container, 5 ton Limit	785.49
30 yard	Container, 6 ton limit	1,132.98

Rental Charge (per day, over 3 days for 5 yard and over 7 days for others) $ 26.02

Permanent Commercial and Industrial use

7 yard	Container, Dirt - Rock - Concrete	$ 486.49
14 yard	Container, 3 ton limit	486.49
20 yard	Container, 5 ton Limit	695.03
30 yard	Container, 6 ton limit	1,042.55

Overweight Charge
Per ton over limit $ 150.49

EXHIBIT B

MAXIMUM SERVICE RATES

EFFECTIVE JULY 1, 2017

6. CONTAINER SERVICE

Commercial and Industrial Property Services.
Rate is per month, one pickup per week, for Solid Waste and / or Source Separated Organic Materials
Includes Source Separated Recyclable Materials

A) Regular Pickup (Rate per month, one pickup per week)

1/2 - yard Container (96 gallon Toter)	$ 124.47
1 - yard Container	248.93
2 - yard Container	306.99
3 - yard Container	460.46
4 - yard Container	613.85
5 - yard Container	767.33
6 - yard Container	920.80

B) On Call Pick-up Per yard

Per pick-up, per yard	$ 35.46
Plus Container Rental per Month	

Rental charges (per month)

1 - yard Container	$ 55.39
2 - yard Container	59.90
3 - yard Container	64.40
4 - yard Container	69.20
5 - yard Container	78.34
6 - yard Container	83.14

7. In the case of any additional service not described in the Agreement, Scavenger Company shall charge such amount as is agreed to by the customer.

EXHIBIT B

MAXIMUM SERVICE RATES

EFFECTIVE JULY 1, 2017

8. Trash Container Management Policy Fees

Maximum fees allowed pursuant to approved Policy, as per Section 5.1.

Residential Customers

Container Size	Admin Fee
20 gallon	$ 30.00
32 gallon	$ 30.00
64 gallon	$ 30.00
96 gallon	$ 30.00

Multi Unit Residential, Commercial, Industrial Customers

Container Size	Admin fee	Extra Trip Fee		Total Fee
30 gallon	30.00	-	$	30.00
32 gallon	30.00	-	$	30.00
40 gallon	30.00	-	$	30.00
45 gallon	30.00	-	$	30.00
55 gallon	30.00	-	$	30.00
64 gallon	30.00	-	$	30.00
96 gallon	30.00	-	$	30.00
1 yard	30.00	57.45	$	87.45
1.5 yard	30.00	86.17	$	116.17
2 yard	30.00	70.84	$	100.84
3 yard	30.00	106.26	$	136.26
4 yard	30.00	141.66	$	171.66
5 yard	30.00	177.08	$	207.08
6 yard	30.00	212.49	$	242.49