City of Brisbane
Agenda Report

To: City Council via City Manager

From: Maria Saguisag-Sid
Principal Analyst

Subject: Solid Waste Annual Rate Increase with South San Francisco Scavenger Company, Inc.

Date: Meeting of May 17, 2018

Purpose: To ensure solid waste is disposed of in a proper and environmentally effective fashion.

Recommendation: Review and approve proposed increases to be effective July 1, 2018.

Background: The City of Brisbane currently holds a franchise agreement with SSF Scavenger in Zone 1 and 2. This agreement was approved effective November 2014. Services under this agreement not only include weekly residential and commercial solid waste removal services, but also provides for other services such as residential curbside recycling including food waste, the annual citywide yard waste clean-up, management of annual diversion reports to CalRecycle, assistance in implementing new mandates such as the AB341 mandatory commercial recycling law, and other solid waste 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. South San Francisco reports that their estimate of the diversion rate for Zone 1 and Zone 2 was 79% for calendar year 2016.

Discussion: The Franchise Agreement with the SSF Scavenger provides for annual adjustment of rates for commercial and residential customers in Brisbane. There are two formulas for adjusting the rates.

1. Section 6.2 of the Agreement provides for an adjustment of 80% of the change in the 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%.

2. Section 6.4 of the Agreement provides that every third year, a survey is to be done of a "basket" of 32 Bay Area cities which are listed in the Franchise Agreement. 2018 is a "survey" year. Brisbane's rates are to be set at 88% plus the percentage of the Franchise

Fee times the average of the rates in the 32 cities for each of the five benchmark categories, which are; 32 gallon residential container, 32 gallon commercial container, 2 yard commercial container (per month, weekly pick up), 14 yard debris box and Compacted Garbage Rate (per cubic yard). The SSF Scavenger's other rates are extrapolated from the benchmark rates. For example, the 20 gallon residential rate is set at 20/32 of the 32 gallon benchmark rate.

The agreement provides that SSF Scavenger submit the rate increase request by March 31st and the City act on the request by July 1st of each year. On March 26, 2018, SSF Scavenger submitted a Notice of Intent to adjust the current rates for the City of Brisbane based on a survey of 32 cities, per Section 6.4 of the franchise agreement. Provided in the notice are the results from the 2018 survey prepared by Teresa Montgomery, Sustainability Manager of SSF Scavenger. The proposed rate increases are as follows:

Rate	Proposed 2018 Increase
Single Family and up to 4 Unit Residential Properties	4.58%
Commercial and Multiple Unit Residential Can Service	0.55%
Compacted Yardage	8.18%
Debris Box	4.48%
Container Service	2.81%

Attached is the notice of intent from South San Francisco Scavenger, dated March 26, 2018 which includes the detailed rate increases by service level. 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. The Infrastructure, Utilities and Franchise Subcommittee reviewed the rate increase at their April 10, 2018 meeting and recommends Council approve the rate increase.

Fiscal Impact: Based on these rates, the increase for a standard 32-gallon residential can would be $1.45 per month, or an additional $17.40 for the year for solid waste removal service. The increase for a 96-gallon (1/2 yard) toter would be $3.50, or an additional $42.00 per year. The increase for a 2-yard bin would be $8.63 per month, or $103.56 per year. For 2017, the City received franchise fees in the amount of $409,753.45.

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

Attachments:

- Resolution 2018-36
- Notice of Intent letter from South San Francisco Scavenger Company, Inc. dated March 26, 2018

Maria Saguisag-Sid
Principal Analyst

Clayton Holstine
City Manager

RESOLUTION 2018-36

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BRISBANE AMENDING THE FRANCHISE AGREEMENT BETWEEN THE CITY OF BRISBANE AND SOUTH SAN FRANCISCO SCAVENGER CO., INC. EFFECTIVE JULY 1, 2018

WHEREAS, South San Francisco Scavenger Co., Inc. collects recyclable materials, organic materials and solid waste in franchise zones 1 and 2 of the City of Brisbane, and

WHEREAS, the City of Brisbane has received and reviewed the Notice of Intent from South San Francisco, Scavenger, Co., Inc. to adjust current rates in Brisbane, and

WHEREAS, South San Francisco Scavenger Co., Inc. has requested increases to the current rates and charges, and

WHEREAS, the proposed rate increase is in line with section 6.4: Modification Based on Neighboring Cities' Rates of the current franchise agreement,

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Brisbane approves the rate increase requested as set forth in Appendix A, which is attached hereto and incorporate as though set forth in full, to be effective July 1, 2018.

_____

W. CLARKE CONWAY
Mayor

I hereby certify that the foregoing Resolution No. 2018-36 was duly and regularly adopted at a regular meeting of the Brisbane City Council on May 17, 2018, by the following vote:

AYES:
NOES:
ABSENT:

_____

INGRID PADILLA
City Clerk

SOUTH SAN FRANCISCO SCAVENGER, INC.
RATES AND CHARGES EFFECTIVE JULY 1, 2018
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	19.80		20.71
32	Gallon Trash Toter	31.67	4.58%	33.12
64	Gallon Trash Toter	63.34		66.24
2. COMMERCIAL AND MULTIPLE UNIT RESIDENTIAL PROPERTY CAN SERVICE-				
Multiple Unit Residential Property, 5 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		29.25
31 - 32	Gallons	31.07	0.55%	31.24
33 - 40	Gallons	38.77		38.98
41 - 45	Gallons	43.69		43.93
46 - 50	Gallons	53.34		53.63
51 - 64	Gallons	62.07		62.41
3. COMPACTED YARDAGE				
Residential, Multi Unit Residential, Commercial, Industrial Customers				
Per Cubic Yard, per pickup		62.21	8.18%	67.30
4. 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		276.13
7 yard	Container, Dirt - Rock - Concr	577.02		602.87
14 yard	Container, 3 ton limit	577.02	4.48%	602.87
20 yard	Container, 5 ton Limit	785.49		820.68
30 yard	Container, 6 ton limit	1,132.98		1,183.74
Rental Charge (per day, over 3 days for 5 yard				
and over 7 days for others)		26.02		27.19
Permanent Commercial and Industrial use				
7 yard	Container, Dirt - Rock - Concr	486.49		508.28
14 yard	Container, 3 ton limit	486.49		508.28
20 yard	Container, 5 ton Limit	695.03		726.17
30 yard	Container, 6 ton limit	1,042.55		1,089.26

Overweight Charge				
Per ton over limit		150.49		157.23

5. CONTAINER SERVICE

Residential, Multi Unit Residential, Commercial, Industrial Customers
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 (96 gal)	Container	124.47		127.97
1 - yard	Container	248.93		255.92
2 - yard	Container	306.99	2.81%	315.62
3 - yard	Container	460.46		473.40
4 - yard	Container	613.85		631.10
5 - yard	Container	767.33		788.89
6 - yard	Container	920.80		946.67

B) On Call Pick-up Per yard

Per pick-up, per yard		35.46		36.46
Plus Container Rental per Month				
Rental charges (per month)				
1 - yard	Container	55.39		56.95
2 - yard	Container	59.90		61.58
3 - yard	Container	64.40		66.21
4 - yard	Container	69.20		71.14
5 - yard	Container	78.34		80.54
6 - yard	Container	83.14		85.48

6. 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.

7. 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	59.06	$	89.06
1.5 yard	30.00	88.59	$	118.59
2 yard	30.00	72.84	$	102.84
3 yard	30.00	109.25	$	139.25
4 yard	30.00	145.64	$	175.64
5 yard	30.00	182.05	$	212.05
6 yard	30.00	218.46	$	248.46

SOUTH SAN FRANCISCO
SCAVENGER
COMPANY, INC.

March 26, 2018

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

Dear Ms. Saguisag-Sid,

In accordance with the terms of Section 6.4 of the Franchise Agreement, please accept this letter, the attached data from our survey of solid waste rates, and the resulting proposed rate chart, as our Notice of Intention to adjust, effective as of July 1, 2018, each of the current maximum service rates based on the neighboring cities' rates.

The enclosed survey data was collected by Teresa Montgomery, Sustainability Manager, using the same methodologies as in previous surveys. Ms. Montgomery will be available to provide further documentation and / or research as needed.

We look forward to meeting with you at your convenience to discuss the survey results, and our next steps.

Sincerely,

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

500 East Jamie Court • PO Box 348 • South San Francisco, CA 94080-0348
V: 650.589.4020 • F: 650.589.7385 • e: info@ssfscavenger.com • web: www.ssfscavenger.com

2018 Survey Results - Brisbane

City	Residential 32-gal Survey Response	Residential 32-gal Converted	Commercial 32-gal Survey Response	Commercial 32-gal Converted	2-yard Bin	14-yard Box Survey Response	14-yard Box Converted	20-yard Compactor	Compacted Yard Converted
Alameda	$39.60	$39.60	$35.29	$35.29	$301.72	$1,037.11	$967.97	$1,641.61	$82.08
Burlingame	$23.85	$23.85	$23.85	$23.85	$301.05	$595.00	$520.63	$1,383.20	$69.00
Campbell	$27.15	$24.82	$13.56	$12.40	$180.80	$618.51	$432.96	$864.87	$43.24
Castro Valley	$40.23	$40.23	$40.93	$40.93	$529.62	$284.80	$284.80	$788.41	$39.42
Cupertino	$25.49	$25.49	$24.88	$24.88	$187.92	$500.37	$437.82	$829.20	$41.46
Daly City	$26.03	$26.03	$24.65	$24.65	$393.25	$733.89	$684.96	$1,099.60	$54.98
El Cerrito	$47.14	$43.10	$47.14	$43.10	$621.91	$800.00	$800.00	$1,475.00	$111.23
El Sobrante	$33.10	$30.26	$41.65	$38.08	$371.84	$893.48	$893.48	$1,648.58	$82.43
Fremont	$34.77	$34.77	$19.70	$19.70	$163.55	$459.42	$459.42	$1,378.83	$68.94
Gilroy	$31.79	$31.79	$31.79	$31.79	$212.97	$518.36	$362.85	$978.40	$48.92
Hayward	$31.54	$31.54	$25.52	$25.52	$242.27	$398.51	$398.51	$958.53	$47.93
Hercules	$36.68	$33.54	$42.24	$38.62	$446.22	$893.48	$893.48	$1,648.58	$82.43
Los Altos	$33.36	$33.36	$33.36	$33.36	$261.85	$786.91	$734.45	$1,103.96	$55.20
Los Gatos	$27.47	$25.12	$15.97	$14.60	$213.03	$655.12	$458.58	$913.45	$45.67
Martinez	$34.36	$34.36	$35.80	$35.80	$307.77	$564.37	$564.37	$1,264.10	$63.21
Menlo Park	$26.03	$26.03	$32.18	$32.18	$249.39	$895.00	$626.50	$2,366.00	$118.30
Millbrae	$33.05	$33.05	$32.24	$32.24	$304.61	$628.86	$628.86	N/A	$62.52
Monte Sereno	$31.12	$28.45	$18.19	$16.63	$242.59	$616.42	$431.49	$820.53	$41.03
Morgan Hill	$30.95	$20.63	$18.93	$18.93	$235.00	$470.19	$329.13	$854.40	$42.72
Palo Alto	$50.07	$50.07	$38.63	$38.63	$361.52	$808.90	$754.97	$1,465.00	$73.25
Piedmont	$55.11	$50.39	$60.15	$54.99	$346.16	$695.35	$695.35	N/A	N/A
Pinole	$35.18	$32.16	$43.91	$40.15	$447.43	$893.48	$893.48	$1,648.58	$82.43
Pittsburg	$37.06	$37.06	$69.20	$23.07	$270.40	$678.00	$474.60	$1,213.50	$60.68
Richmond	$35.81	$32.74	$43.26	$39.55	$394.62	$893.48	$893.48	$1,648.58	$82.43
San Bruno	$29.37	$29.37	$37.32	$37.32	$356.06	$518.54	$453.72	$1,158.60	$57.93
San Leandro	$28.92	$28.92	$20.30	$20.30	$256.63	$678.75	$593.91	$1,064.63	$53.23
San Mateo	$21.88	$21.88	$27.35	$27.35	$292.84	$595.00	$520.63	$1,662.05	$143.00
San Pablo	$30.69	$28.06	$39.68	$36.28	$395.98	$750.79	$750.79	$1,551.00	$77.55
Saratoga	$29.54	$27.01	$19.38	$17.72	$258.42	$641.73	$449.21	$902.87	$45.14
Sunnyvale	$40.83	$37.33	$39.38	$36.00	$295.15	$556.16	$519.08	$1,018.04	$50.90
Union City	$48.69	$44.52	$35.84	$32.77	$277.78	$618.22	$618.22	$1,207.76	$52.14
Woodside	$33.57	$33.57	$33.57	$33.57	$181.49	$550.00	$385.00	N/A	N/A
Total	$1,090.43	$1,039.10	$1,065.84	$980.25	$9,901.84	$21,228.20	$18,912.71	$36,557.84	$1,979.38
Average	**$34.08**	**$32.47**	**$33.31**	**$30.63**	**$309.43**	**$663.38**	**$591.02**	**$1,260.62**	**$65.98**

Allowed Percentage of Average						
As per Section 6.4	88%	88%	88%	88%	88%	88%
Plus Franchise Fee	14%	14%	14%	14%	14%	14%
Total Allowed	102%	102%	102%	102%	102%	102%
Adjusted Survey Average	33.12	31.24	315.62	602.84	67.3	
Current Rate	$31.67	$31.07	$306.99	$577.02	62.21	
Proposed Percentage adjustment	**4.58%**	**0.55%**	**2.81%**	**4.48%**	**8.18%**	

*CALCULATION NOTES:

In cases where a 32gal residential cart was not available, the per gallon rate of the next closest size (usually a 35gal) was determined and multiplied by 32.

Debris box rates were calculated assuming 3 tons per load. In cases where a 14cy was not offered, the rate for the next closest size (usually a 15, 16 or 20cy) was used; the per yard rate was determined and multiplied by 14.

For jurisdictions not offering a compacted yard rate, a converted rate was calculated by dividing the 20cy compactor rate by 20.

The 20cy compactor rate assumes 7.5 tons.

Jurisdiction	Sources				
Alameda	http://www.alamedacountyindustries.com/alameda/residential/residential-services/	http://www.alamedacountyindustries.com/alameda/commercial/commercial services/bins/	http://www.alamedacountyindustries.com/alameda/commercial/commercial services/debris/		
Burlingame	https://www.burlingame.org/departments/finance/garbage_utility_(recology).php	ggasparini@recology.com	Recology Customer Service (Debris Box), 650-558-9575		
Campbell	http://westvalleyrecycles.com/service areas/Campbell-singlefamily-garbage-rates.html	http://westvalleyrecycles.com/service areas/Campbell-commercial-garbage-rates.html	Weslie McConkey, Susan.Mcconkey@WasteConnections.com		
Castro Valley	http://www.cvsan.org/content/rates#Rates2014	http://www.cvsan.org/content/commercial-services-rates			
Cupertino	http://www.cupertino.org/home/showdocument?id=16776				
Daly City	http://www.dalycity.org/Assets/Departments/Finance+and+Administration/Daly+City+Rate+Sheet_10-01-17.SFDRates.pdf	http://www.dalycity.org/Assets/Departments/Finance+and+Administration/Daly+City+Rate+Sheet_10-01-17.RatesCommCart.pdf	http://www.dalycity.org/Assets/Departments/Finance+and+Administration/Daly+City+Rate+Sheet_10-01-17.RatesCommBin.pdf	http://www.dalycity.org/Assets/Departments/Finance+and+Administration/Daly+City+Rate+Sheet_10-01-17.RatesCommBox-Etc.pdf	
El Cerrito	https://www.el-cerrito.org/DocumentCenter/View/9185	http://www.ebsan.com/services.html	http://www.ebsan.com/commercial.html	http://www.ebsan.com/PDF/DEBRIS_BOX_FORM_2018.pdf	
El Sobrante	https://www.republicservices.com/cms/documents/rssitedocuments/3854/Unincorporated-Resi-Rates.pdf	https://www.republicservices.com/cms/documents/rssitedocuments/3854/Unincorporated-Comm-Rates.pdf	Republic Customer Service, 510-262-7100	Bielle Moore, bmoore2@republicservices.com	
Fremont	http://local.republicservices.com/site/alameda-county/resources	Eboyd@republicservices.com			
Gilroy	Recology Customer Service, 408-842-3358				
Hayward	http://www.wm.com/location/california/bay_area/hayward/downloads/City-of-Hayward-Rate-Sheet-3-1-17.pdf				
Hercules	https://www.republicservices.com/cms/documents/rssitedocuments/3854/Hercules-Resi-Rates.pdf	https://www.republicservices.com/cms/documents/rssitedocuments/3854/Hercules-Comm-Rates.pdf	Republic Customer Service, 510-262-7100	Bielle Moore, bmoore2@republicservices.com	
Los Altos	http://www.missiontrail.com/LosAltos/residential-services.html	http://www.missiontrail.com/LosAltos/commercial-services-bins.html	http://www.missiontrail.com/LosAltos/commercial-services-debris.html		
Los Gatos	http://westvalleyrecycles.com/service areas/Los%20Gatos-singlefamily-garbage-rates.html	http://westvalleyrecycles.com/service areas/Los-Gatos-commercial-garbage-rates.html	Weslie McConkey, Susan.Mcconkey@WasteConnections.com		
Martinez	targenti@republicservices.com				
Menlo Park	https://www.menlopark.org/DocumentCenter/View/16286	ggasparini@recology.com	Recology Customer Service (Debris Box), 650-558-9575		
Monte Sereno	http://westvalleyrecycles.com/service areas/Monte-Sereno-singlefamily-garbage-rates.html	http://westvalleyrecycles.com/service areas/Monte-Sereno-commercial-garbage-rates.html	Weslie McConkey, Susan.Mcconkey@WasteConnections.com		
Morgan Hill	Recology Customer Service, 408-842-3358				

Jurisdiction	Sources				
Palo Alto	https://www.cityofpaloalto.org/gov/depts/pwd/zerowaste/projects/refuse.asp#Top%20of%20page	https://www.cityofpaloalto.org/civicax/filebank/blobdload.aspx?BlobID=8114	Valerie Chavez, GWR vale@greenwaste.com		
Piedmont	http://local.republicservices.com/Site/Piedmont-Ca	Republic Customer Service, 510-262-7100	Bielle Moore, bmoore2@republicservices.com		
Pinole	https://www.republicservices.com/cms/documents/rssitedocuments/3854/Pinole-Resi-Rates.pdf	https://www.republicservices.com/cms/documents/rssitedocuments/3854/Pinole-Comm-Rates.pdf	Republic Customer Service, 510-262-7100	Bielle Moore, bmoore2@republicservices.com	
Pittsburg	http://www.garaventaent-pit.com	Pittsburg Disposal Customer Service, 925-432-6262			
Richmond	https://www.republicservices.com/cms/documents/rssitedocuments/3854/Richmond-Resi-Rates.pdf	https://www.republicservices.com/cms/documents/rssitedocuments/3854/Richmond-Comm-Rates.pdf	http://www.ci.richmond.ca.us/2533/Waste-and-Recycling-Rates-and-Contracts	Republic Customer Service, 510-262-7100	Bielle Moore, bmoore2@republicservices.com
San Bruno	https://sanbruno.ca.gov/gov/city_departments/finance/utility_billing/default.asp	https://www.sanbruno.ca.gov/civicax/filebank/blobdload.aspx?blobid=28329			
San Leandro	http://www.alamedacountyindustries.com/sanleandro/residential/singlefamily/	http://www.alamedacountyindustries.com/sanleandro/commercial/commercialservices/bins/	http://www.alamedacountyindustries.com/sanleandro/commercial/commercialservices/debris/		
San Mateo	https://www.cityofsanmateo.org/2229/Residential-Service-Fees	https://www.cityofsanmateo.org/DocumentCenter/View/61002	https://www.cityofsanmateo.org/DocumentCenter/View/61006	http://www.cityofsanmateo.org/DocumentCenter/View/61003	Gino Gasparini, ggasparini@recology.com and Recology Customer Service (debris box) 650-558-9575
San Pablo	https://www.republicservices.com/cms/documents/rssitedocuments/3854/San-Pablo-Resi-Rates.pdf	https://www.republicservices.com/cms/documents/rssitedocuments/3854/San-Pablo-Comm-Rates.pdf	Republic Customer Service, 510-262-7100	Bielle Moore, bmoore2@republicservices.com	
Saratoga	http://westvalleyrecycles.com/serviceareas/Saratoga-singlefamily-garbage-rates.htm	http://westvalleyrecycles.com/serviceareas/Saratoga-commercial-garbage-rates.html	Weslie McConkey, Susan.Mcconkey@WasteConnections.com		
Sunnyvale	https://sunnyvale.ca.gov/civicax/filebank/blobdload.aspx?blobid=23726				
Union City	http://local.republicservices.com/site/alameda-county/resources				
Woodside	http://www.greenwaste.com/woodside/residential-services	http://www.greenwaste.com/woodside/commercial-services/woodside-rates	http://www.greenwaste.com/woodside/residential-services/woodside-debris-box-rental	Valerie Chavez, GWR vale@greenwaste.com	