

THIRD AMENDMENT TO FRANCHISE AGREEMENT

This Third Amendment to Franchise Agreement (“Third Amendment”) is dated _____, 2023, and entered into by and between the COUNTY OF CONTRA COSTA, a political subdivision of the State of California (“County”), and RICHMOND SANITARY SERVICE, INC., a California corporation (“Contractor”). The parties hereto may be referred to collectively as the “Parties” or individually as a “Party.”

RECITALS

- A. The County and Contractor are parties to a Franchise Agreement dated October 12, 1993 (“Franchise Agreement”), as amended by a Certificate of Amendment dated January 18, 1994, and a Second Amendment to Franchise Agreement dated November 12, 2013 (collectively the “Agreement”).
- B. Under the Agreement, Contractor has the exclusive right to collect and remove for disposal and recycling all Solid Waste within the Franchise Area, and County establishes and regulates the rates Contractor may charge Customers in the Franchise Area for residential Solid Waste collection. The terms “Solid Waste,” “Franchise Area” and “Customers” as used in this Third Amendment have the definitions set forth in the Agreement.
- C. Contractor also provides other Solid Waste collection services that are not funded by the collection rates established by County. As of the date of this Agreement, these services are (i) the collection and removal of bulky items and electronic waste from residential Customers (“Bulky Item Pickups”), and (ii) the collection and removal of non-hazardous debris from specified locations within public rights-of-way (“ROW Cleanups”). Under the Agreement, Contractor was required to provide these services from December 2, 2013, through December 31, 2015, and permitted Contractor to cover its costs by using “Efficiency Surplus Funding,” as defined in the Agreement, if authorized by the Director of County’s Conservation and Development Department or designee (“Director”). The expectation of the Parties was that there would be no Efficiency Surplus Funding by the end of 2015.
- D. After December 2015, the Efficiency Surplus Funding had not been depleted and, at the request of Director, Contractor continued to provide the services identified in Recital C of this Third Amendment (“Recital C”) and continued to use Efficiency Surplus Funding to cover its costs until that funding ran out in January 2018. After January 2018, at the request of Director, Contractor continued to provide the services identified in Recital C, without compensation, but with the expectation that it would be paid from funds County was to receive from the West Contra Costa Integrated Waste Management Authority (“Authority”).
- E. In March 2019 and August 2019, County received disbursements of excess reserve funds from Authority in the amounts of \$659,481 and \$45,302.61, respectively. These funds will be collectively referred to as “Supplemental Funding.” In Resolution Nos. 2018/539

and 2019/160, the Contra Costa County Board of Supervisors determined that the Supplemental Funding would be allocated to uses that relate to solid waste, recycling, waste reduction and compliance with requirements under the California Integrated Waste Management Act. (Pub. Resources Code, § 40000 et seq.)

- F. Contractor's collection rate, approved by County in 2014, included a rate stabilization component. Revenue derived from this rate stabilization component ("Rate Stabilization Funds") was to be used by Contractor in lieu of future increases in the collection rate, to cover the portion of Contractor's collection costs that would otherwise have been compensated for through rate increases. Contractor used Rate Stabilization Funds starting January 1, 2016, and continuing through August 25, 2019, until Contractor had used all of its Rate Stabilization Funds.
- G. At the request of the Director, beginning on August 26, 2019, and continuing through 2019, Contractor continued to provide collection services without requesting or receiving County approval of increases in collection rates to account for inflation. Contractor did so with the expectation that it would receive Supplemental Funding in place of the amount that it would have received if rates had been increased. The Parties agree that the additional amount that Contractor could have received if inflationary adjustments from previous years had been included in the 2019 rates totals \$35,785.12. ("Deferred 2019 Compensation.").
- H. The purpose of this Third Amendment is to (i) authorize Supplemental Funding to be used by County to reimburse Contractor for costs incurred to provide Bulky Item Pickups for the period February 1, 2018, through December 31, 2019, and for costs incurred to provide ROW Cleanups for the period beginning on February 1, 2018, and continuing until such costs are included in rates charged to Customers; (ii) authorize Supplemental Funding to be used to pay Contractor's Deferred 2019 Compensation; (iii) extend the term of the Agreement through December 31, 2024; (iv) add provisions concerning the mutual obligation of the Parties to meet and confer on a monthly basis during the extension term to negotiate in good faith for a longer term extension of this Agreement beyond 2025 to include applicable SB 1383 compliant services, post-collection management of the County's solid waste and recyclables, and other provisions as the Parties may agree; (v) add exhibits and delete outdated exhibits; (vi) update addresses in the notice provision; and (vii) revise other assorted provisions.

The Parties therefore agree as follows:

AGREEMENT

- 1. All defined terms used but not defined in this Third Amendment have the meaning ascribed to them in the Agreement.
- 2. Section 3 of the Agreement is deleted in its entirety and replaced with the following:
 - 3. **TERM.** Subject to Section 35 (Annexation and Change of Franchise Area Boundaries) and Section 37 (Breach and Termination),

the term of this Agreement shall commence on October 12, 1993, and continue through December 31, 2024.

(a) Effective on October 12, 2023 and for the remainder of the Term, the parties shall regularly meet, at least once per month and more frequently as needed, for the purpose of conducting good faith negotiations to reach full agreement on or before December 31, 2024 on the terms of an extended agreement for solid waste collection and post-collection handling services, including without limitation the appropriate scope of collection and post-collection services and other elements of an extension of this Agreement. Topics to be discussed will include, without limitation, the topics set forth in the List of Discussion Topics, attached hereto as Exhibit I.

3. Section 5 of the Agreement is deleted in its entirety and replaced with the following:

5. EXCLUSIVE PRIVILEGE AND DUTY.

(a) County hereby grants to Contractor the exclusive privilege and duty to (i) collect and remove for disposal and recycling all Solid Waste from within the Franchise Area in accordance with the terms of this Agreement, and (ii) charge for the services performed in the Franchise Area in accordance with this Agreement.

(b) Contractor shall collect and remove for disposal and recycling all Solid Waste from Customers within the Franchise Area in accordance with this Agreement.

(1) Contractor shall perform the services described in Exhibit E – Basic Residential & Commercial Service and Maximum Collection Rates (“Exhibit E”) (such services, the “Basic Services”). Exhibit E is attached hereto and incorporated herein by this reference.

(2) In addition to providing the Basic Services, Contractor shall perform the services described in Exhibit F – Enhanced Services (“Exhibit F”) (such services, the “Enhanced Services”). Exhibit F is attached hereto and incorporated herein by this reference. Contractor shall cause the implementation of the Enhanced Services to occur in accordance with the time for performance established in Exhibit F.

(3) The post-collection services performed by Contractor for Solid Waste collected within the Franchise Area is described in the agreement designated by the County for such purpose. As of November 12, 2013, the County designates the Post-Collection Agreement as the agreement that establishes the post-collection services to be performed by Contractor for Solid Waste collected within the Franchise Area.

4. Section 9 of the Agreement is deleted in its entirety and replaced with the following:

9. RATES.

(a) The Collection Rates that apply to Basic Services are set forth in Exhibit E.

(b) The Collection Rates that apply to Enhanced Services are set forth in Exhibit F.

(c) The Collection Rates are subject to annual adjustment in accordance with the Rate Methodology Manual, unless otherwise specified in (i) Exhibit F, (ii) Exhibit G – Efficiency Surplus Funding (“Exhibit G”), or Exhibit H – Supplemental Funding (“Exhibit H”). Exhibits G and H are attached hereto and incorporated herein by this reference. Notwithstanding the Rate Methodology Manual, calendar year 2024 Collection Rates shall be adjusted based only on the change in the Consumer Price Index (CPI) for All Urban Consumers for the San Francisco-Oakland-Hayward area (August 2022 to August 2023).

5. Section 11 of the Agreement is deleted in its entirety and replaced with the following:

11. OPERATION BY CONTRACTOR.

(a) Contractor shall furnish all necessary equipment (including providing wheeled carts to Customers for garbage, recyclables and green waste) for services provided pursuant to this Agreement and shall maintain its equipment in good repair and working condition at all times.

(b) In performing services under this Agreement, Contractor shall use trucks with covered, water-tight truck bodies constructed of sufficient strength to withstand a fire within without endangering adjacent property. Contractor shall keep trucks, drop boxes and similar equipment in good repair and shall cause them to be cleaned as needed. Contractor shall cause carts and bins to be cleaned prior to delivery to Customers. Contractor shall cause its name and telephone number to appear on the side of each truck and on each drop box, bin and similar equipment provided by Contractor.

(c) Contractor shall provide all labor necessary to carry out the services required of it under this Agreement.

(d) Contractor agrees to collaborate with and act at the direction of County on matters pertaining to the development and implementation of public education and outreach materials to raise awareness of Customers. Contractor shall send to County copies of any notices and other informational materials intended to be sent to

Customers at least fourteen (14) days in advance of the respective intended distribution date, unless a shorter review period is approved in advance by the Director of County’s Conservation and Development Department. The form and content of all notices and other informational materials intended to be sent to Customers shall be subject to the prior review and approval of the Director of County’s Conservation and Development Department, which approval shall not be unreasonably withheld.

6. Section 19 of the Agreement is deleted in its entirety and replaced with the following:

19. SERVICES FOR PUBLIC FACILITIES.

(a) Contractor shall collect and remove for disposal and recycling all Solid Waste from the County buildings, street cans and other public purpose facilities that are owned, operated or occupied by the County and identified on Exhibit B – Public Facilities (“Exhibit B”), attached hereto and incorporated herein by this reference. The service described in this subsection 19.(a) will be provided without charge to County. The Director of County’s Conservation and Development Department may change Exhibit B from time to time to incorporate changes in any of the services or locations described therein.

(b) Subject to funding availability, Contractor shall, on an on-call basis, collect and remove for disposal and recycling all Solid Waste from specified locations within the public right-of-way and designated properties being abated by the County upon the request of the Director of County’s Conservation and Development Department or designee. The on-call services to be provided pursuant to this Section 19 are more fully described in Exhibit B.

(1) Unless and until Collection Rates include the cost of on-call right-of-way services, County shall compensate Contractor for such services using Supplemental Funding as described in Exhibit H.

(2) Contractor is not obligated to provide abatement services unless and until the costs of the services are included in the Collection Rates.

After the cost of a service described in subsection 19.(b)(1) or 19.(b)(2) is included in the Collection Rates, Contractor will provide the service at no charge to the County.

(c) Expenses incurred by Contractor in performing services pursuant to this Section 19 will be treated as allowable for rate setting purposes to the extent such costs are properly accounted for in the Rate

Application(s) submitted by Contractor, unless otherwise specified in Exhibits G or H.

7. Section 20 of the Agreement is deleted in its entirety and replaced with the following:

20. ON-CALL CLEAN-UP.

(a) Unless otherwise determined by the Director of County's Conservation and Development Department, in each year of this Agreement, Contractor shall perform the following services for each residential Customer in the Franchise Area that lives in a single-family home or duplex, on an on-call basis, upon request of the Customer: (i) two curbside general clean-up collections of bagged material, with each collection consisting of up to two cubic yards (i.e., up to fifteen 32-gallon bags), and (ii) one curbside pickup of bulky or electronic waste items. The services to be provided pursuant to this Section 20 are more fully described in Exhibit E.

(b) Contractor shall submit quarterly reports to the Director of County's Conservation and Development Department indicating (i) the number of curbside general clean-ups performed during the reporting period, and (ii) the number of curbside pickups of bulky or electronic waste items performed during the reporting period. Expenses incurred by Contractor in performing services pursuant to this Section 20 will be treated as allowable for rate setting purposes to the extent such costs are properly accounted for in the Rate Application(s) submitted by Contractor, unless otherwise specified in Exhibit G or Exhibit H.

(c) The scope and frequency of collection services provided pursuant to this Section 20 may be changed from time to time at the direction of, or with the approval of, the Director of County's Conservation and Development Department and without the need to amend this Agreement.

8. Section 34 of the Agreement is deleted in its entirety and replaced with the following:

34. NOTICE PROVISIONS. Any notice required or permitted under this Agreement shall be in writing and shall be deemed to have been given if delivered personally or ten (10) days after posted by certified mail, return receipt requested, addressed as appropriate either:

To Contractor:

Richmond Sanitary Service, Inc.
Attention: General Manager
3260 Blume Drive, Suite 115
Richmond, CA 94806

Or to County:

Contra Costa County
Department of Conservation and Development
Attention: Director of Conservation and Development
30 Muir Road
Martinez, CA 94553

Each party will also endeavor to mail a courtesy copy to counsel for the other party.

9. Deferred 2019 Compensation.

Upon receipt of an invoice for Contractor's Deferred 2019 Compensation that references this Agreement, County will disburse the amount set forth in the invoice, but no more than \$35,785.12 in Supplemental Funding.

10. Exhibits.

(a) The following exhibits are deleted from the Agreement:

- (1) The exhibit referred to as Exhibit B in the Second Amendment (Services for Public Facilities, dated November 2013);
- (2) The exhibit referred to as Exhibit C in the Franchise Agreement (Map of the Franchise Areas); and
- (3) The exhibit referred to as Exhibit G in the Second Amendment (Efficiency Surplus Funding, dated November 2013).

(b) The following exhibits are added to the Agreement:

- (1) Exhibit B – Public Facilities (Dated August 2023)
- (2) Exhibit C – Map of Franchise Area (Dated August 2023)
- (3) Exhibit G – Efficiency Surplus Funding (Dated August 2023)
- (4) Exhibit H – Supplemental Funding (Dated August 2023)
- (5) Exhibit I – List of Discussion Topics (Dated August 2023)

11. Except as amended by this Third Amendment, the terms of the Agreement remain in full force and effect.

COUNTY OF CONTRA COSTA

RICHMOND SANITARY SERVICE, INC.

By: _____
Chair, Board of Supervisors

By: _____
Name: _____
Title: _____

Attest: Monica Nino, Clerk of the Board of Supervisors and County Administrator

By: _____
Deputy

By: _____
Name: _____
Title: _____

Note: Two officers must sign on behalf of a corporation. The first must be the chairman of the board, president or any vice president; the second must be the secretary, any assistant secretary, the chief financial officer or any assistant treasurer. (Corp. Code, § 313.)

Attachments:

- Exhibit B – Public Facilities Dated August 2023
- Exhibit C – Map of Franchise Area Dated August 2023
- Exhibit G – Efficiency Surplus Funding Dated August 2023
- Exhibit H – Supplemental Funding Dated August 2023
- Exhibit I – List of Discussion Topics Dated August 2023

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EXHIBIT B

SERVICES FOR PUBLIC FACILITIES

Dated: August 2023

This exhibit describes in more detail the services Contractor is obligated to provide pursuant to Section 19 of this Agreement.

Section 1: ROUTINE SERVICES

Contractor shall collect green waste, recycling and/or Solid Waste upon request at County-designated locations. The following list of locations and related service levels may be modified from time to time pursuant to Section 19 of the Agreement. As of the date of this Exhibit B, routine service levels for each currently designated location are as follows:

	Public Facilities Being Served in County-RSS Franchise Area	Location	SERVICE LEVEL			
			Solid Waste		Recycling (Weekly)	Green Waste (Weekly)
			Container (Qty/Size)	Pickups per week		
1)	Street cans – El Sobrante	3630 San Pablo Dam	1 / 35-gal	1x wk	N/A	N/A
		3645 San Pablo Dam	1 / 35-gal	1x wk	N/A	N/A
		3716 San Pablo Dam	1 / 35-gal	1x wk	N/A	N/A
		3711 San Pablo Dam	1 / 35-gal	1x wk	N/A	N/A
		3798 San Pablo Dam	1 / 35-gal	1x wk	N/A	N/A
		3773 San Pablo Dam	1 / 35-gal	1x wk	N/A	N/A
		3826 San Pablo Dam	1 / 35-gal	1x wk	N/A	N/A
		3851 San Pablo Dam	1 / 35-gal	1x wk	N/A	N/A
		3884 San Pablo Dam	1 / 35-gal	1x wk	N/A	N/A
		3968 San Pablo Dam	1 / 35-gal	1x wk	N/A	N/A
		4068 San Pablo Dam	1 / 35-gal	1x wk	N/A	N/A
2)	Street cans – North Richmond	101 Market	1 / 35-gal	1x wk	N/A	N/A
		5th and Silver	1 / 35-gal	1x wk	N/A	N/A
3)	El Sobrante Library	4191 Appian Way	1 / 2-yd	1x wk	2 65-gal	2 65-gal
4)	Fire Station	4640 Appian Way	1 / 2-yd	1x wk	3 /65 gal	N/A

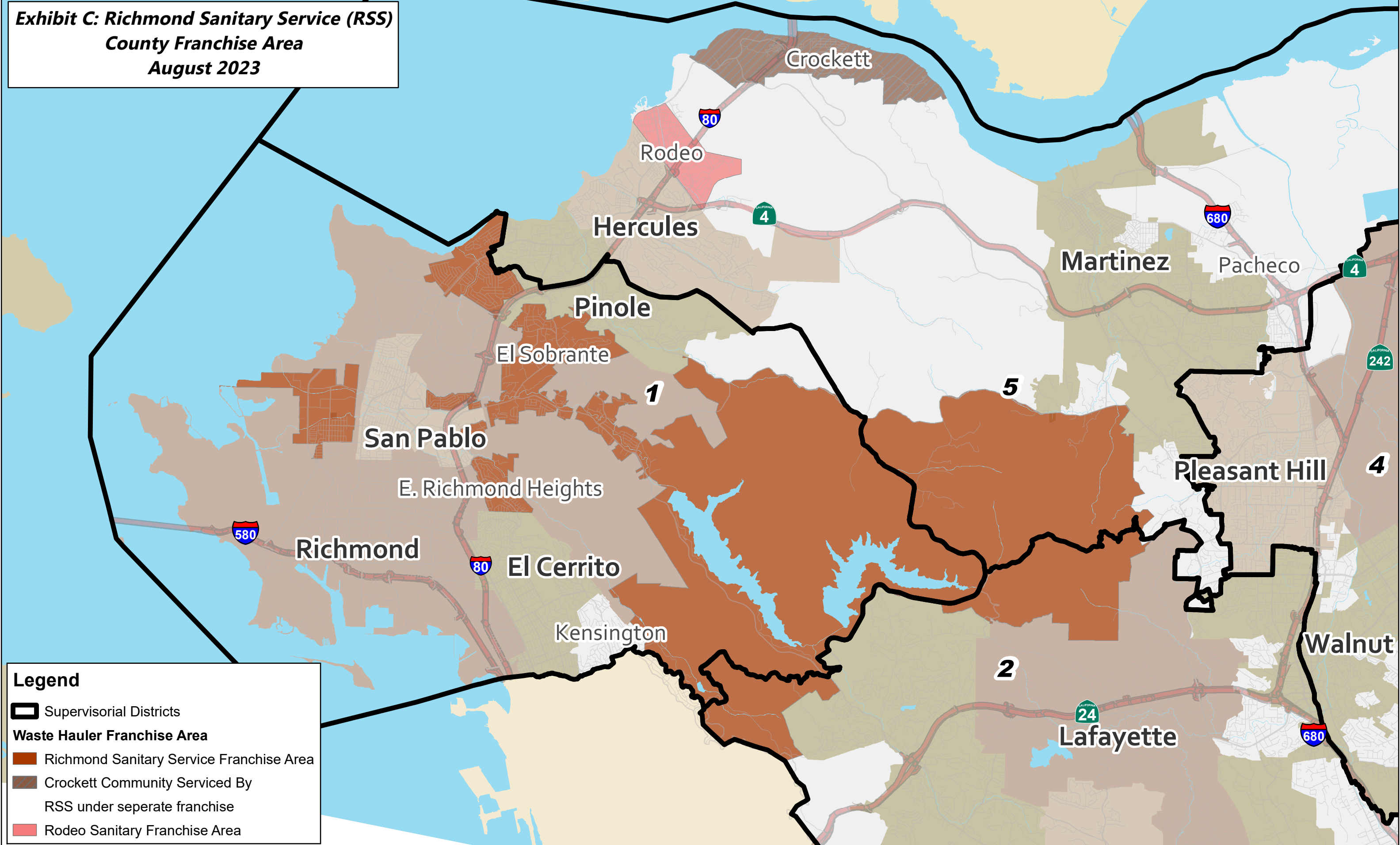
Section 2: ON-CALL SERVICES

Contractor shall separately track allowable costs for providing the following on-call services requested by the County, properly segregate said costs in rate applications and provide reporting of on-call service costs and other data by service type upon request of the Director of the County's Conservation and Development Department or designee.

- A. RIGHT-OF-WAY LOCATIONS:** Subject to funding availability, including that set forth in Exhibit G and Exhibit H, Contractor shall remove Solid Waste from specified locations within County rights-of-way within three to five business days of receiving each written task order from the Director of County's Conservation and Development Department or designee, subject to the limitations set forth in Section 1.B. of Exhibit H. County will deliver task orders to Contractor by electronic mail to jcoverston@republicservices.com or such other address the Contractor may provide in writing from time to time and include the specific location and description of the debris to be collected. Areas along the Richmond Parkway are not right-of-way locations as used in this Section.
- B. ABATEMENT PROJECT LOCATIONS:** Upon written request of the Director of County's Conservation and Development Department or designee and subject to funding availability, Contractor shall provide and service requested receptacle(s) at specified abatement project locations as follows:
1. Within three business days after receipt of a written request, Contractor shall commit to a date that the requested receptacle(s) will be delivered to the specified location;
 2. Contractor shall deliver the requested receptacle(s) on the date mutually agreed upon; and
 3. Contractor shall remove the requested receptacle(s) on the date mutually agreed upon.

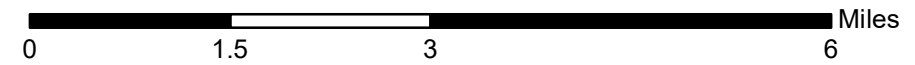
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**Exhibit C: Richmond Sanitary Service (RSS)
County Franchise Area
August 2023**



Legend

- Supervisory Districts
- Waste Hauler Franchise Area**
- Richmond Sanitary Service Franchise Area
- Crockett Community Served By RSS under separate franchise
- Rodeo Sanitary Franchise Area



Map Created 3/23/2020
by Contra Costa County Department of
Conservation and Development, GIS Group
30 Muir Road, Martinez, CA 94553
37:59:41.791N 122:07:03.756W

This map was created by the Contra Costa County Department of Conservation and Development with data from the Contra Costa County GIS Program. Some base data, primarily City Limits, is derived from the CA State Board of Equalization's tax rate areas. While obligated to use this data the County assumes no responsibility for its accuracy. This map contains copyrighted information and may not be altered. It may be reproduced in its current state if the source is cited. Users of this map agree to read and accept the County of Contra Costa disclaimer of liability for geographic information.



EXHIBIT G

EFFICIENCY SURPLUS FUNDING

Dated: August 2023

Section 1: EFFICIENCY SURPLUS FUNDING & CPI-ADJUSTMENTS

For the period of December 1, 2013 through January 31, 2018, Contractor shall perform the services listed in this Exhibit G using Efficiency Surplus Funding. Contractor shall account for costs as set forth in Section 2 to document the amount of Efficiency Surplus Funds used for each of the specified services/fees.

A. EFFICIENCY SURPLUS FUNDING AND CPI-ADJUSTED COMPENSATION/REVENUE

A1	Projected Revenue for 2012 (Base Year Review Report)	\$	3,595,559.00
A2	Total Base Year Revenue Requirement for 2012	\$	3,380,283.00
A3	<i>Projected Efficiency Surplus for 2012 (5.99% rate credit)</i>	\$	215,373.98
A4	Annual Efficiency Surplus Funding for 2012 (after 5% Franchise Fees)	\$	204,605.28
A5	Projected Revenue Requirement for 2013	\$	3,474,930.92
A6	Resulting Revenue Requirement increase for 2013 (2.80% Change in CPI for Aug 2011-Aug 2012)	\$	94,647.92
A7	<i>Projected Efficiency Surplus for 2013 (3.19% rate credit)</i>	\$	114,698.33
A8	Annual Efficiency Surplus Funding for 2013 (after 5% Franchise Fees)	\$	108,963.42
A9	CPI Adjusted Revenue Requirement for 2014	\$	3,545,472.02
A10	Resulting Revenue Requirement increase for 2014 (2.03% Change in CPI for Aug 2012-Aug 2013)	\$	70,541.10
A11	<i>Projected Efficiency Surplus for 2014 (1.16% rate credit)</i>	\$	41,708.48
A12	Annual Efficiency Surplus Funding for 2014 (after 5% Franchise Fees)	\$	39,623.06
A13	CPI Adjusted Revenue Requirement for 2015	\$	3,586,599.50
A14	Resulting Revenue Requirement increase for 2015 (1.16% Adjustment to CPI Change: Aug 2013-Aug 2014)	\$	41,127.48
A15	<i>Projected Efficiency Surplus for 2015 (0%)</i>	\$	0,00
A16	Annual Efficiency Surplus Funding for 2015 (after 5% Franchise Fees)	\$	0,00
A17	Efficiency Surplus Funding for 2012-2015 (A4+A8+A12+A16)	\$	353,191.76

* The dollar amounts on lines A9 - A16 are projections which are subject to change if commercial rate changes don't mirror residential.

Section 2: SERVICE AND REPORTING OBLIGATIONS

In accordance with Section 25 of the Agreement, the Franchise Fee is increasing from 5% to 7%. For the period of December 1, 2013 through December 31, 2015, Contractor may use Efficiency Surplus Funding, if authorized by the Director of County’s Conservation and Development Department or designee, to cover any uncompensated payment(s) of the incremental 2% Franchise Fee as set forth herein.

Contractor shall cause Efficiency Surplus Funding requests to accompany Franchise Fee payments submitted to the County for each monthly period for which it seeks Franchise Fee compensation. Funding requests may be in the form of modified reports remitted with monthly payments clearly delineating the 5% - 2% Franchise Fee split to substantiate the amount of funding requested.

In accordance with Sections 19 – 21 of the Agreement, Contractor shall provide new and expanded on-call services to residential customers and the County. For the period identified in Section 1 of this Exhibit, Contractor may use Efficiency Surplus Funding, if requested in writing and authorized by the Director of County’s Conservation and Development Department or designee, to cover actual uncompensated, allowable costs incurred for providing the new on-call services specified herein.

Contractor shall cause Efficiency Surplus Funding requests to accompany monthly on-call services reports submitted to County for each monthly period for which it seeks compensation for on-call services described in 2.A – 2.D. Monthly on-call services reports shall document the actual services provided pursuant to this Exhibit, including the costs and required metrics specified in 2.A -2.D.

- 2.A Actual number of County requested 20-cubic yard community clean-up boxes provided annually in excess of ten as set forth in Section 2.A
- 2.B Actual on-call pickups provided at right-of-way locations as set forth in Section 2.B
- 2.C Actual on-call debris box service for abatement projects as set forth in Section 2.C
- 2.D Actual on-call pickups of bulky and e-waste items provided as set forth in Section 2.D

A. COMMUNITY CLEAN-UPS (Agreement Section 21): Contractor shall track and report the number of community clean-up boxes utilized and associated amounts disposed (required metrics). County shall determine the amount of Efficiency Surplus Funding utilized to provide and service each 20-CY box beyond the initial ten boxes using calculations that are based on the required metrics reported by Contractor and the following per unit costs.

Debris Boxes	Per Unit Costs (2014)	Per Unit Costs (2015)
20-CY Box (Disposal up to 4 Tons)	\$ 809.16	\$ 833.43
Additional Disposal (\$126.54/Ton)	\$ 126.54	TBD by Authority

B. RIGHT-OF-WAY LOCATIONS (Agreement Section 19 & Exhibit B): Contractor shall track the number of right-of-way locations serviced as well as the amount of time used to serve each and amount, type and cost of disposal for waste removed from the right-of-way (required metrics). County shall determine the amount of Efficiency Surplus Funding utilized to service right-of-way locations using calculations based on these required metrics reported by Contractor and the per unit costs specified in the following table.

Cost Component	Per Unit Costs (2014)	Per Unit Costs (2015)	Per Unit Costs (2016)	Per Unit Costs (2017)	Per Unit Costs (2018)	Per Unit Costs (2019)	Unit
Labor (2 Man Crew)	\$94.42	\$97.25	\$100.17	\$103.18	\$106.27	\$109.46	per hour
Labor (1 Man)	\$47.21	\$48.63	\$50.09	\$51.59	\$53.14	\$54.73	per hour
Labor (Supervisor)	\$68.15	\$70.20	\$72.31	\$74.48	\$76.71	\$79.02	per hour
Truck (Rear Loader)	\$32.54	\$33.52	\$34.53	\$35.57	\$36.63	\$37.73	per hour
Truck (Pick-up)	\$15.29	\$15.75	\$16.22	\$16.71	\$17.21	\$17.72	per hour
Truck (Flatbed)	\$22.00	\$22.66	\$23.34	\$24.04	\$24.76	\$25.50	per hour
Disposal	\$88.40	\$87.83	\$89.77	\$91.08	\$92.02	\$98.57	per ton

* Per Unit Cost for labor & truck include allowable 10% operating margin

C. ABATEMENT PROJECT LOCATIONS (Agreement Section 19 & Exhibit B): Contractor shall track and report the number of abatement project locations served as well as the size of the debris boxes served and amount of tons collected and disposed (required metrics). County shall determine the amount of Efficiency Surplus Funding utilized to service abatement project locations using calculations based on these required metrics reported by Contractor and the per unit costs specified in the following table.

Cost Component	Per Unit Costs (2014)		Per Unit Costs (2015)	
10-CY Box (Disposal up to 2 Tons)	\$	513.08	\$	528.47
14-CY Box (Disposal up to 3 Tons)	\$	666.62	\$	686.62
20-CY Box (Disposal up to 4 Tons)	\$	809.16	\$	833.43
Additional Disposal (\$126.54/Ton)	\$	26.54	TBD by Authority	

D. ON-CALL BULKY ITEM AND E-WASTE COLLECTION (Agreement Section 20 & Exhibit F): Contractor shall prepare and distribute promotional outreach materials to residential Customers to announce the availability of bulky item and e-waste item collection, subject to approval by the Director of County’s Conservation and Development Department, for an amount not to exceed \$4,500. Contractor shall track and report actual costs to distribute promotional outreach as well as the number of pickups and items picked (required metrics). To the extent feasible, actual time spent providing each pickup and actual cost of disposal should be tracked and reported rather than relying upon the average estimated time and weight per pick-up listed in the following table. County shall determine the amount of Efficiency Surplus Funding utilized to provide bulky item and e-waste collection services using calculations based on these required metrics reported by Contractor and to the extent necessary, the per unit costs specified in the following table.

Cost Component	Per Unit Cost (2014)	Per Unit Cost (2015)	Per Unit Cost (2016)	Per Unit Cost (2017)	Per Unit Cost (2018)	Per Unit Cost (2019)	Unit
Labor *	\$63.35	\$65.25	\$67.21	\$69.23	\$71.30	\$73.44	per hour
Truck (Flat Bed w/Lift) *	\$22.00	\$22.66	\$23.34	\$24.04	\$24.76	\$25.50	per hour
Disposal *	\$77.36	\$79.53	\$81.29	\$82.47	\$83.32	\$89.25	per ton
Estimated Labor/Truck Time	35 minutes						per pickup
Estimated Disposal Weight	0.3 tons						per pickup

* Per Unit Cost amounts include 10% operating margin on allowable labor, truck and portion of disposal (\$50/ton with profit, remainder treated as pass-through)

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EXHIBIT H

SUPPLEMENTAL FUNDING

Dated: August 2023

This exhibit pertains to County's obligation to pay Contractor and associated Contractor requirements for the use of Supplemental Funding for the services described in Section 19 – 20 of the Agreement. Contractor does not have an exclusive franchise to provide any of the services described in this Exhibit H.

Section 1: ON-CALL SERVICES AT COUNTY RIGHT-OF-WAY-LOCATIONS

A. TRACKING AND REPORTING. Contractor shall track and report to County monthly all on-call services provided by Contractor under this provision, utilizing the electronic on-call service reporting template provided by County, unless and until an alternative reporting mechanism is approved by the Director of County's Conservation and Development Department or designee.

B. LIMITATIONS; COMPENSATION.

1. County shall pay Contractor in accordance with the following:

- a. For the time period of February 1, 2018, through December 31, 2019, Contractor will receive compensation for on-call right-of-way pickups based on the per unit costs identified in Section 2.B of Exhibit G, not to exceed \$69,774.94. Contractor shall provide the Director of County's Conservation and Development Department with a written invoice that shows the applicable service dates, description of service, cost breakdown, and the information required in Section 1.A. Contractor will invoice no more than once per month. Payment by County is due within 60 days of receipt of a conforming invoice.
- b. Effective January 1, 2020, and unless and until such time as County approves collection rates that cover Contractor's allowable costs of providing this on-call collection service, Contractor will provide on-call right-of-way pickups at the rate of \$115.36 per pickup, not to exceed \$110,000 per year. The first invoice will cover the period of January 2020 through December 2022 which shall not exceed \$166,446.71. The rate will be adjusted annually based on the change in the Consumer Price Index (CPI) for all urban consumers for the San Francisco-Oakland-Hayward area (August to August) in accordance with the County-approved Rate Methodology Manual. On a monthly basis, Contractor will provide County with a written invoice for the charge(s), showing the date(s) and location(s) of each pickup, and description of the debris removed, and attaching a copy of the written request(s) for each pickup. County will pay within 60 days of receipt of a conforming invoice.

c. All payments will be directed to:

Richmond Sanitary Service, Inc.
Attn: Contracts Administrator
3260 Blume Drive, Suite 100
Richmond, CA 94806

d. After County has approved Collection Rates that cover Contractor's allowable costs of providing this on-call collection service, County will not provide any additional

compensation for this service.

2. Contractor will separately track allowable costs of the on-call services provided under this Section 1 and any revenue received therefore, properly segregate said costs and revenue in rate applications and provide reporting of on-call service costs and other data by service type upon request of the Director of County's Conservation and Development Department or designee.

Section 2: ON-CALL BULKY ITEM AND E-WASTE COLLECTION SERVICE

A. TRACKING AND REPORTING. Contractor shall track and report to County quarterly all bulky item collection services provided by Contractor under this provision, utilizing the electronic on-call curbside bulky item reporting template provided by County, unless and until an alternative reporting mechanism is approved by the Conservation and Development Director or designee.

B. LIMITATIONS; COMPENSATION.

1. The following parameters apply to Contractor compensation.
 - a. For the time period of February 1, 2018, through December 31, 2019, Contractor will provide on-call bulky item pick-ups and receive compensation based on per unit costs identified in Section 2.D in Exhibit G. Contractor may bill County for an amount up to \$95,860.67. Contractor shall provide the Director of County's Conservation and Development Department with a written invoice that shows the applicable service dates, description of service, cost breakdown, and the information required in Section 2.A. County will pay within 60 days of receipt of a conforming invoice. Payments will be sent to:

Richmond Sanitary Service, Inc.
Attn: Contracts Administrator
3260 Blume Drive, Suite 100
Richmond, CA 94806

- b. Effective January 1, 2020, this service is included in the County-approved Collection Rates, and not separately compensable.
2. Contractor will separately track allowable costs of the on-call services provided under this Section 3 and any revenue received therefore, properly segregate said costs and revenue in rate applications and provide reporting of on-call service costs and other data by service type upon request of the Director of County's Conservation and Development Department or designee.

Section 3: SUPPLEMENTAL FUNDING TREATED AS REVENUE FOR THE PURPOSES OF RATE SETTING

In addition to ratepayer revenue called for in the Rate Manual, disbursements of Supplemental Funding to Contractor shall be treated as revenue for the purposes of rate setting. Contractor shall clearly delineate Supplemental Funding received from County as additional revenue in each applicable Base Year Rate Application.

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EXHIBIT I

LIST OF DISCUSSION TOPICS

Dated: August 2023

A list of issues to further define and discuss are identified below. These discussion topics are not exclusive of other items that may come up and need to be discussed during the negotiation period.

- Build off of the existing franchise agreement
 - Maintain residential rate setting and rate review
 - Build upon existing services
- Discuss commercial and multifamily rate regulation
- Discuss scope of exclusivity (see also County Code Chapter 418-7)
- Expanding additional services for
 - residential customers, including but not limited to additional community dumpsters and bulky item pickups
 - public services, including but not limited to modifying public cans
 - commercial customers, including but not limited to bulky item pickups for multifamily
- Maintain collection services that are compliant with applicable requirements in the SB 1383 regulations
- Incorporate post-collection requirements including, but not limited to rates
- Most-favored nation status for any more advantageous provision(s) in solid waste franchise agreements of other public agencies in the West County area
- Incorporate zero emission vehicles into fleet including, but not limited to electric and/or hydrogen fuel
- Establishing service standards and monetary penalties for underperformed services, including liquidated damages or other options
- Access to customer and service data in Recyclist software
- Increased data reporting on actual services
- Designated post-collection responsibilities
- Exploring pros and cons of merging franchise areas
- Term of extension
- Contamination rates/procedures
- Expansion of public right of way pickups