



**Contra
Costa
County**

To: Board of Supervisors
From: John Kopchik, Director, Conservation & Development Department
Date: December 20, 2016

Subject: Second Amendment to the Franchise Agreement with Crockett Sanitary Service

RECOMMENDATION(S):

APPROVE and AUTHORIZE the Chair of the Board of Supervisors to execute the Second Amendment to the County Franchise Agreement with Crockett Sanitary Service to extend the term of the Agreement through March 1, 2017, to provide adequate time to facilitate Republic Services' corporate review and approval of finalized terms and conditions of a proposed nine-year extension of the Crockett Franchise in conjunction with the associated proposed service enhancements and rate adjustment.

FISCAL IMPACT:

No impact to the County General Fund. Approval of the recommended Franchise Amendment would obligate Crockett Sanitary Service to continue paying solid waste/recycling franchise fees to the County through the end of February 2017.

BACKGROUND:

On November 5, 1996, the County entered into a franchise agreement with Walter Botta, the sole proprietor of the Crockett Garbage Company to provide collection and recycling services for the unincorporated communities of Crockett, Port Costa and Tormey. Walter Botta immediately assigned his rights and obligations under the Agreement to Crockett

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY ADMINISTRATOR

☐ RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **12/20/2016** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYE: John Gioia, District I Supervisor
Candace Andersen, District II Supervisor
Mary N. Piepho, District III Supervisor
Karen Mitchoff, District IV Supervisor

ABSENT: Federal D. Glover, District V Supervisor

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: December 20, 2016

David Twa, County Administrator and Clerk of the Board of Supervisors

By: Stacey M. Boyd, Deputy

Contact: Demian Hardman (925)
674-7826

cc:

Garbage Service, Inc.

BACKGROUND: (CONT'D)

(name was subsequently changed to Crockett Sanitary Service, Inc.), which is a subsidiary of Richmond Sanitary Service, Inc, which itself is owned by Republic Services.

On November 1, 2016, the County executed a First Amendment to the Franchise Agreement with Crockett Garbage Company, which changed the name of the Agreement to "Franchise Agreement with Crockett Sanitary Service, Inc." and extended the term of the Agreement through December 31, 2016, to allow for negotiation of terms and conditions of a proposed long-term extension of the Agreement and the exclusive franchise granted thereunder. The County and Contractor have a couple of remaining details to lock down regarding the proposed service enhancements and associated rate adjustment in order to conclude negotiations that may impact the proposed terms of the more substantive Amendment that would extend the term for an additional nine year period. The Contractor has indicated that the more substantive Amendment must go through Republic Services' corporate review and approval process which adds to the amount of time needed to present the Board with a proposed Amendment agreed to by the Contractor. Therefore, County staff recommends that the agreement be amended to extend the term of the Agreement through March 1, 2017.

This is the last of the four Franchise Agreements that the County entered into between 1993 and 1996. It is also the last proposed to be amended in order to extend the term for nine years (ten years for the other franchises). In order to seek direction from the Board regarding whether or not to extend these solid waste and recycling collection franchise agreements again in future years, staff will return to the Board of Supervisors three years prior to their termination dates, which fall between 2023 and 2025. This three-year "tickler" should allow adequate time for staff to conduct a Request for Proposals process should the Board so direct, including soliciting and selecting a contractor as well as completing negotiations with the selected contractor.

CONSEQUENCE OF NEGATIVE ACTION:

Unless and until an Amendment or new Franchise Agreement was approved by both parties, as of January 1, 2017, the County would no longer have a Franchise Agreement in effect to regulate the waste and recycling collection services provided or associated rates charged to residential and commercial customers in Crockett, Port Costa or Tormey.

ATTACHMENTS

2nd Amendment- Crockett Franchise Agreement