



THOMAS L. BOLICH
DIRECTOR OF PUBLIC WORKS

County of Santa Cruz

DEPARTMENT OF PUBLIC WORKS

701 OCEAN STREET, ROOM 410, SANTA CRUZ, CA 950604070
(831) 454-2160 FAX (831) 454-2385 TDD (831) 454-2123

AGENDA: JUNE 12, 2001

June 7, 2001

SANTA CRUZ COUNTY BOARD OF SUPERVISORS

701 Ocean Street

Santa Cruz, California 95060

**SUBJECT: REFUSE, RECYCLING AND YARDWASTE SERVICES CONTRACT
AMENDMENT**

Members of the Board:

On February 25, 1997, your Board approved a franchise agreement with Waste Management of Santa Cruz County to implement the County's new **refuse**, recycling and yardwaste collection and processing system. This agreement included collection and processing of curbside yardwaste, and continuation of the self-haul woodwaste drop-off and processing program at the County's Buena Vista Landfill and Ben Lomond Transfer Station. The agreement provides for the County to pay Waste Management for all woodwaste processed through the self-haul woodwaste program. Processing of yardwaste collected through the curbside program is paid directly by Waste Management from collection service revenues,

Payments for woodwaste processing are funded through landfill tipping fees charged to customers who self-haul woodwaste directly to the County solid waste facilities. As a result of increased public awareness and expanded educational programs, the amount of self-haul woodwaste and the resulting fees collected for this program have increased 21 percent over last year's projections. Due to this unanticipated increase in self-haul woodwaste volume, contract funds encumbered for this program at the beginning of the 2000/01 fiscal year are insufficient to cover processing payments through June 30, 2001. It will be necessary to increase **funding** for the self-haul woodwaste processing section of the franchise agreement by \$70,000 to cover the additional processing costs. The additional revenues collected for self-haul woodwaste are sufficient to cover this increase.

The franchise agreement also includes a County-funded rate stabilization program designed to utilize curbside recycling sales and other revenues derived from the franchise to offset or defer annual rate increases to franchise customers. The majority of this fund has come from the sale of **recyclables** collected through the curbside collected materials. The franchise agreement requires Waste Management to share these recycling revenues with the County. This fund has grown considerably over the last two years due to increased recycling volumes and higher than normal market values for curbside recycling materials.

SANTA CRUZ COUNTY BOARD OF SUPERVISORS

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As your Board is aware, the franchise agreement provides for annual cost of living increases to Waste Management. Due to economic changes last year, the cost of living adjustment for Waste Management was higher than in previous years. The County is responsible for setting customer rates for collection services, which have not been increased since the franchise agreement was executed in 1997. The revenue derived from the County established customer rates is now insufficient to cover Waste Management's costs after their most recent cost of living adjustment. In lieu of raising customer rates to cover the increased expenses, the County utilizes the rate stabilization reserves to cover any revenue shortfalls. Use of the rate stabilization funds for this purpose is provided for in the franchise agreement. Use of the rate stabilization fund allows the financial benefit gained from the sale of curbside **recyclables** to be returned to the customers by deferral of rate increases.


The current rate stabilization fund is estimated to be at \$450,000, however, only \$75,000 of the fund was encumbered this fiscal year to cover anticipated rate stabilization payments. Rate stabilization payments this year will exceed the \$75,000 encumbrance. It is projected that an additional \$70,000 will be needed to cover rate stabilization payments through June 30, 2001.

The total increase in funding for this agreement is \$140,000, for an amended contract not-to-exceed amount of \$545,000. This will cover both the additional \$70,000 for the self-haul woodwaste program and the additional \$70,000 for rate stabilization payments. Sufficient funds are available within the **CSA-9C** Solid Waste Enterprise Fund for this purpose.

It is therefore recommended that the Board of Supervisors take the following action:

1. Approve the attached amendment to agreement with Waste Management of Santa Cruz County increasing the contract not-to-exceed amount to \$545,000 and authorize the Director of Public Works to sign the amendment on behalf of the County.
2. Direct the Clerk of the Board to return a copy of the executed agreement to the Department of Public Works for further processing.

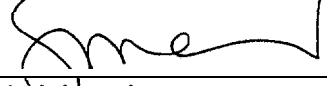
Yours truly,


THOMAS L. BOLICH
Director of Public Works

RPM:bbs

Attachments

RECOMMENDED FOR APPROVAL:



County Administrative Officer

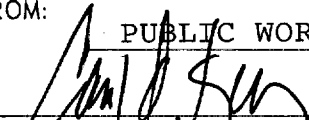
Copy to: Waste Management of Santa Cruz County
County Administrative Office
County Counsel
Public Works

REFUSEB

COUNTY OF SANTA CRUZ
REQUEST FOR APPROVAL OF AGREEMENT

0245 0583

TO: Board of Supervisors
County Administrative Officer
County Counsel
Auditor-Controller

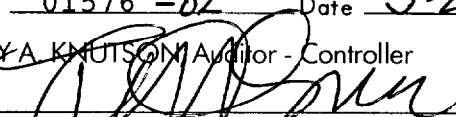
FROM: PUBLIC WORKS (Dept.)
 (Signature) 5-21-01 (Date)

The Board of Supervisors is hereby requested to approve the attached agreement and authorize the execution of the same.

- Said agreement is between the COUNTY OF SANTA CRUZ (Agency)
WASTE MANAGEMENT OF SANTA CRUZ COUNTY
and P. O. Box 2347, Watsonville, CA 95077 (Name & Address)
- The agreement will provide for continuation of County funded rate stabilization program per Board of Supervisors approved rate structure, 6/17/97, and payment of self-haul woodwaste processing, both under authority of 2/25/97, refuse services franchise agreement.
- The agreement is needed because the work can be handled most expeditiously by contract.
- Period of the agreement is from Board Approval to June 30, 2001
increase 70,000 to -01
- Anticipated cost is \$140,000 70,000 to -02 (Fixed amount; Monthly rate; Not to exceed)
Amended
- Remarks: Contract \$545,000; 7% Overhead \$38,150; Total \$583,150

7. Appropriations are budgeted in 625110 \$400,000 ! 51356 ! 3665 ! 3590
625110 \$145,000 ! 51050 ! 3665 ! (Index#) 3590 (Subobject)

NOTE: IF APPROPRIATIONS ARE INSUFFICIENT, ATTACH COMPLETED FORM AUD-74

Appropriations are available and have been encumbered. Contract No. 01576 -01 -02 Date 5-22-01
are not will be
GARY A. KNUTSON Auditor - Controller
By  Deputy.

Proposal reviewed and approved. It is recommended that the Board of Supervisors approve the agreement and authorize the Director of Public Works to execute the same on behalf of the Department of Public Works (Agency).

Remarks:  (Analyst) By  Date 5/30/01
County Administrative Officer

Agreement approved as to form. Date _____

RPM:kbs

Distribution:

Bd. of Supv. - White
Auditor-Controller - Blue
County Counsel - Green *
Co. Admin. Officer - Conary
Auditor-Controller - Pink
Originating Dept. - Goldenrod

*To Orig. Dept. if rejected.

ADM - 29 (6/95)

State of California)
County of Santa Cruz) ss

I _____ ex-officio Clerk of the Board of Supervisors of the County of Santa Cruz,
State of California, do hereby certify that the foregoing request for approval of agreement was approved by
said Board of Supervisors as recommended by the County Administrative Officer by an order duly entered
in the minutes of said Board on _____

County Administrative Officer

By _____ Clerk

35

243**AMENDMENT TO AGREEMENT**

The parties hereto agree to amend Refuse, Recycling and Yardwaste Services Franchise Agreement number 8 1576 dated February 25, 1997, and as amended June 17, 1997, April 14, 1998, June 22, 1999, and December 12, 2000, by and between the COUNTY OF SANTA CRUZ and WASTE MANAGEMENT OF SANTA CRUZ COUNTY. The purpose for this amendment is to: increase the contract not-to-exceed amount to \$545,000 for additional processing of self-haul woodwaste at the County's Buena Vista Landfill and Ben Lomond Transfer Station and increases in rate stabilization payments.

All other provisions of said agreement shall remain the same.

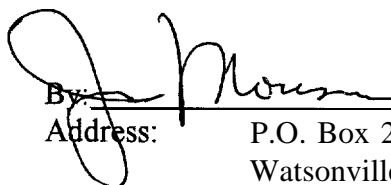
Dated: _____

CONTRACTOR:

COUNTY OF SANTA CRUZ
DEPARTMENT OF PUBLIC WORKS

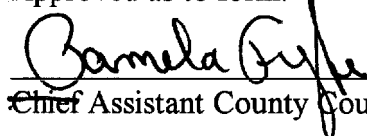
WASTE MANAGEMENT OF SANTA CRUZ
COUNTY

DIRECTOR OF PUBLIC WORKS

By: 
Address: P.O. Box 2347
Watsonville, CA 95077

Telephone: (83 1) 768-8071

Approved as to form:


Chief Assistant County Counsel

DISTRIBUTION: County Administrative Office
Auditor-Controller
County Counsel
Waste Management of Santa Cruz County

RPM: bbs

SELFB

CERTIFICATE OF INSURANCEDate: (MM/DD/YY)
12/27/2000**PRODUCER**Aon Risk Services of Texas, Inc.
2030 Bering Drive, Suite 900
Houston, Texas 77057
713/430-6000RPM
ACCT
CF

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE**INSURED: WASTE MANAGEMENT, INC. and**
Waste Management of Santa Cruz City
1340 West Beach Street
PO Box 2347
Watsonville, CA 95076

JAN 2001

Insurer A: Pacific Employers Insurance Company
Insurer B: Continental Casualty Company
Insurer C: ACE American Insurance Company
Insurer D: Indemnity Insurance North America
Insurer E: National Union Fire Insurance Co. of PA**COVERAGES**

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY BE EXHAUSTED BY PAID CLAIMS.

INSURER	TYPE OF INSURANCE	POLICY NUMBER	EFFECTIVE DATE	EXPIRATION DATE	LIMITS
A	GENERAL LIABILITY	HDO G19902559	1/1/2001	1/1/2002	EACH OCCURRENCE \$ 2,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				FIRE DAMAGE (ANY ONE FIRE) \$ 1,000,000
	<input checked="" type="checkbox"/> OCCURRENCE				MED EXP (PER PERSON)
	<input checked="" type="checkbox"/> XCU INCLUDED				
	<input checked="" type="checkbox"/> ISO FORM CG 00 01 10 93				PERSONAL & ADV INJURY \$ 2,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:				GENERAL AGGREGATE \$ 2,000,000
	<input checked="" type="checkbox"/> PROJECT				PRODUCTS/COMP. OP. AGG \$ 4,000,000
A	AUTOMOBILE LIABILITY	ISA HO7686031	1/1/2001	1/1/2002	COMBINED SINGLE LIMIT \$ 5,000,000
	<input checked="" type="checkbox"/> ANY AUTO				(EACH ACCIDENT)
	<input type="checkbox"/> ALL OWNED AUTOS				
	<input type="checkbox"/> SCHEDULED AUTOS				
	<input checked="" type="checkbox"/> HIRED AUTOS				
	<input checked="" type="checkbox"/> NON-OWNED AUTOS				
	<input checked="" type="checkbox"/> MCS-90				
B	EXCESS LIABILITY	CUP-247892731	1/1/2001	1/1/2002	EACH OCCURRENCE \$ 25,000,000
	<input checked="" type="checkbox"/> OCCURRENCE				AGGREGATE \$ 25,000,000
	<input type="checkbox"/> CLAIMS MADE				
D and A	WORKERS' COMPENSATION and EMPLOYERS LIABILITY	WLR C42982453 SCF C42982532 (WI)	11112001	1/1/2002	WORKERS' COMPENSATION STATUTORY
					EL EACH ACCIDENT \$ 1,000,000
					EL DISEASE-EA EMPLOYEE \$ 1,000,000
					EL DISEASE-POLICY LIMIT \$ 1,000,000

REMARKS: DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT PROVISIONS:

CHECK BOX ☒ BLANKET WAIVER OF SUBROGATION IS GRANTED IN FAVOR OF CERTIFICATE HOLDER ON ALL POLICIES AS REQUIRED BY WRITTEN CONTRACT:

CERTIFICATE HOLDER IS NAMED AS AN ADDITIONAL INSURED (EXCEPT FOR WORKERS' COMP/EL) AS REQUIRED BY WRITTEN CONTRACT.

Additional Insured in favor of County of Santa Cruz (on all policies except Workers Compensation/EL) where and to the extent as required by written contract.

CERTIFICATE HOLDER:County of Santa Cruz
Director of Public Works
701 Ocean Street
Room 410
Santa Cruz, CA 95060**CANCELLATION:**

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES. EXCEPT 10 DAYS NOTICE FOR NONPAYMENT.

Jon Douglas Burnham
Jon Douglas Burnham, Aon Risk Services Of Texas, Inc.