



County of Santa Cruz

DEPARTMENT OF PUBLIC WORKS

701 OCEAN STREET, ROOM 410, SANTA CRUZ, CA 95060-4070
(831) 454-2160 FAX (831) 454-2385 TDD (831) 454-2123

THOMAS L. BOLICH
DIRECTOR OF PUBLIC WORKS

AGENDA: JUNE 18,2002

June 6,2002

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 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 public self-haul woodwaste program. The cost of processing yardwaste collected curbside is included in collection customer service rates.

Payments for woodwaste processing are funded through landfill tipping fees charged to customers who self-haul woodwaste directly to the County solid waste facilities. Due to the unanticipated 11 percent increase in self-haul woodwaste volume and the annual cost-of-living adjustment provided for in the Franchise Agreement, contract funds encumbered for this program at the beginning of the 2001/02 fiscal year are insufficient to cover processing payments through June 30,2002. It will be necessary to increase the allocation for the self-haul woodwaste processing section of the Franchise Agreement by \$60,000 to cover the additional processing costs through the end of the fiscal year.

The Franchise Agreement also includes a County-funded rate stabilization program designed to utilize revenues from sales of curbside recycling materials and other revenues derived from the franchise to offset or defer annual rate increases to franchise customers. The majority of

SANTA CRUZ COUNTY BOARD OF SUPERVISORS

Page -2-

this fund has come from the sale of recyclables collected through the curbside program. The Franchise Agreement requires Waste Management to share these recycling revenues with the County. The contract allocation for 2001/02 is inadequate to cover costs through the end of this fiscal year. It will be necessary to increase the allocation by \$50,000 to cover rate stabilization payments through the end of the fiscal year.

Use of the rate stabilization fund as discussed above allows the financial benefit gained from sale of curbside recyclables to be returned to the customers by deferral or offsetting of rate increases. A flow chart depicting the flow of funds is attached for your reference. However, due to the cumulative effect of Waste Management's cost of living increases over the last three years and their projected 2 percent to 4 percent service fee increase for next fiscal year, the projected revenues from future recycling sales will no longer be adequate to cover rate stabilization payments in the near future. The County is responsible for setting customer rates for collection services, which have not been increased since the Franchise Agreement was executed in 1997. In order to meet the projected shortfall in next year's rate stabilization fund, a customer service rate increase will be necessary next fiscal year.

As required under Section 7.4 (C) of the Franchise Agreement, Public Works will meet and confer with Waste Management in June 2002 to discuss rate adjustments for the upcoming fiscal year. We will return to your Board on September 24, 2002, with proposed rate adjustments.

The total increase in funding for this agreement is \$110,000, for an amended contract not-to-exceed amount of \$930,000. This will cover both the additional \$60,000 for the self-haul woodwaste program and the additional \$50,000 for rate stabilization payments. Sufficient funds are available within the County Service Area No. 9-C Solid Waste 2001/02 Budget 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 \$930,000 and authorize the Director of Public Works to sign the amendment on behalf of the County.

2. Direct Public Works to return on or before September 24, 2002, with proposed rate adjustments for franchised refuse, recycling and yardwaste collection services.

Yours truly,

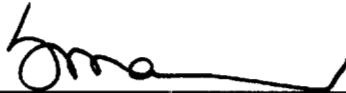


THOMAS L. BOLICH
Director of Public Works

RPM:bbs

Attachments

RECOMMENDED FOR APPROVAL:



County Administrative Officer

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

AMENDMENT TO AGREEMENT

The parties hereto agree to amend Refuse, Recycling and Yardwaste Services Franchise Agreement number 81576, dated February 25, 1997, and as amended June 17, 1997, April 14, 1998, June 22, 1999, December 12, 2000, and June 12, 2001, by and between the COUNTY OF SANTA CRUZ and WASTE MANAGEMENT OF SANTA CRUZ COUNTY. The purpose for this amendment is to: increase the not-to-exceed amount to \$930,000 for additional processing of self-haul woodwaste at the County's Buena Vista Landfill and Ben Lomond Transfer Station and increase in rate stabilization payments.

All other provisions of said contract shall remain the same.

DATED: _____
COUNTY OF SANTA CRUZ
DEPARTMENT OF PUBLIC WORKS

DIRECTOR OF PUBLIC WORKS

CONTRACTOR:
WASTE MANAGEMENT OF SANTA
CRUZ COUNTY

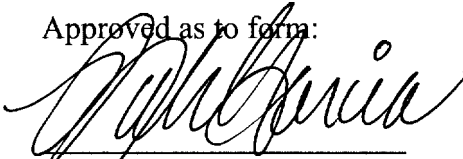
BY: 

ADDRESS: P. O. Box 2347
Watsonville, CA 95077

TELEPHONE: (831) 768-8071

FAX:

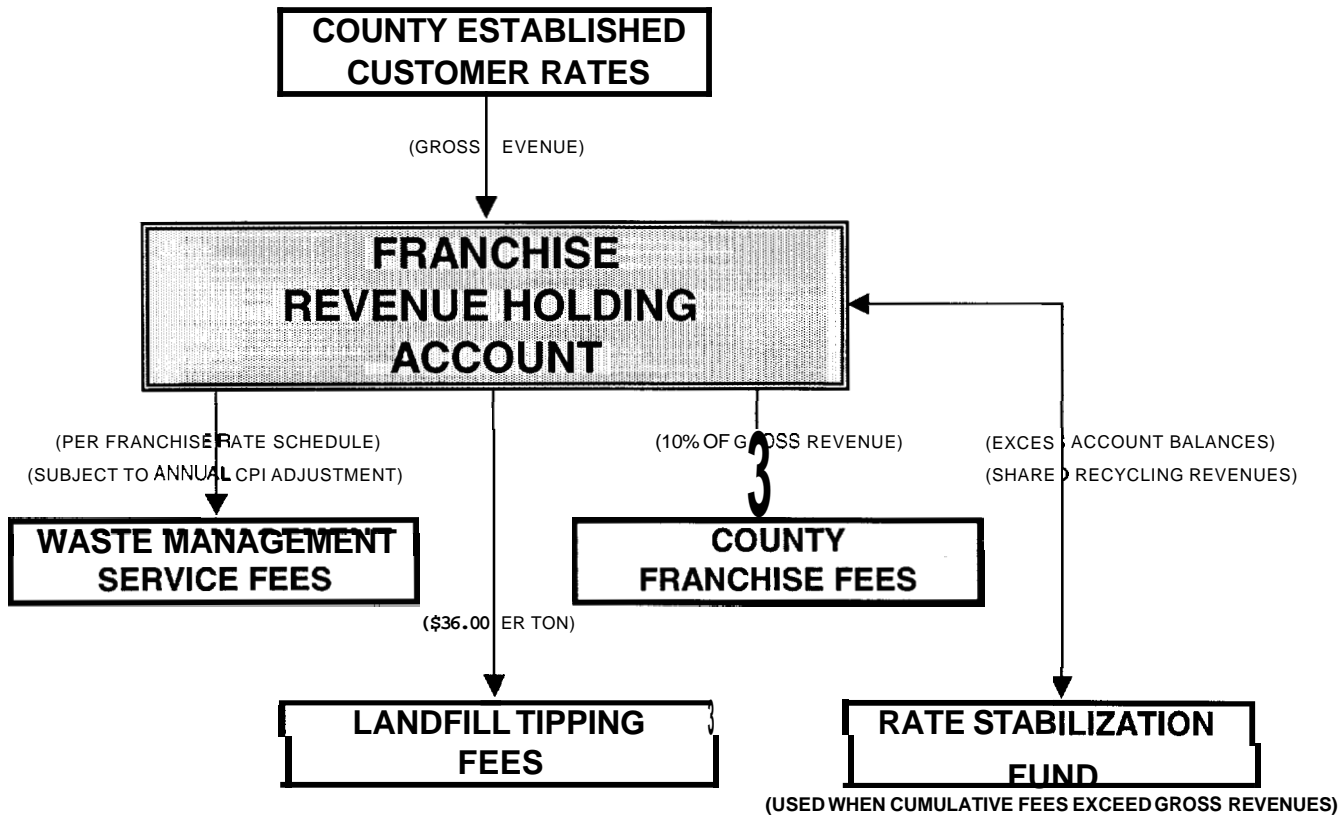
Approved as to form:


Assistant County Counsel

DISTRIBUTION: Auditor-Controller
Public Works
Contractor

RPM:bbs

FRANCHISE AGREEMENT CASH FLOW



CERTIFICATE OF INSURANCEDate: (MM/DD/YY)
12/23/2001**PRODUCER**

Lockton Insurance Agency of Houston, Inc.
5847 San Felipe, Suite 320
Houston, TX 77057
866-260-3538 (Phone)
866-492-1055 (Fax)

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.

INSURED: WASTE MANAGEMENT, INC. and

Waste Management of Santa Cruz City
1340 West Beach Street
P.O. Box 2347
Watsonville, CA 95076

INSURERS AFFORDING COVERAGE

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:

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.

INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	EFFECTIVE DATE	EXPIRATION DATE	LIMITS
	GENERAL LIABILITY				
A	X COMMERCIAL GENERAL LIABILITY	HDO G19902559	1/1/2002	1/1/2003	EACH OCCURRENCE \$ 2,000,000
	X OCCURRENCE				FIRE DAMAGE (ANY ONE FIRE) \$ 1,000,000
	X XCU INCLUDED				MED EXP (PER PERSON)
	X ISO FORM CG 00 01 10 93				PERSONAL & ADV INJURY \$ 2,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:				GENERAL AGGREGATE \$ 2,000,000
	X PROJECT				PRODUCTS/COMP. OP. AGG \$ 4,000,000
	X LOCATION				
	AUTOMOBILE LIABILITY				
A	X ANY AUTO	ISA H07686031	1/1/2002	1/1/2003	COMBINED SINGLE LIMIT \$ 5,000,000
	ALL OWNED AUTOS				(EACH ACCIDENT)
	SCHEDULED AUTOS				
	X HIRED AUTOS				
	X NON-OWNED AUTOS				
	X MCS-90				
	EXCESS LIABILITY/UMBRELLA				
B	X OCCURRENCE	CUP-249148673	1/1/2002	1/1/2003	EACH OCCURRENCE \$ 20,000,000
	CLAIMS MADE	XCP 19902675			AGGREGATE \$ 20,000,000
	WORKERS' COMPENSATION and EMPLOYERS LIABILITY				
D		WLR C43126209 SCF C43126167 (WI)	1/1/2002	1/1/2003	WORKERS' COMPENSATION STATUTORY
A					EL EACH ACCIDENT \$ 1,000,000
					EL DISEASE-EA EMPLOYEE \$ 1,000,000
					EL DISEASE-POLICY LIMIT \$ 1,000,000
	OTHER				

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 WHERE AND TO THE EXTENT REQUIRED BY WRITTEN CONTRACT.
☒ CERTIFICATE HOLDER IS NAMED AS AN ADDITIONAL INSURED (EXCEPT FOR WORKERS' COMP/EL) WHERE AND TO THE EXTENT 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.

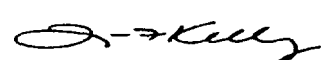
CERTIFICATE HOLDER:

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.

AUTHORIZED REPRESENTATIVE:



COUNTY OF SANTA CRUZ

EST FOR APPROVAL OF AGREEMENT

To: Board of Supervisors
County Administrative Office
Auditor Controller

FROM: PUBLIC WORKS (Department)
BY: *[Signature]* (Signature) 6-6-02 (Date)
Signature certifies that appropriations/revenues are available

AGREEMENT TYPE (Check One)

Expenditure Agreement ☒

Revenue Agreement ☐

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

- Said agreement is between the COUNTY OF SANTA CRUZ (Department/Agency)
WASTE MANAGEMENT OF SANTA CRUZ COUNTY
and P. O. Box 2347, Watsonville, CA 95077 (Name/Address)
- The agreement will provide self-haul woodwaste processing and rate stabilization program

3. Period of the agreement is from Board Approval to June 30, 2002
increase ,000 to 01

4. Anticipated ~~Costs~~ is \$110,00 \$60,000 to 02 ☐ Fixed ☐ Monthly Rate ☐ Annual Rate ☐ Not to Exceed

Remarks: Contract \$930,000; 7% Overhead \$65,100; Total \$995,100

5. Detail: ☐ On Continuing Agreements List for FY . Page CC- Contract No: OR ☐ 1st Time Agreement

☐ Section II No Board letter required, will be listed under Item 8

☐ Section III Board letter required

☐ Section IV Revenue Agreement

625110 \$450,000 ! 51050 ! 3665 ! - 01 3590

625110 \$480,000 ! 51356 ! 3665 ! - 02 3590

6. Appropriations/Revenues are available and are budgeted in (Index) (Sub object)

NOTE: IF APPROPRIATIONS ARE INSUFFICIENT, ATTACHED COMPLETED AUD-74 OR AUD-60

Appropriations are available and have been encumbered.
are not will be

Contract No: 1576-01/02

By: *[Signature]*
Auditor-Controller Deputy

Date: 06/06/02

Proposal and accounting detail reviewed and approved. It is recommended that the Board of Supervisors approve the agreement and authorize

Director of Public Works (Dept/Agency Head) to execute on behalf of the Department of

Public Works (Department/Agency)

Date: 6/7/02

By: *[Signature]*
County Administrative Office

RPM:bbs

Distribution:

Board of Supervisors - White

Auditor Controller - Canary

Auditor-Controller - Pink

Department - Gold

State of California

County of Santa Cruz

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 ap-
proved by said Board of Supervisors as recommended by the County Administrative Office by an
order duly entered in the minutes of said Board on 20

ADM - 29 (8/01)

Title Section 300 Proc Man

By: Deputy Clerk

AUDITOR-CONTROLLER USE ONLY

CO \$
Document No. JE Amount Lines H/TL Keyed By Date

TC110 \$
Auditor Description Amount Index Sub object User Code

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