

FIVE (5) YEAR AMENDED AND RESTATED CONTRACT FOR RESIDENTIAL AND COMMERCIAL SOLID WASTE COLLECTION AND DISPOSAL

CITY COUNCIL REGULAR MEETING,
MAY 13, 2024 | ITEM 5.2



BACKGROUND



- The Lathrop Municipal Code Section 8.16.090 gives the City the exclusive right to contract for the collection and transportation of garbage within the City limits under such terms and conditions as it deems necessary for the public health, safety and well-being of the residents of the City of Lathrop.
- Since 1995, the City has contracted with Lathrop Sunrise Sanitation Corporation who have consistently provided the City with good quality, low-cost solid waste collection and disposal services, in compliance with state recycling and organic waste regulations. Furthermore, with each contract renewal with Lathrop Sunrise Sanitation Corporation, language has been updated to add or modify services based on the needs and requirements of the City.
- The term of the existing agreement ends June 30, 2024. Lathrop Sunrise Sanitation Corporation submitted a proposal for a five (5) year contract extension that would become effective July 1, 2024 and would expire on June 30, 2029. Staff has reviewed the proposed terms and drafted the proposed Amended and Restated Contract to restate the terms of the agreement.

CONTRACT HISTORY

Council Action	Hauler/Company Name	Term(s) of Agreement
<i>May 25, 1990</i>	Lathrop Environmental Services, Inc. <i>(prior County Franchise Hauler)</i>	Entered into a 7 year long-term agreement, beginning June 1, 1990, with renewable language clause for an additional 3 years
<i>January 3, 1995</i>	Lathrop Sunrise Sanitation Corporation	Assumed 60 day assignment of the 1990 long-term Agreement between the City and Environmental Services Inc., as approved by probate court proceedings.
<i>March 21, 1995</i>	Lathrop Sunrise Sanitation Corporation	Entered into a 5 year agreement, beginning April 1, 1995, with renewable language clause
<i>June 15, 1999</i>	Lathrop Sunrise Sanitation Corporation	Entered into a 5 year agreement, beginning July 1, 1999, with renewable language clause
<i>October 21, 2003</i>	Lathrop Sunrise Sanitation Corporation	Entered into a 5 year agreement, beginning July 1, 2004 to June 30, 2009, with renewable language clause
<i>June 2, 2009</i>	Allied Waste Corporation <i>(formerly Lathrop Sunrise Sanitation Corporation)</i>	Entered into Amendment #1, a 5 year agreement, to the 2003 agreement, July 1, 2009 to June 30, 2014; with renewable language clause
<i>June 2, 2017</i>	Republic Services <i>(formerly Allied Waste Corporation and Lathrop Sunrise Sanitation Corporation)</i>	Entered into Amendment #2, a 5 year agreement, to the 2003 agreement, July 1, 2014 to June 30, 2019; with renewable language clause
<i>May 13, 2019</i>	Republic Services <i>(formerly Allied Waste Corporation and Lathrop Sunrise Sanitation Corporation)</i>	Entered into Amendment #3, a 5 year agreement, to the 2003 agreement, July 1, 2019 to June 30, 2024; with renewable language clause

CURRENT LEVELS OF SERVICE



- Weekly Residential and Commercial Solid Waste Collection
 - 3 Bin Weekly Collection: Solid Waste / Recycling / Green Waste
 - Up to a maximum of 6 times a week for Commercial
- Franchise Fee 7%
- AB 939 Recycling Fee 3%
- Free Service for City Facilities
- Motor Oil & Filter Recycling
- Battery Recycling
- Waste and Recycling Education Outreach Programs
- Residential Bulk Pick-up twice a year
- Christmas Tree Recycling
- Leaf and Limb Pick-up
- 24% Senior Discount for Seniors 65 years and older
- Abandoned Property Close Out
- 18 Illegal Waste Pile Collections (From City facilities)
- Up to 200 Tons of Non-hazardous Solid Waste Disposal at Forward Landfill



PROPOSED CONTRACT TERMS



The term of the existing agreement ends June 30, 2024. Lathrop Sunrise Sanitation Corporation submitted a proposal for a five (5) year contract extension that would become effective July 1, 2024 and would expire on June 30, 2029. Staff has reviewed the proposed terms and drafted the proposed Amended and Restated Contract to restate the terms of the agreement and amendments were made to comply with recently updated state laws and adjust rates.

Amended and Restated 5-year Contract extension through 2029

*Includes current levels of service along with the proposed updated service levels:

- ADA Roll-Out Service
- Veteran Discount 10%
- Low Income Discount 20%
- \$750 scholarship to eight schools (increased from six)
- \$500 Mayor's Art Show Sponsorship
- \$3,000 Christmas Parade Sponsorship
- Auto Enrollment in Recycling and Organic Services for Commercial Customers
- Change CPI from Bay Area index to Water, Sewer, Trash
- CPI cap change from 4% to 5% with rollover
- Senate Bill (SB) 1383 Compliance



REPUBLIC
SERVICES

Sustainability in Action

PROPOSED CONTRACT TERMS



Mandated Senate Bill (SB) 1383. The State of California Mandated Short-Lived Climate Pollutant Reduction Act of 2016 is geared to reduce organic waste disposal by 75% and increase edible food recovery by 20% by 2025. To comply with this state mandate, all solid waste generators must subscribe to organic/green waste (e.g., yard trimmings, food waste) collection services. Compliance requires specific monitoring, inspection, enforcement, and reporting.

Senate Bill 1383 State Mandated Short-Lived Climate Pollutant Reduction Act:

- ⑩ Full-time Employee
- ⑩ Outreach and Education
- ⑩ Source separated bins and/or carts
- ⑩ Physical space and de minimis waivers
- ⑩ Identifying tier one and tier two commercial generators
- ⑩ Site visits and waste assessments
- ⑩ Contamination monitoring and enforcement
- ⑩ Inspection program and record keeping
- ⑩ Contamination monitoring
- ⑩ Annual compliance reviews
- ⑩ Customer outreach records and data
- ⑩ Reporting and audits provided to City for state reporting
- ⑩ Non-Compliant customers tracking and enforcement



RESIDENTIAL RATES



STANDARD RESIDENTIAL RATES:				
SIZE		CURRENT RATE	3.5% INCREASE	PROPOSED RATE
Small	30 Gallon	\$ 38.66	\$1.35	\$ 40.01
Medium	60 Gallon	\$ 41.64	\$1.46	\$ 43.10
Large	90 Gallon	\$ 47.28	\$1.65	\$ 48.93
SENIOR RESIDENTIAL RATES:				
SIZE		CURRENT RATE	3.5% INCREASE	PROPOSED RATE
Small	30 Gallon	\$ 28.77	\$1.01	\$ 29.78
Medium	60 Gallon	\$ 30.90	\$1.08	\$ 31.98
Large	90 Gallon	\$ 34.87	\$1.22	\$ 36.09
MOBILE HOME / TRAILER PARK RATES:				
SIZE		CURRENT RATE	3.5% INCREASE	PROPOSED RATE
Small	30 Gallon	\$ 32.32	\$1.13	\$ 24.04
Medium	60 Gallon	\$ 32.96	\$1.15	\$ 34.11
Large	90 Gallon	\$ 37.92	\$1.33	\$ 39.25
SENIOR MOBILE HOME / TRAILER PARK RATES:				
SIZE		CURRENT RATE	3.5% INCREASE	PROPOSED RATE
Small	30 Gallon	\$ 24.25	\$0.85	\$ 25.10
Medium	60 Gallon	\$ 24.69	\$0.86	\$ 25.55
Large	90 Gallon	\$ 28.25	\$0.99	\$ 29.24

COMMERCIAL RATES



CURRENT COMMERCIAL RATE

Container	One/Wk	Two/Wk	Three/Wk	Four/Wk	Five/Wk
1 Cu. Yd	\$97.64	\$148.80	\$199.92	\$250.99	\$302.13
2 Cu. Yd	\$125.53	\$192.83	\$264.85	\$327.46	\$394.76
3 Cu. Yd	\$159.15	\$254.32	\$366.89	\$500.79	\$634.81
4 Cu. Yd	\$198.63	\$327.46	\$505.68	\$684.00	\$859.04
5 Cu. Yd	\$245.87	\$472.37	\$698.87	\$925.36	\$1,124.02
6 Cu. Yd	\$291.51	\$568.80	\$846.44	\$1,124.02	\$1,401.66

PROPOSED 20% INCREASE

Container	One/Wk	Two/Wk	Three/Wk	Four/Wk	Five/Wk
1 Cu. Yd	\$19.53	\$29.76	\$39.98	\$50.20	\$60.43
2 Cu. Yd	\$25.11	\$38.57	\$52.97	\$65.49	\$78.95
3 Cu. Yd	\$31.83	\$50.86	\$73.38	\$100.16	\$126.96
4 Cu. Yd	\$39.73	\$65.49	\$101.14	\$136.80	\$171.81
5 Cu. Yd	\$49.17	\$94.47	\$139.77	\$185.07	\$224.80
6 Cu. Yd	\$58.30	\$113.76	\$169.29	\$224.80	\$280.33

PROPOSED NEW COMMERCIAL RATE

Container	One/Wk	Two/Wk	Three/Wk	Four/Wk	Five/Wk
1 Cu. Yd	\$117.17	\$178.56	\$239.90	\$301.19	\$362.56
2 Cu. Yd	\$150.64	\$231.40	\$317.82	\$392.95	\$473.71
3 Cu. Yd	\$190.98	\$305.18	\$440.27	\$600.95	\$761.77
4 Cu. Yd	\$238.36	\$392.95	\$606.82	\$820.80	\$1,030.85
5 Cu. Yd	\$295.04	\$566.84	\$838.64	\$1,110.43	\$1,348.82
6 Cu. Yd	\$349.81	\$682.56	\$1,015.73	\$1,348.82	\$1,681.99

COMMERCIAL RATES



RECYCLING					
<i>Container</i>	<i>One/Wk</i>	<i>Two/Wk</i>	<i>Three/Wk</i>	<i>Four/Wk</i>	<i>Five/Wk</i>
1 Cu. Yd	\$97.69	\$148.87	\$200.02	\$251.11	\$302.27
2 Cu. Yd	\$125.59	\$192.92	\$264.98	\$327.62	\$394.95
3 Cu. Yd	\$159.22	\$254.44	\$367.06	\$501.03	\$635.11
4 Cu. Yd	\$198.73	\$327.62	\$501.03	\$684.33	\$859.46
5 Cu. Yd	\$245.99	\$472.60	\$699.21	\$925.81	\$1,124.56
6 Cu. Yd	\$291.65	\$569.07	\$846.85	\$1,124.56	\$1,402.34

ORGANICS	
<i>Container Size</i>	<i>Rate</i>
Large - 90 gal	\$52.02

TONIGHT'S ACTION



- Discuss the information provided regarding options for solid waste collection disposal for residential and commercial customers.
- Should Council decide to move forward with Republic Services proposed terms, Council can vote to approve the Resolution Approving a Five (5) Year Amended and Restated Contract for Residential and Commercial Customers Between City of Lathrop and Lathrop Sunrise Sanitation Corporation to provide orderly collection and transportation of solid waste within the City Limits effective July 1, 2024, and would expire on June 30, 2029 and Authorize Rate Adjustments for Fiscal Year 2024-2025.