

City of Brisbane

Agenda Report

To: City Council via City Manager

From: Maria Saguisag-Sid
Principal Analyst

Subject: Annual Rate Increase from South San Francisco Scavenger Company, Inc. for
Solid Waste Services

Date: Meeting of June 2, 2016

Purpose: To ensure solid waste is disposed of in a proper and environmentally effective fashion.

Recommendation: Acknowledge rate increase for solid waste services effective July 1, 2016

Background: The City of Brisbane currently holds a franchise agreement with South San Francisco Scavenger Company, Inc. (SSF Scavenger). This agreement was approved effective November 2014. Services under this agreement not only include weekly residential and commercial solid waste removal services, but also provides for other services such as residential curbside recycling including organics, the annual citywide yard waste clean-up, management of annual diversion reports to CalRecycle, assistance in implementing new mandates such as the AB341 mandatory commercial recycling law and AB 1826 mandatory commercial organics recycling, and other recycling and diversion services.

The Franchise Agreement with the SSF Scavenger provides for annual adjustment of rates for commercial and residential customers in Brisbane. The formula for this year's proposed rate increase is from Section 6.2 of the Agreement, which provides for an adjustment of 80% of the change in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI) for the previous year. That is, if the CPI had increased during the previous year by 3%, the rates would increase by 2.4%.

The agreement provides that SSF Scavenger submit the rate increase request by March 31st and the City act on the request by July 1st of each year.

Discussion: On March 28, 2016, SSF Scavenger submitted the attached Notice of Intent to adjust the current rates for the City of Brisbane. The percentage change in the CPI Index for February was 2.94%. Based on the 80% formula in Section 6.2 as noted above, the proposed rate increase is 2.35%.

On May 19, 2016, the Subcommittee met to discuss the proposed increases. The Subcommittee agreed that this proposal was in line with what is permitted by the franchise agreement and agreed to recommend approval of the attached proposed rate increases to the City Council. The agreement provides that the City act on the rate increase notice of intent by June 30. Representatives of SSF Scavenger will attend the Council meeting to answer any questions.

Fiscal Impact: Based on these rates, the increase for a standard 32-gallon residential can would be \$0.71 per month, or an additional \$8.52 for the year for solid waste removal service. The increase for a commercial/multi-family 2-yard bin would be \$6.87 per month, or \$82.44 per year.

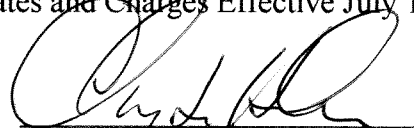
Measure of Success: Is solid waste removal able to continue efficiently for the community?

Attachments:

Notice of Intent letter from South San Francisco Scavenger Company, Inc. dated March 28, 2016
Revised South San Francisco Scavenger Company, Inc. Rates and Charges Effective July 1, 2016



Maria Saguisag-Sid
Principal Analyst



Clayton Holstine
City Manager

SOUTH SAN FRANCISCO
SCAVENGER
COMPANY, INC.

March 28, 2016

Ms. Maria Saguisag-Sid
Senior Human Resources Analyst/Special Projects
City of Brisbane
50 Park Lane
Brisbane, CA 94005

Dear Ms. Saguisag-Sid,

In accordance with the terms of Section 6.2 of the Franchise Agreement, please accept this letter as the required Notice of Intent to adjust the current rates in Brisbane.

We are applying for a rate adjustment equal to 80% of the change in the Consumer Price Index for Urban Wage Earners and Clerical Workers, as described in section 6.2. The calculation for this year yields an increase of 2.35%.

Copies of the calculation, the relevant CPI data, and a proposed rate schedule, are attached for your consideration. The new rates would take effect July 1, 2016, if approved.

Thank you for your consideration of this matter. If you have any questions, please contact me at (650) 589-4020 at your earliest convenience. We are, of course, available to meet with you to discuss any concerns or issues, at your convenience.

Sincerely,



Paul Formosa, CFO
South San Francisco Scavenger Co., Inc.

South San Francisco Scavenger Co.

City of Brisbane


Rate Computation
March 31, 2016

CPI Index February 2015	249.809
CPI Index February 2016	257.141
Numerical change	7.332
Percentage change	2.94%
80% of change	2.35%


Index Used - Consumer Price Index
Urban Wage Earners and Clerical Workers
San Francisco-Oakland-San Jose, CA
All Items
1982-84 = 100
Series ID - CWURA422SAO

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Data extracted on: March 28, 2016 (10:02:18 AM)

Consumer Price Index - Urban Wage Earners and Clerical Workers

Series Id: CWURA422SA0
Not Seasonally Adjusted
Area: San Francisco-Oakland-San Jose, CA
Item: All items
Base Period: 1982-84=100

Download:  [xlsx](#)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2006		202.5		204.9		205.2		206.7		206.2		205.6	204.9	203.7	206.1
2007		208.803		211.189		211.422		211.620		213.133		214.204	211.370	209.986	212.754
2008		214.913		217.913		221.454		221.385		221.192		213.685	218.441	217.487	219.396
2009		216.797		218.587		220.996		221.279		221.708		220.121	219.645	218.182	221.109
2010		222.049		223.821		224.185		224.195		224.352		224.152	223.624	223.012	224.236
2011		226.638		231.600		230.605		231.445		232.371		231.109	230.337	229.074	231.600
2012		234.648		236.626		236.890		238.445		240.864		236.454	237.097	235.572	238.622
2013		240.262		241.764		243.052		242.903		243.711		242.602	242.125	241.141	243.109
2014		245.148		247.932		250.085		249.877		250.508		247.680	248.326	247.097	249.555
2015		249.809		252.875		254.736		256.060		256.107		255.492	253.910	252.041	255.780
2016		257.141													

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**SOUTH SAN FRANCISCO SCAVENGER, INC.
RATES AND CHARGES EFFECTIVE JULY 1, 2016
CITY OF BRISBANE, CALIFORNIA**

		<u>Current Rates</u>	<i>Proposed change</i>	<u>Proposed Maximum Rates</u>
1. RESIDENTIAL PROPERTY SERVICE -				
Single family, and up to four units. As per section 2.13				
Rate is per month, one pickup per week				
Includes 64 gallon weekly curbside recycling toter service				
Includes weekly mixed organic materials / yardwaste toter service				
20	Gallon Trash Toter	18.85		19.29
32	Gallon Trash Toter	30.15	2.35%	30.86
64	Gallon Trash Toter	60.30		61.72
96	Gallon Trash Toter	118.51		121.29
2. MULTIPLE UNIT RESIDENTIAL PROPERTY SERVICE				
Five or more units, as per section 2.14.				
Rate is per month, one pickup per week, for Solid Waste				
and / or Source Separated Organic Materials				
Includes Source Separated Recyclable Materials				
0 - 30	Gallons	27.70		28.35
31 - 32	Gallons	29.58		30.28
33 - 40	Gallons	36.91		37.78
41 - 45	Gallons	41.59		42.57
46 - 50	Gallons	50.79		51.98
51 - 64	Gallons	59.10		60.49
1/2 - yard	Container (96 gallon Toter)	118.51		121.29
1 - yard	Container	237.00		242.57
2 - yard	Container	292.28		299.15
3 - yard	Container	438.40		448.70
4 - yard	Container	584.45		598.18
5 - yard	Container	730.57		747.74
6 - yard	Container	876.69		897.29

**SOUTH SAN FRANCISCO SCAVENGER, INC.
RATES AND CHARGES EFFECTIVE JULY 1, 2016
CITY OF BRISBANE, CALIFORNIA**

		<u>Current Rates</u>	<i>Proposed change</i>	<u>Proposed Maximum Rates</u>
3. COMMERCIAL CAN SERVICE-				
Rate is per month, one pickup per week, for Solid Waste and / or Source Separated Organic Materials Includes Source Separated Recyclable Materials				
0 - 30	Gallons	27.70		28.35
31 - 32	Gallons	29.58	2.35%	30.28
33 - 40	Gallons	36.91		37.78
41 - 45	Gallons	41.59		42.57
46 - 50	Gallons	50.79		51.98
51 - 64	Gallons	59.10		60.49
4. COMPACTED YARDAGE				
Per Cubic Yard, per pickup		59.23	2.35%	60.62
5. DEBRIS BOXES				
Temporary / One Time Use Residential, Multi Unit Residential, Commercial, Industrial Customers Rate is for each pickup				
5 yard	Container, 1 ton limit	251.63		257.54
7 yard	Container, Dirt - Rock - Concrete	549.38		562.29
14 yard	Container, 3 ton limit	549.38	2.35%	562.29
20 yard	Container, 5 ton Limit	747.87		765.44
30 yard	Container, 6 ton limit	1,078.70		1,104.05
Rental Charge (per day, over 3 days for 5 yard and over 7 days for others)				
		24.78		25.36
Permanent Commercial and Industrial use				
7 yard	Container, Dirt - Rock - Concrete	463.19		474.07
14 yard	Container, 3 ton limit	463.19		474.07
20 yard	Container, 5 ton Limit	661.74		677.29
30 yard	Container, 6 ton limit	992.60		1,015.93
Overweight Charge				
Per ton over limit		143.28		146.65
6. CONTAINER SERVICE				
Commercial and Industrial Property Services.				

**SOUTH SAN FRANCISCO SCAVENGER, INC.
RATES AND CHARGES EFFECTIVE JULY 1, 2016
CITY OF BRISBANE, CALIFORNIA**

	<u>Current Rates</u>	<i>Proposed change</i>	<u>Proposed Maximum Rates</u>
Rate is per month, one pickup per week, for Solid Waste and / or Source Separated Organic Materials Includes Source Separated Recyclable Materials			
A) Regular Pickup (Rate per month, one pickup per week)			
1/2 - yard Container (96 gallon Toter)	118.51		121.29
1 - yard Container	237.00		242.57
2 - yard Container	292.28	2.35%	299.15
3 - yard Container	438.40		448.70
4 - yard Container	584.45		598.18
5 - yard Container	730.57		747.74
6 - yard Container	876.69		897.29

B) On Call Pick-up Per yard

Per pick-up, per yard	33.76	34.55
Plus Container Rental per Month		

Rental charges (per month)

1 - yard Container	52.74	53.98
2 - yard Container	57.03	58.37
3 - yard Container	61.32	62.76
4 - yard Container	65.88	67.43
5 - yard Container	74.59	76.34
6 - yard Container	79.16	81.02

7. In the case of any additional service not described in the Agreement, Scavenger Company shall charge such amount as is agreed to by the customer.

**SOUTH SAN FRANCISCO SCAVENGER, INC.
RATES AND CHARGES EFFECTIVE JULY 1, 2016
CITY OF BRISBANE, CALIFORNIA**

Current <u>Rates</u>	<i>Proposed change</i>	Proposed <u>Maximum Rates</u>
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8. Trash Container Management Policy Fees

Maximum fees allowed pursuant to approved Policy, as per Section 5.1.

Residential Customers

<u>Container Size</u>		<u>Admin Fee</u>
20 gallon	\$	30.00
32 gallon	\$	30.00
64 gallon	\$	30.00
96 gallon	\$	30.00

Multi Unit Residential, Commercial, Industrial Customers

<u>Container Size</u>	<u>Admin fee</u>	<u>Extra Trip Fee</u>	<u>Total Fee</u>
30 gallon	30.00	-	\$ 30.00
32 gallon	30.00	-	\$ 30.00
40 gallon	30.00	-	\$ 30.00
45 gallon	30.00	-	\$ 30.00
55 gallon	30.00	-	\$ 30.00
64 gallon	30.00	-	\$ 30.00
96 gallon	30.00	-	\$ 30.00
1 yard	30.00	55.98	\$ 85.98
1.5 yard	30.00	83.97	\$ 113.97
2 yard	30.00	69.03	\$ 99.03
3 yard	30.00	103.55	\$ 133.55
4 yard	30.00	138.04	\$ 168.04
5 yard	30.00	172.56	\$ 202.56
6 yard	30.00	207.07	\$ 237.07