

**CITY OF ALBANY
CITY COUNCIL STAFF REPORT**

Agenda date: May 4, 2020

Reviewed by: NA

SUBJECT: Waste Management of Alameda County Annual Rate Adjustment Request

FROM: Elizabeth Carrade, Sustainability Coordinator
Claire Griffing, Sustainability & Resilience Manager

SUMMARY

Pursuant to the terms of the Collection Services Franchise Agreement between Waste Management of Alameda County and the City of Albany, Waste Management is requesting an annual rate increase of 2.29%, based on the Refuse Rate Index.

STAFF RECOMMENDATION

That the Council accept the annual rate adjustment of 2.29%, pursuant to the terms of the Collection Services Franchise Agreement with Waste Management of Alameda County.

BACKGROUND

On October 17, 2011, Council approved the current franchise agreement between the City and Waste Management of Alameda County, Inc. (WMAC) for collection and disposal of solid waste, recycling services, and green waste collection (Franchise Agreement). The Franchise Agreement went into effect November 2011 for ten years.

Article 10, section 10.03 and 10.03.1 of the Franchise Agreement discusses the annual rate adjustment, and is summarized as follows:

- The RRI shall be the lower of 7.5 percent or the sum of the weighted percentage change in the annual average of each RRI index number between the base calendar year and the prior preceding calendar year
- Changes in governmental or regulatory fees or assessments shall be a pass-through
- In any year that the RRI, including any prior year adjustment, is more than 7.5%, the amount above, up to 10% shall be carried over to the next adjustment period and added to the calculated RRI for that period

The Franchise Agreement is effective for 10 years, until October 31, 2021. The City may choose to extend the contract twice for up to 5 years each extension, until October 31, 2031.

DISCUSSION

Rate Increase

The proposed rate increase for 2020 is 2.29%. The increase is based on the identified components of the RRI formula including: Local Teamsters (wages, health & welfare, pension), average hourly earnings, diesel fuel, vehicle replacement, vehicle maintenance, CPI, and disposal rates. A weighted percentage change is calculated for each of these categories based on the RRI formula, which combined, represent the total rate increase. The RRI formula and calculation for the proposed 2020 rate increase are included as attachments to this staff report.

For standard 32-gallon cart single-family residential service, the monthly rates will increase from \$43.84 to \$44.84 (an increase of \$1.00 per month). All changes in rates are included with the attached request from WMAC (Attachment 1).

As detailed in the Franchise Agreement, these rates are “to be effective on or before May 31 of a rate period. If the rate adjustment is not approved within this time frame, the City shall include a rate surcharge on the rates that shall be effective for the remainder of the rate period to cover revenues and interest lost by the contractor.”

Albany Waste Management accounts are billed quarterly in February, May, August, and November. After approval, the new rates will appear on the August 1st invoices. August invoices will also include a proration to account for the missed quarter, as new rates will not be applied to the May invoice.

Waste Management COVID-19 Update

On March 22, 2020, Waste Management Inc. alerted City of Albany staff via email a Notice of Force Majeure Event, stating that the COVID-19 pandemic qualified as a Force Majeure event under the Waste Management Franchise Agreement, and that the Force Majeure Event would likely prevent full contract compliance. Waste Management stated that “disruptions will likely occur as a result of the Orders and the COVID-19 pandemic”. Since the Notice of Force Majeure on March 22, Waste Management has suspended all sponsored events, including the annual Compost Giveaway and household hazardous waste drop-off events through July 1; suspended curbside bulky item, excess waste, and abandoned waste pickups through July 1; and began landfilling commercial recyclables. At this time, no additional services have been halted, and Waste Management has continued regular trash, recycling, and organics pickups for residential and commercial accounts as usual. The attached letter from Waste Management (Attachment 2) outlines their continued need for the rate increase, per the Franchise Agreement, so that they can continue providing essential services to our community.

FINANCIAL IMPACT

It is estimated that the proposed rate increase amount of 2.29% will result in an estimated \$13,976.35 in additional franchise fees received from WMAC to the General Fund this year.

Attachments

1. Proposed 2020 WMAC Rate Sheets
2. Letter from Waste Management to Albany City Council 4/24/2020
2. Article 10 of Franchise Agreement
3. Exhibit 2 of Franchise Agreement – Refuse Rate Index

City of Albany

RESIDENTIAL RATES

Rate Adjustment: **2.29%**

Effective: 5/1/20

	STANDARD	SENIOR DISCOUNT	PERCENT
10 GAL TOTER	\$20.03	\$4.01	20%
20 GAL TOTER	\$40.05	\$8.01	20%
32 GAL TOTER	\$44.84	\$8.97	20%
64 GAL TOTER	\$77.51	\$15.50	20%
96 GAL TOTER	\$110.15	\$22.03	20%

BACK YARD SERVICE	\$16.23
EXCESS GALLONS	\$1.22
ADDITIONAL BULKY YARDS	\$58.15

25% of monthly rate

EXTRA PICK UP (On regular route day)

10 GAL TOTER	N/A
20 GAL TOTER	N/A
32 GAL TOTER	\$11.21
64 GAL TOTER	\$19.38
96 GAL TOTER	\$27.54

50% of monthly rate

SPECIAL PICK UP (Not on regular route day)

10 GAL TOTER	N/A
20 GAL TOTER	N/A
32 GAL TOTER	\$22.42
64 GAL TOTER	\$38.76
96 GAL TOTER	\$55.08

ADDITIONAL ORGANICS CART

64 or 96 GAL TOTER	\$7.94
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Multifamily cart customers follow residential rates shown above however backyard service fee and senior discounts are not applicable.

	STANDARD	SENIOR DISCOUNT	PERCENT
"LOW WASTE GENERATOR"	\$16.27	\$3.25	20%

Low waste generators receive monthly trash service (10 gallon) and recycle service (64 gallon) and weekly organics service (64 gallon). These customers **MUST** be approved by the City before subscribing to service.

City of Albany

COMMERCIAL MSW RATES

Rate Adjustment: **2.29%**

Effective: 5/1/20

COMMERCIAL MSW BINS				\$178.67 PER YARD		
FREQUENCY						
SIZE	1	2	3	4	5	6
1	\$178.67	\$357.34	\$536.01	\$714.68	\$893.35	\$1,072.02
1.5	\$268.01	\$536.01	\$804.02	\$1,072.02	\$1,340.03	\$1,608.03
2	\$357.34	\$714.68	\$1,072.02	\$1,429.36	\$1,786.70	\$2,144.04
3	\$536.01	\$1,072.02	\$1,608.03	\$2,144.04	\$2,680.05	\$3,216.06
4	\$714.68	\$1,429.36	\$2,144.04	\$2,858.72	\$3,573.40	\$4,288.08
6	\$1,072.02	\$2,144.04	\$3,216.06	\$4,288.08	\$5,360.10	\$6,432.12
7	\$1,250.69	\$2,501.38	\$3,752.07	\$5,002.76	\$6,253.45	\$7,504.14

COMMERCIAL MSW COMPACTORS				\$357.34 PER YARD		
FREQUENCY						
SIZE	1	2	3	4	5	6
1	\$357.34	\$714.68	\$1,072.02	\$1,429.36	\$1,786.70	\$2,144.04
1.5	\$536.01	\$1,072.02	\$1,608.03	\$2,144.04	\$2,680.05	\$3,216.06
2	\$714.68	\$1,429.36	\$2,144.04	\$2,858.72	\$3,573.40	\$4,288.08
3	\$1,072.02	\$2,144.04	\$3,216.06	\$4,288.08	\$5,360.10	\$6,432.12
4	\$1,429.36	\$2,858.72	\$4,288.08	\$5,717.44	\$7,146.80	\$8,576.16
6	\$2,144.04	\$4,288.08	\$6,432.12	\$8,576.16	\$10,720.20	\$12,864.24
7	\$2,501.38	\$5,002.76	\$7,504.14	\$10,005.52	\$12,506.90	\$15,008.28

COMMERCIAL MSW TOTERS				\$37.93 PER 32 GALLONS		
FREQUENCY						
SIZE	1	2	3	4	5	6
32	\$37.93	\$75.86	\$113.79	\$151.72	\$189.65	\$227.58
64	\$75.86	\$151.72	\$227.58	\$303.44	\$379.30	\$455.16
96	\$113.79	\$227.58	\$341.37	\$455.16	\$568.95	\$682.74

Multiple containers are multiplied by the 1 container rate.

EXTRA PICK UP (On regular route day)

BINS		25% Of monthly rate					
SIZE	1	1.5	2	3	4	6	7
	\$44.67	\$67.00	\$89.34	\$134.00	\$178.67	\$268.01	\$312.67

COMPACTORS							
SIZE	1	1.5	2	3	4	6	7
	\$89.34	\$134.00	\$178.67	\$268.01	\$357.34	\$536.01	\$625.35

TOTERS

SIZE	32	64	96
	\$9.48	\$18.97	\$28.45

SPECIAL PICK UP (Other than regular route day)**BINS****50% Of monthly rate**

SIZE	1	1.5	2	3	4	6	7
	\$89.34	\$134.00	\$178.67	\$268.01	\$357.34	\$536.01	\$625.35

COMPACTORS

SIZE	1	1.5	2	3	4	6	7
	\$178.67	\$268.01	\$357.34	\$536.01	\$714.68	\$1,072.02	\$1,250.69

TOTERS

SIZE	32	64	96
	\$18.97	\$37.93	\$56.90

ANCILLARY COMMERCIAL RATES

PER HOUR CLEANING FEL	\$134.11
LOCK SALE FEL	\$37.94
LOCK SERVICE PER LOCK	\$0.00
ENCLOSURE FEE	\$0.00
PUSH FEE	\$0.00
SNAPSHOT EXCESS YARDS FEL	\$242.48
CONTAMINATED LOAD S/L	\$134.11

Multifamily bin customers follow commercial bin rates shown above.

City of Albany

Rate Adjustment: **2.29%**

Effective: 5/1/20

City of Albany							\$89.34	PER YARD
FREQUENCY								
SIZE	1	2	3	4	5	6		
1	\$89.34	\$178.68	\$268.02	\$357.36	\$446.70	\$536.04		
1.5	\$134.01	\$268.02	\$402.03	\$536.04	\$670.05	\$804.06		
2	\$178.68	\$357.36	\$536.04	\$714.72	\$893.40	\$1,072.08		
3	\$268.02	\$536.04	\$804.06	\$1,072.08	\$1,340.10	\$1,608.12		
4	\$357.36	\$714.72	\$1,072.08	\$1,429.44	\$1,786.80	\$2,144.16		
6	\$536.04	\$1,072.08	\$1,608.12	\$2,144.16	\$2,680.20	\$3,216.24		
7	\$625.38	\$1,250.76	\$1,876.14	\$2,501.52	\$3,126.90	\$3,752.28		

COMMERCIAL ORG GREEN COMPACTORS							\$178.68	PER YARD
FREQUENCY								
SIZE	1	2	3	4	5	6		
1	\$178.68	\$357.36	\$536.04	\$714.72	\$893.40	\$1,072.08		
1.5	\$268.02	\$536.04	\$804.06	\$1,072.08	\$1,340.10	\$1,608.12		
2	\$357.36	\$714.72	\$1,072.08	\$1,429.44	\$1,786.80	\$2,144.16		
3	\$536.04	\$1,072.08	\$1,608.12	\$2,144.16	\$2,680.20	\$3,216.24		
4	\$714.72	\$1,429.44	\$2,144.16	\$2,858.88	\$3,573.60	\$4,288.32		
6	\$1,072.08	\$2,144.16	\$3,216.24	\$4,288.32	\$5,360.40	\$6,432.48		
7	\$1,250.76	\$2,501.52	\$3,752.28	\$5,003.04	\$6,253.80	\$7,504.56		

COMMERCIAL ORG GREEN TOTERS							\$18.96	PER 32 GALLONS
FREQUENCY								
SIZE	1	2	3	4	5	6		
32	\$18.96	\$37.92	\$56.88	\$75.84	\$94.80	\$113.76		
64	\$37.92	\$75.84	\$113.76	\$151.68	\$189.60	\$227.52		
96	\$56.88	\$113.76	\$170.64	\$227.52	\$284.40	\$341.28		

Multiple containers are multiplied by the 1 container rate.

EXTRA PICK UP(On regular route day)

BINS		25% Of monthly rate					
SIZE	1	1.5	2	3	4	6	7
	\$22.34	\$33.50	\$44.67	\$67.01	\$89.34	\$134.01	\$156.35

COMPACTORS							
SIZE	1	1.5	2	3	4	6	7
	\$44.67	\$67.01	\$89.34	\$134.01	\$178.68	\$268.02	\$312.69

TOTERS			
SIZE	32	64	96
	\$4.74	\$9.48	\$14.22

SPECIAL PICK UP (Other than regular route day)

BINS		50% Of monthly rate					
SIZE	1	1.5	2	3	4	6	7
	\$44.67	\$67.01	\$89.34	\$134.01	\$178.68	\$268.02	\$312.69

COMPACTORS							
SIZE	1	1.5	2	3	4	6	7
	\$89.34	\$134.01	\$178.68	\$268.02	\$357.36	\$536.04	\$625.38

TOTERS			
SIZE	32	64	96
	\$9.48	\$18.96	\$28.44

ANCILLARY COMMERCIAL RATES

PER HOUR CLEANING FEL	\$134.11
LOCK SALE FEL	\$37.94
LOCK SERVICE PER LOCK	\$0.00
ENCLOSURE FEE	\$0.00
PUSH FEE	\$0.00
SNAPSHOT EXCESS YARDS FEL	\$242.48
CONTAMINATED LOAD S/L	\$134.11

City of Albany

Rate Adjustment: **2.29%**

Effective: 5/1/20

Ancillary Roll off Charges

Apply to all types, sizes and materials

DELIVERY	\$83.21	
SAFETY LIGHTS	\$41.74	
INACTIVITY PER WEEK	\$45.20	Permanent Service
INACTIVITY PER DAY	\$9.06	Temporary Service
RELOCATE	\$124.31	
TRIP CHARGE	\$0.00	
STAND BY CHARGE	\$0.00	
BAGSTER	\$222.08	

TRASH

BOX

RATE PER YARD \$36.57

SIZE	RATE	
6	\$511.98	14 Yard rate minimum
14	\$511.98	14 Yard rate minimum
20	\$731.40	
30	\$1,097.10	
40	\$1,462.80	
50	\$1,828.50	

TRASH

COMPACTORS

RATE PER YARD \$73.14

SIZE	RATE	
6	\$1,023.96	14 Yard rate minimum
14	\$1,023.96	14 Yard rate minimum
20	\$1,462.80	
30	\$2,194.20	
40	\$2,925.60	
50	\$3,657.00	

City of Albany

EXHIBIT 1 RATE SHEETS (CONT) ANCILLARY RATES - EFFECTIVE 5/1/2020

These rates apply to all types, sizes and materials

The following rates shall be adjusted annually using the RRI as set forth in Exhibit 2

Cart replacement in excess of once per calendar year	\$61.63	Each Additional Cart
Additional on-call bulky goods collection curbside plus disposal	\$240.39	
Additional on-call bulky goods collection curbside disposal	\$61.63	Per Ton
Overweight bulky collection items	\$58.15	Per CY
Per Hour Cleaning-Bins	\$134.11	
MSW Per Bag Charge	\$7.41	
GW Per Bag Charge	\$1.88	
Lock Sale	\$37.94	Per Lock
Lock Service per lock	\$0.00	
Enclosure Fee	\$0.00	
Push Fee	\$0.00	
Snapshot Excess Yards Commercial (MSW or Organics/Green waste)	\$242.48	Per CY
Contaminated Loads	\$134.11	Per Load
Delivery	\$85.52	
Safety Lights	\$42.90	
Inactivity Per Week (Permanent Service)	\$46.46	
Inactivity Per Day (Temporary Service)	\$9.32	
Relocate	\$127.77	
Trip Charge	\$0.00	
Stand By Charge	\$0.00	
Bagster	\$228.26	Per Bag
Contractors Job Truck per hour plus disposal	\$240.39	
Contractors Job Truck disposal	\$61.63	Per Ton
Instabin 4yd or 7yd	\$248.40	
The following rates shall not be adjusted annually.		
Residential Finance Charge (on accounts over 45 days past due)	1.50%	
Commercial Finance Charge (on accounts over 30 days past due)	1.50%	
Note: These Ancillary rates include Franchise Fees		



1/16/20

City of Albany: Annual Rate Adjustment

Rate Adjustment
Effective 5/1/20

Collections RRI

Item#	Category	Data Source	RRI Percentage Change	Item Weight	Weighted Percentage Change
1a	Labor Teamsters	Teamsters Local 70 Wages Direct Labor (based on CBA)	2.70%	29.22%	0.79%
1b	Labor Teamsters	Teamsters Local 70 H&W Group Insurance (based on CBA)	0.00%	6.72%	0.00%
1c	Labor Teamsters	Teamsters Local 70 Pension/Employee Benefit Cost (based on CBA)	3.40%	6.53%	0.22%
2	Average Hourly Earnings	Series ID: ceu6056210008 Service-Producing Industries	4.41%	6.19%	0.27%
3	Diesel Fuel	Series ID: wpu057303 #2 Diesel Fuel	38.37%	0.45%	0.17%
4	Vehicle Replacement	Series ID: pcu336211336211 Truck, bus, car and other vehicle bodies, for sale separately	4.54%	5.82%	0.26%
5	Vehicle Maintenance	Series ID: pcu3339243339243 Parts and attachments for industrial work trucks	1.29%	2.01%	0.03%
6	CPI All Items	Series ID: cuura422sa0 Consumer Price Index, All Urban Consumers, All Items Bay Area	2.51%	6.27%	0.16%
7	Disposal	Disposal rate under the CITY's Disposal Service Agreement	1.04%	36.78%	0.38%
			Total	100.00%	2.29%
Rate Change Effective 5/1/20					2.29%



1/29/19

City of Albany: Disposal Rate Adjustment					
Rate Adjustment Effective 5/1/19		Disposal RRI			
Item#	Category	Data Source	Percentage Change	Item Weight	Weighted Percentage Change
1a	Local 70 Wages	Local 70 CBA	2.70%	18.37%	0.50%
1b	Local 70 H&W	Local 70 CBA	0%	4.18%	0.00%
1c	Local 70 Pension	Local 70 CBA	3.40%	4.20%	0.14%
2	Average Hourly Earnings	Series ID: ceu6056210008 Service-Producing Industries	4.41%	7.97%	0.35%
3	Diesel Fuel	Series ID: wpu057303 #2 Diesel Fuel	38.37%	1.75%	0.67%
4	Vehicle Replacement	Series ID: WPU 141301- Truck, bus, car and other vehicle bodies, for sale separately	4.54%	3.96%	0.18%
5	Vehicle Maintenance	Series ID: CUUR0000SETD Parts and attachments for industrial work trucks	1.29%	2.72%	0.04%
6	CPI All Items	Series ID: cuura422sa0 Consumer Price Index, All Urban Consumers, All Items Bay Area	2.51%	13.05%	0.33%
7	Government Fees / Disposal	Municipal notifications	0.75%	43.80%	0.33%
			Total	100.00%	2.54%

Effective Date	Disposal Weight Change Impact	Disposal Element per Ton	Change in Government Fees	Solid Waste Government Fee Element	Total Solid Waste Disposal Rate per Ton
1/1/12	3.19%	\$61.07	\$0.05	\$22.21	\$83.32
1/1/13	2.81%	\$63.18	\$0.18	\$22.39	\$85.75
1/1/14	2.26%	\$64.61	\$0.08	\$22.46	\$87.14
1/1/15	1.62%	\$65.65	\$0.12	\$22.58	\$88.35
1/1/16	0.14%	\$65.75	\$0.17	\$22.75	\$88.67
1/1/17	1.32%	\$66.61	\$0.23	\$22.98	\$89.59
1/1/18	2.03%	\$67.97	\$0.14	\$23.12	\$91.08
1/1/19	3.22%	\$70.16	\$0.14	\$23.26	\$93.42
1/1/20	2.54%	\$71.93	\$0.08	\$23.34	\$95.27
				Pct Change	1.04%

City of Oakland Contract
Disposal and Processing Government Fees

New government table used starting 2017 PI

as of 1/17/19 as of 1/16/20

Agency	Base Fee (2008)	Current Fee 7/1/17	Annual MSW Fee Increases											
			2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
California Integrated Waste Management Board (AB1220) Fee	\$1.40	\$1.40	\$0.00	\$0.00	\$0.00	\$0.00								
Local Enforcement Agency (ACSWMD) Fee	\$0.22	\$0.38	\$0.00	\$0.00	\$0.16	\$0.00								
Business License (County) Fee	\$0.95	\$0.95	\$0.00	\$0.00	\$0.00	\$0.00								
"Measure D" Fee	\$7.67	\$8.23	\$0.25	\$0.25	\$0.06	\$0.00								
Alameda County Waste management Authority Facilities Fee	\$1.50	\$4.34	\$0.50	\$2.34	\$0.00	\$0.00								
Alameda County Waste Management Authority Household Hazardous Waste Fee	\$2.15	\$2.15	\$0.00	\$0.00	\$0.00	\$0.00								
County Planning Department Fee	\$0.08	\$0.11	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.02		\$0.01				\$0.01
County Planning Transportation Fee	\$0.00	\$0.01	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.01						
County Open Space Fee (CUP)	\$1.49	\$1.96	\$0.06	\$0.04	\$0.02	\$0.05	\$0.04	\$0.04	\$0.05	\$0.05	\$0.07	\$0.05	\$0.05	\$0.04
State Water Board Fee		\$0.05	\$0.00	\$0.00	\$0.03	\$0.00				\$0.02				
TOTAL DISPOSAL GOV'T FEES	\$15.46	\$19.58	\$0.81	\$2.63	\$0.27	\$0.05	\$0.04	\$0.07	\$0.05	\$0.08	\$0.07	\$0.05	\$0.05	\$0.05
Cumulative Total			\$16.27	\$18.90	\$19.17	\$19.22	\$19.26	\$19.33	\$19.38	\$19.46	\$19.53	\$19.58	\$19.63	\$19.68

Davis Street Fees - City of San Leandro Mitigation (Franchise) Fee	\$1.08	\$1.38	\$0.03			\$0.00	\$0.08	\$0.03	\$0.06		\$0.06	\$0.04	\$0.04	\$0.02
Davis Street Fees - San Leandro Business Tax	\$1.34	\$1.78	\$0.16				\$0.06	\$0.04	\$0.09		\$0.04	\$0.05	\$0.05	\$0.01
Davis Street Fees - Alameda LEA	\$0.11	\$0.38			\$0.27									
TOTAL PROCESSING GOV'T FEES	\$2.53	\$3.54	\$0.19	\$0.00	\$0.27	\$0.00	\$0.14	\$0.07	\$0.15	\$0.00	\$0.10	\$0.09	\$0.09	\$0.03
Cumulative Total			\$2.72	\$2.72	\$2.99	\$2.99	\$3.13	\$3.20	\$3.35	\$3.35	\$3.45	\$3.54	\$3.63	\$3.66

TOTAL GOV'T FEES	\$17.99	\$23.12	\$1.00	\$2.63	\$0.54	\$0.05	\$0.18	\$0.14	\$0.20	\$0.08	\$0.17	\$0.14	\$0.14	\$0.08
Cumulative Total			\$18.99	\$21.62	\$22.16	\$22.21	\$22.39	\$22.53	\$22.73	\$22.81	\$22.98	\$23.12	\$23.26	\$23.34



City of Albany Annual Price Adjustment: Refuse Rate Index (RRI) Table data
 Source: Federal Bureau of Labor Statistics, Series Tables
 Adjustment Effective 5/1/20

Average Hourly Earnings Series ID: ceu6056210008	Year over Year Difference	Period (Yr/Mo)	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Average
	19.705	2017-2018	19.600	19.500	19.530	19.410	19.660	19.510	19.760	19.810	19.680	19.760	20.090	20.150	19.705
	<u>20.574</u>	2018-2019	20.030	20.220	20.400	20.340	20.680	20.550	20.900	20.760	21.120	20.520	20.760	20.610	20.574
Change	0.869														
Percent change	4.41%														
Diesel Fuel Series ID: wpu057303		Period (Yr/Mo)	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Average
	174.658	2017-2018	157.000	158.800	161.100	163.500	161.300	162.900	173.600	171.500	179.600	188.900	204.200	213.500	174.658
	<u>241.683</u>	2018-2019	223.700	223.800	241.900	242.500	243.100	244.100	244.600	245.400	246.300	247.400	248.100	249.300	241.683
Change	67.025														
Percent change	38.37%														
Vehicle Replacement Series ID: pcu336211336211		Period (Yr/Mo)	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Average
	244.533	2017-2018	240.700	241.000	241.900	242.500	243.100	244.100	244.600	245.400	246.300	247.400	248.100	249.300	244.533
	<u>255.633</u>	2018-2019	250.200	250.400	253.500	254.500	255.500	255.400	255.500	257.600	258.300	258.400	259.000	259.300	255.633
Change	11.100														
Percent change	4.54%														
Vehicle Maintenance Series ID: pcu3339243339243		Period (Yr/Mo)	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Average
	255.300	2017-2018	250.500	250.500	250.500	251.600	255.900	256.800	257.800	257.800	257.800	257.900	258.000	258.500	255.300
	<u>258.592</u>	2018-2019	258.500	258.500	258.500	258.500	259.100	257.900	258.500	258.600	258.600	258.600	258.900	258.900	258.592
Change	3.292														
Percent change	1.29%														
CPI All Items Series ID: cuura422sa0		Period (Yr/Mo)	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Average
	251.166	2017-2018		245.711		248.615		251.495		253.317		253.354		254.503	251.166
	<u>257.476</u>	2018-2019		252.273		254.910		257.622		259.117		259.917		261.019	257.476
Change	6.311														
Percent change	2.51%														

P : Preliminary

P : Preliminary

P : Preliminary



RRI Tables for Albany Rate Adjustment
Federal Bureau of Labor Statistics, Series Tables

Rate Adjustment effective 5/1/2020

Employment, Hours, and Earnings from the Current Employment Statistics survey (National)

Series Id: CEU6056210008

Not Seasonally Adjusted

Super Sector: Professional and business services

Industry: Waste collection

NAICS Code: 5621

Data Type: AVERAGE HOURLY EARNINGS OF PRODUCTION AND NONSUPERVISORY EMPLOYEES

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2001	13.29	13.31	13.43	13.53	13.71	13.67	13.72	13.70	13.84	13.77	13.76	13.83	13.64
2002	13.88	13.84	14.00	14.27	14.38	14.52	14.87	14.81	14.67	14.66	14.76	14.79	14.48
2003	14.91	14.74	15.05	15.21	15.20	15.39	15.54	15.56	15.33	15.67	15.87	15.43	15.33
2004	15.25	15.18	15.11	15.26	15.35	15.34	15.51	15.46	15.34	15.27	15.10	15.06	15.27
2005	14.90	14.71	14.83	15.38	15.45	15.64	15.76	15.90	15.84	15.97	15.92	16.09	15.54
2006	16.07	16.09	16.32	16.18	16.39	16.64	16.58	16.73	16.33	16.61	16.37	16.59	16.41
2007	16.55	16.66	16.94	16.59	16.81	16.63	16.97	16.71	16.91	16.86	17.28	17.06	16.83
2008	17.04	17.12	17.22	17.19	17.17	17.27	17.19	17.02	17.11	17.00	17.67	17.66	17.22
2009	17.73	17.86	17.72	17.32	17.32	17.09	17.21	17.27	17.69	17.37	17.22	17.38	17.43
2010	17.28	17.19	17.22	17.21	17.42	17.68	17.45	17.77	17.94	17.86	17.46	17.48	17.50
2011	17.31	17.38	17.22	17.44	17.37	17.68	17.49	17.28	17.41	17.15	17.33	17.10	17.35
2012	17.18	17.14	17.18	17.44	17.58	17.37	17.47	17.31	17.29	17.35	17.45	17.41	17.35
2013	17.49	17.38	17.58	17.57	17.80	17.77	17.77	17.75	17.90	18.01	17.95	17.90	17.74
2014	18.09	18.07	18.28	18.29	18.30	18.33	18.25	18.37	18.62	18.62	18.57	18.47	
2015	18.48	18.35	18.48	18.78	18.73	18.63	18.57	18.74	18.88	19.02	19.10	19.21	
2016	19.27	19.21	19.20	19.23	19.47	19.45	19.53	19.62	19.62	19.43	19.40	19.31	
2017	19.46	19.43	19.31	19.29	19.33	19.43	19.42	19.23	19.56	19.31	19.60	19.50	
2018	19.53	19.41	19.66	19.51	19.76	19.81	19.68	19.76	20.09	20.15	20.03	20.22	
2019	20.40	20.34	20.68	20.55	20.90	20.76	21.12	20.52	20.76	20.61	21.1		

P : Preliminary. All indexes are subject to revision four months after original publication.

Producer Price Index-Commodities

Series Id: WPU057303

Not Seasonally Adjusted

Group: Fuels and related products and power

Item: No. 2 diesel fuel

Base Date: 198200

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2001	96.7	92.4	83.5	86.4	93.1	90.2	81.6	82.0	91.6	75.9	71.3	56.2	83.4
2002	58.9	60.0	69.7	76.9	74.7	73.3	77.6	80.4	92.3	98.7	85.5	86.8	77.9
2003	97.6	123.8	129.4	102.3	87.9	89.8	92.7	96.6	91.1	101.1	95.9	98.1	100.5
2004	109.3	103.7	109.7	119.9	121.0	114.2	123.0	135.1	140.9	166.6	159.7	135.3	128.2
2005	141.1	149.5	173.3	175.4	170.8	187.2	189.8	200.6	212.6	264.1	206.2	198.5	189.1
2006	197.1	196.2	206.5	230.4	239.6	246.9	237.5	250.2	201.3	197.5	197.2	203.0	216.9
2007	180.9	193.5	220.2	238.0	226.5	227.6	243.5	231.2	246.2	249.6	296.7	271.9	235.5
2008	278.2	287.5	353.7	365.1	398.2	421.0	431.9	346.7	342.3	281.8	224.1	168.0	324.9
2009	161.6	147.2	139.2	167.4	166.4	191.1	172.8	204.1	193.2	202.8	215.7	205.1	180.6
2010	229.4	206.9	225.5	240.0	235.8	221.8	218.5	231.1	227.7	243.7	255.3	259.2	232.9
2011	270.0	289.3	321.8	339.8	328.4	333.7	327.8	307.3	317.8	310.6	337.1	311.0	316.2
2012	322.0	329.2	344.3	339.4	325.8	295.4	298.7	324.1	342.4	351.0	323.8	317.4	326.1
2013	318.9	342.4	321.0	318.3	307.7	304.8	311.6	319.3	328.0	318.4	307.0	314.7	317.7
2014	308.5	322.0	318.1	318.7	316.5	308.8	307.8	306.9	302.3	283.4	272.3	229.9	
2015	182.6	191.5	193.1	183.8	202.6	198.7	194.0	189.2	169.4	173.5	167.4	130.8	
2016	119.2	113.4	119.4	123.6	144.4	155.4	157.6	149.8	163.1	159.7	157.0	158.8	
2017	161.1	163.5	161.3	162.9	173.6	171.5	179.6	188.9	204.2	213.5	223.7	223.8	
2018	241.9	242.5	243.1	244.1	244.6	245.4	246.3	247.4	248.1	249.3	250.2	250.4	
2019	253.5	254.5	255.5	255.4	255.5	257.6	258.3	258.4	259	259.3	259.4	259.5	

P : Preliminary. All indexes are subject to revision four months after original publication.

Producer Price Index Industry Data

Series Id: PCU336211336211

Industry: Motor vehicle body manufacturing

Product: Motor vehicle body manufacturing

Base Date: 198212

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2001	162.2	162.6	162.8	162.9	162.9	163.3	163.4	163.4	163.6	163.7	164.0	164.3	163.3
2002	164.5	164.9	164.9	164.9	165.1	165.1	165.8	166.3	166.6	166.6	166.4	166.6	165.6
2003	166.9	167.0	167.0	167.1	167.2	167.1	167.2	167.0	168.0	168.3	168.5	168.4	167.5
2004	168.8	169.8	171.1	173.8	175.3	175.3	176.2	179.3	181.0	182.2	182.4	184.8	176.7
2005	185.8	186.8	187.3	187.7	188.4	191.0	191.8	192.0	192.4	192.7	193.2	194.0	190.3
2006	195.5	196.7	197.7	197.9	199.4	200.1	200.7	201.1	201.8	203.1	202.6	203.3	200.0
2007	204.2	204.1	203.0	204.3	204.5	205.8	205.9	206.0	206.2	206.2	206.2	203.9	205.0
2008	204.6	204.6	206.7	209.7	210.3	212.3	214.7	215.2	215.2	216.2	216.8	217.8	212.0
2009	217.5	217.2	216.8	216.0	216.2	216.3	216.9	216.5	216.5	215.7	215.7	215.7	216.4
2010	216.5	216.6	216.6	217.7	217.7	218.2	218.6	218.2	218.3	218.1	218.1	218.4	217.7
2011	218.4	218.7	219.5	220.4	220.9	221.0	221.1	221.2	221.5	221.3	223.0	223.7	220.9
2012	224.1	224.6	224.5	225.2	225.3	226.6	226.7	227.1	227.1	226.7	226.4	227.1	225.9
2013	227.1	227.2	227.4	227.6	227.2	227.4	227.5	227.7	228.0	228.3	228.3	228.3	227.7
2014	229.6	230.1	230.5	230.4	230.4	230.8	231.0	231.4	231.7	232.4	232.4	232.5	
2015	233.2	235.3	235.3	235.3	235.7	235.7	235.7	235.8	235.8	235.8	235.9	235.9	
2016	236.3	236.8	236.9	237.1	237.1	237.3	237.7	237.9	237.9	237.9	238.2	238.3	
2017	238.4	238.4	238.7	239	239.3	239.5	240.2	240.4	240.6	240.6	240.7	241	
2018	241.9	242.5	243.1	244.1	244.6	245.4	246.3	247.4	248.1	249.3	250.2	250.4	
2019	253.5	254.5	255.5	255.4	255.5	257.6	258.3	258.4	259	259.3	259.4	259.5	

P : Preliminary. All indexes are subject to revision four months after original publication.

Producer Price Index Industry Data

Series Id: PCU3339243339243

Industry: Industrial truck, trailer, and stacker mfg

Product: Parts and attachments for industrial trucks and tractors

Base Date: 198612

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2001	130.3	130.9	131.1	130.9	131.4	131.4	131.7	131.7	131.7	131.7	131.7	131.7	131.3
2002	132.2	132.2	132.2	132.1	132.1	132.4	132.4	132.4	132.6	132.6	132.6	132.6	132.4
2003	132.7	133.3	133.7	133.1	133.2	136.3	136.1	136.7	136.6	136.6	136.6	136.6	135.1
2004	138.7	138.7	139.0	139.1	140.3	140.3	141.9	141.9	141.9	143.0	143.1	143.5	140.9
2005	146.2	146.2	146.2	147.2	148.0	148.0	148.4	148.0	148.0	148.1	148.5	148.5	147.6
2006	150.3	150.5	151.1	151.1	150.8	150.8	152.2	152.2	152.2	152.2	152.1	152.1	151.5
2007	154.3	155.0	156.0	156.0	156.2	156.2	156.8	156.8	156.8	156.8	156.8	156.8	156.2
2008	160.6	161.3	161.5	164.9	165.3	165.9							
2010	237.1	237.1	237.1	239.6	239.6	239.6	239.7	239.7	239.5	239.5	239.9	239.9	239.1
2011	240.4	240.7	241.1	241.8	241.6	243.3	243.7	243.7	243.7	243.7	243.6	243.6	242.6
2012	244.7	244.7	244.7	246.9	247.3	246.5	247.2	247.2	247.2	247.2		250.8	
2013	251.6	241.8	241.8	242.7	243.0	243.3	243.3	243.3	243.3	244.0	244.0	246.3	244.0
2014	247.8	247.8	247.8	249.4	249.8	250.6	250.6	250.6	250.6	250.6	250.5	250.5	
2015	250.5	251.6	255.9	256.8	257.8	257.8	257.8	257.9	258.0	258.5	258.5	258.5	
2016	258.5	258.5	259.1	257.9	258.5	258.6	258.6	258.6	258.9	258.9	259.3	259.3	
2017	259.9	259.8	259.8	260.3	260.4	263.4	263.6	263.6	263.6	263.6	263.6	264.0	
2018	260.2	260.4	260.8	259.5	260.8	260.8	267.0	269.5	271.3	273.2	271.8	271.8	
2019	275.2	275.2	275.2	275.2	275.2	275.6	276.4	281.0	281.3	274.3	275.5	275.5	

P : Preliminary. All indexes are subject to revision four months after original publication.

Consumer Price Index - All Urban Consumers

Series Id: CUURS49BSA0

Not Seasonally Adjusted

Area: San Francisco-Oakland-Hayward, CA

Item: All items

Base Period: 1982-84=100

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2001		187.9		189.1		190.9		191.0		191.7		190.6	189.9
2002		191.3		193.0		193.2		193.5		194.3		193.2	193.0
2003		197.7		197.3		196.3		196.3		196.3		195.3	196.4
2004		198.1		198.3		199.0		198.7		200.3		199.5	198.8
2005		201.2		202.5		201.2		203.0		205.9		203.4	202.7
2006		207.1		208.9		209.1		210.7		211.0		210.4	209.2
2007		213.688		215.842		216.123		216.240		217.949		218.485	216.048
2008		219.612		222.074		225.181		225.411		225.824		218.528	222.767
2009		222.166		223.854		225.692		225.801		226.051		224.239	224.395
2010		226.145		227.697		228.110		227.954		228.107		227.658	227.469
2011		229.981		234.121		233.646		234.608		235.331		234.327	233.390
2012		236.880		238.985		239.806		241.170		242.834		239.533	239.650
2013		242.677		244.675		245.935		246.072		246.617		245.711	245.023
2014		248.615		251.495		253.317		253.354		254.503		252.273	251.985
2015		254.910		257.622		259.117		259.917		261.019		260.289	258.572
2016		262.600		264.565		266.041		267.853		270.306		269.483	266.344
2017		271.626		274.589		275.304		275.893		277.570		277.414	274.924



**WASTE MANAGEMENT of
ALAMEDA COUNTY, INC.**

172 98th Avenue
Oakland, CA 94603
(510) 383-2404

April 24, 2020

Mayor and Councilmembers
City of Albany
1000 San Pablo Avenue
Albany, CA 94706

Dear Mayor Pilch, Vice Mayor McQuaid, Councilmembers Barnes, Maass, and Nason:

Waste Management of Alameda County, Inc. (WMAC) is honored to be the collection services provider for the City of Albany. We greatly appreciate the professionalism and commitment of City staff as we partner to keep Albany healthy through prompt collection of waste materials and promote sustainable practices with source separation.

WMAC has a culture of thinking green through our multi-stream collection process, localized public education and outreach programs that are guided by City staff, and regional facilities in Alameda County including the Davis Street Transfer Station and the Altamont facility (with landfill and composting operations). All of this, along with our collection vehicles fueled with Compressed Natural Gas (CNG), contribute to WMAC being a leader in sustainable waste management solutions.

As you can imagine, during this unprecedented COVID-19 pandemic and shelter-in-place (SIP) orders, there have been severe impacts to our business.

- The demand for service to commercial customers has dramatically dropped. WMAC is making it easy for businesses to temporarily reduce or suspend service during the SIP with a simple call. Our drivers are also proactively keeping an eye out to help identify customers who may need service level adjustments during the SIP. However, a consequence is that we are experiencing significantly reduced revenue from commercial customers.
- Costs to pay our employees are not going down. As you may be aware, we operate with multiple union contracts for our drivers, mechanics, sorters, and other departments. We are pleased to provide quality wages and health benefits for our employees, and during this time we are committed to a paid 40-hour work week for our employees.
- During this time that Albany residents are staying home, we are experiencing an increase in residential trash volumes. WMAC is collecting extra trash at no additional charge if residents use their own personal container.

Despite these challenges, WMAC continues to perform in Albany with excellent service. The proper management, transportation, and disposal of waste is vital to the health of the Albany community, and our employees have demonstrated their commitment to this. During the SIP our drivers and route managers are continuing to operate in the field and are collecting materials from Albany residents,

THINK GREEN:



businesses, and City facilities. At the onset of the crisis Waste Management promptly reallocated resources and invested in equipment to enable a wide range of employees, from call center agents to dispatchers, to work from home in the interest of creating a safe social distancing environment.

Regarding the franchise agreement's annual rate adjustment, WMAC submitted its calculations to the City on January 23, prior to the February 1 deadline provided in the agreement. The annual rate adjustment mechanism is critical for the franchise to remain financially viable and for WMAC to provide the excellent service expected by customers; this is especially true as we face the headwinds described above. The rate adjustment of 2.29% was supposed to be effective May 1, 2020. However, due to the COVID-19 pandemic, the City's review of our annual rate adjustment has been delayed, which is understandable.

Under the franchise agreement, WMAC sends quarterly invoices to residential customers, in advance of services. So, for the May – July period, invoices were sent in late April. Since the City Council will review WMAC's rate adjustment for authorization on May 4, this presents a timing issue. Fortunately, the franchise agreement contemplates this contingency, and provides that a surcharge will be applied to capture lost revenues. Therefore, when WMAC sends invoices for the August – October period (will be sent in late July), there will be a line item equal to the rate increase that should have been applied for the May – July period (the amount will \$3.00 for a customer receiving 32-gallon service). For commercial customers, WMAC bills in arrears, meaning invoices for May services will be sent in late May. Therefore, the delay in authorizing the May 1 rate increase until the May 4 Council meeting will not impact our invoicing of these customers.

Please feel free to contact me at bskolnic@wm.com or 775-326-2317 if you have any questions.

Best regards,

A handwritten signature in black ink that reads 'Barry Skolnick'. The signature is written in a cursive, flowing style.

Barry Skolnick, President
Waste Management of Alameda County, Inc.

2011 and other fees as described in this Article. If such remittance is not paid to the CITY on or
2012 before the twentieth (20th) day of any month, CONTRACTOR shall pay the fees due plus
2013 interest compounded daily, where interest shall be calculated using the annual yield rate for the
2014 California Local Agency Investment Fund (LAIF) most-recently published by the California State
2015 Treasurer's office.

2016 9.07.1 Each monthly remittance to CITY shall be accompanied by a statement
2017 itemizing each fee paid; detailing calculation of all fees; and stating actual gross revenues, by
2018 Service Type, for the monthly period collected from all operations conducted or permitted by this
2019 Agreement.

2020 9.08 Agreement Negotiations Fee. No later November 15, 2011, CONTRACTOR
2021 shall submit a one (1) time only agreement negotiation fee to the CITY in the amount of twenty
2022 thousand dollars (\$20,000).

2023 9.09 Sustainability Coordinator Fee. No later November 15, 2011, and annually
2024 thereafter during the term of this Agreement, CONTRACTOR shall submit an annual
2025 sustainability coordinator fee to the CITY in the amount of fifty four thousand dollars (\$54,000).

2026 **ARTICLE 10.**
2027 **CONTRACTOR'S Compensation And Rates**

2028 10.01 CONTRACTOR'S Compensation. The CONTRACTOR'S Compensation for
2029 performance of all its obligations under this Agreement shall be the actual gross Rate revenues
2030 remitted to CONTRACTOR by Customers less fees due to the CITY in accordance with Article
2031 9. CONTRACTOR'S compensation provided for in this Article shall be the full, entire, and
2032 complete compensation due to CONTRACTOR pursuant to this Agreement for all labor,
2033 equipment, materials and supplies, Processing and Disposal fees, taxes, insurance, bonds,
2034 overhead, operations, profit and all other things necessary to perform all the services in the
2035 manner required by this Agreement.

2036 10.01.1 If CONTRACTOR'S costs are more than actual gross revenues
2037 retained by CONTRACTOR, CONTRACTOR shall not be compensated for the difference in
2038 costs and revenues. If CONTRACTOR'S costs are less than the actual gross revenues retained
2039 by the CONTRACTOR, CONTRACTOR shall retain the difference. In addition, calculations of
2040 CONTRACTOR'S Compensation or Rates shall not be adjusted for past variances of actual
2041 costs or revenues.

2042 10.02 Rates. Under this Agreement, CONTRACTOR shall have the right and obligation
2043 to charge and collect from Customers Rates, which are established by the CITY.
2044 CONTRACTOR shall charge Customers Rates approved by the CITY. The CONTRACTOR
2045 shall collect payments from Customers in accordance with the CITY approved Rates.

2046 10.02.1 The Rates shall be fixed, as per Exhibit 1, for the period commencing
2047 November 1, 2011 and ending April 30, 2012, and shall not be adjusted to reflect increases in
2048 costs above those anticipated by CONTRACTOR, nor decreased to reflect decreases in costs
2049 below those anticipated by CONTRACTOR.

2050 10.02.2 Service Rate Elements. Collection service Rates shall consist of some
2051 combination of the following elements: a Collection service element, which shall be the funds
2052 collected by the CONTRACTOR from the Customer for the provision of Collection services and
2053 retained by CONTRACTOR, a Franchise Fee element, which shall be the funds collected by the
2054 CONTRACTOR from the Customer for the provision of Collection services and remitted to the



2055 CITY, an administrative fee element, which shall be the funds collected by the CONTRACTOR
2056 from the Customer on behalf of the CITY for CITY administrative services and remitted to the
2057 CITY, a street sweeping element, which shall be the funds collected by the CONTRACTOR
2058 from the Customer on behalf of the CITY for street sweeping services and remitted to the CITY
2059 and such other elements as may be added during the term of this Agreement.

2060 10.03 Adjustments to Service Rates. Beginning on May 1, 2012 and annually
2061 thereafter, Collection Service Rates may be adjusted using the Refuse Rate Index methodology
2062 as set forth in this Article and in Exhibit 1 to this Agreement.

2063 10.03.1 Refuse Rate Index (RRI) Adjustment. The RRI adjustment shall be as
2064 set forth in Exhibit 2 the lower of seven and one half (7.5) percent or the sum of the weighted
2065 percentage change in the annual average of each RRI index number between the base
2066 calendar year, which shall be the prior preceding calendar year and the preceding calendar year
2067 exclusive of changes in governmental or regulatory fees or assessments which shall be a pass-
2068 through. However, in any year that the RRI, including any prior year adjustment is more than
2069 seven and one half (7.5) percent, the amount above seven and one half (7.5) percent, up to ten
2070 (10) percent shall be carried over to the next adjustment period and added to the calculated RRI
2071 for that period. However, the RRI adjustment for the last rate period of this Agreement shall
2072 include any unused RRI carry forward without limitation. In the event the RRI adjustment is less
2073 than zero (0) percent, the RRI adjustment for that year shall be zero (0) percent and the
2074 negative amount shall not be carried forward to the next adjustment period. Therefore, the first
2075 rate adjustment will be based on the percentage changes between the annual average of the
2076 RRI indices for the calendar year ending December 31, 2010 and the annual average of the RRI
2077 indices for the calendar year ending December 31, 2011.

2078 10.03.1.1 Annual adjustments shall be made only in units of one cent
2079 (\$0.01). Fractions of less than one cent (\$0.01) shall not be considered in making adjustments.
2080 The indices shall be truncated at four (4) decimal places for the adjustment calculations.

2081 10.03.1.2 If the any of the RRI indices are discontinued or revised
2082 during the Term by the United States Department of Labor, such other government index or
2083 computation with which it is replaced shall be used in order to obtain substantially the same
2084 result as would be obtained if the index had not been discontinued or revised.

2085 10.04 Annual Rate Application Process.

2086 10.04.1 On or before February 1, 2012 and annually thereafter,
2087 CONTRACTOR shall submit an application requesting the Rate adjustment for the following
2088 Rate Period. The application shall present each Rate for the current Rate Period and
2089 calculation of each adjusted Rate for the following Rate Period. The application shall include all
2090 supporting documentation for calculation of the adjusted Rates including RRI data along with
2091 financial information for the specific services performed under this Agreement for the preceding
2092 full or partial calendar year. Such financial information shall be in the format as set forth in
2093 Exhibit 2, or as may be further revised by CITY from time to time. If CONTRACTOR fails to
2094 submit the rate application and the financial information in the required format by February 1st, it
2095 is agreed that CONTRACTOR shall be deemed to have waived the annual rate adjustment for
2096 that year unless such failure is due to Force Majeure. In such case, all Rates shall be adjusted
2097 to be effective the first of the month of the next Residential billing cycle following authorization
2098 by the CITY. In addition, no retroactive adjustment will be made to allow the CONTRACTOR to
2099 recover revenues that it would have collected had the Rate adjustment been implemented in
2100 accordance with the prescribed schedule.

2101 10.04.2 The CONTRACTOR'S Rate application shall be reviewed by the CITY.
2102 The CITY may elect to have the adjusted Rates reviewed and authorized by the City Council or
2103 to approve them administratively. The CITY shall act in good faith to authorize such Rate
2104 adjustments by March 1st of each year so that approved Rates take effect on May 1st of each
2105 year. Notwithstanding the provisions of Section 10.03, the adjusted Rates will not take effect
2106 until the CITY has authorized such Rates.

2107 10.04.3 If the CITY does not authorize Rates to be effective on or before May
2108 31st of a Rate Period, the CITY shall include a Rate surcharge on the Rates that shall be
2109 effective for the remainder of the Rate Period to recover revenues lost by the CONTRACTOR, if
2110 any. If the effective date of the Rates is July 1st or later, the CITY shall adjust the Rates to
2111 recoup lost revenues, if any, as well as interest due the CONTRACTOR on lost revenues,
2112 where interest shall be calculated using the annual yield rate for the California Local Agency
2113 Investment Fund (LAIF) most-recently published by the California State Treasurer's office. To
2114 determine the amount of lost revenues, if any, the CITY and CONTRACTOR shall meet and
2115 confer to determine the effect the delay in adopting Rates has on the CONTRACTOR'S
2116 revenue. The assessment of the revenue impact shall consider the CONTRACTOR'S billing
2117 cycle (e.g., impact to Customers billed in advance and to Customers billed in arrears), the ability
2118 of CONTRACTOR to delay issuance of bills, the payment cycle of Customers, and other
2119 variables.

2120 10.05 Special Rate Review.

2121 10.05.1 Eligible Items. The CONTRACTOR is entitled to apply to the CITY for
2122 consideration of a special Rate review, or the CITY may initiate such a review, should one (1) or
2123 more of the following occur:

2124 10.05.1.1 Documented significant changes in the cost to provide
2125 services required in this Agreement as a result of an agreed-upon CITY-directed change in
2126 scope as provided for under Section 4.08.

2127 10.05.1.2 Flood, earthquake, other acts of nature, war, civil
2128 insurrection, riots, or other similar catastrophic events beyond the control of CONTRACTOR.

2129 10.05.1.3 Change in Law after the Effective Date that: (1) was not
2130 reasonably known to the CONTRACTOR before the Effective Date, (2) the CONTRACTOR
2131 substantiates, and (3) results in an increase of more than \$0.05 per month for the Rate
2132 Residential Customers pay for 32-gallon Solid Waste Collection, Recyclable Materials
2133 Collection, and Yard Trimming Collection services ("32-gallon Rate"), provided that the increase
2134 was calculated assuming the increase is apportioned equally to all Customers. Should the
2135 Change in Law result in a Rate increase of less than \$0.05 per month for the 32-gallon Rate, but
2136 otherwise qualify for an adjustment, then Rates shall be adjusted for this Change in Law during
2137 the next regularly scheduled Rate adjustment provided in accordance with Section 10.02.

2138 10.05.1.4 CITY-initiated changes to the amount of Franchise Fees,
2139 street sweeping fees, administration fees, or other fees in accordance with Article 9.

2140 10.05.2 Ineligible Items. The CONTRACTOR will not be compensated over the
2141 term of this Agreement for:

2142 10.05.2.1 Increases in the cost of Solid Waste, Recyclable Materials,
2143 or Organic Materials Collection, transportation, Processing, or Disposal costs that may be
2144 impacted by change in the Disposal Facility, Processing Sites, or Transfer Station operating
2145 conditions unless such change is initiated by or at the direction of the CITY.



2146 10.05.2.2 Decreases in revenues from the sale of Recyclable Materials
2147 or Organic Materials.

2148 10.05.2.3 Growth or decline in the number of Customers or their
2149 subscription levels; however, the CONTRACTOR shall be entitled to bill all Customers at the
2150 Rates set forth herein and retain all Rate revenues net fees due to CITY collected from its
2151 Customers for Collection services provided under this Agreement.

2152 10.05.2.4 Changes in accounts related to Container sizes or frequency
2153 of Collection; however, the CONTRACTOR shall be entitled to bill all Customers at the Rates
2154 set forth herein and retain all Rate revenues net fees due to CITY collected from its Customers
2155 for Collection services provided under this Agreement.

2156 10.05.2.5 Change in the composition of Solid Waste, Recyclable
2157 Materials, or Organic Materials.

2158 10.05.3 Review of Costs. If the CONTRACTOR or the CITY requests a special
2159 Rate review, the CITY shall have the right to review any or all financial and operating records of
2160 CONTRACTOR and its Affiliates associated with the CONTRACTOR'S services under this
2161 Agreement in accordance with Article 8. CONTRACTOR shall pay the CITY for costs
2162 associated with the review incurred by the CITY and its agents unless said review is initiated by
2163 the CITY.

2164 10.05.4 Submittal of Request. The CONTRACTOR must submit its request for
2165 a special review of Rates, and reasonable cost and operational data, in a form and manner
2166 specified by the CITY at least six (6) months before the proposed effective date of any Rate
2167 adjustment.

2168 10.05.5 Burden of Justification. CONTRACTOR shall bear the burden of
2169 justifying to the CITY by substantial evidence any entitlement to a Rate increase under this
2170 Section. If the CITY determines that the CONTRACTOR has not met its burden, the
2171 CONTRACTOR may request one hearing to produce additional evidence. Upon request, the
2172 CITY shall permit said additional hearing. In the event the CITY denies CONTRACTOR'S
2173 request, CONTRACTOR shall have the right to present its claim in a court of competent
2174 jurisdiction.

2175 10.05.6 Grant of Request. Based on evidence the CONTRACTOR submits,
2176 the CITY Council may grant some, all or none of the requested increase.

2177 10.05.7 Rate Adjustment. The CITY shall adjust Rates, in good faith,
2178 coincident with any adjustment made pursuant to this Section.

2179 10.05.8 Compensation. The party requesting the special Rate review shall
2180 bear all costs of both parties for participating in such review and such costs shall not be
2181 reimbursed through Rates charged customers.

2182 10.06 Rates for Changes in Scope.

2183 10.06.1 In the event either the CITY or CONTRACTOR requests a change in
2184 scope in accordance with Section 4.08, the CONTRACTOR shall furnish the CITY with
2185 projected operational and cost data for the change in scope to support any adjustment to Rates.
2186 For the purposes of analyzing cost impacts of changes in scope, the CONTRACTOR'S profit
2187 shall be calculated using an operating ratio to be agreed upon between CITY and
2188 CONTRACTOR. The CITY reserves the right to require that the CONTRACTOR supply any
2189 additional cost data or other information it may reasonably need to ascertain the appropriate

2190 Rate Fee adjustment, if any, for the change in scope. The CITY shall review this operational
2191 and cost data, and the CITY Council shall establish Rates for the change in scope, if warranted.

2192 10.06.2 The granting of any change in scope shall be contingent upon CITY
2193 approval and establishment of new Rates. The CITY shall adjust Rates, in good faith,
2194 coincident with any adjustment made pursuant to this Section so that the change in scope and
2195 the corresponding Rates become effective on the same date.

2196 10.07 Notice of Rate.

2197 10.07.1 The CONTRACTOR shall provide all Customers with advance written
2198 notice of approved Rate changes, in the form of a bill insert at least thirty (30) days before the
2199 effective date of such changes.

2200 **ARTICLE 11.**

2201 **Indemnity, Insurance, and Performance Bond**

2202 11.01 General Indemnification.

2203 11.01.1 CONTRACTOR shall indemnify, defend with counsel acceptable to the
2204 CITY, protect and hold harmless CITY Council, the CITY, its officers, employees, volunteers,
2205 and agents (collectively, indemnitees) from and against all claims, damages (including but not
2206 limited to special, consequential, natural resources and punitive damages), injuries, costs,
2207 (including without limit any and all response, remediation and removal costs), losses, demands,
2208 debts, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest,
2209 fines, charges, penalties, and expenses (including without limit attorneys' expert witness fees
2210 and costs incurred in connection with defending against any of the foregoing or in enforcing this
2211 indemnity), (collectively, "Damages") of any kind whatsoever paid, incurred or suffered by, or
2212 asserted against, indemnitees arising from or attributable to the acts or omissions of
2213 CONTRACTOR whether or not negligent or otherwise culpable, in connection with or related to
2214 the performance of this Agreement, including without limit damages arising from or attributable
2215 to any operations, repair, clean-up or detoxification, or other plan (regardless of whether
2216 undertaken due to governmental action) concerning any Hazardous Substance or Hazardous
2217 Waste Collected in the CITY. Notwithstanding the foregoing, however, CONTRACTOR shall
2218 not be required to indemnify the CITY for the costs for any claims arising from the Disposal of
2219 Solid Waste at the Disposal Facility, from Processing of Recyclable Materials at the Recyclable
2220 Materials Processing Facility, and/or from Processing Organic Materials at the Organics
2221 Processing Facility including, but not limited to, claims arising under the Comprehensive
2222 Environmental Response, Comprehensive and Liability Act (CERCLA) unless claim is a direct
2223 result of CONTRACTOR'S actions or negligence. This indemnity afforded indemnitees, shall
2224 only be limited to exclude coverage for intentional wrongful acts and negligence of indemnitees,
2225 and as provided below. The foregoing indemnity is intended to operate as an Agreement
2226 pursuant to §107(e) of the Comprehensive Environmental Response, Compensation and
2227 Liability Act, CERCLA, 42 USC. §9607(e) and California Health and Safety Code §25364, to
2228 defend, protect, hold harmless, and indemnify CITY from liability.

2229 11.01.2 This provision is in addition to all other provisions in this Agreement
2230 and is intended to survive the expiration or earlier termination of this Agreement. Nothing in this
2231 paragraph shall prevent CITY from seeking indemnification or contribution from Persons or
2232 entities other than indemnitees, for any liabilities incurred by CITY or the indemnitees. As
2233 appropriate, CONTRACTOR'S Guaranty Agreement shall extend to the indemnification
2234 obligation hereunder.



Exhibit 2 Refuse Rate Index

City of Albany

The "Refuse Rate Index" adjustment shall be calculated in the following manner:

The expenses of the disposal services for the designated fiscal period shall be prepared in the format set forth in the Operating Cost Statement - Description on the following page of this Exhibit.

2. The expenses of the disposal services shall be broken down into the following eight (8) cost categories: Labor (Teamsters); Labor (Other); Diesel Fuel; CNG Fuel, Vehicle Replacement; Vehicle Maintenance, Disposal and All Other. Each cost category is assigned a weighted percentage factor on that cost category's proportionate share of the total of the costs shown for all cost categories.

3. The following indices published by the United States Department of Labor, Bureau of Labor Statistics (BLS), are used to calculate the adjustment for each cost category except Labor (Teamsters), CNG Fuel, and Disposal. The change in each index is calculated in accordance with the terms of the Agreement. In the event any index is discontinued, a successor index shall be selected by mutual agreement of the parties. Successor indices shall be those indices that are most closely equivalent to the discontinued indices as recommended by the BLS.

<u>Cost Category</u>	<u>Index</u>
Labor (Teamsters)	Actual values Teamsters Local 70 Union Agreement
Labor (Other)	Series ID: ceu6056210008 Service Producing Industries
Diesel Fuel	Series ID: wpu057303 #2 Diesel Fuel
CNG Fuel	Schedule G-NGV-1, compiled and published by the Pacific Gas and Electric Co. Analysis and Rate Department and reported monthly in the "Gas Rate Finder" publication (http://www.pge.com/tariffs) reflecting the sum of the customer, procurement, transportation and public purpose program charges.
Vehicle Replacement	Series ID: pcu3362113362111 Truck, bus, car, and other vehicle bodies, for sale separately
Vehicle Maintenance	Series ID: pcu3339243339243 Parts and attachments for industrial work trucks
Disposal	Actual tip fee change at the Transfer Station per the Processing, Transfer and Disposal Agreement
All Other	Series ID: cuura422sa0 Consumer Price Index, All Urban Consumers, All Items – Bay Area

4. The percentage weight for each cost category is multiplied by the change in each appropriate index, or labor Agreement to calculate a weighted percentage for each cost category. The weighted percentage changes for each cost category are added together to calculate the Refuse Rate Index (see Example).



Operating Cost Statement - Description

Labor (Teamsters): List all salary accounts for Teamster employees.

List payroll tax accounts, health and welfare, payroll insurance and pension accounts directly related to the above salary accounts.

Labor (Other): List all salary accounts for all non-teamster employees.

List payroll tax accounts, health and welfare, payroll insurance and pension accounts directly related to the above salary accounts.

Diesel Fuel: List all diesel fuel accounts.

CNG Fuel: List all CNG fuel accounts.

Vehicle Replacement:

List all collection and collection related vehicle depreciation accounts.

List all vehicle lease or rental accounts related to collection or collection related vehicles.

Vehicle Maintenance:

List all collection or collection related vehicle parts accounts.

Disposal: List disposal operations costs.

All Other: List all other expense accounts related to the services provided under this Agreement. This category includes, insurance including general liability, fire, truck damage, and extended coverage; rent on property, truck licenses and permits; real and personal property taxes; telephone and other utilities; employee uniforms; safety equipment; general yard repairs and maintenance; non-diesel fuel; office supplies; postage; trade association dues and subscription; advertising; and miscellaneous other expenses.