

TO: James L. App, City Manager
FROM: Mike Compton, Director of Administrative Services
SUBJECT: Paso Robles Roll Off – Franchise Renewal
DATE: July 15, 2003

Needs:

For the City Council to consider approval of a franchise agreement with Paso Robles Roll Off (PRRO) for roll off box services and a rate increase for roll off services.

Facts:

1. The Council approved an exclusive franchise agreement with PRRO in November 1993.
2. The franchise agreement is scheduled to expire August 31, 2003.
3. Other than the following exceptions, the proposed new franchise agreement is identical to the previous agreement:
 - a. Insurance limit requirement increased from \$500,000 to \$1 million
 - b. Franchise fee increased from three percent to ten percent
4. The proposed agreement, if approved, would expire August 31, 2013.
5. The Council has not adjusted roll off rates since first adopted ten years ago (1993).
6. PRRO has requested a \$7 increase in the transportation portion of the rate to cover increased equipment and fuel costs.
7. If approved, the transportation portion would increase from the current rate of \$105 to \$112.
8. The proposed rates also reflect the recently adopted franchise fee increase to 10%.

Analysis and Conclusion:

The City has maintained a long, favorable relationship with PRRO, owned and operated by the same folks that own and operate Paso Robles Waste Disposal.

Approval of the proposed franchise agreement continues this long-standing relationship and provides for uninterrupted roll box collection services.

The agreement, as is the case with the current agreement, extends rate approval authority to the Council. PRRO has requested an increase in the roll off rates given that they have not been adjusted in ten (10) years. Approval of the agreement as contained herein will provide for a base line “service/transportation” fee increase from \$105 to \$112.

Fiscal
Impact:

Approval of a new franchise agreement with PRRO is estimated to generate an additional \$50,000 annually in reoccurring General Fund revenues.

Options:

- a.** Adopt Resolution No. 03-XX approving a ten year franchise agreement for roll off box collection service with Paso Robles Roll Off and establishing new roll off rates; or
- b.** Amend, modify or reject the above option.

EXCLUSIVE FRANCHISE AGREEMENT

SOLID WASTE MATERIAL ROLL OFF BOX SERVICES

THIS AGREEMENT is made between the CITY OF EL PASO DE ROBLES, a municipal corporation of the State of California, "CITY", and PASO ROBLES ROLL OFF, INCORPORATED, "COMPANY".

This Agreement is made pursuant to Chapter 7.16 of Title VII of the Municipal Code of the City of El Paso de Robles.

The parties agree as follows:

1. Exclusive Franchise and Term. The CITY hereby grants to the COMPANY the exclusive privilege of collecting and disposing of all solid waste material accumulated in the CITY for the period of 10 years commencing as of July 1, 2003 and terminating as of August 31, 2013. This agreement includes only solid waste materials collected via roll off box containers also known and referred to as drop off box containers. Such collection of solid waste material shall be made in accordance with and subject to the terms, conditions, provisions, obligations, liabilities and restrictions contained in the Solid waste Ordinance, Chapter 7.16 of Title VII of the Municipal Code of the CITY, this Agreement and subject to all rights, powers, privileges reserved and reservable to the CITY and its officers as provided in the said Municipal Code as now or hereafter constituted. COMPANY agrees to perform said services at such rates as are now fixed, and may be adjusted from time to time during the life of this Agreement by CITY, it being understood that such rates may be adjusted from time to time by CITY to provide fair and reasonable return to COMPANY for the services rendered to the users of roll off box services within this City. The rates shall be set based upon the following understanding for the various service levels:

A. Commercial Bulk Pickup. Commercial bulk pickup charges for roll off box service shall be at a rate established by the City Council.

B. Special Hauling Rate. For subscribers desiring the hauling of materials which cannot, because of size, quantity or type of material, be disposed of by any means defined above, COMPANY may, through individual contract, provide special hauling services.

2. Collection and Disposition of All Solid waste Material. The COMPANY hereby promises, agrees and undertakes, during the life of this Agreement, to collect and dispose of all solid waste material in the City in accordance with and subject to the terms, conditions, provisions, obligations, liabilities and restrictions provided for in said Solid Waste Ordinance. Said Ordinance extends only to the persons and properties falling within the terms of said Ordinance. In short, persons may dispose of solid waste and waste material individually and for their own account, but not as a business or commercial

commercial enterprise.

3. Indemnification. The COMPANY shall save and hold harmless the CITY from any and all claims for damages of any kind or nature whatsoever that may arise out of or in connection with its business operations.

The COMPANY shall procure, carry and keep in force and effect throughout the life of this Agreement, general and auto liability insurance with minimum limits of \$1,000,000.00 combined single limit for bodily injury and property damage. Said insurance shall endorse the CITY as an additional insured without offset against the CITY'S existing insurance. The insurance company shall have an A or A+ rating in the Best's Insurance Guide. If these limits of liability once or more often become insufficient in the opinion of the City Attorney, the CITY by resolution of the Council can require one or more increases which shall be at the COMPANY'S expense.

The COMPANY agrees to provide CITY with a certificate of insurance providing that the insurance contract shall not be canceled for non-payment of premium or otherwise, without thirty (30) days prior written notice to the CITY. Said certificate and policy to acknowledge the above agreement to indemnify CITY.

The COMPANY promises and agrees to procure and keep in force and effect during the life of this Agreement, full workers compensation insurance with an insurance carrier as defined by and in accordance with the provisions of the Labor Code of the State of California.

4. Commencement Date. Following execution of this Agreement by the last party to execute it, the COMPANY shall commence the collection and disposal of all solid waste material under the terms of this Agreement. Having so commenced, the COMPANY shall continue to collect and dispose of all solid waste material throughout the term of this Agreement.

5. Reservation of Rights. It is hereby expressly agreed by and between the parties hereto that the CITY shall have, and there is hereby reserved unto the CITY and to the officers and officials of the CITY, all the rights, powers and privileges which under the provisions of said Solid Waste Ordinance, might be expressly set forth in this Agreement in favor of the CITY and its officers; the express mention of certain rights, powers and privileges in favor of the CITY is not intended to and shall not be deemed or construed to exclude any other right, power or privilege in favor of the CITY which might be expressly reserved herein.

6. Fee. The COMPANY hereby promises and agrees to pay to the CITY for the rights and privileges herein granted to it, ten (10) percent of the gross receipts of the business conducted by the COMPANY within the CITY each calendar year. Said amounts shall be payable monthly on or before the last day of the following month. The accounting period for the purpose of determining the percentage of gross receipts shall commence as of September 1, 2003.

7. Bond. The COMPANY shall furnish and keep in force a cash or surety bond to the CITY in the sum of Five-Thousand Dollars (\$5,000.00) conditioned upon the faithful performance of this Agreement and the provisions of said Solid Waste Ordinance.

8. Site. All solid waste material collected within the CITY shall be delivered to the Paso Robles Municipal Landfill site on Highway 46 and disposed of in accordance with the regulations of the County of San Luis Obispo and the State of California.

9. Applicable Laws. The COMPANY further agrees to comply with the provisions of the Solid Waste Ordinance and the Municipal Code of the City of El Paso de Robles and all of the laws of the State of California now or herein after applicable to this Agreement, which are hereby made a part hereof.

10. Reasonable Compliance. The CITY does not assume any responsibility for, nor shall it be held liable for damages for the failure on the part of any person, firm or corporation producing solid waste material within the CITY to deliver the same to the COMPANY; provided, however, it is mutually understood and agreed that the CITY and its officers, designated by the El Paso de Robles Municipal Code to enforce the provisions thereof, will at all times during the period of this contract take all reasonable steps to enforce each and every one of the provisions contained therein. The CITY further reserves the right to amend said Solid Waste Ordinance as to regulatory clauses thereof, but not as to reduction of rates for collection and disposal as provided for by resolution of the City Council, nor in any manner that will increase the duties to be performed by the COMPANY without adequate compensation therefore.

11. Office. The COMPANY shall establish and maintain an office within the CITY where bills may be paid, services applied for and complaints made, which office shall be equipped with a telephone and shall have a responsible person in charge during usual working hours.

A copy of all written complaints and statements of all verbal complaints received by the COMPANY or its employees shall be made available to the Administrative Officer of the CITY promptly after receipt thereof.

12. Records. The COMPANY shall keep accounting and statistical records of their revenue and expense items, to be provided to the CITY upon demand.

13. Covered Collection Containers. The COMPANY shall cover all containers when being transported to and from the Paso Robles Municipal Landfill site.

14. Pre-Payment for Service and Discontinuance of Service. The COMPANY shall have the right to cease solid waste collection service to any person or firm for reason of non-payment of bills or violation of any of the provisions set forth in the Solid Waste Ordinance or this Agreement. Furthermore, the COMPANY may require payment in advance for its services. The COMPANY may take any reasonable, legal action to collect amounts due that remain unpaid after having giving ample notice.

15. Statement of Rules. The COMPANY shall issue to each subscriber a statement of rules, container limitations, fees, telephone numbers and other pertinent information.

16. Breach. Upon the failure or omission of the COMPANY to keep, fulfill or perform any of the terms, provisions or conditions of this Agreement, or of the Solid Waste Ordinance of the City of El Paso de Robles Municipal Code, and the failure of the COMPANY to remedy or correct any such failure or omission within twenty (20) days after notice in writing of such failure or omission, this Agreement shall, at the option of the CITY, be terminated and ended and the COMPANY shall thereafter have no further rights, powers or privileges against the CITY under the provisions of this Agreement. Should this Agreement be terminated by CITY for failure of performance by COMPANY, then CITY is given the privilege, as a consideration for this franchise, for a period of Ninety (90) days after such termination, to use and utilize all of COMPANY'S equipment, including trucks and other machinery, so as to furnish solid waste collection service for the residents and businesses of this CITY. Such use of said equipment shall be without any liability or responsibility on the part of CITY to COMPANY for the payment of rent or otherwise. Payment for solid waste collection, less the CITY'S operating expenses and overhead and franchise fee, are to be paid to the franchisee.

In the event COMPANY fails to collect solid waste material for three successive normal working days within the CITY, CITY shall have the right to declare a health hazard and shall have the right to use COMPANY'S equipment, CITY shall indemnify COMPANY for liability of loss rising from use of said equipment.

17. Assignment or Sublet. This is a personal Agreement between the parties and may not be assigned in whole or in part without the prior written approval of the City Council of the CITY.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed in duplicate:

PASO ROBLES ROLL OFF,
INCORPORATED as a
California Corporation

CITY OF EL PASO DE ROBLES

BY: _____
Dale W. Gomer, President

Frank Mecham, MAYOR

DATE: _____

DATE: _____

APPROVED as to Form:

APPROVED as to Form:

P. Terence Schubert
Attorney for Paso Robles
Roll Off, Inc.

City Attorney, Iris Yang

ATTEST:

CITY CLERK

RESOLUTION NO. 03-

A RESOLUTION OF THE CITY OF EL PASO DE ROBLES
APPROVING A FRANCHISE AGREEMENT WITH
PASO ROBLES ROLL OFF

WHEREAS, the current franchise agreement with Paso Robles Roll Off expires August 31, 2003;
and

WHEREAS, Paso Robles Roll Off has provided exceptional roll off box collection services to the
Paso Robles community; and

WHEREAS, Paso Robles Roll Off is desirous of continuing to serve the Paso Robles community; and

WHEREAS, Paso Robles Roll Off is capable, having both the staff and equipment to continue
providing said services.

THEREFORE BE IT HEREBY RESOLVED by the City Council of the City of El Paso de Robles
that the exclusive franchise agreement for a ten year term, attached herewith as Exhibit "A", is
approved.

BE IT FURTHER RESOLVED by the City Council of the City of El Paso de Robles that the roll
off box rates attached herewith as Exhibit "B" are approved beginning September 1, 2003.

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 15th day of July 2003
by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Frank R. Mecham, Mayor

ATTEST:

Sharilyn M. Ryan, Deputy City Clerk

PASO ROBLES ROLL-OFF, INC.

FEE SCHEDULE

DROP-OFF BOX SERVICES - WITHIN CITY LIMITS

	Proposed Fee	Current Fee
20 Yard Box	\$226.27	\$204.67
25 Yard Box	\$252.05	\$228.79
30 Yard Box	\$277.81	\$252.92
35 Yard Box	\$329.34	\$301.18
40 Yard Box	\$380.88	\$349.43

CONTAINER DIMENSIONS

20 Yard	18'x8'x4'
25 Yard	22'x8'x4'
30 Yard	22'x8'x5'
35 Yard	22'x8'x5.5'
40 Yard	22'x8'x6'