

**RESIDENTIAL COLLECTION
PROPOSAL BY SPARKS SANITATION TO CITY OF SPARKS
FOR AMENDMENT TO FRANCHISE AGREEMENT FOR
THE ADDITION OF SINGLE STREAM RECYCLING TO RESIDENTIAL SERVICES**

1. **Scope of Franchises.** The exclusive franchise would apply to collection and transportation of solid waste (including garbage and rubbish) and approved recyclable materials from all residential customers within the City of Sparks.
2. **Recycling.** The new single stream recycling program expands the types of recyclable materials to include additional types of plastics (1-7), chipboard and cardboard, etc., and continues and expands the food waste recycling program, provided an economical end source is available for the food waste material.
3. **Additional residential services.** Excess material generated by a customer would not be allowed outside of the container(s) unless it is "tagged" with a sticker. 20 stickers are included in the base service level; additionally, for a 4 week period in the spring and a 4 week period in the fall, customer will be allowed to place an additional 6 bags, boxes or bundles outside of their container on their service day without using a sticker; customers in good standing are allowed 4 free trips per year to the Waste Management transfer station facilities in Reno or the Lockwood Regional Landfill to dispose of up to a standard size pick up (3 cubic yards) of material. This access is provided at any time that the facilities are open.
4. **Optional services:** A list of additional services that are available to residential customers that are paid for on an optional basis will be provided in the franchise.
5. **Commercial services:** No significant service changes would be made to the commercial side of the franchise, but the rates will be decreased to account for removal of the subsidy.

The City needs to correct one of the rates for 96-gallon service that was a proof reading error in the 2008 agreement. Reference to commercial recycling rates will be removed from Schedule A.

The existing non-franchised haulers currently licensed in the City of Sparks are the only ones allowed to operate during the term of the franchise. The City will agree to not issue any additional business licenses for the hauling of solid waste or recyclables in the City of Sparks during the term of the agreement. Existing haulers may sell their businesses, but no additional haulers can be added.

6. **Services Provided to City Facilities at no Additional Charge.** The existing services provided by Sparks Sanitation to City facilities at no charge will continue, but the current cap would be eliminated.

7. **Term of Agreement.** The term of the existing franchise agreement expires July 20, 2018, with two 5-year extensions. The amended franchises would extend the current term by ten years to July 20, 2028, with two additional, mutually agreeable options to extend the agreement for additional 5-year periods unless terminated by City or Franchisee.
8. **Review of Franchise Services.** Joint review of franchise services every 5 years by franchisee and City of Sparks to identify possible improvements and changes to the program. This does not impact the term of the agreement.
9. **Customer Rates.** The customer rates will be set and adjusted upon approval by the City of Sparks.
 - a. The commercial rates under the amended franchise system will be decreased by 2% on the effective date of the rate changes required by the amended agreement to account for the subsidy that will now be paid entirely in the residential rate.
 - b. We would ask the City to establish a compacted yardage fee of \$21.07 in order to provide pricing for compactor sizes that are not listed on the price sheet.
 - c. The residential rates would increase by \$.98 with the implementation of single stream recycling and the commercial subsidy would be eliminated.
 - d. We would ask the City to establish a rate for the following residential service levels:
 - animal resistant carts at the curb of \$6.60 and animal resistant yard service of \$11.92. (*WM will not provide animal resistant carts, but will service them if the customer purchases one.*)
 - A cart switch out fee of \$45 in the event a customer wants to change the size of their service. Initial delivery is included in the activation fee.
 - e. A discounted rate for seniors 70 years and older will be created that is 85% of the standard 96-gallon service. The senior service level is for a 64/96 gallon cart.
 - f. Existing customers at the 64-gallon service level will be grand fathered in at the rate established on Schedule A, but no new customers will be brought in at that rate.

- g. The existing customers that we show as being previously covered by the Senior Citizen's Tax Assistance Program will have their initial rate increased by \$.98. Thereafter, every February when the normal price increase is applied these rates will be increased by an additional 2% until they eventually catch up with the correct rate for the customer's service level.
- h. Work with City to develop a fee for recycling contamination and eventual removal of the recycling container if the customer is using it as just another garbage can.

10. **Managing Master Billed Communities.**

Add definition to Definitions section of franchise:

"Master billed Communities" means living spaces with a kitchen that are individually rented, leased or owned, including without limitation single family homes, mobile homes, manufactured homes, condominium complexes, etc., all having the same service level and billed to a single location.

A. Servicing and billing Master billed communities:

In master billed communities, the community management will make the decision as to whether or not they will include mandatory garbage service in community services or if they will require their tenants to set up service individually with Contractor.

If the community management decides that the community will be master billed, sub accounts will be set up for all Master billed communities identifying the individual units by number. Community management is responsible for all of the accounts that will be submitted on one master bill and will need to update with Contractor when changes are necessary. All tenants within the community will have the same service as selected by community management.

The master billed community is charged at the franchise rate for the selected service level. The billing is based on 90% occupancy of available spaces, regardless of how many are actually occupied. No vacancy credit is allowed unless the space is actually unable to accommodate a living unit due to administrative action taken to eliminate the lot through the planning process.

Community representatives will need to provide Contractor with appropriate documentation in the form of any government issued identification in the event they are pursuing the Senior rate for their tenants. Proper medical documentation and verification from the space occupant is required if the tenant is seeking free yard service. This would require medical certification that they are unable to wheel the container to the curb and no one else living in the household is capable.

Community management is responsible for managing the excess sticker program by picking up stickers each January at the local office of Contractor for 90% of their available units.

Community management will provide tenants with a form that provides tenants access to the transfer station or landfill.

11. **Delivery Only to Approved Facilities.** The franchisee is required by contract to deliver all solid waste and recyclable materials to specific approved transfer stations or other approved facilities. Provisions will be added to agreement to deal with marketing conditions related to recyclables that are either not available, cost prohibitive or beyond the control of the franchise holder to recycle.

12. **Transitioning to Single Stream Recycling.** In order to facilitate the transition to the new program we will develop a local website where customers can go to learn about how single stream recycling will work in their community. Upon approval of Council, we will generate a mailer for each residential customer explaining the program and giving a timeline as to when the program will be implemented.

Based on the timing of program implementation, we will not issue any stickers for customers in 2015, but continue to service their excess outside the can for the balance of the year. In January 2016, and each January thereafter their annual allotment of stickers will be mailed to them.

At the time of container delivery, each cart will contain an information packet about single stream recycling that is customized to address the specifics of the Sparks program. (Attached)

During the implementation, representatives will be available at our local operations facilities to speak to customers about the Sparks single stream program. It is anticipated that these representatives will be available beginning 2 weeks prior to implementation and at least 3 months following the implementation. Based on customer call volume from Sparks citizen we can extend the period.

13. **Indemnity and Insurance by Franchisee.** Franchisees provide i) indemnity to City, ii) insurance with limits of \$2,000,000/\$3,000,000) and iii) bond of \$100,000.
14. **City Council Direction.** The Council will provide approval for Waste Management and the City to move forward on drafting language to support the changes agreed to by the parties and move forward with scheduling implementation of a residential single stream recycling program.