

# STAFF REPORT



ITEM NO. 21  
CITY OF OCEANSIDE

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DATE: June 28, 2006  
TO: Honorable Mayor and City Councilmembers  
FROM: Public Works Department  
SUBJECT: **SOLID WASTE FRANCHISE ROLL-OFF BILLING RATES**

## **SYNOPSIS**

Staff and the Integrated Waste Commission recommend that the City Council approve the FY 2006-07 Franchise Solid Waste Contract Roll-Off Billing Rates.

## **BACKGROUND**

In accordance with the terms of the Solid Waste Franchise Agreement, Waste Management of North County hauls Oceanside's roll-off/industrial trash to Orange County's Prima Landfill. The County of San Diego's LEA (Local Enforcement Agency) recently notified Waste Management that they could no longer stage any open containers for long distance transfers at the Industry Street yard. As a result of the determination of the LEA, almost all of the roll-off trash loads have been diverted from Orange County to the Palomar Transfer station in Carlsbad. Currently, the approved contract billing rates are based on long-haul transfer cost to Orange County.

## **ANALYSIS**

In the Franchise Solid Waste contract, three elements are reflected: local-haul rate, long-haul rate (transfer) to Orange County and the per-ton pass-through disposal costs. The current City of Oceanside service fee for roll-off and compactor listed in Exhibit F does not reflect the current service charges due to the change in disposal location and in long-haul rates or local-haul rates.

Listed below is the current billing method and the proposed which reflects the change in the transfer, haul and disposal of Oceanside roll-off boxes.

1) - Current Billing Methodology

Haul Rate	\$182.92	
Long Haul Rate	\$116.13	
Disposal (5 tons)	<u>\$118.80</u>	(\$22.63 per tons plus \$1.13 or 5% franchise fee)
Total	\$417.85	

2) - Benchmarked cities with Palomar 6/1/06 CPI and 7/1/06 WM 3.67% CPI

Haul Rate	\$198.23	(average of 7 cities with 7/1/06 CPI)
Disposal (5 tons)	<u>\$214.55</u>	(\$40.87 per ton plus \$2.04 or 5% franchise fee)
Total	\$412.78	

Option 1 reflects the current billing post 7/1/06 WM CPI. These rates are based on the original haul rate of \$182.92 for coming to the Oceanside yard plus a long haul rate of \$116.13 for transporting the load to Orange County plus the pass-through disposal cost per ton.

Options 2 reflects the proposed benchmarked rate. The cities selected for the benchmarking of the haul rate were those identified in the Solid Waste Franchise Agreement. The \$198.23 is the average haul rate for the cities after the projected CPI increases on July 1, 2006.

The \$198.23 is the average haul rate for the county cities after the cities projected post CPI increases on July 1, 2006.

**FISCAL IMPACT**

With the request to update Exhibit F of the Franchise Solid Waste contract and approve the FY 2006-07 roll-off billing rates, there will be no impact on the monthly billing for residential or multifamily commercial services. Roll-off accounts are billed to individual customers on a per-load basis and accordingly there would be no estimate impact on any "monthly rates."

Future billing rates for roll-off services are subject to the contracts annual provisions for CPI adjustments. Similarly, pass-through disposal rates for roll-off tonnage volumes at Palomar Transfer Station are also adjusted each June 1. Single family and multifamily large items will be delivered to the Palomar Transfer Station for eventual landfill disposal. There is no request for adjustments to the commercial or residential rates aside from the usual annual CPI contract provisions.

**INSURANCE REQUIREMENTS**

Does not apply.

**COMMISSION OR COMMITTEE REPORT**

At the May 23, 2006 meeting, the Integrated Waste Commission recommended approval of Option 2 and to include and reflect the current billing rates to Exhibit F of the Franchise Solid Waste contract.

**CITY ATTORNEY'S ANALYSIS**

Does not apply.

**RECOMMENDATION**

Staff and the Integrated Waste Commission recommend that the City Council approve the FY 2006-07 Franchise Solid Waste Contract Roll-Off Billing Rates.

PREPARED BY:



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SUBMITTED BY:



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REVIEWED BY:

Michelle Skaggs-Lawrence, Assistant to the City Manager

Peter Weiss, Public Works Director



Attachments:

- I - Roll-off Rate Comparison
- II - Exhibit F

4/18/2006

Attachment 1

ROLLOFF RATE COMPARISON

<u>City</u>	<u>Current Haul Rate</u>	<u>Projected 7/1/06 Assuming 3.67% CPI Haul Rate</u>
Carlsbad	\$ 183.00	\$ 189.72
Del Mar	\$ 200.65	\$ 208.01
Encinitas	\$ 206.31	\$ 213.88
Poway	\$ 155.46	\$ 161.17
San Marcos	\$ 189.90	\$ 196.87
Solana Beach	\$ 213.13	\$ 220.95
AVERAGE:	\$ 191.22	\$ 198.23

Service Description	Rate Code	Current Rate	Rate increase of 2.25%	New Rate Effective August 7, 2006
Res - 1x wk	M170	18.40	0.41	18.81
Res (No GW) 1x week	X170	15.43	0.35	15.78
Res - 2x week	M171	35.95	0.81	36.76
Res - 1x week 1 extra GW	M172	19.51	0.44	19.95
Res - 1x week 2 extra GW	M173	20.63	0.46	21.09
Res - 1x week 3 extra GW	M174	21.73	0.49	22.22
Res - GW Only	M175	2.97	0.07	3.04
Res - 1x week 4 extra GW	M176	22.85	0.51	23.36
Multi-family Recycling	M180	1.10	0.02	1.12
3 yd Mixed Paper	M181	44.43	1.00	45.43
3yd GW Only	M182	73.44	1.65	75.09
96 gal GW Toter	M183	15.87	0.36	16.23
96 gal Glass/Commingle Toter	M184	14.05	0.32	14.37
Comm Can - 1x week	M270	24.94	0.56	25.50
Comm Can - 2x week	M271	45.35	1.02	46.37
Comm - 3yd bin 1x week	M274	89.69	2.02	91.71
Comm - 3yd bin 2x week	M275	162.37	3.65	166.02
Comm - 3yd bin 3x week	M276	235.05	5.29	240.34
Comm - 3yd bin 4x week	M277	307.73	6.92	314.65
Comm - 3yd bin 5x week	M278	380.42	8.56	388.98
Comm - 3yd bin 6x week	M279	453.10	10.19	463.29
Pull Out Fee	M281	3.55	0.08	3.63
Hodge	M282	14.10	0.32	14.42
Initial Lock Fee	M285	3.61	0.08	3.69
Additional Lock Fee	M286	1.81	0.04	1.85
Comm - 4yd bin 1x week	M374	117.96	2.65	120.61
Comm - 4yd bin 2x week	M375	213.25	4.80	218.05
Comm - 4yd bin 3x week	M376	308.55	6.94	315.49
Comm - 4yd bin 4x week	M377	403.84	9.09	412.93
Comm - 4yd bin 5x week	M378	499.16	11.23	510.39
Comm - 4yd bin 6x week	M379	594.45	13.38	607.83

GW = Green Waste

City Service	Rate Code	Current Rate	Rate increase of 2.25%	New Rate Effective August 7, 2006
	MOPR	3.36	0.08	3.44
	MOPU	3.56	0.08	3.64

## Exhibit F

**City of Oceanside  
Service Fees Due to Waste Management  
Rolloff and Compactor Services as of 7/1/06**

**Solid Waste**

Local Service Charge  
Long Haul Fee  
Disposal per Ton  
Demurrage  
Dead Run Charge  
Delivery  
Relocate on Site  
Relocate off Site  
Standby time

198.23 per box  
0.00 per box  
=pass thru plus 5%  
10.26 per day  
134.77 each  
50.12 per box  
48.78  
same as delivery  
1.94

Service fees are the compensation due the Contractor for providing Franchise Services. Service fees are subject to adjustment as provided in Articles 7 & 8 of the Agreement. Customer rates are published seperately by the City.

Billing/deposit requirements will reflect 6 tons and 14 days demurrage. Credits will be issued on both tonnage and demurrage if entitled. Tonnage overages are charged back. Tonnage overages or credits will be based on pass-thru disposal in effect at the time of service.  
All items subject to 5% franchise fee payable to the city, based on the Published Rate. Compactor \$237.15 per box. Rental and maintenance rates are negotiated on an account by account basis.

**Green Waste**

Local Service Charge  
Disposal  
Delivery

198.23 per box  
= pass thru plus 5%  
50.12 per box

Billing/deposit requirements will reflect 6 tons and 14 days demurrage. Credits will be issued on both tonnage and demurrage if entitled. Tonnage overages are charged back. Tonnage overages or credits will be based on pass-thru disposal in effect at the time of service.  
All items subject to 5% franchise fee payable to the city, based on the Published Rate.

**Dirt/Concrete**

Local Service Charge  
Disposal  
Delivery

244.05 per box  
pass thru  
50.12 per box

Billing/deposit requirements will reflect 6 tons and 14 days demurrage. Credits will be issued on both tonnage and demurrage if entitled. Tonnage overages are charged back. Tonnage overages or credits will be based on pass-thru disposal in effect at the time of service.  
All items subject to 5% franchise fee payable to the city, based on the Published Rate.