

**City of Renton and Waste Management of Washington, Inc.  
Comprehensive Garbage, Recyclables and Compostables Collection Contract**

**CAG 08-202 - Amendment #1**

This contract amendment is made between the City of Renton, Washington, hereafter "the City" and Waste Management of Washington, Incorporated, hereafter "Contractor."

WHEREAS, the City and Contractor in 2008 entered into an agreement entitled "Comprehensive Garbage, Recyclables and Compostables Collection Contract," hereafter "Contract," and

WHEREAS, Section 6.16 of the Contract provides that the City and Contractor may negotiate in good faith the provision of additional services which may be authorized by written amendment; and,

WHEREAS, the rate modification index specified in the original Contract has been discontinued; and,

WHEREAS, the City and Contractor have negotiated changes to the terms provided under the Contract;

NOW, THEREFORE, in consideration of these mutual benefits and promises, the parties hereby agree as follows:

1. The City and Contractor agree to modify the original Contract dated December 30, 2008 in accordance with Attachment A of this Amendment #1, effective immediately.
2. In all other respects the Contract shall remain in full force and effect.

Dated this 6<sup>th</sup> day of June, 2012

WASTE MANAGEMENT OF WASHINGTON, INC.

CITY OF RENTON

By 

By 

Denis Law, Mayor

Name Dean Kattler

ATTEST:

Title Area Vice President

By 

Bonnie I. Walton, City Clerk

## **Contract Amendment #1 (2011) - Attachment A – Contract Revision**

The following sections shall replace the original 2008 Contract sections, as noted:

### **Revised Section 3.3 - Compensation Adjustments**

The Contractor's collection service charges, excluding waste disposal fees, for each level of service shall increase or decrease once every year by the percentage change in the Consumer Price Index CWURA423SAO for the Seattle-Tacoma-Bremerton Metropolitan Area for Urban Wage Earners and Clerical Workers, all items (Revised Series) (CPI-W 1982-1984) prepared by the United States Department of Labor, Bureau of Labor Statistics.

In consideration of deferred adjustments from January 2009, 2010 and 2011, a special one-time collection service component adjustment shall occur on January 1, 2012, based on the change in the above referenced CPI from June 2008 through June 2011. In addition to the CPI adjustment, the rates shall be adjusted to reflect the Washington State Business and Occupation tax rate in effect January 1, 2012. The City shall also pay the Contractor a lump sum representing the amount of increased Business and Occupation tax incurred between the date of the tax rate change and December 31, 2011. The Contractor shall provide its calculations of the Business and Occupation tax difference to the City and the City shall pay the Contractor the corresponding amount, upon verification, within thirty (30) days of the receipt of the Contractor's invoice.

Starting with the January 1, 2013 adjustment and continuing forward through the term of this Contract, service component adjustments shall be based on the twelve (12) month index period ending June 30th of the previous year. On or by August 15th of each year, the Contractor shall submit to the City for review and approval a Rate Adjustment Statement calculating the new rates for the next year.

Adjustments to the Contractor's collection service charge will be made in units of one cent (\$0.01). Fractions less than one cent (\$0.01) will not be considered when making adjustments.

Periodic adjustments will also be made to Contractor collection rates for temporary Detachable Container service to reflect increases or decreases in King County disposal fees for solid waste. In the event of a change in disposal fees, the disposal fee component of those rates shall be adjusted, based on container content weights specified by the Contractor in Attachment B of this Contract.

Specific examples of rate modifications due to Consumer Price Index and disposal fee changes (for temporary Detachable Container service) are provided in Attachment C.

If the Contractor is required by the City or other governmental authority to use disposal or Compostables processing sites other than those being used at the initiation of this Contract, the Contractor will submit a detailed proposal for the adjustment of the rates to reflect any

**Step 2:**

$$\text{NDC} = A + ((A - \text{ODC}) \times \text{Current Excise Tax Rate})$$

- Where
- NDC = The new disposal charge component of the Customer rate for a particular service level; and
  - NTF = The new disposal fee, dollars per ton; and
  - ODC = The old disposal charge component of the Customer rate for a particular service level; and
  - OTF = The old disposal fee, dollars per ton; and
  - A = Pre-excise tax adjusted disposal component

Current Excise Tax Rate = the current state excise tax rate (0.015 used for this example).

For example:

For example using the initial one 32-gallon can rate of \$15.09 per month: if the previous CPI is 143.2, the new CPI is 144.3 and the disposal fee will increase from \$95 to \$105 per ton starting on March 1, 2011, the old disposal component is \$3.79, and the State Excise Tax rate is 0.015, the March 2011 customer charge for one 32-gallon can per week residential curbside service would be:

$$\text{New Collection Component} = \$11.30 \times 1 + \frac{144.3 - 143.2}{143.2} = \$11.39$$

$$\text{New Disposal Component} = (3.79 \times (105/95)) \text{ plus excise tax adjustment of } \$0.01 = \$4.20$$

Thus, the new customer charge for one 32-gallon can per week residential curbside service will be \$11.39 plus \$4.20, equaling \$15.59.

**Monthly City Fee Adjustment**

The monthly City administrative fee will be adjusted in a similar format to the collection component adjustment described above.

$$\text{For Example: New monthly City Fee} = \$22,720.00 \times 1.0768 = \$24,464.90$$