

AMENDMENT #3

COMPREHENSIVE GARBAGE, RECYCLABLES AND YARD DEBRIS COLLECTION CONTRACT

between the CITY OF MONROE and RABANCO LTD.D/B/A/REPUBLIC SERVICES OF LYNNWOOD

This AMENDMENT #3 is made and entered into this 23rd day of June 2020 by and between the CITY OF MONROE, a municipal corporation of the State of Washington (“City”), and RABANCO LTD. A Washington corporation (“Contractor”).

RECITALS

WHEREAS, the City and Contractor entered into a Comprehensive Garbage, Recyclables and Yard Debris Collection Contract dated January 1, 2017 (“Contract”); and

WHEREAS, THE TERM OF THE Contract is from January 1, 2017, through December 31, 2021; and

WHEREAS, the parties wish to amend certain terms and conditions of the Contract to improve the quality of Recyclables and compostable material collected in the City and to accommodate adverse changes in recyclable commodities markets; and

AMENDMENT

NOW, THEREFORE, the City and Contractor agree as follows:

Section 1. Compensation – New Sustainability Adjustment. Section III.3.2 of the Contract, entitled “Rate Modification,” is amended to add a new sustainability adjustment at Subsection 3.2.2.1 as follows:

3.2 Rate Modification

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3.2.2.1 Sustainability Adjustment

To fund the increased costs of the recycling program, including increased costs associated with the processing and marketing of Recyclables and compostable material, a sustainability adjustment (“Adjustment”) shall be added to each rate charged by the Contractor for recurring (i.e. monthly or weekly) service. The Adjustment shall take effect on July 1, 2020 or as soon as applicable after RCW 35A.21.152 required notice, whichever is later, and terminate one year after the rate takes effect. The Adjustment shall initially be \$1.86 per month for single-family residential customers and \$1.86 a month per dwelling unit for Multifamily Complex Customers and \$.50 per month, per MSW Yard for cart-

based Commercial Customers. The Adjustment shall be subject to any senior low-income and disabled resident discount for qualifying single-family residential customers.

The Adjustment shall be re-evaluated, and potentially modified or removed, on an annual basis. By April 7, 2021, and every year thereafter until the Contract expires or is terminated, the Contractor shall submit a report with the following information from the previous period:

1. number of current residential, multifamily, and cart-based commercial customers;
2. tonnage of recycling produced by residential and multifamily customers;
3. monthly garbage service levels for multifamily and cart-based commercial customers (expressed in cubic yards);
4. commodity revenue (expressed in dollars per ton);
5. commodity sampling for residential and multifamily recycling (expressed as a percentage of all commodities collected);
6. comparison of commodity revenue and commodity sampling to those of the previous period; and
7. recalculation of the Adjustment.

Adjustments shall be based on changes in commodity value and changes in processing costs. The City shall either approve the recalculated Adjustment or modify or deny it if the City reasonably believes that the proposed Adjustment exceeds the amount necessary to cover losses from commodity revenue. Implementing the modified Adjustment will require City Council approval if the recalculated Adjustment is greater than or equal to the June over June Seattle-Tacoma-Bellevue CPI-U of the original Adjustment taking effect on July 1, 2020.

The following table outlines the evaluation periods and deadlines applying to any modifications to the Adjustment.

Adjustment Evaluation Period	Report to City By	City Decision By	Notify Customers By	Modified Adjustment Effective Date
July 1, 2020 to December 31, 2021	September 1, 2021	October 16 *	November 1*	January 1, 2022*

* If the recalculated Adjustment is greater than or equal to 5% of the original Adjustment, the City may take longer to decide on and implement the Adjustment, as approving it will require City Council approval. In no event shall any approved adjustment take effect except upon the Contractor’s provision of 45 days’ notice to customers in accordance with RCW 35A.21.152.

The following definitions shall apply to this subsection 3.2.2.1

- “Commodity revenue” means the average revenue, per ton of inbound material, from the sale of commodities produced at the materials recovery facility (“MRF”).
- “Commodity sampling” means a proportionate breakdown of each marketed commodity per ton of processed Recyclables.
- “Processing costs” means the average cost, per ton of inbound material, of operating the MRF that receives the City’s Recyclables, including but not limited to the cost of Residue disposal.
- “Residue” means the material separated during the processing of Recyclables that has no market value.

3.2.3 Other Modifications

The Contractor shall not adjust or modify rates due to employee wage increases, the value of Recyclables, Garbage collection service level shifts, or other changes affecting the collection system other than provided for under Section 3.2.3.

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Section 2. Effect of Amendment. The Amendment is in addition to the Contract. Except as otherwise provided herein, the provisions of this Amendment modify, but do not supersede, the provision of the Contract. Except as otherwise provided herein, each provision of the Contract shall continue in full force and effect as if this Amendment did not exist. Except as otherwise provided herein, capitalized words and phrases shall have the meanings ascribed to them in the Contract.

IN WITNESS WHEREOF, the parties have executed this Amendment #3, which shall become effective as of July 1, 2020.

CITY OF MONROE, WASHINGTON

RABANCO LTD. d/b/a/ Republic Services of
Lynnwood

By: 
Geoffrey Thomas, Mayor

By: 
Kent Kronenberg (Jul 15, 2020 15:13 PDT)
Its: General Manager

(SEAL)

ATTEST:


Becky Hasart (Jul 15, 2020 17:10 PDT)
Interim City Clerk

Approved as to form:


Zach Lell (Jul 19, 2020 21:16 PDT)
City Attorney