

SOUTH SAN FRANCISCO
SCAVENGER
— COMPANY, INC. —

March 29, 2023

Ms. Karen Chang,
Director of Finance
City of South San Francisco
400 Grand Avenue
South San Francisco, CA 94080

Dear Ms. Chang,

In accordance with the terms of Section 6.2 of the Franchise Agreement, please accept this letter as the required Notice of Intent to adjust the current rates for service in South San Francisco.

The Franchise agreement has a specific procedure for rate adjustments, and this notice is due to the City by March 31st each year. The procedure has a three year cycle, and two of those three years call for an adjustment based on the Consumer Price Index. The third year in the cycle calls for a rate study and rates are based on those in 30 plus cities in the SF Bay Area. The next rate study is due March 31, 2024.

For 2023, the rate adjustment would be equal to 80% of the change in the Consumer Price Index for Urban Wage Earners and Clerical Workers, as published by the U.S. Bureau of Labor Statistics. The adjustment for this current year equates to 3.90%. The calculation is attached for review. Also, per our agreement, the SRRE Fee paid to the City is adjusted by the same percentage, and increases from the current \$18,340.26 per month to \$19,055.53 per month.

A proposed rate schedule is also attached. As per the Franchise Agreement, the rate adjustments would be effective as of July 1, 2023, if approved.

Also, the transportation and disposal of sewage sludge, Section 5.9 of the Franchise Agreement, has a significant increase in cost due to compliance with state-wide mandate regarding organic material. In accordance with Section 6.3, and discussions with city staff, the rate per ton would be \$120 effective July 1, 2023, and would subsequently increase to \$154 effective January 1, 2024.

Thank you for your consideration of this matter, and we are, of course, available to meet and confer at your convenience, as you desire.

Sincerely,



Paul Formosa, CFO
South San Francisco Scavenger Company, Inc.

500 East Jamie Court • South San Francisco, CA 94080

V: 650.589.4020 • F: 650.589.7385 • e: info@ssfscavenger.com • web: www.ssfscavenger.com

South San Francisco Scavenger Co.

City of South San Francisco

Rate Computation
March 31, 2023

CPI Index February 2022	316.463
CPI Index February 2023	331.875
Numerical change	15.412
Percentage change	4.87%
80% of change	3.90%

Index Used -

Consumer Price Index
Urban Wage Earners and Clerical Workers
San Francisco-Oakland-Hayward, CA
All Items
1982-84 = 100
New Series ID - CWURS49BSA0
Previous Series ID - CWURA422SA0
(replaced as of January 2018)



U.S. BUREAU OF LABOR STATISTICS

Databases, Tables & Calculators by Subject

Change Output Options: From: 2013 ▼ To: 2023 ▼ [GO](#)
 include graphs include annual averages [More Formatting Options](#) ➔

Data extracted on: March 17, 2023 (6:52:08 PM)

CPI for Urban Wage Earners and Clerical Workers (CPI-W)

Series Id: CWURS49BSA0,CWUSS49BSA0
 Not Seasonally Adjusted
Series Title: All items in San Francisco-Oakland-Hayward, CA, urban wage earners and clerical workers, not seasonally adjusted
Area: San Francisco-Oakland-Hayward, CA
Item: All items
Base Period: 1982-84=100

Download: [xls](#) [xlsx](#)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2013		240.262		241.764		243.052		242.903		243.711		242.602	242.125	241.141	243.109
2014		245.148		247.932		250.085		249.877		250.508		247.680	248.326	247.097	249.555
2015		249.809		252.875		254.736		256.060		256.107		255.492	253.910	252.041	255.780
2016		257.141		259.386		261.017		262.326		264.026		263.222	260.830	258.715	262.946
2017		265.569		268.896		269.508		269.827		271.272		271.342	268.990	267.426	270.555
2018		275.699		278.039		280.219		281.536		283.183		283.278	279.572	277.035	282.110
2019		284.758		288.266		288.581		288.514		291.707		289.456	288.192	286.615	289.770
2020		292.010		290.304		292.420		293.062		294.442		295.687	292.601	291.297	293.906
2021		297.170		302.294		304.971		307.423		309.656		312.019	304.602	300.275	308.928
2022		316.463		322.021		328.137		325.932		329.331		326.465	323.900	320.408	327.391
2023		331.875													

U.S. BUREAU OF LABOR STATISTICS Postal Square Building 2 Massachusetts Avenue NE Washington, DC 20212-0001

Telephone:1-202-691-5200 Telecommunications Relay Service:7-1-1 www.bls.gov [Contact Us](#)

SOUTH SAN FRANCISCO SCAVENGER CO., INC.
City of South San Francisco

Proposed Fees for Refuse Service, Effective July 1, 2023

	<u>Current Rates</u>	<u>Proposed Maximum Rates</u>
Residential Can Service: (per Month)		
<i>Proposed change</i>		
A. Service Level By Container Volume		
20 Gallons	\$ 33.40	3.90% 34.70
32 Gallons	39.79	3.90% 41.34
64 Gallons	87.57	90.99
96 Gallons	137.29	142.64
128 Gallons or more	190.96	198.41
Commercial Can Service		
30 Gallons	34.44	35.78
32 Gallons	36.71	3.90% 38.14
40 Gallons	45.93	47.72
45 Gallons	51.62	53.63
55 Gallons	63.09	65.55
Commercial Compactor Service		
Per Cubic Yard	72.68	3.90% 75.51
Debris Box Service, Residential and Commercial		
Temporary / One Time Use		
5 Yard Mini-box	311.20	323.34
7 Yard	679.99	706.51
14 Yard	679.99	3.900% 706.51
20 Yard	925.84	961.95
30 Yard	1,335.70	1,387.79
Regular / Permanent Service		
7 Yard	573.71	596.08
14 Yard	573.71	596.08
20 Yard	819.56	851.52
30 Yard	1,229.37	1,277.32
Rental Charge (per day, over 7 days)	25.63	26.63

SOUTH SAN FRANCISCO SCAVENGER CO., INC.
City of South San Francisco

Proposed Fees for Refuse Service, Effective July 1, 2023

	<u>Current Rates</u>		<u>Proposed Maximum Rates</u>
Overweight Charge			
Content weight in excess of 3 tons, per ton	160.20		166.45
 Commercial Bin Service			
A. Regular Pick-up			
1 - yard Container	241.66	3.900%	251.08
2 - yard (Front End Loader Bin)	362.35		376.48
3 - yard (Front End Loader Bin)	543.60		564.80
4 - yard (Front End Loader Bin)	724.77		753.04
5 - yard (Front End Loader Bin)	906.03		941.37
6 - yard (Front End Loader Bin)	1,087.17		1,129.57
 B. On Call Pick-up, Per Yard	 41.87		 43.50
 Per Pick-up, Per Yard			
Plus Container Rental Per Month			
Rental Charges			
1 - yard Container	63.31		65.78
2 - yard Container	68.72		71.40
3 - yard Container	73.75		76.63
4 - yard Container	79.13		82.22
5 - yard Container	89.66		93.16
6 - yard Container	95.10		98.81
 Sludge Hauling Per Ton (Treatment Plant)	 66.57	 80.26%	 120.00
 Current SRRE Fee	 18,340.26	 3.90%	 19,055.53