

SOUTH SAN FRANCISCO
SCAVENGER
COMPANY, INC.

Attachment 2

March 13, 2019

Ms. Christina Crosby,
Interim Finance Director
City of South San Francisco
400 Grand Avenue
South San Francisco, CA 94080

Dear Ms. Crosby,

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, 2021.

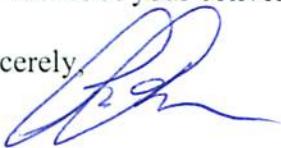
For 2019, the rate adjustment would be equal to 80% of the change in the Consumer Price Index for Urban Wage Earners and Clerical Workers, as published by the U.S. Bureau of Labor Statistics. The adjustment for this current year equates to 2.63%. The calculation is attached for review.

A proposed rate schedule is also attached. As per the Franchise Agreement, the rate adjustments would be effective as of July 1, 2019, if approved.

Also, the Second Amendment to the Franchise Agreement, regarding the transport of sewage sludge, Section 5.9, states that the Tonnage Rate is also subject to the same percentage increase as the service rates referred to in Section 6.2. Therefore, the current rate of \$60.80 per ton would increase to \$62.40. Also, per our agreement, the monthly SRRE Fee paid to the City increases by the same percentage, and becomes \$17,191.24, from the current \$16,750.70.

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.

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

Proposed Fees for Refuse Service, Effective July 1, 2019

	<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	\$ 25.99	2.63%	26.67
32 Gallons	33.52	2.63%	34.40
64 Gallons	73.76		75.70
96 Gallons	115.65		118.69
128 Gallons or more	160.85		165.08
Commercial Can Service			
30 Gallons	29.87		30.66
32 Gallons	31.84	2.63%	32.68
40 Gallons	39.83		40.88
45 Gallons	44.77		45.95
55 Gallons	54.73		56.17
Commercial Compactor Service			
Per Cubic Yard	62.93	2.63%	64.59
Debris Box Service, Residential and Commercial			
Temporary / One Time Use			
5 Yard Mini-box	285.60		293.11
7 Yard	624.04		640.45
14 Yard	624.04	2.63%	640.45
20 Yard	849.66		872.01
30 Yard	1,225.80		1,258.04
Regular / Permanent Service			
7 Yard	526.50		540.35
14 Yard	526.50		540.35
20 Yard	752.12		771.90
30 Yard	1,128.21		1,157.88
Rental Charge (per day, over 7 days)	23.52		24.14

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

Proposed Fees for Refuse Service, Effective July 1, 2019

	<u>Current Rates</u>		<u>Proposed Maximum Rates</u>
Overweight Charge Content weight in excess of 3 tons, per ton	147.02		150.89
Commercial Bin Service			
A. Regular Pick-up			
1 - yard Container	203.00	2.630%	208.34
2 - yard (Front End Loader Bin)	304.38		312.39
3 - yard (Front End Loader Bin)	456.64		468.65
4 - yard (Front End Loader Bin)	608.83		624.84
5 - yard (Front End Loader Bin)	761.09		781.11
6 - yard (Front End Loader Bin)	913.25		937.27
B. On Call Pick-up, Per Yard	35.17		36.09
Per Pick-up, Per Yard			
Plus Container Rental Per Month			
Rental Charges			
1 - yard Container	53.18		54.58
2 - yard Container	57.73		59.25
3 - yard Container	61.95		63.58
4 - yard Container	66.47		68.22
5 - yard Container	75.32		77.30
6 - yard Container	79.89		81.99
Sludge Hauling Per Ton (Treatment Plant)	60.80	2.63%	62.40
Current SRRE Fee	16,750.70	2.63%	17,191.24

South San Francisco Scavenger Co.

City of South San Francisco

Rate Computation
March 31, 2019

CPI Index February 2018	275.699
CPI Index February 2019	284.758
Numerical change	9.059
Percentage change	3.29%
80% of change	2.63%

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)

UNITED STATES DEPARTMENT OF LABOR

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Data extracted on: March 12, 2019 (11:51:03 AM)

CPI-Urban Wage Earners and Clerical Workers (Current Series)

Series Id: CWURSA49BSAO

Not Seasonally Adjusted

Series Title: All items in San Francisco-Oakland-Hayward, CA, urban wage earners and clerical workers

Area: San Francisco-Oakland-Hayward, CA

Item: All items

Base Period: 1982-84=100

Download:  [xlsx](#)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2009	216.797		218.587		220.996		221.279		221.708		220.121	219.645	218.182	221.109	
2010	222.049		223.821		224.185		224.195		224.352		224.152	223.624	223.012	224.236	
2011	226.638		231.600		230.605		231.445		232.371		231.109	230.337	229.074	231.600	
2012	234.648		236.626		236.890		238.445		240.864		236.454	237.097	235.572	238.622	
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														

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U.S. Bureau of Labor Statistics | Postal Square Building, 2 Massachusetts Avenue, NE Washington, DC 20212-0001

Jurisdiction	Residential (2019 Survey)		Rate Period Notes	Population (2016)
	20gal	32gal or similar		
Alameda	\$31.90	\$40.27	Adjustment expected 7/1/19	76,419
Albany	\$38.09	\$42.65	unknown	19,192
Atherton	\$25.00	\$50.00	unknown	6,914
Belmont	\$26.07	\$36.47	Effective January 1, 2019	25,835
Benicia	\$26.63	\$31.46	Effective July 1, 2019	26,997
Burlingame	N/A	\$25.28	Effective January 1, 2019	29,892
Campbell	\$21.99	\$28.77	Effective July 1, 2019	40,584
Castro Valley	\$30.79	\$47.74	Effective May 1, 2019	61,388
Cupertino	N/A	\$26.32	Effective November 1, 2018	60,189
Daly City	N/A	\$28.11	Adjustment expected 7/1/19	104,739
El Cerrito	\$37.63	\$49.63	Effective through 2019	24,316
El Sobrante	\$28.37	\$34.73	Effective through 2019	12,669
Fremont	\$34.04	\$34.77	unknown	224,922
Gilroy	N/A	\$32.51	Adjustment expected 7/1/19	51,701
Hayward	\$23.62	\$34.52	Effective March 1, 2019	151,574
Hercules	\$32.92	\$38.63	Effective through 2019	24,848
Livermore	\$29.35	\$38.85	Effective July 1, 2019	80,458
Los Altos	\$31.98	\$34.45	Adjustment expected 7/1/19	30,010
Los Altos Hills	\$30.74	\$42.85	Effective July 1, 2019	7,922
Los Gatos	\$22.88	\$30.04	Effective July 1, 2019	30,391
Martinez	\$24.91	\$35.68	unknown	37,165
Menlo Park	\$19.90	\$28.60	Effective through 2019	33,071
Millbrae	\$22.39	\$35.85	Effective July 1, 2019	22,424
Milpitas	\$33.59	\$36.51	Effective January 1, 2019	77,957
Monte Sereno	\$25.03	\$32.75	Effective July 1, 2019	3,485
Morgan Hill	N/A	\$31.60	Adjustment expected 7/1/19	40,936
Mountain View	\$23.25	\$33.90	Adjustment expected 7/1/19	74,066
Newark	\$29.30	\$32.56	Effective through 2019	42,573
Oakland	\$41.54	\$47.17	Adjustment expected 7/1/19	382,586
Orinda	\$39.88	\$45.58	Effective March 1, 2019	18,681
Pacifica	\$23.66	\$37.06	unknown	37,234
Palo Alto	\$27.81	\$50.07	unknown	64,403
Piedmont	\$79.84	\$84.60	Adjustment expected 7/1/19	11,082
Pinole	\$29.99	\$35.74	Effective through 2019	18,902
Pittsburg	N/A	\$39.80	unknown	63,264
Pleasant Hill	\$24.28	\$28.09	Effective January 1, 2019	34,954
Portola Valley	\$20.14	\$32.24	Effective July 1, 2019	4,353
Redwood City	\$12.87	\$30.86	Effective February 1, 2019	76,815
Richmond	\$30.48	\$37.09	Effective through 2019	107,571
San Bruno	\$24.59	\$31.70	Effective July 1, 2019	42,443
San Carlos	\$24.13	\$35.23	Effective through 2019	29,963
San Francisco	\$49.77	\$56.50	Adjustment expected 7/1/19	805,235
San Leandro	\$24.01	\$29.91	Adjustment expected 7/1/19	87,965
San Mateo	\$15.00	\$24.00	Effective January 1, 2019	101,128
San Pablo	\$26.40	\$32.20	Effective through 2019	29,685
San Ramon	\$26.06	\$32.20	Effective through 2019	72,148
Saratoga	\$23.66	\$30.95	Effective July 1, 2019	30,907
Sunnyvale	\$41.65	\$46.88	Adjustment expected 7/1/19	147,559
Unincorp. SMC / GreenWaste	\$26.46	\$42.42	Effective July 1, 2019	
Unincorp. SMC / SBWMA	\$33.65	\$39.99	Effective February 1, 2019	
Union City	\$42.93	\$50.31	Adjustment expected 7/1/19	72,528
Woodside	\$20.14	\$32.24	Effective July 1, 2019	5,481
TOTAL	\$1,359.32	\$1,948.33		
AVERAGE	\$29.55	\$37.47		

Proposed SSF 07/01/2019 Rates \$ 26.67 \$ 34.40

color key: New to survey