

STATE OF TEXAS           §  
                                      §  
COUNTY OF COLLIN     §

**THIRD AMENDMENT TO  
SOLID WASTE, COLLECTION, DISPOSAL, AND  
RECYCLING SERVICES CONTRACT**

This Third Amendment to Solid Waste, Collection, Disposal, and Recycling Services Contract (the “Third Amendment”) is made by and between the City of Allen, Texas (“City”) and Community Waste Disposal, LP, a Texas limited partnership (“Contractor”) (each a “Party” or collectively the “Parties”), acting by and through their authorized representatives.

**RECITALS:**

**WHEREAS**, the Parties previously entered into that certain Contract for Solid Waste, Collection, Disposal, and Recycling Services dated June 1, 2008 (the “Original Contract”), as amended by that certain Amendment to Contract dated May 28, 2013, and as further amended by that certain Contract Amendment No. 2 dated April 20, 2016 (collectively the “Contract”); and

**WHEREAS**, the Parties desire to amend the Contract as set forth herein; and

**NOW, THEREFORE**, in consideration of the terms, conditions and covenants set forth herein, and other valuable consideration, adequacy and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. The Contract is hereby amended by amending Paragraph 4.04 (d), to read as follows:

**“4.04 Special Collection**

- d. Contractor shall provide for the collection of bulky waste from residential units one time per month per call-in request from resident to contractor. Residents must call Contractor by 12 noon on Friday for Saturday service. Monthly bulk item pick up will be conducted on the first four (4) Saturdays of the month on this schedule: Monday service days shall be collected the first Saturday of the month; Tuesday service days shall be collected the second Saturday of the month; Wednesday and Thursday service days shall be collected the third Saturday of the month; Friday service days shall be collected the fourth Saturday of the month. In the event of a Saturday NTMWD-recognized holiday, the Saturday bulk service day will move to the following Monday. A maximum of five (5) items (each weighing such that two men can lift it) may be placed for pick- up.

Due to seasonal fluctuations, Contractor will inform the City of unforeseeable heavy loads and will request an extension of days of service and such request shall not be unreasonably withheld.

Special Collection of residential bulk wastes in the Hillside and Windridge subdivisions currently undertaken by CWD under provisions and charges reflected in Contract Amendment Number 2 (dated April 20, 2016) will continue for the new contract duration at no charge to the City effective November 1, 2018.”

2. The Contract is hereby amended by amending Paragraph 4.08 (b), and adding subsections (g) and (h), to read as follows:

**“4.08 Recycling Services**

...

- b. Contractor will provide every-other-week recycling collection to residential units using blue 95-gallon recycling poly carts, which will be serviced by automatic side-load vehicles.

...

- g. Contractor will support the enhanced presentation of commercial recycling services in the City Rate Resolution to allow commercial customers to more easily understand the overall waste collection cost advantages provided by recycling participation.
- h. Contractor will offer large volume commercial recyclers a profit-sharing opportunity to encourage potential large volume recyclers to further reduce overall waste collection costs by revenue sharing on the sales of recyclables. The Community Waste Disposal “Customer Product Payment” template attached to this contract amendment as “Exhibit C” establishes the customer profit share “percentage” for recycling commodities. The “price” used on the template varies monthly based on monthly recycling periodicals that establish the current market values of recycling commodities.”

3. The Contract is hereby amended by amending Paragraph 7.00, to read as follows:

**“7.00 EFFECTIVE DATE**

This Contract shall be effective on November 1, 2018 following the execution hereof by all Parties.”

4. The Contract is hereby amended by amending Paragraph 8.00, to read as follows:

**“8.00 TERM**

The Contract shall be for a period beginning on November 1, 2018, ending May 31, 2024.”

5. The Contract is hereby amended by amending Paragraph 15.01, to read as follows:

“15.01 **Rate Structure** – The Parties agree that the maximum permissible rates to be charged by Contractor for providing solid waste collection, disposal, and recycling services provided herein during the term of this Contract, or any extension thereto, shall be established by resolution of the City Council from time to time.

- a. Based on the contractor’s extension proposal, the costs for the delivery, rental, and hauling of Open Top Roll off Containers in the current Rate Resolution 3573-5-18(R) were decreased by four percent (4%) to improve the cost competitiveness of this service effective November 1, 2018.”

6. The Contract is hereby amended by amending Paragraph 15.02, to read as follows:

**“15.02 Modification to Rates**

...

- b. The Contractor’s initial share of the City established residential rate is \$7.57 for one 95-gallon solid waste poly cart and one blue 95-gallon recycling poly cart per residence per month. This rate includes services of weekly solid waste collection, weekly yard trimmings collection, every-other-week recycling collection, once monthly on-call bulk item pick-up, once monthly on-call loose brush collection, and one-time new residential move-in collection of cardboard boxes. The Contractor’s initial share of the City-established residential unit rate for each additional 95-gallon solid waste poly carts is \$4.31 per month. The contractor’s initial share of each additional blue 95- gallon recycling poly cart is \$2.21 per month. On June 1, 2019, the contractor agrees to a one-time \$0.25 reduction of their share of the City’s established rate for one 95-gallon solid waste poly cart and one blue 95-gallon recycling poly cart per residence per month.

1. Beginning June 1, 2015, the City will annually adjust residential rates to adjust for cost variances in yard waste disposal and finished compost purchase and delivery in the preceding year in accordance with the rate adjustment methodology that will be used to annually recompute the Contractor’s share of the

residential rates for service as set forth in Exhibit "B," Residential Yard Waste and Compost Rate Adjustment Calculations.

2. Beginning June 1, 2015, the Contractor's share of the City's established rates for residential services shall increase annually by the percentage increase in the Consumer Price Index (CPI) for all goods and services for the Dallas Fort Worth metroplex as published by the US Department of Labor for the preceding year. However, the CPI annual increase is limited to a maximum of five (5) percent in any one year.
  3. State & Federal mandates that increase the Contractor's cost of doing business will be passed on as rapidly as the City can process a new rate setting resolution to all services affected. However, any increase in state or federal fuel taxes shall be accommodated under the VFAF provisions of the Contract for commercial accounts.
  4. Upon the City-directed the implementation of weekly residential unit recycling collection, the Contractor is entitled to an additional \$1.71 per month share of the City-established residential rate. The initial charges here established are subject to annual CPI cost adjustments effective June 1<sup>st</sup> annually whether or not the City has directed weekly recycling collection. These weekly recycling entitlements to the contractor, plus appropriate CPI adjustment, remain valid costs through the term of the contract.
- c. Beginning June 1, 2020, the Contractor's share of the commercial and industrial unit rate schedule presented in the City's rate resolution shall increase annually by the percentage increase in the Consumer Price Index (CPI) for all goods and services for the Dallas Fort Worth metroplex as published by the US Department of Labor for the preceding year. However, the CPI annual increase is limited to a maximum of five (5) percent in any one year. The City and Contractor will also adjust commercial rates to recognize changes to North Texas Municipal Water District disposal costs that are set in the City's then current solid waste rate resolution.
- d. However, in light of unforeseeable cost impacts, nothing contained herein shall prevent the Contractor from submitting a request in writing to the City for rate adjustments provided however the Contractor shall not submit a request more often than once every twelve (12) months during the term of this Contract. Any requested proposed rate adjustment shall be submitted to City as soon as practicable and be accompanied by adequate

cost justification and documentation, and such other information as the City may reasonably request, to allow for proper review by the City

- e. Contractor agrees to consider a review of the allocation of costs between residential and commercial accounts upon written request by the City. It is the intent of the Parties to periodically re-establish the “cost balance” between residential and commercial customers in proportion to the waste services cost distribution measured against other NTMWD Solid Waste System member cities while making such reallocations revenue-neutral to the contractor.”

6. The Contract is hereby amended by amending Paragraph 16.01, to read as follows:

**“16.00 COMPENSATION TO CONTRACTOR FOR RESIDENTIAL COLLECTION**

16.01 In consideration of the services rendered to residential accounts under the Contract, City agrees to pay to the Contractor on or before the 25th day of each calendar month for the preceding ending calendar month during the term of this Contract, a sum of money as follows:

- a. A sum of money which shall be equal to the portion of the City’s Gross Receipts calculated by the ratio of Seven and 57/100 Dollars (\$7.57) to the existing single-family residential garbage rate for 95-gallon solid waste, 95-gallon recycling, weekly green waste, one-time cardboard collection, and monthly brush and bulk pick-ups.
- b. A sum of money which shall be equal to the portion of the City’s Gross Receipts calculated by the ratio of Four and 31/100 Dollars (\$4.31) to the existing single-family residential rate for each additional 95- gallon solid waste poly cart.
- c. A sum of money which shall be equal to the portion of the City’s Gross Receipts calculated by the ratio of Two and 21/100 Dollars (\$2.21) to the existing single-family residential rate for each additional 95- gallon blue recycling poly cart.
- d. These amounts of payment from City to Contractor for residential services shall be adjusted on an annual basis beginning June 1, 2015 based on passage of a City approved rate setting resolution.”

7. The Contract is hereby amended by amending Paragraph 31.02 (a) and (b), to read as follows:

**“31.02 City Clean-Up Campaigns**

- a. Contractor shall provide free of charge for delivery or rental up to twenty-seven (27) yard open top containers per calendar year to the City to be placed at City-designated spots. City shall provide Contractor seven (7) days prior notice of the request for containers.
  - b. Contractor shall provide free of charge, the haul of up to seventy-six (76) hauls of thirty (30) cubic yard containers per calendar year at no charge. The City shall pay the cost of disposal for these loads that will be delivered by the Contractor to the NTMWD landfill.”
8. The Contract is hereby amended by adding the following paragraph:
- “Prohibition of Boycott Israel. Contractor verifies that it does not Boycott Israel and agrees that during the term of this Agreement will not Boycott Israel as that term is defined in Texas Government Code Section 808.001, as amended.”
9. The Contract is hereby amended by replacing Exhibit “C” attached to the Original Contract with new Exhibit “C” attached hereto.
10. The Contract shall remain in full force and effect except as amended herein.

***[Signature Page to Follow]***

**EXECUTED** this the \_\_\_\_\_ day of \_\_\_\_\_, 2018.

**CITY OF ALLEN, TEXAS**

By: \_\_\_\_\_  
Peter H. Vargas, City Manager

**ATTEST:**

By: \_\_\_\_\_  
Shelley B. George, City Secretary

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
Peter G. Smith, City Attorney

**COMMUNITY WASTE DISPOSAL, LP**

By: \_\_\_\_\_  
Greg A. Roemer, President

**ATTEST:**

By: \_\_\_\_\_  
Robert Medigovich, Municipal Coordinator

# EXHIBIT "C"

## Customer Product Payment

- The Rebate Percentages (%) are "set."
- Monthly recycling periodicals mentioned on the form establish the current "Price."
- The "Trash" is the Disposal Fee for recycling contaminants is equal to the Disposal Cost the City Requires CWD to collect on commercial accounts. This is material that CWD will back-haul to an NTMWD facility for disposal for which there is a disposal cost.

Code	Description	Price*	CWD Retains		Customer Rebates		
			%	Per Ton	%	Per Ton	Per Pound
WOP	Sorted White Ledger-#40 *	<u>\$300.00</u>	15%	<u>\$45.00</u>	85%	<u>\$255.00</u>	<u>\$0.12750</u>
MOP- UPGRADE MOP 1	Sorted Office Pack - #37 *	<u>\$200.00</u>	50%	<u>\$100.00</u>	50%	<u>\$100.00</u>	<u>\$0.05000</u>
MOP MOP 2	Sorted Office Pack - #37 *	<u>\$200.00</u>	60%	<u>\$120.00</u>	40%	<u>\$80.00</u>	<u>\$0.04000</u>
MOP- CTAM MOP 3	Mixed Paper - #54 *	<u>\$5.00</u>	50%	<u>\$2.50</u>	50%	<u>\$2.50</u>	<u>\$0.00125</u>
OCC	Corrugated Containers-#11 *	<u>\$80.00</u>	37.5%	<u>\$30.00</u>	63%	<u>\$50.00</u>	<u>\$0.02500</u>
ONP	Sorted Resi Paper & News #56 * ( aka Old Newspaper-#6 )	<u>\$25.00</u>	60%	<u>\$15.00</u>	40%	<u>\$10.00</u>	<u>\$0.00500</u>
TRASH		<u>(\$40.00)</u>	0%	<u>\$0.00</u>	100%	<u>(\$40.00)</u>	<u>(\$0.02000)</u>
ALUM	UBC's **	<u>\$600.00</u>	20%	<u>\$120.00</u>	80%	<u>\$480.00</u>	<u>\$0.24000</u>

\* Fiber pricing is based on Pulp & Paper Index published on or around the 5th of each month. Pricing is based using Southwest highside.

\*\* Aluminum pricing is based on Secondary Materials Pricing Index published on the 1st business day of each month. Pricing is based using the Houston region, current price highside.

WOP = White Ledger  
MOP-Up = Mixed Office Paper-Upgrade  
MOP = Mixed Office Paper  
MOP-CTAM = Mixed Office Paper-Consummated  
OCC = Old Corrugated Containers  
ONP = Old News Print

Distribution List

	_____	Chen
	_____	Young
Approved by		
Dalrymple		