

AMENDMENT 2 TO CONTRACT NO. 003550
EXCLUSIVE FRANCHISE AGREEMENT FOR THE UNINCORPORATED AREA OF
HACIENDA HEIGHTS

THIS AMENDMENT 2, made and entered into this 7th day of June, 2023, by and between the County of Los Angeles, political subdivision of the State of California (hereinafter referred to as COUNTY) and VALLEY VISTA SERVICES, INC., a California corporation, located at 17445 East Railroad Street, City of Industry, California, 91748 (hereinafter referred to as CONTRACTOR). COUNTY and CONTRACTOR are each a Party and collectively referred to as the Parties.

WITNESSETH

WHEREAS, Contract No. 003550 ("Contract") was entered into between the COUNTY and the CONTRACTOR on July 22, 2021, to provide services consisting of weekly, fully automated, separate collection in carts, processing, disposal of refuse, comingled recyclable materials, and green waste generated by single-family residences and multifamily properties under 5 units in the unincorporated area of Hacienda Heights, commencing on August 1, 2021, for a period of 7 years with two 2-year renewal options, and month-to-month extensions up to 6 months; and

WHEREAS, the Board delegated authority to the Director of Public Works to renew the Contract for each additional renewal option; to approve and execute amendments to incorporate necessary changes within the CONTRACTOR services and specifications; and

WHEREAS, the Contract is currently in the second year of its initial 7-year term; and

WHEREAS, on July 14, 2022, the COUNTY and CONTRACTOR executed Amendment No. 1 to CONTRACT, providing a new monthly rate for Task 1 Services, which includes organic waste collection services with an implementation start date of August 1, 2022, along with other contract changes necessary to comply with Senate Bill 1383 requirements; and

WHEREAS, the COUNTY desires to amend CONTRACT in order to change the method by which the service fees are adjusted using a single Consumer Price Index that captures all the changes affecting the solid waste industry, including prices for labor, fuel, and the processing of various types of commodities; and

NOW, THEREFORE, in consideration of these facts, the COUNTY and the CONTRACTOR agree that the Contract shall be amended as follows:

FIRST: Exhibit 7 Contract Services, from pages 125 to 140, is removed in its entirety and replaced with the following:

EXHIBIT 7 – Contract Services (Adjustment of Service Fees)

A. Timing, Conditions, Changes

1. Annual CPI Adjustments

Beginning at least 6 months after the Commencement Date, Director will adjust the Service Rates each July 1 based on the percentage change in the average annual published Consumer Price Index (CPI), for Trash and Garbage Collection (CUUR0000SEHG02), U.S. City average, all urban consumers, not seasonally adjusted, as published by the United States Department of Labor, Bureau of Labor Statistics, BLS Data Viewer, available at: <https://beta.bls.gov/dataViewer/view/timeseries/CUUR0000SEHG02>.

The annual change is a comparison of the average monthly rate for the two previous Calendar Years. To avoid a rate increase for Customers shortly after a new contract is executed, a minimum of 6 months must elapse between Commencement Date and July 1 of the current year.

Table of past adjustments:

Series Title	Garbage and trash collection in U.S. city average, all urban consumers, not seasonally adjusted	
Series ID	CUUR0000SEHG02	
Seasonality	Not Seasonally Adjusted	
Survey Name	CPI for All Urban Consumers (CPI-U)	
Measure Data Type	Garbage and trash collection	
Area	U.S. city average	
Item	Garbage and trash collection	
Rate Adjustment (effective date)	January to December Average Observation Value	Percent Change
7/1/2014	416.183	n/a
7/1/2015	425.796	2.31
7/1/2016	432.030	1.46
7/1/2017	439.427	1.71
7/1/2018	449.089	2.20
7/1/2019	466.861	3.96
7/1/2020	481.902	3.22
7/1/2021	498.705	3.49
7/1/2022	522.329	4.74
7/1/2023	549.334	5.17

2. Adjustments at Any Time

If CONTRACTOR requests Director by Notice or Director Notifies CONTRACTOR at any time, following agreement with CONTRACTOR, the Director may adjust the Service Fees in either of the following events, subject to the Maximum Rate Adjustment table in subsection C, and limitations in E:

a. Changes in Law

Change in CONTRACTOR's Direct Costs of providing Contract Services due to Changes in Law. Any adjustment in the Service Fee due to a Change in Law by the State is not included in the Maximum Rate Adjustment in subsection C.

b. Changes in Scope of Service

CONTRACTOR's Direct Costs of providing Contract Services due to changes in Contract Services or Standards. For example, if Director requests a new service such as Collection of Bulky Items from Occupant's front doors instead of the Set-Out Site, the rate increase would be implemented when the service begins and not limited to July 1.

c. Extraordinary Circumstances

Change in CONTRACTOR's Direct Costs of providing Contract Services due to unforeseeable events.

B. Rounding

All calculations are rounded to the nearest 1/100th decimal place (for example, 10.9656 percent to 10.97 percent, or 10.9637 percent to 10.96). The decimal 5 is rounded up (for example, 10.965 percent to 10.97 percent). Adjustments in Service Fees are rounded to the nearest penny (for example, \$25.34).

C. Maximum Rate Adjustment

Adjustments to the Service Fees cannot exceed the percentages in the following table, except for changes due to acts of the State in item A2a of this exhibit. Note that there is no "carryover" from a year that may calculate a 7 percent increase but is limited to 5 percent, per the table below.

Contract Period (on July 1)*	Maximum Adjustment**
Years 0 to 0.5 (Less than 6 months from Commencement Date to July 1)	0 percent
Years 0.5 to 7 (July 1 to the scheduled Termination Date under Section 2)	5 percent, per year
Years 8 to 11/ Extension(s), if any	5 percent, per year
Any time (Changes in direct costs due to Change In Law by the State)	Actual Direct Costs
Six 1-month extensions, if any	No Change

* Rate adjustments due to Changes in Laws or Contract Services under subsection A2a above may be implemented at any time during the Term. The percentages are based on the Customer Service Fee at the start of CONTRACT.

** Any change in Service Fees for direct costs due to Changes in Law promulgated by the State in item A2a of this exhibit are not included in the percentage calculations of the Maximum Service Fee Adjustment.

For example, during the first 7 years of CONTRACT, the Service Fee could increase 35 percent plus an additional amount due to an increase of \$4 per ton on the State-mandated Disposal fee.

D. Customer 30-Day Notice

CONTRACTOR shall provide all Customers a minimum of 30 days written Notice of the implementation of changes in any Customer Service Fees.

E. Adjustment Limitations

No adjustment will be effective until Notice thereof has been provided by Director to the Board of Supervisors.

Any increase to the Service Fee resulting from Changes in Law shall not exceed 10 percent of the current Service Fee per Contract Year but increases in excess of 10 percent will be carried over to the next Contract Year or years.

Service Fees will not be adjusted under the following circumstances:

- There are uncured Breaches, or
- Within 6 months of the Commencement Date, or
- During any of the six possible one-month extensions.

If CONTRACTOR and Director fail to reach an agreement to adjust the Service Fees, COUNTY will have the options described in item D2b of Exhibit 5.

F. Services Eligible for Adjustment

1. Customer Service Fee

2. Special Services (if applicable)

- Christmas Tree Collection
- Annual Cleanup Event
- Mulch/Compost & Shredding Events
- Bulky Item Service
- Priority Pickups
- Special Cleanup Events
- Sharps Collections
- GPS & Video Equipment
- Minimum Rollout

3. Customer Surcharges (if applicable)

- Additional On-Call Pickups
- Container Size Exchanges Beyond One
- Container Removal and Return
- Roll-Out Service for non-Elderly or Disabled
- Difficult to Service
- Cart Cleaning
- Locking Recyclables Cart Fee

4. County Service Fee (Task 2)

G. Discontinued Indices


If a price or index is discontinued on the date of adjustment, the last available price or index for the required period (such as Calendar Year or another 12-month period) will be used, or other index as determined by Director.

SECOND: This AMENDMENT 2 will take effect upon execution by both parties.

THIRD: DIRECTOR shall have the final word in clarifying any reference discrepancies, such as when an AMENDMENT refers to the incorrect part, section, or item in CONTRACT; and

IN WITNESS WHEREOF, the COUNTY has, by order of its Board of Supervisors, caused these presents to be subscribed by the Director of Public Works, and the CONTRACTOR has subscribed its name by and through its duly authorized officers, as of the day, month, and year first written above.

COUNTY OF LOS ANGELES

By 
for Director of Public Works


APPROVED AS TO FORM:


DAWYN R. HARRISON
County Counsel

By 
Deputy

Talin Halabi
Type or Print Name

VALLEY VISTA SERVICES, INC.

By 
Its President
DAVID PEREZ
Type or Print Name

By 
Its Secretary
DAVID M. PEREZ
Type or Print Name

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Los Angeles

On June 1, 2023 before me, Jesse Quintana - Notary
(insert name and title of the officer)

personally appeared David Perez
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Jesse Quintana (Seal)

