



July 31, 2013

To: Michael Thane
Director of Utilities
City of Round Rock, TX

From : Michael Lavengco
General Manager
Round Rock Refuse

RE: Annual Adjustment and Petition

First of all, let me Thank You and the City of Round Rock for allowing Round Rock Refuse the opportunity to be your provider for the past many years.

It has been a pleasure working with you and your TEAM to provide what we believe to be an exceptional waste and recycling collection service. We also appreciate the partnership we have forged over the years with the Administration, Staff, and citizens of Round Rock.

Once again we are approaching the annual review and adjustment period for our existing contract. Please see the attached worksheet that reflects a proposed 2.34% adjustment.

Thank you again for your consideration and attention to this matter. I look forward to our continued working relationship for many years to come!

EXHIBIT
"A"

EXHIBIT

"B"

**AMENDMENT
TO RESIDENTIAL SERVICES RATE
WITH ROUND ROCK REFUSE, INC.
(Effective January 1, 2014)**

This Amendment to the Residential Services Rate set forth in the Amended and Restated Refuse Collection Contract ("Amended and Restated Contract") between the City of Round Rock, Texas and Round Rock Refuse, Inc., hereinafter called "Rate Amendment," is made by and between the City of Round Rock, a Texas home-rule municipal corporation (the "City"), and Round Rock Refuse, Inc. (the "Contractor").

WHEREAS, on October 14, 2010, the City and Contractor entered into an Amended and Restated Contract; and

WHEREAS, Section 20, "*Residential Services Rate*," of the Amended and Restated Contract sets forth a formula for calculating the Residential Services Rate; and

WHEREAS, pursuant to Section 21 of the Amended and Restated Contract, Contractor petitioned the City on July 31, 2013, for a rate adjustment, a copy of such petition being attached hereto as Exhibit "A"; and

WHEREAS, the parties agree that commencing January 1, 2014, the Residential Services Rate shall be amended as set forth herein.

NOW THEREFORE, that for and in consideration of the mutual promises contained herein and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the City and Contractor agree to amend the Residential Services Rate as follows:

1. In accordance with the formulas set forth Section 20. "*Residential Services Rate*," the Residential Services Rate is agreed to be **\$14.23**, and is calculated as follows:

Fuel Component:

- (i) The previous twelve month average fuel consumption equals 7,673 gallons;
- (ii) The Cost of Fuel [DEO Diesel Fuel Price index less a 5% discount for volume purchases] per gallon equals \$3.56;
- (iii) The total number of residential service units is 28,743.

Formula: (7,673 gallons) X (\$3.56 per gallon) / (28,743 units) equals \$0.95.

Disposal Cost Component:

- (i) The monthly average of the number of tons of Municipal Solid Waste delivered to the Solid Waste Facility in the previous twelve months equals 3,058;

- (ii) The actual disposal cost per ton of Municipal Solid Waste equals \$27.96/ton;
- (iii) The monthly average of the number of tons of Recyclable Material delivered to the Recyclable Material Facility over the previous twelve months equals 487;
- (iv) The actual disposal/delivery cost per ton of Recyclable Material equals \$25.36/ton;
- (v) The total number of Residential Service Units is 28,743.

Formula: (3,058 tons) X (\$27.96/ton) + (487 tons) X (\$25.36/ton) / (28,743 units) equals \$3.40.

Operations, Overhead and Profit Component:

The Operations, Overhead and Profit Component is \$9.88.

Total Residential Services Rate:

(i) Fuel Component	\$0.95
(ii) Disposal Component	\$3.40
(iii) Operations, Overhead and Profit Component	<u>\$9.88</u>

Total Residential Services Rate \$14.23

2. This Rate Amendment only amends the Residential Services Rate and except as amended hereby, the Amended and Restated Contract and any Amendments to the Amendment and Restated Contract remain in full force and effect.

[Signatures appear on the following page.]

IN WITNESS WHEREOF, the City and the Contractor have executed this Amendment to the Residential Services Rate with Round Rock Refuse, Inc. on the dates indicated.

CITY:
City of Round Rock

ROUND ROCK REFUSE, INC.:

ALAN MCGRAW, Mayor

Date: _____

ATTEST:

SARA WHITE, City Clerk

Approved as to form:

STEPHAN L. SHEETS, City Attorney

Name: _____

Title: _____

Date: _____