

Republic Services Commodity Revenue Share Agreement for Snohomish County



2014-2015 Agreement

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Republic Services
Commodity Revenue Sharing Enhancement Plan for Snohomish County
August 1, 2014 – April 30, 2015 Part A (and)
May 1, 2015 – July 31, 2015 Part B

This agreement between Snohomish County and Republic Services to implement the activities identified in this Recycling and Commodity Revenue Sharing Plan, which is with the expressed intent of increasing recycling in the County. "Recycling," as defined in RCW 70.95.030, means "transforming or remanufacturing waste materials into usable or marketable materials for use other than landfill disposal or incineration." Republic Services seeks to continue retaining up to **50%** of the commodity value revenues generated through effective recycling practices in accordance with the revenue sharing provision in RCW 81.77.185 for **Part A & B (August 1, 2014 through July 31, 2015)**.

This plan covers the time period of August 1, 2014, to July 31, 2015, at which time it terminates. It is to be implemented in two parts, Part A (August 1, 2014-April 30, 2015) and Part B (May 1, 2015-July 31, 2015), in order to allow sufficient time to evaluate the past plan effectiveness before new plans must be submitted to the WUTC for certification; therefore creating a 3-month lag in the evaluation period. Attachment B includes a detailed account of revenue share activities and tasks including budget, outreach deliverables, and timelines which were implemented in the 2013-2014 plan. A matrix of activities, results, lessons learned and recommended next steps from the previous agreement is attached for reference (See attachment E).

By using revenue share funds, both Republic Services and the County are able to pilot innovative approaches to increase recycling in the County. Throughout the plan, Republic Services and the County reserve the right to modify activities or approaches during the contract period in order to accommodate unexpected opportunities to increase recycling, respond to data collected, and to refine activities. The activities identified in this agreement are not requirements or costs that are built into the WUTC tariff rates. The proposed budget, presented in Attachment C, projects revenues and estimates expenses for the activities identified in this Plan.

Overview of Plan Activities

Outreach tactics implemented in this agreement will be mutually agreed upon by Republic Services and the County. County staff will be included in discussions, planning and review of all tactics and materials and budget discussions that pertain to the implementation of tasks in this agreement. The County shall be given at least a two-week advance review before materials are posted, printed, or distributed. Electronic or hard copies of all publications shall be provided to the County after printing. Implementation plans for each task will be developed by RS prior to work and will be reviewed and approved by the County during quarterly meetings or additional task specific meetings.

Task 1: Staffing, Quarterly Updates and Coordination Meetings

Republic Services will retain and assign staffing necessary to fulfill the agreement activities including a Revenue Share Administrator estimated to spend 30% of her/his time on Snohomish RSA tasks. This administrator's time and other staffing of RSA activities will be tracked monthly on the performance tracking and reporting form. (Attachment D)

Republic will meet with County staff in the first month of each quarter during the period covered in this agreement to report on implementation progress, lessons learned, proposed next steps and status of budget, including anticipated vs. actual revenues and expenditures. Memorandums, reports, promotional materials and other requirements described in this Plan will be provided at least three working days in

advance of these meetings. During these meetings, Republic and County staff will also discuss long term strategies to significantly impact the quantity and/or quality of recyclables and waste collected in Snohomish County.

In the first quarterly meeting, to be planned for September 2014, Republic will brief County staff, with a “Snap Shot” overview of the following topics. This briefing document will include:

- A current list of key Republic contacts, titles, roles and contact information.
- An overview of the service territory, including WUTC service territory and list of contract cities, with a breakdown of WUTC customers vs. contract city customers.
- 2014 rates for common service levels among WUTC residential service territory customers
- The number of multi-family units believed to be within WUTC areas and contracted areas if available.
- Customer and Service statistics: percent of customers utilizing organics collection, lbs. of recyclables and organics and garbage collected per customer and customer counts for each service type.
- List of recyclable items in the WUTC service area.
- Contamination in recycling and organics.
- Current trends: any key observations of trends within the customer base and completed initiatives.

The conclusions the team has made for completed tasks regarding the effectiveness of tactics will be included in this summary.

Summary/Annual Reporting & Interpretation:

In a report, due to the County on May 15th, 2015, Republic Services will provide a summary of completed task implementation efforts, budgeted and actual expenditures, and retained revenues during the planning period. This report will be updated in an annual report for part B of this agreement and is due to the County the week of August 24th, 2015.

Republic Services must submit a new draft plan for 2014/2015 to Snohomish County no later than the week of May 4th, 2015. A concept discussion on the new plan will be conducted at the 3rd quarterly meeting. The final plan must be submitted to the WUTC no later than June 15, 2015.

Deliverables:

- Snapshot report
- Summary and annual report
- 2015/2016 Plan and attachments

Task 1 Related Timeline: Implementation plans for tasks 4-7 will be provided no later than October 1st 2014. These implementation plans will lay out specific timelines, budgets, and deliverables and will serve as a fluid working reference document throughout the plan year.

Task 1 Related Budget: \$37,000.00

- Revenue Share Agreement Manager (estimate: 30%) – \$27,000.00, this position will be tracked using the performance tracking and reporting form. (Attachment D)
- Project Management/Administration and Coordination of the Agreement and Task- \$10,000.00. This will be tracked in the Administrative Time table located in Attachment C to include the time spent by management other than the Revenue Share Administrator for oversight of the agreement.

Task 2: Monthly Data Reporting Requirements

RS will provide monthly recycling and disposal reports using the format required by the County by the end of the following month. RS understands that these reports are required by Snohomish County Code 7.42.070, and while they will be discussed in quarterly meetings and used as a tool to measure results of the RSA activities, the costs of developing the reports is included in the base rate and is not financed through shared revenues.

Task 2 Deliverables/Measurable: Monthly reports in format required by County

Task 2 Related Timeline: Reports are provided monthly

Task 2 Related Budget: The cost of developing Code-required reports is included in the base rate and is not financed through revenues.

Task 3: Annual Mailer and Harmonization

Republic Services will try to standardize collected recyclable materials in Snohomish County with other service providers within the County and neighboring jurisdictions. Republic will continue to participate in the NW Commingled Recycling Workgroup facilitated by the Department of Ecology in order to:

- Create less confusion for the customers who often live and work in different cities or counties.
- Allow for education campaigns that cross multiple jurisdictions, enabling a pooling of resources between stakeholders.
- Create a greater consistency and predictability of materials entering the MRFs.
- The long term goal is to harmonize materials that are collected curbside in the region.

Information gathered through these discussions, container inspections and other activities will be used to update and improve the annual instructions that are sent to customers. To meet promotional requirements called for in County Code 7.42.040 (5) (c) and (d), Republic provides an annual mailer to customers that includes current program information and recycling instructions. The mailer will be updated according to County suggestions as long as Republic agrees with said suggestions. The brochure will then be provided to the County for review and approval. The costs of producing and mailing the annual instructions are not included in the RSA budget and are paid for within the base rate, however graphic designs costs associated with updating the mailer will be paid for by RSA funds.

Task 3 Deliverables/Measurable:

- Participation in NW Commingled Recycling Workgroup
- Recommended revisions list of collected materials or instructions far in advance of approval and implementation deadlines
- Annual mailer mailed to all customers

Task 3 Related Timeline: Annual mailer is mailed at the end of April to ensure customers receive it as of May 1st.

Task 3 Related Budget: The staffing cost associated with task 3 is included in the overall staffing budget. Graphic design costs to update the mailer, if necessary, will be reallocated from another task budget.

Task 4: Mobile and Web App Implementation and Marketing

Consistent, positive, and individualized customer experience is something Republic Services considers a high priority. Through the RSA program, we intend to provide Snohomish County customers with a comprehensive customer focused tool which provides easy access to the information they need regarding services and recycling information. The benefit of increased mobile and web access is the ability to produce behavior change through consistent customer engagement. The mobile app and web tool may include the following and will not be limited to:

- Personalized service schedule calendar depending on customer's address.
- Service alerts via text message, email, Twitter, or phone call according to when he/she would be most receptive to responding.
- Customer will be able to check the recyclability of items in their area by typing the item into a simple search bar.
- Direct customer interaction from Republic Services based on service area
- Easy customer/customer service interaction for resolving missed pick-ups, complaints, complements, and service changes.
- Weekly customer notifications can include recycling tips and education along with their service reminder.

The intention of the web customer portal is to place it on applicable websites for customer convenience. For Republic WUTC customers, this service will be free and easy to use with multiple options for customers of varying technological capabilities. Republic will have the ability to customize residents' reminders by embedding educational information and announcements and will have control over branding of the tool. In addition to the implementation of the app, Republic Services will employ marketing and promotional strategies to gain subscriptions in partnership with Snohomish County. Possible advertising strategies could include, but are not limited to:

- Mailers sent to all Snohomish County WUTC customers
- Geographically selected online promotion
- Billing inserts
- Stickers on newspapers and/or their container when it is serviced

Republic Services has a goal of subscribing 10% of WUTC customers by the end of the contract period. Promotion could include a combination of any of the above strategies as well as updating current marketing material such as the annual brochure. Republic Services and the County will also be able to use the app itself to advertise other programs and tactics to further our goals in other tasks such as decreasing contamination by providing weekly educational messages in subscriber's pick-up notifications. The County will also be able to advertise special events such as bulky pick-up or hazardous waste drop off programs that are located close to WUTC service territory.

Task 4 Deliverables/Measurable:

- Implementation plan for educational tools and messaging to include.
- End of contract period report on customer usage.
- Implementation plan for app launch and marketing tactics.

Task 4 Related Timeline: Initial work on implementation will begin August 2014.

Task 4 Related Budget: \$19,500.00

Task 5: Multifamily Outreach and Infrastructure Improvements

In the 2013-2014 RSA contract, Republic Services collected service and unit size data for each multifamily property to identify the lowest performing properties with the lowest diversion percentage and highest amount of MSW/unit/month. The Revenue Share Administrator conducted site audits and recommended infrastructure improvements for select target properties. If the PM was ready and willing to make service changes, the Revenue Share Administrator worked with operations to make infrastructure changes, if the PM was interested in recycling but needed education to be conducted in conjunction with service changes, those properties were recorded as high priority properties for the 2014-2015 outreach work. In preparation for the 2014-2015 multifamily recycling work, Republic Services is in the process of developing culturally appropriate recycling education material in languages other than English most commonly spoken in our designated areas of outreach. Alternate languages may include but are not

limited to Spanish, Chinese, Korean, Vietnamese, and Russian. Republic Services may also develop other collateral in partnership with Snohomish County for multifamily residents that will be used to supplement the trans-created recycling guidelines.

Republic has identified the following priorities that will be incorporated into future outreach efforts:

- Cultural competency
- Optimization of services and infrastructure
- Development and harmonization of educational materials, resources and tools offered to multifamily customers in King and Snohomish Counties
- Direct resident and property manager education and engagement

Extensive multicultural and multilingual resident outreach will be conducted for properties according to their needs within two tracks:

1. Infrastructure Strategies
2. Behavioral Strategies (outreach)

Some properties will require a combination of both infrastructure improvements and outreach and within the two tracks there will likely be sub-categories to account for varying property characteristics such as language preferences, apartment versus condominium, and on-site versus off-site property manager. A select number of properties may also have garbage and recycling composition monitored for three months following implementation of outreach and/or infrastructure changes to compare final results with the baseline data.

Task 5 Deliverables/Measurable:

- Multilingual Recycling Education Material in English and up to five other languages
- Resident Education Material
- Final Multifamily Outreach Reports which will be provided by the end of the contract period.
- Monitoring of recycling tonnage to ensure that work is promoting an increase in recycling with the goal of 25% diversion.

Task 5 Related Timeline: Outreach will begin September 2014 and continue through the 2014-2015 contract period.

Task 5 Related Budget: \$65,000.00

- \$60,000.00 will be spent to complete the implementation of the multifamily outreach
- \$5,000.00 will be spent on any accessory materials needed such as container labels

Task 6: School Recycling Education and Outreach

Republic Services has worked with Triangle Associates to develop a series of interactive educational workshops for children in K-12th grade. Triangle will continue to provide the recycling library presentation for K-2nd graders, recycling workshops for 4th-5th graders and the leadership workshops for 6th-12th graders. In the 2014-2015 contract, a new recycling workshop will be developed for students in 2nd-3rd grade which will provide a primary overview of how improperly disposing of material can negatively impact our ecosystem and how to become recycling experts. With the creation of this new workshop, it will allow us to potentially reach students three times during their elementary years, solidifying good waste disposal and recycling behavior. Workshops provided for all age groups are very engaging and interactive with opportunities for students to participate in sorting activities and educational games. The programs are focused on teaching the students how to reduce, reuse, and recycle at their home and giving them the tools to be a successful recycler at home. The scripts of all workshops will be reviewed at the beginning of each school year to ensure that the most current information is being taught and make any changes based off of the feedback provided by teachers to improve the program.

A technical assistance program is also offered to interested schools. This year, schools who receive technical assistance (or schools that have received technical assistance in the past) will be eligible to participate in a waste reduction challenge where schools will receive help from Triangle on how to begin reducing the amount of waste they produce and students will be encouraged to develop strategies within their school to get everyone involved. Republic will monitor the tonnage of participating schools during the course of the school year and the schools that show the largest improvement will receive a \$125 award which can be used toward school recycling system improvements.

Task 6 Deliverables/Measurable:

- Consultant project scope (detailed outline of what each workshop entails)
- Summary report including:
 - A list of all eligible schools
 - Evaluation of results from teacher/students evaluations and before and after recycling and garbage data
 - Number of schools provided programs
 - Number of students involved in programs
 - Lessons learned from prior plan year to implement an expansion of the school outreach program for the upcoming plan year

Task 6 Related Timeline: The timeline is included in the Scope of Work.

Task 6 Related Budget: \$63,000.00

Task 7: Recycle Right Education

Republic Services has conducted different studies aimed at reducing residential curbside contamination and educating customers about the proper use of their existing services by providing personalized feedback at the curb. This initiative has proven to decrease contamination and increase the amount of material being properly recycled by increasing customer awareness of their disposal habits. The findings from our previous agreement reveal that continued curbside education makes a positive change in customer disposal and recycling habits; prompting the customer to evaluate how they are disposing of certain items. These behavioral changes require regular and continuing prompting and reminders for keeping contamination levels low.

Republic Services will work on the development of a scalable strategy to conduct a series of tagging and labeling tactics targeting garbage, recycling and yard waste containers to help customers correctly use these services, such as including the correct materials in the right containers, in order to increase diversion and recycling and decrease contamination. Scaling this tactic will require the assistance of operations, general managers, and other appropriate staff to help develop an effective tool or tactic that is scalable to larger portions of customers than the piloted versions.

Task 7 Deliverables/Measurable:

- Implementation plan
- End of contract report to review results of the work completed.
- Any education collateral created for the task.

Task 7 Related Timeline: The implementation plan will be presented to the county in the first quarter of the contract. A specific timeline regarding task implementation and completion will be included.

Task 7 Budget: \$23,000.00

Continued Cooperation and Contingencies



Republic will assess its activities in previous revenue sharing agreements. The current agreement will be built on lessons learned and task results to determine next effective steps proposing future activities. Each future revenue sharing agreement will show how it builds on previous work or why alternate approaches are proposed. This information will be included in Part A and Part B summary reports. We agree to negotiate in good faith, enhancements to the recycling services being provided and modifications to plan activities that respond to information gathered or conditions created during the plan period.

The County has determined that the elements of this plan agree with its Solid Waste Management plan, and the requirements of RCW 81.77.185. It therefore will provide a certification of this plan and a recommendation to the WUTC that Republic Services retain revenues from marketing recyclable materials necessary to cover the budget related to this plan, up to 50%, during the period covered by this plan, and to be used in performing the activities identified herein.

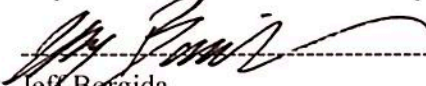
If all program components are achieved, the County agrees to provide a written recommendation to the WUTC that Republic Services should retain revenues equal to the funds they expended in executing this plan. Revenues retained during this period that exceed the expenditures and incentives stated in this plan will be returned to rate payers in the commodity adjustment effective on August 1, 2015, unless a prior year plan approved by WUTC and the County specifies that the funds be carried forward.

RS is eligible for a financial incentive for achieving tangible results in the factors listed below:

For increasing diversion of materials from disposal by regulated residential customers, an amount equal to 5% of company expenditures. To determine eligibility for this incentive, Republic will calculate the diversion rate for regulated customers during the period from May 2013 through April 2014, and compare this number with the diversion rate achieved in May 2014 – April 2015. Diversion rate means the weight of recycling, divided by the weight of recycling plus MSW collected from regulated single family and multifamily customers. If the diversion rate has increased, RS will be eligible for the incentive.

Republic Services Authorized Representative

Date



 Jeff Bergida
 General Manager, Republic Services of Lynnwood


6/6/14

COUNTY CERTIFICATION

With this acknowledgement, Snohomish County hereby certifies this Recycling plan is consistent with the County's Comprehensive Solid Waste Management Plan and the County's understanding of RCW 81.77.185.

Snohomish County Authorized Representative

Date



 Matthew Zybas
 Director, Snohomish County Solid Waste Division

6/6/14
