

7<sup>th</sup> Amendment Transfer Station Agreement  
Final July 1, 2024

**SEVENTH AMENDMENT TO THE TRANSFER STATION  
AGREEMENT BETWEEN THE CITY OF FREMONT AND BLT  
ENTERPRISES OF FREMONT, LLC FOR RECYCLABLES,  
DIVERSION AND TRANSFER SERVICES**

**RECITALS**

1. The City of Fremont, California (“City”) and BLT Enterprises of Fremont, LLC, (“Contractor”) have entered into the Agreement and have executed the First, Second, Third, Fourth, Fifth and Sixth Amendments to that Agreement together with the six amendments collectively referred to herein as the “Transfer Station Agreement”). All capitalized terms used herein not otherwise defined shall have the respective meanings ascribed to them in the Transfer Station Agreement. All references in this Seventh Amendment to the “Transfer Station Agreement” shall mean the Transfer Station Agreement, as amended by this Seventh Amendment.
2. The City and Contractor have entered into a separate agreement entitled “Agreement between the City of Fremont and BLT Enterprises of Fremont, LLC for Curbside Recyclable Materials and Curbside Organic Waste Services (the “Recyclables Agreement”) which will not be amended by this Seventh Amendment.
3. The City Council previously authorized staff to negotiate a combined Transfer Station Agreement and Recyclables Agreement into a single agreement (the “Restated Agreement”) which will update all terms for both agreements and extend the Recyclables Agreement for an additional ten-year term to conform to the current term of the Transfer Station Agreement.
4. Contractor has decided to invest in substantial additional equipment upgrades to improve recyclables processing and diversion. This equipment requires a significant lead time to design and order and City agrees that these upgrades will be beneficial for the ratepayers and the City community.
5. City and Contractor are in the process of updating and finalizing the terms of the Restated Agreement, including insurance, performance bonds, financial guarantees, and amendment language from the Transfer Station and Recyclables Agreements.

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6. As a result of the substantial lead time required to design and order the new processing equipment, the City and Contractor desire to execute the Seventh Amendment at this time to provide Contractor with the authorization to proceed with the engineering drawings.
7. Contractor and City have also agreed to include other terms in this Seventh Amendment including a new arrangement to process additional Construction and Demolition Debris (C&D) material at Zanker Road Resource Management, LLC, the transfer of all Commercial Food Waste and Commercial Organics through the Fremont Recycling and Transfer Station, and an updated Household Hazardous Waste administrative fee.

NOW, THEREFORE, in consideration of the mutual promises, covenants, and conditions contained herein, and for other good and valuable consideration, the City and Contractor do hereby amend the Transfer Station Agreement through this Seventh Amendment as follows:

**1. Restated Agreement**

City and Contractor are currently in the process of negotiating a Restated Agreement which will merge and consolidate the Transfer Station and Recyclables Agreements. City and Contractor agree to continue to negotiate in good faith to finalize this Restated Agreement.

**2. Timeline and Estimated Costs/Authorization to Proceed**

Contractor has informed City that there is an approximate four (4) month design window required prior to placing the order for the new processing equipment with a cost of approximately \$5.7 million dollars, and a timeline of approximately 12 to 14 months for manufacturing. Final costs for this equipment investment will be recouped by Contractor through the rates over the extended term of the Restated Agreement and therefore no additional City appropriation is required.

The City hereby authorizes Contractor to Proceed with recycling equipment engineering drawings. This authorization includes a design deposit of approximately 25% of the total equipment cost or approximately \$1.4 million (the "Design Deposit"). These costs have been included in Contractor's proposal of retaining the existing curbside recyclable material and curbside organic waste compensation structure and extending the term for curbside recyclable material processing and curbside organic waste acceptance and transfer through June 30,

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2037. City and Contractor agree that Contractor will proceed with engineering drawings of this new processing equipment on a parallel process with the final drafting and completion of the Restated Agreement. The City will provide separate authorization for proceeding with fabrication of the recycling equipment, if required. In the unlikely event that the parties do not reach agreement on the Restated Agreement that includes the curbside recyclable material processing and curbside organic waste acceptance and transfer agreement extension, City shall reimburse Contractor for documented Design Deposit cost with the timing and method agreed upon between the parties, but in no event shall the entire documented Design Deposit be reimbursed to Contractor later than December 31, 2026.

**3. Construction and Demolition Debris Processing- Zanker Road Resource Management, LLC**

City has requested the Fremont Recycling and Transfer Station become a Recycling Certification Institute (RCI) Certified Facility by December 31, 2025. Contractor shall notify City of any operational constraints or costs that would impede certification by the requested date. To improve waste diversion, City has directed Contractor to have some C&D Debris processed off-site. Contractor has an agreement (the “Zanker Agreement”) with Zanker Road Resource Management, LLC (hereinafter referred to as “Zanker”) for processing C&D Debris on the behalf of Contractor. The City will not be a party to any agreement between Contractor and Zanker. Upon the expiration or termination of the agreement with Zanker, Contractor shall no longer have an obligation to have C&D Debris be processed off-site, unless the City and Contractor agree to an alternate arrangement.

Effective January 1, 2024, the City agrees to compensate Contractor for each documented ton of C&D Debris (including both recyclable and non-recyclable debris) delivered to Zanker up to a not-to-exceed annual tonnage amount of 5,500 tons. The City may increase the tonnage amount with written authorization to Contractor, provided that any increase in tonnage does not violate any volume caps in the agreement with Zanker. As compensation for the delivery of C&D Debris to Zanker, in addition to the Mixed Municipal Waste Service Fee, the City agrees to pay Contractor \$49.13/ton (the “C&D Transfer Fee”) for each ton of C&D Debris delivered to Zanker between January 1 and July 31, 2024. Material delivered after August 1, 2024 will be compensated as follows:

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Equipment Component - transfer	\$2.21
Fixed Component – other	\$12.20
Variable Component – transfer	\$2.28
Variable Component - other	\$2.46
Wage Component - transfer	\$6.96
Wage component - ILWU	\$17.91
Health Insurance	\$8.23
Fuel Component	\$1.82
Material Processing Component	\$86.95
Alameda County LEA inspection fee	\$0.33
Fuel Tax - transfer	\$0.71
<b>Total Service Fee/Ton</b>	<u><b>\$142.06</b></u>
Less MMW Service Fee	<u><b>-\$91.83</b></u>
Additional Compensation Per C&D Ton Sent to Zanker	<u><u><b>\$50.23</b></u></u>

The material processing component will be adjusted biennially by the 24-month change in CPI at the same time that all other components will be adjusted biennially in accordance with Section 10.03(b). All other components will be adjusted biennially in accordance with Section 10.03(b).

**4. Transfer of Commercial Food Waste**

The City and Contractor agree that the City shall transfer all Commercial Food Waste through the Fremont Recycling and Transfer Station effective October 1, 2024. The City will cease to have Commercial Food Waste (CFW) delivered directly to Newby Island Recyclery. This transfer arrangement will supersede and replace the current CFW Bypass Fees and bypass rights and no CFW Bypass Fees will be paid by the City to Contractor after September 30, 2024.

City and Contractor agree that the Transfer Fee for Commercial Food Waste will be \$51.34/ton effective October 1, 2024, calculated as follows.

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Equipment Component - transfer	\$1.61
Fixed Component - facility	\$12.20
Variable Component - transfer	\$1.66
Variable Component - facility	\$2.46
Wage Component - transfer	\$5.09
Wage component - facility	\$17.91
Health Insurance	\$8.23
Fuel Component	\$1.33
Alameda County LEA inspection fee	\$0.33
Fuel Tax - transfer	\$0.52
<b>Total Service Fee/Ton</b>	<b>\$51.34</b>

All components of this Transfer Fee will be adjusted biennially in accordance with Section 10.03(b).

The foregoing Transfer Fee is based on Contractor delivering the Commercial Food Waste to Newby Island Recyclery. All fees charged by Newby Island Recyclery shall be paid directly by the City. There will be no change in the compensation for residential organics as these rates are outlined in the current 2024/2025 Rate Resolution. Commercial Food Waste shall not be commingled with residential organics.

**5. HHW Administrative Fee**

City and Contractor agree to increase the HHW administrative fee to \$5,507 per month effective July 1, 2024. This fee will be adjusted going forward on a biennial basis consistent with other CPI adjusting components of the rates.

**6. Self-Haul Rates and Remitted Fees**

City and Contractor agree that the Self Haul rates implemented January 1, 2024 rates reflected a 10.62% increase from the 2023 rates rather than the agreed upon corrected rates with a 7.18% increase. The difference between the two rates is an estimated \$3.45 per ton of the self-haul. City and Contractor agree that this

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additional compensation will be remitted to the City through the existing monthly reconciliation process with a revision to the remitted material processing and diversion fees as follows: the demolition debris self-haul base rates include a \$10.54 per ton material processing and diversion fee, the minimum charge includes a \$3.87 per ton material processing and diversion fee, and all other self-haul rates include a \$8.45 per ton material processing and diversion fee.

## **7. Hosting of Annual Compost Giveaway Event**

City and Contractor agree that there has been a long-standing practice of Contractor's Fremont Recycling and Transfer Station hosting and including the expenses of this annual Compost Giveaway as the Contractor's obligation. This annual Compost Giveaway is on a spring Sunday date mutually agreed upon by the parties. City and Contractor have agreed that this has been a substantial benefit to the community and both Parties agree to include this obligation for the remainder of the Term. The participation of Contractor is hereby added to the Facility Operations section of the Transfer Station Agreement.

## **8. Terms**

All other terms in the Transfer Station Agreement and the First, Second, Third, Fourth, Fifth and Sixth Amendments, not specifically amended by this Seventh Amendment shall remain in full force and effect.

## **9. Counterparts**

This Seventh Amendment may be executed in any number of counterparts, each of which when executed and delivered shall constitute an original. The parties agree that the digital signatures of the parties included in this agreement are intended to authenticate this writing and to have the same force and effect as manual signatures. Any digital signature shall have the same legal validity and enforceability as a manually executed signature or use of a paper-based record keeping system to the fullest extent permitted by applicable law.

**IN WITNESS THEREOF, the Parties have executed this Seventh Amendment on the dates written below.**

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**CITY:**  
City of Fremont

**CONTRACTOR:**  
BLT Enterprises  
of Fremont, LLC

DocuSigned by:  
By: Brian Stott  
Assistant City Manager  
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DocuSigned by:  
By: Shawn Guttersen  
Shawn Guttersen  
FA44DBC8578C4CF...

Approved as to Form:

DocuSigned by:  
By: Heather Lee  
City Attorney  
ED58970E502E473...

Date: 07/02/2024 | 5:12 PM PDT