

**FIRST AMENDMENT TO CONSULTING SERVICES AGREEMENT
WITH HF&H CONSULTANTS, LLC**

THIS FIRST AMENDMENT to the Consulting Services Agreement ("First Amendment") is made this 1st day of July, 2025, by the CITY OF REDONDO BEACH, a chartered municipal corporation, ("City"), and HF&H CONSULTANTS LLC ("Consultant"), a California limited liability company.

RECITALS

The following recitals are a substantive part of this Agreement:

WHEREAS, the parties entered into a Consulting Services agreement whereby Consultant agreed to provide consulting services in by reviewing and analyzing a proposed second amendment to the City's solid waste handling services agreement between the City and Arakelian Enterprises, Inc. DBA Athens Services, the City's solid waste contractor; and

WHEREAS, the parties desire to amend the Agreement to add additional consulting services and to increase compensation by \$80,000 for such services.

NOW THEREFORE, in consideration of the promises and mutual covenants contained herein, and intending to be legally bound, the parties hereby agree to make the following amendments to the Agreement:

1. **SCOPE OF SERVICES.** The Agreement is hereby amended by replacing Exhibit A in its entirety with the attached Exhibit A-1, which is incorporated herein.
2. **COMPENSATION.** The Agreement is hereby amended to increase the compensation by \$80,000 for the additional consulting services described in the new Exhibit A-1 for a total not-to-exceed amount of \$120,000.
3. **NO OTHER AMENDMENTS.** Except as expressly stated herein, the Agreement shall remain unchanged and in full force and effect. The Agreement and this First Amendment constitute the entire agreement between the parties and supersede any previous oral or written agreement with respect to the subject matter hereof. In the event of any inconsistency between the terms of the Agreement and this First Amendment, the terms of this First Amendment shall govern.

[SIGNATURES FOLLOW ON NEXT PAGE]

IN WITNESS WHEREOF, the parties have executed this First Amendment in Redondo Beach, California, as of this 1st day of July, 2025.

CITY OF REDONDO BEACH,
a chartered municipal corporation

HF&H Consultants LLC.,
a California limited liability company

James A. Light
Mayor

By: _____
Name: _____
Title: _____

ATTEST:

Eleanor Manzano, City Clerk

APPROVED:

Diane Strickfaden, Risk Manager

APPROVED AS TO FORM:

Joy A. Ford, City Attorney

EXHIBIT A-1

PROJECT DESCRIPTION AND/OR SCOPE OF SERVICES

BACKGROUND

On September 3, 2024, the City entered in to an Agreement with the Consultant to review and analyze a proposed second amendment to the Solid Waste Handling Services Agreement ("Solid Waste Handling Agreement") between the City and Arakelian Enterprises, Inc. DBA Athens Services ("Solid Waste Contractor"). The Solid Waste Handling Agreement commenced on July 1, 2011, and was amended through a First Amendment effective July 1, 2019. The Solid Waste Handling Agreement is set to expire on June 30, 2028, with the City having the option to extend the term monthly for up to 24 months.

The Solid Waste Contractor proposed a second amendment to the Solid Waste Handling Agreement which included significant modifications to the Solid Waste Handling Agreement, such as:

- A. Eliminating the requirement to meet a minimum threshold of tonnage transformed at a waste-to-energy facility and reducing the minimum diversion requirement from 75% to 50% due to the closure of the Southeast Resource Recovery Facility (SERFF) on January 31, 2024.
- B. Eliminating the requirement to process residential mixed waste and divert 8.5% of residential refuse collected.
- C. Granting the Solid Waste Contractor exclusive rights to provide roll-off services within the City.

I. CONSULTANT'S DUTIES

Consultant shall perform the following duties:

- A. Review the proposed second amendment of the Solid Waste Handling Agreement and all related formal correspondence between the City and the Solid Waste Contractor.
- B. Provide a redlined version of the second amendment to the Solid Waste Handling Agreement with comments and feedback to the City.
- C. Identify and review other areas of the Solid Waste Handling Agreement that may require updates as a result of the proposed diversion updates and/or the granting of exclusive roll-off rights, if any.
- D. Review the appropriateness of the updated diversion rate related to the closure of Southeast Resource Recovery Facility ("SERRF")
- E. Estimate the cost impacts of eliminating the processing of black barrel solid waste at the Materials Recovery Facility ("MRF") and redirecting this tonnage to a landfill. This analysis shall consider:

1. Savings in processing costs from no longer processing the black barrel.
2. Tipping fees at both SERRF and the landfill.
3. Variations in transportation costs from the transfer station to the disposal site.

Consultant shall provide a summary of the supporting data that will be required from Solid Waste Contractor, including supporting data for costs such as, tonnage, and operational details for processing, transporting, and disposing of the applicable waste. All assumptions and findings shall be documented.

- F. Conduct one virtual meeting with the City to discuss and review the findings and recommendations related to the second amendment of the Solid Waste Handling Agreement.
- G. Evaluate the ratepayer impact of awarding the Solid Waste Contractor exclusivity for roll-off services within the City. This evaluation shall include:
 1. Reviewing the pricing proposed by the Solid Waste Contractor for roll-off services.
 2. Estimating the cost per ton for roll-off services based on the proposed pricing.
 3. Comparing the proposed cost per ton to the current average cost per ton, as reported by other haulers currently providing roll-off services, including data on gross receipts and tonnage.

Consultant shall also estimate the potential City revenue that would be generated from applying the existing commercial Administration Fee and AB 939 fee to roll-off customers. All findings shall be documented and presented for the City's consideration.

- H. The scope of work does not include re-negotiating the proposed terms in the Second Amendment to the Solid Waste Handling Agreement, or any sections of the Solid Waste Handling Agreement.

BACKGROUND REGARDING THE FIRST AMENDMENT

This First Amendment shall expand the Consultant's scope of work to include review of the revised second amendment to the Solid Waste Handling Agreement and any accompanying documents and backup materials provided to the City by the Solid Waste Contractor since December 5, 2024. The revised second amendment to the Solid Waste Handling Agreement proposed by the Solid Waste Contractor includes significant additional modifications to the Solid Waste Handling Agreement, such as:

- A. Re-classifying multi-family units (MFU) (5+) as Commercial and billing MFU units per the approved Commercial rate schedule.
- B. Introduce Bundled Service rates for Commercial Customers (including the MFU 5+) and elimination of free recycling service in the Agreement.
- C. Scout Service rates
- D. Replacement of the SB1383 Appendix with a new Appendix I

- E. Proposing an extension of the term to June 30 2035 with an option for the City to grant two five-year extensions

CONSULTANT DUTIES

Consultant shall perform the following duties:

- A. Provide a matrix comparing the original Solid Waste Handling Agreement terms to the proposed terms of the revised second amendment to the Solid Waste Handling Agreement which shall include an assessment of the modifications including modifications to the various rate categories and provide comments regarding these modifications to the City.
- B. Develop a matrix summarizing certain franchise agreement features, as described below, for the cities of Redondo Beach, Manhattan Beach, Hermosa Beach, Lawndale, Hawthorne, Inglewood, Carson, and Gardena. The matrix shall identify:
 - 1. residential rate as of January 1, 2025
 - 2. commercial rate as of January 1, 2025, for a customer receiving a bundle consisting of a 3-yard trash bin serviced once per week, a 96-gallon recycling cart serviced once per week, and a 64-gallon organics cart serviced once per week
 - 3. if customer rates are bundled or assessed per service by waste stream (refuse, recycling, and organics)
 - 4. if street sweeping is included in the franchise agreement
 - 5. the number of annual bulky item pick-ups per year included in the franchise agreement for residential and commercial customers
 - 6. what party performs residential billing (hauler, city, or tax-roll)
 - 7. whether city-sponsored events are included in the franchise agreement at no additional charge
 - 8. whether paper shred and compost giveaways events are hosted by the service provider at no additional charge
 - 9. if city facilities are serviced at no additional charge
 - 10. if the City's service provider guarantees procuring on behalf of the city its annual SB 1383 target of recovered organic waste products
- C. Review the proposed second amendment to the Solid Waste Handling Agreement and provide comments to the City. It is the Consultant's understanding that the City staff will negotiate the terms with the Solid Waste Contractor and that City staff will draft specific language to reflect the City's desired changes in response to Consultant's submitted comments.
- D. Review calculations to be submitted by the Solid Waste Contractor of the rate revenue increase generated from the proposed rates under two models, described below, versus the current rates. The models include:
 - 1. a 13.5% increase to all commercial and multi-family customers, and, separately,
 - 2. classifying multi-family customers with five units or more as commercial customers

- E. Prepare a summary of:
1. proposed customer rate revenue increases from:
 - i. bundling the commercial rates, as described in B.2, above
 - ii. reclassifying multi-family customers with five units or more as commercial, or increasing the rates to all commercial and multi-family customers by 13.5%, as described in D. above
 - iii. adding a scout charge based on information to be provided by the Solid Waste Contractor
 2. the cost increases identified by the Solid Waste Contractor
 3. The net difference between the proposed rate revenue increases and the cost increases, identified in E.1. and E.2. above
- F. Review and comment on the Solid Waste Contractor's analysis of the rate impacts to customers. Consultant understands the rate impacts will include: (a) the change in rate structure, (b) bundled service and (c) scout fees using the data provided by the Solid Waste Handling Contractor.

Consultant shall provide a summary of the supporting data that will be required from Solid Waste Contractor, including supporting data for costs such as, tonnage, and operational details for processing, transporting, and disposing of the applicable waste, rates schedules, etc. Consultant's ability to complete the work depends on the cooperation and timeliness of the Solid Waste Contractor in providing all requested information within one week of the request. Assuming all information is provided in the format requested in a clear, accurate, and transparent format, and that the Solid Waste Contractor makes their staff available in a timely manner to answer questions regarding the information, Consultant shall provide a draft of its' written work product by mid-November 2025. If any work product can not be completed due to lack of availability of data, Consultant shall document such inability due to lack of data.

Conduct up to three virtual meetings with City representatives to discuss and review the findings and recommendations related to the second amendment to the Solid Waste Contractor, and attend up to two in-person City Council meetings.