

THIRD AMENDMENT TO REFUSE FRANCHISE AGREEMENT

This Third Amendment to the Refuse Franchise (“Amendment No. 3”) between the City of La Habra (“City”) and CR&R, Incorporated (“Contractor” or “Franchisee”), takes effect on December 1, 2024.

BACKGROUND

WHEREAS, on December 3, 2018, the City and Franchisee entered into an Agreement for the Collection and Transportation of Solid Waste, Recyclable Materials, Green Waste, Construction Debris and Other Specified Services, which has been amended by previous amendments and a side letter agreement (individually and collectively, the “Agreement”); and,

WHEREAS, the parties desire to amend the Agreement to extend the term, reduce the amount of time required to give notice of future term extensions, and provide for liquidated damages.

AMENDMENT

Section 1. Pursuant to Section 5.4 of the Agreement as amended by side letter agreement dated September 16, 2024, the City hereby exercises its first option to extend the term of the Agreement for an additional two-year term.

Section 2. The last two sentences of Section 5.4 (“City’s Option to Extend Term”) of the Agreement are hereby amended to read as follows:

If City elects to extend the Term, City shall notify Contractor in writing no later than six (6) months prior to the end of the then existing Term. If City does not notify Contractor six (6) months prior to the end of the then existing Term, the City shall waive its option to further extend the Term.

Section 3. A new paragraph titled Section 11.8 (“Liquidated Damages”) is hereby added to the Agreement as follows:

11.8 Liquidated Damages

The parties recognize that quantified standards of performance are necessary and appropriate to ensure consistent and reliable service. The parties further recognize that if Contractor fails to achieve the performance standards, City and its residents will suffer damages and that it is and will be impracticable and extremely difficult to ascertain and determine the exact amount of damages that City will suffer. Therefore, the parties agree that the following liquidated damage amounts represent a reasonable estimate of the amount of such damages considering all the circumstances existing on the date of this Amendment, including the relationship of the sums to the range of harm to City that reasonably could be anticipated and in anticipation that proof of actual damages would be costly or inconvenient.

For each complaint of Contractor’s failure to collect a Container containing Refuse, Recyclable Materials, and/or Organics Materials from a Single-Family Residential Premises which has been properly set out for Collection, from an established Customer, on the scheduled Collection day, in excess of fifty-five (55) homes per month, Contractor agrees to pay to City \$100 as liquidated damages and not as a penalty. Limit is set based on standard of one miss per 1,000 homes per month and would adjust for any new development in the City.

Liquidated damages are subject to an increase yearly on July 1 according to the percentage change in the CPI for All Urban Consumers in the Los Angeles Area, not seasonally adjusted (CPI-U) – Los Angeles – Long Beach as listed in Section 14.5 of the agreement.

Section 4. All other remaining provisions of the Agreement, not modified by this Amendment No. 3, shall remain in full force and effect.

CITY OF LA HABRA

Signed by:
By: Jim Sadro 2/26/2025
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Jim Sadro, City Manager Date

APPROVED AS TO FORM:

DocuSigned by:
By: Keith Collins
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Richard D. Jones, City Attorney

ATTEST:

DocuSigned by:
By: Rhonda J. Barone, CMC, City Clerk
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Rhonda Barone, CMC
City Clerk

CR&R, INCORPORATED

By: David Ronnenberg 2/26/2025
David Ronnenberg, Division President Date