

October 27, 2026

Board of Supervisors
Kern County Administrative Center
1115 Truxtun Avenue
Bakersfield, CA 93301

PROPOSED AMENDMENT NO. 1 TO AGREEMENT NO. 442-2020 WITH RECOLOGY WASTE SOLUTIONS FOR OPERATION OF BAKERSFIELD METROPOLITAN (BENA) SANITARY LANDFILL TO INCREASE TOTAL COMPENSATION AND SERVICES (All S.D.s)
(Fiscal Impact: \$1,714,228; Solid Waste Enterprise Fund; Budgeted; Discretionary)

The Public Works Department (Department) requests your Board's approval of Amendment No. 1 to Agreement No. 442-2020 with Recology Waste Solutions (Recology) for operation of Bakersfield Metropolitan (Bena) Sanitary Landfill, which was approved by your Board on July 14, 2020.

The term of the existing Agreement with Recology is from August 4, 2020, through August 4, 2030 and includes several obligations. In summary, Recology is required to:

- receive municipal solid waste at the tipping pad that the County has screened and accepted into the landfill,
- examine the material for waste (i.e. paint, batteries, tires, organics, etc.) that may be incompatible with existing permits or prohibited by local, state, and federal regulations,
- deposit the acceptable waste into an existing landfill cell and compact the material to achieve contract specified densities to optimize the volume of existing space,
- maintain all intermediate and finished surfaces within the landfill cells included in the contract to protect against stormwater, high winds, and other natural occurrences
- maintain travel ways through the entire site,
- collection and removal of windblown litter and other debris, and
- interact on behalf of the Department with the public and franchise haulers that use the site to provide helpful directions to customers.

This Agreement is performance-based in both positive and negative directions. It provides increases or decreases in compensation to Recology associated with efficient use of landfill air space and increases associated with favorable Local Enforcement Agency inspection performance. It also authorizes liquidated damages for failures involving site availability, compaction, cover, drainage, litter, training documentation, and other contractual duties.

The Agreement contemplates ongoing administration throughout the term and allows for the Department to revise incorporated plans, landfill-site rules, and certain operational directions. Formal changes to the Agreement must be implemented through an Amendment process rather than through informal practice alone.

Recology requested that the Department examine certain elements within the Agreement that were believed to need revision. These have been identified and are as follows:

GROUND  BOUNDLESS

- **Compensation** – This Agreement establishes a monthly payment consisting of a base amount and a per-ton component. When awarded, the monthly base amount was \$160,000 and the tonnage component was \$6.00 per ton of refuse disposed at the site. The Agreement also establishes separate payment provisions for specified items, including placement of an operations layer, authorized additional work, performance-based increases and decreases, liquidated damages and fines, and other defined services.

As the Agreement was planned to include a 10-year period, a mechanism to account for inflation, known as the Annual Inflation Modifier (AIM), was included to adjust the base amount and per-ton component annually based on the consumer price index (CPI) for the Los Angeles-Long Beach-Anaheim California area. The AIM has a ceiling of 1.25 and floor of 0.85 that allowed both parties to anticipate the total compensation expected for the duration of the Agreement. It should be noted that previous County landfill operational agreements included similar terms and AIM's that were within the limits of the contract.

The 2026 AIM calculation concluded that the compensation should be modified by a factor of 1.26 based on the current CPI. Per the terms of the Agreement, the modification was capped at 1.25 times the original bid price and cannot be further increased inline with future CPI modifications. Current contract payments based on the capped CPI include a monthly base payment of \$195,000 and a tonnage component of \$7.32 per ton of refuse disposed.

When drafting these terms, the Department's intention was not to create a situation wherein a contractor would be performing the obligations of the contract at a loss. Instead, it was designed to provide an opportunity to revisit the contract and negotiate beneficial changes based on the then-current conditions that could not be anticipated.

- **Alternative Daily Cover (ADC)** – At the conclusion of each day, landfill operators are required by regulation to cover the deposited waste. This is done for several reasons including limiting windblown litter, odors, and animals foraging for food scraps. Soil is identified as a primary means to cover waste; however, alternative cover options are available. The Department, in consultation with Recology, has identified additional regulatorily approved ADC that may be sourced and used.
- **Air Space Usage** – In landfill construction, density of compacted waste is a key performance indicator that reflects how effectively the available space of a landfill unit is utilized. Significant investments are made to construct each unit, typically ranging from \$9 to \$12 million in the Department's recent experience. The Agreement incentivizes contractors to compact waste to higher densities via monetary incentives. The current incentives encourage the contractor to achieve densities of 1,400 pounds per cubic yard; however, it has been observed that the contractor can regularly meet these densities and that additional effort can produce better use of the available air space.

After review of these items and proposals received from Recology, the Department has negotiated an Amendment to the Agreement for your Board's approval. This Amendment includes changes to the Agreement to address the above items as follows:

- **Compensation** – It is proposed that compensation be increased to account for CPI increases that were capped in the currently written Agreement. The modification in compensation is also intended to compensate the contractor for fuel costs that have outpaced inflation. The proposed rate in Amendment No. 1 includes a monthly base of \$215,000 and a tonnage component of

\$8.35 per ton. It is also proposed that the AIM be reset to 1.0 with this Amendment and that the ceiling and floor be removed for the duration of the Agreement.

The Department has evaluated these compensation changes against the other bids that were received in 2020 and has determined that the proposed compensation is less than the AIM-adjusted bid of the second lowest bidder, thereby maintaining the integrity of the bidding process that occurred.

- **Alternative Daily Cover** – The proposed Amendment includes a clause that Recology will be permitted to use additionally approved ADC on-site that will result in improved waste densities. Additionally, via this Amendment, Recology will be required to bring 60,000 tons, at minimum, of this ADC to the Bena Landfill from its off-site composting operations and pay the Department's gate fee of \$34.00 per ton. This will generate a minimum of \$2,040,000 in revenue to the Department.

Please note that the proposed fiscal impact of the recommended changes to the Agreement identified in this Board Letter of \$1,714,228 does not include this increase in revenue of \$2,040,000 to the Department.

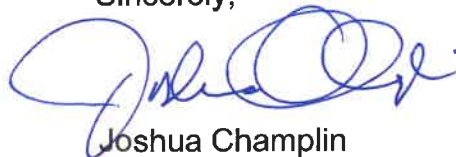
- **Air Space Usage** – Amendment No. 1 includes additional language and incentives for the contractor to achieve compacted waste densities of 1,600 pounds/cubic yard. Additional monetary incentives of up to \$140,000 per year may be granted based on measured densities.

In summary, the proposed changes are intended to provide appropriate compensation to the contractor, Recology, based on observed inflation, and establishes additional measures to improve contract performance, and ensure an increase in revenue to the site. The proposed Amendment includes an increase to total annual compensation of the Agreement estimated to be \$1,714,228 for these additional services.

The proposed Amendment has been reviewed by County Counsel and approved as to form.

Therefore, **IT IS RECOMMENDED** that your Board approve Amendment No. 1 to Agreement No. 442-2020 with Recology Waste Solutions, to increase annual compensation by \$1,714,228 and authorize the Chairman to sign.

Sincerely,



Joshua Champlin
Director

**AMENDMENT NO. ONE (1) TO AGREEMENT FOR
OPERATION OF BAKERSFIELD METROPOLITAN (BENA) SANITARY LANDFILL
(County of Kern – Recology Waste Solutions)**

THIS AMENDMENT TO AGREEMENT, is effective _____, by and between the COUNTY OF KERN ("County"), a political subdivision of the State of California, as represented by the Public Works Department ("Department"), and Recology Waste Solutions ("Contractor"), a California corporation whose principal place of business is 2951 Neumarkel Road, Bakersfield, CA 93307.

WITNESSETH:

WHEREAS, County and Contractor entered into Agreement No. 442-2020 on July 14, 2020 to operate the Bena Sanitary Landfill (hereinafter called "Agreement"); and

WHEREAS, the parties to the Agreement now desire to amend the Agreement as specified herein below.

NOW, THEREFORE, County and Contractor do mutually agree as follows:

1. **Section 3.18. Residual Disposal**, is hereby added to read as follows:

"3.18 Residual Disposal

Subject to and effective as of the date the County implements a gate rate of thirty-four dollars (\$34.00) per ton that is applicable to the residuals described in this paragraph, the Contractor shall annually dispose of sixty thousand (60,000) tons, at minimum, of residuals from its off-site composting operations at the Landfill. These residuals shall meet qualifications for "contaminated composted overs" with contamination rates between 15-45% by weight and the Contractor shall pay the established County gate fees for this material. This material shall be used by the Contractor as pre-cover material prior to application of ADC. Excess "contaminated composted overs" shall be buried and notification provided to the Engineer."

2. **Section 4.1.1. Monthly Base Payment**, paragraph 1, is hereby revised to read as follows:

"4.1.1. Monthly Base Payment

The monthly base payment shall be the sum of the basic amount plus the per ton payment. The basic amount shall be \$215,000. The per ton payment shall be calculated by multiplying \$8.35 (a per ton of refuse fee) times the total of the number of tons of waste disposed at the Site plus the number of tons of inert waste diverted at the Site for the month."

3. **Section 4.1.3. Annual Inflation Multiplier**, paragraph 1, is hereby revised to read as follows:

"4.1.3 Annual Inflation Multiplier

Subject to the terms herein, an Annual Inflation Multiplier (AIM) shall be applied to the Contractor's Monthly base payment, the per-ton rate, and the unit price for placement of operations layers. The AIM shall be adjusted annually based on inflation. The base CPI will be re-established using the 12-month period immediately preceding the month in which the County Board of Supervisors executes this Agreement. The month of execution shall

constitute the Agreement's "Contract Indexation Month," and AIM adjustments shall occur on the first day of each Contract Indexation Month. The AIM shall not be applied to any work performed under the work authorization process or for any performance-based compensation."

4. **Section 4.1.3. Annual Inflation Multiplier**, the second to last paragraph, is hereby removed.
5. **Section 4.12. Clean Composted Overs**, is hereby added to read as follows:

"4.12 Clean Composted Overs

The Department has determined that clean composted overs disposed of from the Contractor's off-site composting operations have been beneficial to the operation of the Landfill. Composted overs with contamination rates below 15% by weight shall be accepted for use as ADC under the coding of "Clean Fill Dirt."

6. **Section 5.4.1. Air Space Usage**, paragraphs 4 and 5 are hereby revised to read as follows:

"If the air space density is greater than 1150 pounds/cubic yard, but less than or equal to 1400 pounds/cubic yard, then the Contractor shall receive an increase in the compensation set forth in Section 4.1 to be calculated as follows:

$$\$110,000 \times [D-1150/250] \times (MP \text{ in days}/360) = \text{increase}$$

If the air space density is greater than 1400 pounds/cubic yard, but less than or equal to 1600 pounds/cubic yard, the Contractor shall receive an increase in compensation set forth in Section 4.1 to be calculated as follows:

$$\$110,000 \times [D-1150/250] \times (MP \text{ in days}/360) + \$140,000 \times [D-1400/200] \times (MP \text{ in days}/360)$$

A value of 1600 will be used for any air space density greater than 1600 pounds/cubic yard. The increase shall be paid to the Contractor within 60 days of the end of the measurement period along with the Contractor's monthly base payment.

If the air space density is less than 1050 pounds/cubic yard, then the Contractor's compensation set forth in Section 4.1 shall be reduced with the calculation to be as follows:

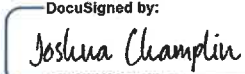
$$\$110,000 \times [(1050-D/150] \times (MP \text{ in days}/360) = \text{decrease}$$

The decrease shall be retained by the County from the Contractor's compensation set forth in Section 4.1 within 60 days of the end of the measurement period."

7. Except as expressly amended herein, all terms and conditions of Agreement No. 442-2020 shall remain in full force and effect.

IN WITNESS WHEREOF, this Amendment No. 1 to the Agreement has been executed as of the date indicated above.

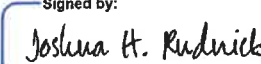
APPROVED AS TO CONTENT:
Public Works Department

By _____
Joshua Champlin, Director

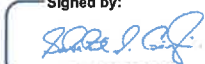
COUNTY OF KERN:

By _____
Chairman, Board of Supervisors

APPROVED AS TO FORM:
Office of the County Counsel

By _____
Joshua H. Rudnick
Deputy County Counsel

Recology Waste Solutions
"Contractor"

By _____
Salvatore M. Coniglio, CEO