



RECOLOGY TRANSITION PLAN
FOR YOLO COUNTY

Transaction Summary

Davis Waste Removal Company, Inc. (DWR) and Recology are entering into an agreement whereby DWR would sell all of its assets used in the business to Recology Davis, a subsidiary of Recology Inc., who would continue DWR's operations. The transaction, as currently contemplated, would provide for Recology's acquisition of the agreements, permits, vehicles, equipment, and property used in DWR's business. In particular, the transaction contemplates the assignment, from DWR to Recology Davis, of the Yolo County franchise agreement. At the close of the transaction, Recology Davis would provide all services as required by the franchise agreement and anticipates a smooth transition so the customers of Yolo County would continue to receive excellent service.

Transition Experience

Included in this plan are Recology's responses to specific items raised by Yolo County, as well as an overview of Recology's previous transition experiences. These past transitions have given Recology the knowledge and experience to develop a successful approach for Yolo County's service area and the related agreement. With any changes, it is Recology's goal is to ensure a smooth transition that minimizes disruption to customers.

Recology Transition Experience

Recology Inc., the parent company of Recology Davis, is a regional company locally-based in San Francisco. With approximately 3,300 employee-owners in California, Oregon, and Washington, Recology Inc. can supply a strong team of experienced managers and supervisors to assist with the contract transition.

Recology operating companies have been involved in several major transitions in recent years, and are ready to offer their expertise, as needed, to guide the Yolo County transition:

- ❑ In 2017, Recology Sonoma Marin successfully acquired and transitioned 15 municipality contracts located in the Sonoma and Marin Counties from The Ratto Group and their affiliated companies.
- ❑ In 2011, Recology San Mateo County initiated services for the 12 jurisdictions of the South Bayside Waste Management Authority (SBWMA) in central and southern San Mateo County.
- ❑ In 2009, Recology CleanScapes transitioned services for approximately half of the City of Seattle. Collection was transitioned for all three material streams – garbage, recycling, and organics.
- ❑ In 2001, Recology's San Francisco collection companies transitioned over 150,000 single- and multi-family households to a cart-based, single-stream recycling program. The program, called the "Fantastic Three" after the color-coded carts, has since been replicated by many California communities, and is widely recognized as a model for the nation.

Emphasis Outreach and Education

Recology will distribute and publish a variety of communications to the County's residents and businesses throughout the transition and service calendar. Effective outreach programs and campaigns not only educate customers on the services available, but also foster positive customer relations and interest in recycling and diversion programs. The intent of these communications will be to concurrently provide necessary program information and foster a sense of excitement around available diversion priorities and options.

Transition Specifics: March 2018 – June 2019

Recology's plan is developed to ensure a smooth transition, where customers are informed and disruptions are minimized. Below are sections that describe Recology's actions and intentions through June 2019.

Physical Presence and Branding

At the close of the transaction, currently anticipated at end of March 2018, Recology will own and operate the business currently run by DWR. At that time, Recology will re-brand the 2727 2nd street office and all the collection vehicles. The carts will remain as they are through the end of the current term.

Announcement of New Services and Subscription Mailer

Recology will prepare and distribute an initial mailing to customers explaining the change from the existing collection company to Recology. This communication will go out the week the transaction closes. Contents could include:

- ❑ Information on billing and payment options
- ❑ Website URL
- ❑ Description of the collection programs
- ❑ Links to posters, flyers, and other downloadable documents online
- ❑ Tips on improving recycling and composting

Press Release

Recology will prepare and distribute public service announcements (PSAs), regarding the change in service provider, as well as advertisements and press releases for local newspapers, the website, and other community groups.

Equipment

Other than re-branding the collection vehicles, there will be no major changes to the equipment or carts within the first year and a half. The collection vehicles and carts currently used for servicing the County will remain the same, including the split-body trucks. Per Recology's standard operating procedures, any damaged equipment and carts will promptly be repaired and/or replaced as needed.

It is Recology's intention to eventually replace all the existing carts and containers, however this is not planned to occur within the first 18 months of Recology's operations. When the future cart swap is planned, the replacement schedules will be reviewed with Yolo County staff and all customers will be notified and provided with instructions ahead of time.

Collection Days

Recology does not anticipate any change in collection days, but in the event that a change in collection day occurs, Recology will notify the county with 30 days' written notice and the impacted customers with 14 days' notice. Announcements will be tailored to the customer, as applicable, and may include automated robocalls, post cards, or other print material.

Contacting Recology

Recology will maintain the current customer service telephone number, and the current website will be redirected to the new Recology website which will cover the Yolo County service area. This will help minimize customer confusion during the service transition.