

**FIRST AMENDMENT
TO
PROFESSIONAL SERVICES AGREEMENT
[SB 1383 Solid Waste Consulting Services]**

THIS FIRST AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT (the “First Amendment”) is made and entered into as of _____, 2026, by and between the CITY OF ORANGE, a municipal corporation (“City”), and HF&H CONSULTANTS, LLC, a California limited liability company (“Contractor”), with reference to the following.

A. City and Contractor entered into a Professional Services Agreement (Agreement No. AGR-7697.A) dated as of September 17, 2025, which is incorporated herein by this reference (the “Original Agreement”); and

B. City and Contractor desire to amend the Original Agreement to modify, amend, and supplement certain portions of the Original Agreement by revising the Scope of Services and increasing the compensation.

NOW, THEREFORE, the parties hereby agree as follows:

Section 1. **Defined Terms.** Except as otherwise defined herein, all capitalized terms used herein shall have the meanings set forth for such terms in the Original Agreement.

Section 2. **Cross-References.** City and Contractor agree that all references in this First Amendment are deemed and construed to refer to the Original Agreement, as implemented by this First Amendment.

Section 3. **Revised Scope of Services.** The Scope of Services, Section 1, Exhibit A of the Original Agreement, is hereby amended, modified and supplemented to include the services described on Exhibit A attached hereto and incorporated herein by this reference.

Section 4. **Compensation.** The total not-to-exceed compensation for the services to be rendered as set forth in Section 2.a of the Original Agreement is increased by SIXTY THOUSAND DOLLARS and 00/100 (\$60,000.00) and Section 2.a is hereby amended in its entirety to read as follows:

“Contractor's total compensation for all services performed under this Agreement, shall not exceed NINETY THOUSAND DOLLARS and 00/100 (\$90,000.00) without the prior written authorization of City.”

Section 5. **Integration.** This First Amendment amends, as set forth herein, the Original Agreement and, except as specifically amended hereby, the Original Agreement shall remain in full force and effect. To the extent that there is any conflict or inconsistency between the terms and provisions of this First Amendment and the terms and provisions of the Original

Agreement, the terms and provisions of this First Amendment shall control and govern the rights and obligations of the parties.

IN WITNESS of this Agreement, the parties enter into this Agreement on the year and day first above written.

“CONTRACTOR”

“CITY”

HF&H CONSULTANTS, LLC,
a California limited liability company

CITY OF ORANGE, a municipal corporation

*By: _____
Printed Name: _____
Title: _____

By: _____
Daniel R. Slater, Mayor

*By: _____
Printed Name: _____
Title: _____

ATTEST:

Pamela Coleman, City Clerk

APPROVED AS TO FORM:

Nathalie Adourian, City Attorney

***NOTE:**
-- *If CONTRACTOR is a corporation, the City requires the following signature(s): (1) the Chairman of the Board, the President or a Vice-President, AND (2) the Secretary, the Chief Financial Officer, the Treasurer, an Assistant Secretary or an Assistant Treasurer. If only one corporate officer exists or one corporate officer holds more than one corporate office, please so indicate. OR*
-- *The corporate officer named in a corporate resolution as authorized to enter into this Agreement. A copy of the corporate resolution, certified by the Secretary close in time to the execution of the Agreement, must be provided to the City.*

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Agreement, the terms and provisions of this First Amendment shall control and govern the rights and obligations of the parties.

IN WITNESS of this Agreement, the parties enter into this Agreement on the year and day first above written.

“CONTRACTOR”

“CITY”

HF&H CONSULTANTS, LLC,
a California limited liability company

CITY OF ORANGE, a municipal corporation

*By: Laith Ezzet
Printed Name: LAITH EZZET
Title: Senior Vice President

By: _____
Daniel R. Slater, Mayor

*By: _____
Printed Name: _____
Title: _____

ATTEST:

Pamela Coleman, City Clerk

APPROVED AS TO FORM:

Nathalie Adourian, City Attorney

***NOTE:**
-- *If CONTRACTOR is a corporation, the City requires the following signature(s): (1) the Chairman of the Board, the President or a Vice-President, AND (2) the Secretary, the Chief Financial Officer, the Treasurer, an Assistant Secretary or an Assistant Treasurer. If only one corporate officer exists or one corporate officer holds more than one corporate office, please so indicate. OR*
-- *The corporate officer named in a corporate resolution as authorized to enter into this Agreement. A copy of the corporate resolution, certified by the Secretary close in time to the execution of the Agreement, must be provided to the City.*

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EXHIBIT “A”

SUPPLEMENTAL SCOPE OF SERVICES

[Behind this page.]



HF&H Consultants

590 Ygnacio Valley Rd. Suite 105
Walnut Creek, CA 94596
Phone: (925) 977-6950
Web: hfh-consultants.com

January 27, 2026

Christopher Cash
Director of Public Works
City of Orange
300 E. Chapman
Orange, CA 92866

Subject: Proposal to Perform Franchise Fee Valuation Analysis for the City of Orange

Dear Christopher Cash,

HF&H Consultants, LLC (HF&H) is pleased to submit this proposal to the City of Orange (City) to assist with an analysis of the value and costs associated with the City's solid waste franchise and other expenses incurred by the City's General Fund to provide solid waste-related services to its residents and businesses. This proposal describes the reason for this work, HF&H's proposed scope of work, and our estimated fees to perform the work. HF&H has made a best effort to define the work to be performed and the costs associated therewith. Due to the lack of clarity in the legal decisions that are driving the City's need for this work, it is important to understand that the early work with the City's legal team on defining valuation methodology(ies) may require changes to the approach described here.

Scope of Work

PHASE I: METHODOLOGY DEVELOPMENT

Task 1a: Kick-off Meeting. HF&H will facilitate a virtual project kick-off meeting with all City stakeholders to the project. It is critical for all members of the project team to attend the initial meeting to thoroughly review and reach consensus on the project's scope and schedule. This meeting should also clarify individual roles, delineate responsibilities concerning information sharing and participation, establish confidentiality requirements, and define the project's critical success factors. Additionally, this meeting is an opportunity for all team members to share their thoughts about approaches, risks, opportunities, and other relevant context that may impact the project.

Task 1b: Methodology Development. HF&H will facilitate a series of up to two scoping and methodology definition meetings with the City Attorney's office, any outside legal counsel, and staff from the City's solid waste and recycling operations to present potential methodologies following the kick-off meeting described in Task 1a. Prior to the first scoping meeting, HF&H will develop options for the valuation methodology using economic principles, and methodologies used in similar settings.

These meetings will also be used to review the detailed methodology required to perform the enterprise reimbursement study. That approach will be customized for the City's unique considerations.



It is also possible that more than one approach will be selected for testing. Conducting multiple valuation analyses is not included in our scope or budget assumptions and including such analyses would require scope and budget modification.

Task 1c: Request for Information. HF&H will prepare a request for information (RFI) to collect data required to conduct the various analyses contemplated by this study. It is our goal to gather all required information at the beginning of the project; however, due to the somewhat novel nature of this work, HF&H may find additional data needs during the performance of the analytical work that warrants the solicitation of additional information from specific data providers, which may require the issuance of a supplemental RFI to gather the required clarification or additional detail.

PHASE II: CONDUCT FRANCHISE FEE COST REVIEW

Task 2a: Develop Franchise Fee Cost Model. HF&H will develop an analytical model (using Microsoft Excel) specific to the franchise fee valuation methodology selected by the stakeholder team in Task 1b. The analytical model will be prepared in a transparent and easy-to-follow manner to allow the City's various stakeholders to fully digest the information and communicate it out to interested parties. HF&H will submit the analytical framework to the City's stakeholder group for review and to gather input on data concerns, assumptions required, legal viability, or to further refine the approach. HF&H will use the information gathered from that input cycle to finalize the model.

HF&H will conduct a comprehensive review and quantification of various costs currently borne by the City's General Fund associated with the City's franchise agreement with CR&R Incorporated (CR&R). This assessment will include expenses related to solid waste collection conducted by City staff as well as costs incurred in mitigating operational impacts from CR&R. Areas of analysis may include:

- The encroachment value of containers (carts and bins) positioned within the City's right-of-way during collection days.
- City staff hours required for participation in local or regional solid waste and recycling-related commissions and for effective management of the franchise agreement with CR&R – including tasks such as rate setting, contract compliance monitoring, contract negotiations, and enforcement.
- Outreach expenditures related to recycling and organics programs not otherwise addressed through interfund transfers from the City's General Fund.
- Street tree trimming required to be performed in order for CR&R's large collection vehicles to navigate on City streets.
- City code enforcement efforts concerning anti-scavenging and other solid waste code provisions, such as those pertaining to SB 1383.



The specific areas of analysis will be based on feedback received from the City Attorney and/or outside legal counsel received during Phase I.

Task 2b Calculate Franchise Fee Valuation. HF&H will calculate the franchise fee value based on the methodology approved by the City Attorney's office in Task 1b, the analytical framework prepared by HF&H and reviewed by the City in Task 2a, and the data gathered in Task 1c from the City and outside parties. The preliminary calculations will be shared with appropriate members of the City's stakeholder team. HF&H staff will be happy to discuss the model with City staff to ensure that they are satisfied with our methodology; however, we do not propose including this model as a work product. HF&H anticipates two rounds of review and comments on the calculations prior to finalizing the calculations and preparing the report (Task 2c).

Task 2c Report on Franchise Fee Value. HF&H will prepare a franchise fee valuation report or memorandum (depending on approach selected by City Attorney/outside legal counsel) documenting the franchise fee valuation methodology and results of the calculations.

LIMITATIONS

Every engagement includes certain limitations and HF&H has attempted to document the scope of those limitations as they pertain to this engagement (e.g., number of meetings, number of review cycles for work products) in the description of the tasks in the "Scope of Work" section of this proposal. Our analysis relies in part on documents prepared by City staff whom we believe to be knowledgeable as well as professionally and technically qualified to perform the work. This study does not entail independent verification of the accuracy or completeness of all the sources of documents provided by the City or CR&R. Our study is based on reasonable assumptions about future events; however, actual results are often different than anticipated and that difference can be significant HF&H is not a law firm and does not provide legal advice. HF&H will rely upon the City Attorney or other outside legal counsel to review and approve the methodology(ies) used in this study to ensure compliance with applicable law and judicial decisions.

FIXED FEE

We propose to complete the above scope of work for a fixed fee of \$60,000. HF&H will bill twenty five percent (25%) upon completion of Task 1, fifty percent (50%) upon delivery of a draft report, and the remaining twenty five percent (25%) billed upon delivery of a final report or sixty days after submittal of the draft if the City provides no response to the draft or chooses not to finalize the report.

SCHEDULE

The schedule will be approximately two months from the time HF&H receives all of the requested data from the City and CR&R. If the data is not provided within the mutually-agreed-upon timeline, HF&H will meet and confer with the City to discuss representative data as placeholder values until accurate data can be provided. We plan to adjust the timeline as needed upon completion of the initial kick-off meeting and discussions with City staff.



* * * * *

Should you have any questions regarding this submittal, please call me directly at (925) 977-6959 or rchilton@hfh-consultants.com.

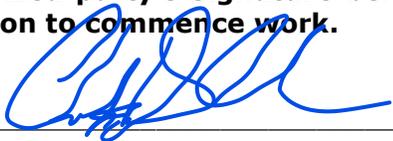
Very truly yours,
HF&H CONSULTANTS, LLC

A handwritten signature in black ink, appearing to read 'Rob Hilton'.

Rob Hilton
President

cc: Dave Hilton, HF&H Consultants, LLC

The authorized party's signature below indicates acceptance of this proposal and authorization to commence work.

Signature:  Name: Christopher S. Cash

Title: Director of Public Works Date: 1/28/26