

**AGENDA
ITEM**

9



AGENDA STAFF REPORT

DATE: March 6, 2019

TO: Mayor and City Council

APPROVED BY: David Dale, City Manager *DD*

PREPARED BY: Lilliana Falomir, Public Works Manager *[Signature]*

SUBJECT: Authorize the City Manager to Sign Agreement of Professional Services with R3 Consulting Group, Inc. for development of an RFP/RFQ for Solid Waste Collection, Hauling and Recycling.

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Recommendation:

Authorize the City Manager to Sign Agreement of Professional Services with R3 Consulting Group, Inc. for development of an RFP/RFQ for Solid Waste Collection, Hauling and Recycling.

Background:

On December 2, 1997, the City of Calexico entered into an agreement with Allied Waste Services for waste collection and disposal services. The term for this agreement was for seven (7) years (January 1, 1998 through December 31, 2004). On March 15, 2005, the City of Calexico extended the contract with Allied Waste Services for an addition five (5) years (January 1, 2005 through December 31, 2009) On November 21, 2007, the City of Calexico extended the contract with Allied Waste Services for an addition ten (10) years (January 1, 2010 through December 31, 2019).

On January 25, 2019, the City of Calexico Public Works Department solicited proposals from qualified consultants for the development of an RFP/RFQ for Solid Waste Collection, Hauling & Recycling. The specific objectives of this project is for the qualified consultant to review the City's current agreement and services, evaluate the feasibility of new programs, and assist the City in identifying solid waste collection services enhancement that best meets the City solid waste and recycling needs. In addition, the qualified consultant will assist the City in development recycling incentives and programs to help the City meet its AB 939, SB 1383 and/or any other requirement required by Federal, State and local agencies. The qualified consultant will also be required to prepare and issue a request for proposals for solid waste collection, recycling, processing and disposal services, evaluate the proposals and negotiate a final agreement.



Discussion & Analysis:

On February 12, 2019, the Office of the City Clerk received three (3) proposals. The proposals were reviewed by an evaluation committee composed of City staff and Imperial Valley Resources Management Agency (IVRMA). The consultants were evaluated on the basis of scope of work, experience, references and project schedule.

Firm	Cost Proposal
Geosyntec	\$71,600.00
R3 Consulting Group, Inc.	\$98,540.00
Sloan Vazques McAfee (SVM)	\$99,630.00

The firm that ranked the highest of the evaluation committee is R3 Consulting Group, Inc. While R3 Consulting Group, Inc. cost proposal is higher than Geosyntec their RFP presented a clearer picture of how they plan to achieve the overall goals of the City pertaining to solid waste collection, recycling and sweeping services. In addition, R3 Consulting Group, Inc. emphasized on their knowledge and understanding of state recycling legislative requirements. Their reference and experience provided numerous instances of RFP/RFQ and contract preparation as well as contract negotiations with local governments.

For the above-mentioned reasons, City staff is recommended that the City Council of the City of Calexico authorize the City Manager to sign agreement of Professional Services with R3 Consulting Group, Inc. for development of an RFP/RFQ for Solid Waste Collection, Hauling and Recycling.

Fiscal Impact:

Solid Waste Enterprise Fund \$98,540.00

(Please note that City staff intends to include a clause in the RFP that upon the selection of the successful provider the provider will be required to reimburse the City for any costs associated with the development of the RFP and conducting the RFP and evaluation process).

Coordinated With:

Public Works Department.

Attachment(s):

1. Agreement of Professional Services between City of Calexico and R3 Consulting Group, Inc.
2. Request for Proposals for Development of an RFP/RFQ for Solid Waste Collection, Hauling and Recycling.

AGREEMENT FOR PROFESSIONAL SERVICES

This Agreement is made and entered into as of the 6th day of March, 2019, by and between the City of Calexico ("City") and R3 Consulting Group, Inc. ("Consultant").

RECITALS

- A. Consultant is specially trained, experienced and competent to perform the special services which will be required by this Agreement; and
- B. Consultant possesses the skill, experience, ability, background, certification and knowledge to provide the services described in this Agreement on the terms and conditions described herein.

AGREEMENT

1. **Scope of Services.** The Consultant shall furnish the following services in a professional manner. Consultant shall perform the services described on Exhibit A which is attached hereto and incorporated herein by reference. Consultant shall provide said services at the time, place, and in the manner specified in Exhibit A, subject to the direction of the City through its staff that it may provide from time to time.
2. **Time of Performance.** The services of Consultant are to commence upon execution of this Agreement and shall continue until all authorized work is approved by the City. All such work shall be completed no later than December 31, 2020. Time is of the essence for every provision of this agreement that states a time for performance and for every deadline imposed by the City.
3. **Compensation.** Compensation to be paid to Consultant shall be as set forth in Exhibit B, which is attached hereto and incorporated herein by reference. Payment by City under this Agreement shall not be deemed a waiver of defects, even if such defects were known to the City at the time of payment.
4. **Method of Payment.** Consultant shall submit monthly billings to City describing the work performed during the preceding month. Consultant's bills shall include a brief description of the services performed, the date the services were performed, the number of hours spent and by whom, and a description of any reimbursable expenditures. City shall pay Consultant no later than 30 days after approval of the monthly invoice by City staff.
5. **Ownership of Documents.** All plans, studies, documents and other writings prepared by and for Consultant, its officers, employees and agents and subcontractors in the course of implementing this Agreement, except working notes and internal documents, shall become the property of the City upon payment to Consultant for such work, and the City shall have the sole right to use such materials in its discretion without further

compensation to Consultant or to any other party. Consultant shall, at Consultant's expense, provide such reports, plans, studies, documents and other writings to City upon written request.

- 6 Independent Contractor. It is understood that Consultant, in the performance of the work and services agreed to be performed, shall act as and be an independent contractor and shall not act as an agent or employee of the City. Consultant shall obtain no rights to retirement benefits or other benefits which accrue to City's employees, and Consultant hereby expressly waives any claim it may have to any such rights.
7. Interest of Consultant. Consultant (including principals, associates and professional employees) covenants and represents that it does not now have any investment or interest in real property and shall not acquire any interest, direct or indirect, in the area covered by and during this Agreement or any other source of income, interest in real property or investment which would be affected in any manner or degree by the performance of Consultant's services hereunder. Consultant further covenants and represents that in the performance of its duties hereunder no person having any such interest shall perform any services under this Agreement.

Consultant is not a designated employee within the meaning of the Political Reform Act because Consultant:

- a. will conduct research and arrive at conclusions with respect to his/her rendition of information, advice, recommendation or counsel independent of the control and direction of the City or of any City official, other than normal agreement monitoring; and
 - b. possesses no authority with respect to any City decision beyond rendition of information, advice, recommendation or counsel. (FPPC Reg. 18700(a)(2).)
8. Professional Ability of Consultant. City has relied upon the professional training and ability of Consultant to perform the services hereunder as a material inducement to enter into this Agreement. Consultant shall therefore provide properly skilled professional and technical personnel to perform all services under this Agreement. All work performed by Consultant under this Agreement shall be in accordance with applicable legal requirements and shall meet the standard of quality ordinarily to be expected of competent professionals in Consultant's field of expertise.
 9. Indemnity. Consultant agrees to indemnify, including the cost to defend, the City, and its officers, agents and employees from any and all claims, demands, costs or liability that arise out of, or pertain to, or relate to the negligence, recklessness, or willful misconduct of Consultant and its agents in the performance of services under this contract. This indemnity does not apply to liability for damages for death or bodily injury to persons, injury to property, or other loss, damage or expense arising from the sole negligence, willful misconduct or defects in design by the City or its agents, servants, or independent contractors who are directly responsible to the City, or the active negligence of the City.

To the fullest extent permitted by law, the Consultant shall (1) immediately defend and (2) indemnify the City, and its councilmembers, officers, agents, and employees from and against all liabilities regardless of nature or type that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant, or its employees, agents, or subcontractors. Liabilities subject to the duties to defend and indemnify include, without limitation, all claims, losses, damages, penalties, fines, and judgments; associated investigation and administrative expenses; defense costs, including but not limited to reasonable attorneys' fees; court costs; and costs of alternative dispute resolution. The Consultant's obligation to indemnify applies unless it is finally adjudicated that the liability was caused by the sole active negligence or sole willful misconduct of an indemnified party. If it is finally adjudicated that liability is caused by the comparative active negligence or willful misconduct of an indemnified party, then Consultant's indemnification obligation shall be reduced in proportion to the established comparative liability.

- (b) The duty to defend is a separate and distinct obligation from Consultant's duty to indemnify. Consultant shall be obligated to defend, in all legal, equitable, administrative, or special proceedings, with counsel approved by the City, the City and its councilmembers, officers, agents, and employees, immediately upon tender to Consultant of the claim in any form or at any stage of an action or proceeding, whether or not liability is established. An allegation or determination that persons other than Consultant are responsible for the claim does not relieve Consultant from its separate and distinct obligation to defend under this section. The obligation to defend extends through final judgment, including exhaustion of any appeals. The defense obligation includes an obligation to provide independent defense counsel if Consultant asserts that liability is caused in whole or in part by the negligence or willful misconduct of the indemnified party. If it is finally adjudicated that liability was caused by the comparative active negligence or willful misconduct of an indemnified party, Consultant may submit a claim to the City for reimbursement of reasonable attorneys' fees and defense costs in proportion to the established comparative liability of the indemnified party.
- (c) The review, acceptance or approval of the City's work or work product by any indemnified party shall not affect, relieve or reduce the City's indemnification or defense obligations. This Section survives completion of the services or the termination of this contract. The provisions of this Section are not limited by and do not affect the provisions of this contract relating to insurance.

10. Insurance Requirements.

- a. Consultant, at Consultant's own cost and expense, shall procure and maintain, for the duration of the contract, the following insurance policies.
 - i. Workers' Compensation Coverage. Consultant shall maintain Workers' Compensation Insurance and Employer's Liability Insurance for his/her employees in accordance with the laws of the State of California. In addition,

Consultant shall require each subcontractor to similarly maintain Workers' Compensation Insurance and Employer's Liability Insurance in accordance with the laws of the State of California for all of the subcontractor's employees. Any notice of cancellation or non-renewal of all Workers' Compensation policies must be received by the City at least thirty (30) days prior to such change. The insurer shall agree to waive all rights of subrogation against City, its officers, agents, employees and volunteers for losses arising from work performed by Consultant for City. This provision shall not apply if Consultant has no employees performing work under this Agreement. If the Consultant has no employees for the purposes of this Agreement, Consultant shall sign the "Certificate of Exemption from Workers' Compensation Insurance" which is attached hereto as Exhibit C.

- ii. **General Liability Coverage.** Consultant shall maintain commercial general liability insurance in an amount not less than one million dollars (\$1,000,000) per occurrence for bodily injury, personal injury and property damage. If a commercial general liability insurance form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit.
- iii. **Automobile Liability Coverage.** Consultant shall maintain automobile liability insurance covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with the work to be performed under this Agreement, including coverage for owned, hired and non-owned vehicles, in an amount of not less than one million dollars (\$1,000,000) combined single limit for each occurrence.
- iv. **Errors and Omissions Liability.** Consultant shall maintain errors and omissions liability insurance for all work performed under this Agreement in an amount of not less than one million dollars (\$1,000,000).
- b. **Policy Endorsements.** Each general liability and automobile liability insurance policy shall be with insurers possessing a Best's rating of no less than A:VII and shall be endorsed with the following specific language:
 - i. The City of Calexico, its elected or appointed officers, officials, employees, agents and volunteers are to be covered as additional insureds with respect to liability arising out of work performed by or on behalf of the Consultant, including materials, parts or equipment furnished in connection with such work or operations.
 - ii. This policy shall be considered primary insurance as respects the City, its elected or appointed officers, officials, employees, agents and volunteers. Any insurance maintained by the City, including any self-insured retention

the City may have, shall be considered excess insurance only and shall not contribute with it.

- iii. This insurance shall act for each insured and additional insured as though a separate policy had been written for each, except with respect to the limits of liability of the insuring company.
 - iv. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the City, its elected or appointed officers, officials, employees, agents or volunteers.
 - v. The insurance provided by this policy shall not be suspended, voided, canceled, or reduced in coverage or in limits except after thirty (30) days written notice has been received by the City.
- c. **Deductibles and Self-Insured Retentions.** Any deductibles or self-insured retentions must be declared to and approved by the City. At the City's option, Consultant shall demonstrate financial capability for payment of such deductibles or self-insured retentions.
 - d. **Certificates of Insurance and Endorsements.** Consultant shall provide certificates of insurance with original endorsements to City as evidence of the insurance coverage required herein. Certificates of such insurance shall be filed with the City on or before commencement of performance of this Agreement. Current certification of insurance shall be kept on file with the City at all times during the term of this Agreement.
11. **Compliance with Laws.** Consultant shall use the standard of care in its profession to comply with all applicable federal, state and local laws, codes, ordinances and regulations.
 12. **Licenses.** Consultant represents and warrants to City that it has all licenses, permits, qualifications, insurance and approvals of whatsoever nature which are legally required of Consultant to practice its profession. Consultant represents and warrants to City that Consultant shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this Agreement, any licenses, permits, insurance and approvals which are legally required of Consultant to practice its profession. Consultant shall obtain a City of Calexico Business License.
 13. **Controlling Law Venue.** This Agreement and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this Agreement shall be held exclusively in a state court in the County of Imperial, California.
 14. **Written Notification.** Any notice, demand, request, consent, approval or communication that either party desires or is required to give to the other party shall be in writing and either served personally or sent prepaid, first class mail. Any such notice, demand, etc.

shall be addressed to the other party at the address set forth herein below. Either party may change its address by notifying the other party of the change of address. Notice shall be deemed communicated within 48 hours from the time of mailing if mailed as provided in this section.

If to City: City of Calexico, City Manager
608 Heber Ave.
Calexico, CA 92231

If to Consultant: R3 Consulting Group, Inc.
212 Marine Street, Suite 100
Santa Monica, CA 90405

15. Consultant's Books and Records.

- a. Consultant shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services, or expenditures and disbursements charged to City for a minimum period of three (3) years, or for any longer period required by law, from the date of final payment to Consultant to this Agreement.
- b. Consultant shall maintain all documents and records which demonstrate performance under this Agreement for a minimum period of three (3) years, or for any longer period required by law, from the date of termination or completion of this Agreement.
- c. Any records or documents required to be maintained pursuant to this Agreement shall be made available for inspection or audit, at any time during regular business hours, upon written request by the City Manager, City Attorney, City Auditor or a designated representative of these officers. Copies of such documents shall be provided to the City for inspection at City Hall when it is practical to do so. Otherwise, unless an alternative is mutually agreed upon, the records shall be available at Consultant's address indicated for receipt of notices in this Agreement.
- d. Where City has reason to believe that such records or documents may be lost or discarded due to dissolution, disbandment or termination of Consultant's business, City may, by written request by any of the above named officers, require that custody of the records be given to the City and that the records and documents be maintained in City Hall. Access to such records and documents shall be granted to any party authorized by Consultant, Consultant's representatives, or Consultant's successor-in-interest.

16. Entire Agreement. This Agreement constitutes the complete and exclusive statement of Agreement between the City and Consultant. All prior written and oral communications,

including correspondence, drafts, memoranda, and representations, are superseded in total by this Agreement.

17. Amendments. This Agreement may be modified or amended only by a written document executed by both Consultant and City and approved as to form by the City Attorney.
18. Waiver. No failure on the part of either party to exercise any right or remedy hereunder shall operate as a waiver of any other right or remedy that party may have hereunder.
19. Execution. This Agreement may be executed in several counterparts, each of which shall constitute one and the same instrument and shall become binding upon the parties when at least one copy hereof shall have been signed by both parties hereto. In approving this Agreement, it shall not be necessary to produce or account for more than one such counterpart.
20. Assignment and Subcontracting. The parties recognize that a substantial inducement to City for entering into this Agreement is the professional reputation, experience and competence of Consultant. Assignments of any or all rights, duties or obligations of the Consultant under this Agreement will be permitted only with the express consent of the City. Consultant shall not subcontract any portion of the work to be performed under this Agreement without the written authorization of the City. If City consents to such subcontract, Consultant shall be fully responsible to City for all acts or omissions of the subcontractor. Nothing in this Agreement shall create any contractual relationship between City and subcontractor nor shall it create any obligation on the part of the City to pay or to see to the payment of any monies due to any such subcontractor other than as otherwise is required by law.
21. Termination. This Agreement may be terminated by the City immediately for cause or by either party without cause upon fifteen days' written notice of termination. Upon termination, Consultant shall be entitled to compensation for services performed up to the effective date of termination.

SIGNATURES ON FOLLOWING PAGE

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first written above.

CITY OF CALEXICO:

CONSULTANT:

David Dale
City Manager

APPROVED AS TO FORM:

ATTEST:

Carlos Campos
City Attorney

Gabriela Garcia
Deputy City Clerk

EXHIBIT A

SCOPE OF SERVICES

(proposal dated Feb. 8, 2019)

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R3

Calxico, CA

Proposal for Development of an RFP/RFQ for Solid Waste Collection, Hauling and Recycling

February 8, 2019

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R3

TOC-II

Northern California Office

1512 Eureka Road, Suite 220, Roseville, CA 95661
Tel: 916-782-7821 | Fax: 916-782-7824

San Francisco Bay Area Office

2600 Tenth Street, Suite 424, Berkeley, CA 94710
Tel: 510-647-9674

Southern California Office

212 Marine Street, Suite 100, Santa Monica, CA 90405
Tel: 323-491-8868

February 8, 2019

Mr. David B. Dale
City Manager
Office of the City Clerk
City Hall, City of Calexico
608 Heber Avenue
Calexico, CA 92231

Subject: Proposal for Development of an RFP/RFQ for Solid Waste Collection, Hauling and Recycling

Dear Mr. Dale:

R3 Consulting Group, Inc. (R3) is pleased to submit the attached proposal to provide assistance in developing an RFP/RFQ for solid waste collection, hauling, and recycling for the City of Calexico (City), per the City's January 25, 2019 Request for Proposals (RFP). We have reviewed and hereby acknowledge our acceptance of the terms and conditions in the City's Model Contract for Services, which is contained in Appendix A of the RFP.

R3 recognizes that the City has limited Public Works Department staff, which makes managing a time-consuming RFP process such as this – valued between \$35-50M – a very challenging prospect. We have the proven skills and experience to support the City by expertly handling every aspect of the procurement operation. **Please consider this cover letter to be our Expression of Interest in this engagement.**

Understanding of the City's Needs

Our Scope of Work in the attached proposal reflects our understanding of the City's RFP and Addendum No. 1, the City's amended and restated Agreement with Allied Waste Services of Imperial County (Allied), the City's solid waste rate sheets and solid waste management services, and City Council Minutes. It also benefits from our experience working with Allied (aka Republic Services) on behalf of many municipalities throughout California as well as our expertise in assisting clients with negotiations/procurement and regulatory compliance issues.

R3 has gained an appreciation of the City's current financial situation and priorities, expressed in the media by you and the City Council, for balancing the budget and restoring transparency, professionalism, and civility to the City's operations. **R3's hallmark is our consistent provision of objective, thorough, systematic solid waste consulting services that result in on-time recommendations and save money and effort for our clients. We will deliver that same level of integrity and hard-work ethics to the City's engagement during our completion of the following key services, as further detailed in this proposal:**

- Review the City's current amended Agreement and services to assess their benefit to the City;

Mr. David B. Dale, City Manager

February 8, 2019

Proposal for the Development of an RFP/RFQ for Solid Waste Collection, Hauling and Recycling

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- Assist the City in identifying enhancements to current solid waste collection services as well as the feasibility of new programs that best meet the City's solid waste and recycling needs, with particular consideration of the environmental issues caused by proximity to the Mexican border;
- Assist in developing recycling incentives and programs to help the City achieve compliance with federal, state, and local legislation, such as AB 939, AB 341, AB 1826, and SB 1383;
- Prepare and issue an RFP/RFQ Package for solid waste collection, recycling, processing, and disposal services;
- Evaluate the proposals submitted by haulers during the procurement process and make objective recommendations that are best suited to the City's particular needs; and
- Negotiate a final Agreement, incorporating best practices, with the selected solid waste hauler.

Statement of Qualifications Summary

R3's Experience

R3, a California Certified Small Business incorporated in 2002, provides solid waste management consulting services **exclusively to public agencies**. Garth Schultz and I, R3's Principals, and our professional staff have dedicated our careers to the field of solid waste management and sustainability. We deliver services related to: procurement and negotiation assistance; solid waste planning; legislative compliance assistance; development, implementation, and monitoring of Agreements; operations and performance reviews; and financial and rate analysis. Our work with clients demonstrates our ongoing commitment to achieving sustainability through positive social, environmental, and financial results.

R3 offers a valuable perspective and high degree of experience that will be extremely beneficial to the City in ensuring the successful execution of this project. We have conducted 100+ procurement and negotiation projects for jurisdictions throughout California and the western United States. Specifically, in the City's waste hauler market region, we have completed or are currently working on such engagements for: **Apple Valley, Beaumont, Calabasas, Cerritos, Colton, Downey, Hemet, Huntington Beach, Irwindale, Laguna Beach, Lomita, Montebello, Rancho Palos Verdes, Redlands, Riverside, Rolling Hills Estates, San Bernardino, San Fernando, San Juan Capistrano, Santa Clarita, Temple City, Thousand Oaks, and West Hollywood**. We have also conducted franchising analysis for the **City of San Diego** and hauler/facility operator procurement assistance for the Arizona cities of **Tucson, Phoenix, and Scottsdale**.

As a result of our substantial portfolio of procurement and negotiation experience in the City's market area, we have an excellent understanding of the region's needs and haulers, including **Allied/Republic Services, CR&R, Burrtec Waste Industries, Waste Management, Cal-Met, and Athens Services**. What's more, haulers enjoy working with us, even when we're on opposite sides of the negotiating table, because we treat them fairly and respectfully, and guard the confidentiality of their information. This promotes their cooperation and, in turn, the successful and timely completion of our projects.

The R3 Advantage

R3 delivers expert industry analysis and recommendations to our clients, who always receive:

- **Top-level attention:** An R3 Principal is Project Manager or Lead Analyst on every project.
- **Unbiased, conflict-free project management and objective, fair treatment: R3 only provides services to public agencies.**
- **Data-driven, money-saving solutions and clear deliverables.**
 - Best-approach, honest recommendations to the City's contractual needs.
 - Focused on improving safety, customer service, and productivity, and reducing costs.
 - Fair, affordable rates and clearly-defined deliverables – no overages.

Mr. David B. Dale, City Manager

February 8, 2019

Proposal for the Development of an RFP/RFQ for Solid Waste Collection, Hauling and Recycling

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- **Comprehensive, up-to-the-minute understanding of industry regulations.**
- **Reliable Team Support:** We will be an extension of the City's team, working side-by-side to advise and guide our clients, keep all stakeholders up-to-date, and move the project smoothly forward.

The R3 Team

To best serve the City's needs, R3 has assembled a strong team of experienced solid waste professionals who have collaborated on many projects. Full resumes are included in Section 3 of this proposal.

Principal/Project Manager: I, Richard Tagore-Erwin, will serve as Project Manager for this engagement. During my 30 years in the industry I have provided procurement and negotiation services to over 100 municipal clients throughout California and the western United States, including such southern California clients as San Fernando, Hemet, Irwindale, Downey, Rolling Hills Estates, San Bernardino, West Hollywood, Laguna Beach, Temple City, and Calabasas. I have extensive experience in developing, designing, and negotiating Agreements for solid waste collection, hauling, and recycling services that implement industry best practices and help jurisdictions achieve regulatory compliance. My areas of expertise include: leading efficient RFP processes and evaluations; developing clear-cut and sound recommendations for presentation to Councils and Boards of municipal jurisdictions; and conducting hauler operational and performance reviews.

Key Project Analyst: I will be joined by William Schoen, an engineer with more than 30 years of solid waste operational and consulting experience. He has a deep understanding and significant experience in evaluating all aspects of franchised solid waste systems. His areas of expertise include drafting RFP documents and detailed Agreements that incorporate performance incentives and rate-adjustment guidelines involving various profit bases, including detailed rate reviews and indexed adjustments. Mr. Schoen has evaluated proposals, prepared award recommendations, and assisted with contract negotiations. He has reviewed the finances and operations of numerous municipal and private sector solid waste management operations, including divisions of Allied, Republic Services, Waste Management, Recology, and BFI.

Key Project Support: We will be assisted by additional Key Project Analysts Carrie Baxter and Natalie Lessa. They bring years of experience in a range of solid waste consulting projects within southern California and throughout the state, including those involving Agreement development and negotiation, operations, planning, and financial assessment. *Please note that we have a staff of 17 full-time professionals, any of whom can additionally support this project, as may be needed.*

Contact Information

Should you have any questions regarding our proposal or need any additional information, please contact me directly via the following options:

Address: 1512 Eureka Rd. Suite 220, Roseville, CA 95661 **Tel:** (916) 782-7821

Email: rterwin@r3cgl.com

Fax: (916) 782-7824

We appreciate the opportunity to submit our proposal to the City and look forward to working with your team. As Principal at R3, I am authorized to contractually obligate R3 and negotiate contracts on behalf of the organization.

Sincerely,

R3 CONSULTING GROUP



Richard Tagore-Erwin | Principal

Mr. David B. Dale, City Manager

February 8, 2019

Proposal for the Development of an RFP/RFQ for Solid Waste Collection, Hauling and Recycling

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Calexico, CA

Proposal for Development of an RFP/RFQ for Solid Waste Collection, Hauling and Recycling

February 8, 2019

Section 2

Project
Headquarters

Project Headquarters

R3 maintains offices in the Los Angeles, Sacramento, and San Francisco Bay areas. For this engagement, our corporate headquarters – located in the greater Sacramento area – will manage the City's contract work and serve as the base for the majority of our key personnel assigned to the project. The Sacramento office, working in tandem with our LA location, will fully support the City's project management needs – conducting site visits and attending and facilitating staff and Council meetings – per the Scope of Work and Proposed Fees¹ in this proposal.

¹ Our Proposed Fees include labor, travel, and project expenses for the work and deliverables as listed in Tasks 1-4 in Section 10 of this proposal.

R3

Calexico, CA

Proposal for Development of an RFP/RFQ for Solid Waste Collection, Hauling and Recycling

February 8, 2019

Section 2

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Project
Headquarters

R3

Qualifications and Experience of Firm and Key Team Members

Firm Qualifications

As mentioned in our introductory letter, R3 is a California Certified Small Business that incorporated in 2002. Our firm is led by Principals Richard Tagore-Erwin and Garth Schultz, who each bring decades of solid waste consulting experience and knowledge. R3 has both the resources and capabilities for undertaking and performing the work proposed by the City. Our seasoned, professional team members have backgrounds in the public and private sectors, engineering, resource management, environmental science, and urban planning. Having dedicated our careers to the field of solid waste management and sustainability, we skillfully deliver expert industry analysis and recommendations to our clients.

We have conducted hundreds of solid waste management consulting projects for clients throughout the western United States, and we are strongly committed to providing our clients with unbiased opinions and recommendations. Accordingly, **R3 works only for municipal agencies**. R3 is pleased to provide a broad range of services to our municipal clients, including the following:

- Negotiation and competitive procurement assistance for collection, processing, and disposal services;
- Assistance with legislative compliance (e.g., AB 939, SB 1383, AB 901, AB 1826, AB 341, and more);
- Financial and technical analysis of programmatic and policy alternatives, including evaluating residential and commercial recycling and organic services;
- Development, implementation, and monitoring of service contracts and Franchise Agreements (Agreements);
- Financial planning and rate analyses; and
- Zero Waste planning and implementation.

We aim to always complete work in a cost-effective manner while achieving our clients' goals and objectives. We do this by streamlining processes, simplifying methodologies, and providing work products that concisely identify next steps and strategic actions.

Relevant Experience

Procurement and Negotiation Assistance

R3 has successfully provided technical support on the design, development, procurement, evaluation, and negotiation of franchised collection services for over 100 municipal clients throughout California and the western United States. Our procurement and negotiation services include the following:

R3

Section 3

Qualifications
and Experience
of Firm and
Key Team
Members

- Negotiation, development, and monitoring of contracts and Agreements;
- Assistance with the technical and financial evaluation of proposals;
- Evaluation of commercial collection system service options and structures;
- Development and evaluation of policy and programmatic alternatives that meet the specific needs of the community;
- Compliance monitoring and review;
- Design of performance standards, incentives, and penalties related to contractor performance;
- Development of an annual adjustment mechanism to the contractor compensation and user rates and fees;
- Leadership in community and stakeholder engagement processes, including workshops, focus groups, surveys, interviews, and presentations; and
- Preparation and distribution of Request for Proposals (RFP) packages, including the Agreement and operating contracts.

Franchise Agreement Review and Development

R3 knows from experience that successful negotiations are contingent upon first establishing a solid understanding of the terms and conditions of the existing Agreement, as well as any modifications or additional services that have changed since the Agreement first began. As such, R3 begins each negotiation process by first meeting with the client jurisdiction staff to review their specific needs. We then conduct a thorough review of the existing hauler Agreement in order to develop an understanding of how the jurisdiction's current solid waste collection programs and services, performance and reporting standards, and operational requirements compare to industry best standards. We also review the Agreement's organizational structure and formatting, and perform an in-depth analysis of how they relate to:

- Reporting requirements related to recent state legislation;
- Customer service practices;
- Disposal and processing facilities available currently and long term;
- Reports submitted by the current contractors;
- Term and extension provisions;
- Operating and performance standards;
- Contamination and overage protocols;
- Vehicle and container replacement practices;
- Realistic and verifiable diversion standards;
- Education and outreach programs;
- Rate-setting methodology and adjustments for changes in recyclables markets and organics processing;
- Performance and contract compliance reviews;
- Insurance and performance bond standards; and

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- Any other relevant information provided by the City.

Our experience negotiating multiple contracts and contract amendments, combined with our successful track record conducting dozens of operational and performance reviews of private sector providers, has endowed us with a valuable perspective on how to best structure Agreements. Project results from R3's negotiation and procurement projects have included:

- Implementation of expanded recycling programs;
- Simplified rate-adjustment methodology;
- Specified performance and program requirements;
- Increased landfill diversion and hauler performance, plus accountability and management controls for franchising jurisdictions;
- Implementation of air quality standards for collection vehicles;
- Reasonable rates and potential cost savings to jurisdictions;
- Additional and/or improved services for the municipalities' customers;
- Improved customer service;
- Additional hauler fees/increased franchise fees;
- Better relationship between the jurisdiction and the hauler; and
- Longer terms that require less jurisdiction involvement to maintain.

Legislative Compliance Assistance

One of our main practice areas is providing assistance to our clients to achieve legislative compliance and reach the aggressive diversion requirements and goals set by the state. These include AB 939 (California Integrated Waste Management Act), SB 1383 (Short-Lived Climate Pollutants), AB 341 (Mandatory Commercial Recycling), AB 1826 (Mandatory Commercial Organics Recycling), AB 1594 (Ban on Green Material ADC Diversion Credit), as well as new legislation such as AB 1669 (Displaced Employees), AB 901 (Solid Waste Reporting Requirements), and AB 876 (Organics Management Infrastructure Planning).

Our corporate headquarters is located in the greater Sacramento region, which perfectly positions us for legislative monitoring and tracking. We regularly attend in-person workshops and engage in stakeholder discussions related to AB 1826 and SB 1383 both regionally and with the state. As a member of regional planning groups in California, we facilitate discussions with municipalities about the potential implications of AB 1826 and SB 1383 on programs and help develop plans to prepare for the future of organics infrastructure, policy, and programs across the state. In fact, R3 Principal Richard Tagore-Erwin worked with the state legislature to develop the regulations and guidelines for the Model Source Reduction and Recycling Element (SRRE), Household Hazardous Waste Element (HHWE), and Non-Disposal Facility Element (NDFE) components of AB 939.

R3's knowledgeable, experienced staff advise and guide our clients to ensure that jurisdictions meet and remain compliant with all current regulatory requirements, and proactively plan for the demands of impending legislation. We provide a coordinated approach that is logical, cost-effective, and draws upon our operational, public policy, and public education and outreach capabilities. Our specific legislative and regulatory compliance services include the following:

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- Developing and evaluating commercial recycling and organics recycling programs;
- Analyzing options for program improvement and potential new programs to implement;
- Identifying businesses subject to compliance with AB 341 and AB 1826;
- Monitoring and tracking covered generator compliance;
- Designing and assessing public education and outreach materials and methods for notifying businesses of their requirements and compliance options;
- Developing franchised waste hauler tracking methods for necessary reporting, public education and outreach, and compliance monitoring requirements;
- Providing on-site waste assessments, material characterizations, and hands-on technical assistance to regulated businesses to support their compliance; and
- Facilitating private sector diversion opportunities, including food donations and recycle/reuse vendors.

The organics processing infrastructure in northern California is much more developed than in southern California. Fully operational commercial organic diversion programs are more widespread and have been operational for 10 or more years in some northern California jurisdictions. As a result, within the past five years R3 has had the opportunity to successfully assist many of our northern California clients with organics planning issues and achieve compliance with the very same legislative issues that the City is currently facing.

We are currently applying what we have implemented in northern California with our southern California clients. This experience informs and demonstrates our ability to successfully assist the City with meeting all new and impending state laws pertaining to organics services.

Experience with Southern California Municipalities

With nearly 50 southern California clients, R3 has a deep level of insight into the regional waste haulers, facilities, landfills, needs, and specific challenges of local southern California jurisdictions. R3 staff routinely attend negotiation sessions as well as staff and Council meetings in southern California, ensuring that we deliver the full attention and service that every client expects and deserves. Below are our current and past southern California clients (procurement and negotiation clients indicated in red):

- | | | |
|----------------|--------------------|--------------------------|
| ▪ Anahelm | ▪ Cypress | ▪ Los Angeles County |
| ▪ Apple Valley | ▪ Downey | ▪ Monrovia |
| ▪ Barstow | ▪ Duarte | ▪ Montebello |
| ▪ Bell Gardens | ▪ Hemet | ▪ Newport Beach |
| ▪ Beaumont | ▪ Huntington Beach | ▪ Orange |
| ▪ Bradbury | ▪ Industry | ▪ Pomona |
| ▪ Calabasas | ▪ Irwindale | ▪ Rancho Cucamonga |
| ▪ Carlsbad | ▪ La Habra | ▪ Rancho Palos Verdes |
| ▪ Cerritos | ▪ Laguna Beach | ▪ Rancho Santa Margarita |
| ▪ Colton | ▪ Lomita | ▪ Redlands |
| ▪ Cudahy | ▪ Lompoc | |
| ▪ Culver City | ▪ Long Beach | |

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- | | | |
|--------------------------------|-----------------------|------------------|
| ▪ Riverside | ▪ San Fernando | ▪ Thousand Oaks |
| ▪ Rolling Hills Estates | ▪ San Juan Capistrano | ▪ Upland |
| ▪ San Bernardino | ▪ Santa Clarita | ▪ West Hollywood |
| ▪ San Bernardino County | ▪ Santa Monica | ▪ Wildomar |
| ▪ San Diego | ▪ Temple City | |

Section 3

Qualifications and Experience of Firm and Key Team Members

Our Commitment to Quality Assurance

R3 has an excellent track record of consistently providing high-quality work products and data accuracy. To ensure quality, budget, and schedule control, R3 takes an organized and systematic approach on all engagements, including the type of negotiation and procurement assistance the City has requested.

Below are the steps we take to ensure quality work products:

- We develop a project matrix to track and manage project progress, including project tasks and subtasks, the assigned primary staff, and Quality Assurance/Quality Control (QA/QC) staff;
- We maintain work papers that catalogue supporting documentation for all analysis, "ticked and tied" to the project findings, as appropriate;
- We assign a Principal and/or Senior Project Manager who is responsible for providing critical review and final QA/QC of all project deliverables;
- We present our preliminary findings to City staff, for their review and comment, prior to including any information in a public document. This helps to ensure that we have not misunderstood or misrepresented any information;
- We build opportunities for client feedback throughout our work scopes, scheduling regular conference calls with client project staff to discuss project progress, proactively handle any issues that arise, and strategize throughout the course of the project.

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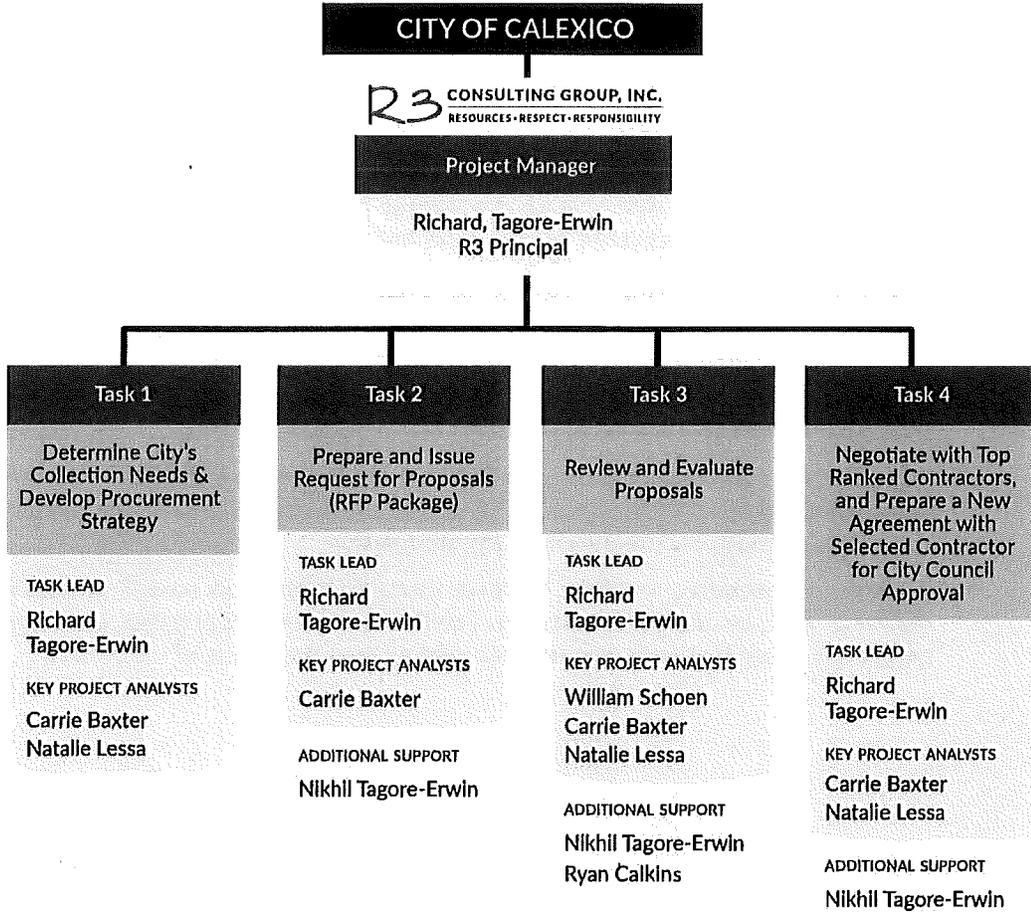
Qualifications and Experience of Firm and Key Team Members

Key Team Members

Organizational Chart

Below, we have provided an organizational chart displaying how we intend to utilize our proposed project staff. R3's key and support team member resumes are provided on the following pages.

**Figure 3-1
Team Organizational Chart**



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Key Team Member Resumes

Richard Tagore-Erwin

R3 Principal | Project Manager & Task Lead



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PROFESSIONAL BACKGROUND

Over the past 30 years, Mr. Tagore-Erwin has developed, designed, and negotiated service terms and conditions, Agreements and contracts, and cost proposal forms for solid waste and recycling programs for over 100 municipal clients throughout California and the western United States. His areas of expertise include designing and negotiating solid waste Agreements that incorporate industry best practices, leading efficient RFP processes and evaluations, and developing clear-cut and sound recommendations to present to Councils and Boards of municipal jurisdictions. Mr. Tagore-Erwin has assisted dozens of jurisdictions in achieving legislative compliance with state ordinances and regulations such as AB 341, AB 1826, and SB 1383. As a certified meeting facilitator, he also routinely conducts working sessions with multiple municipalities and their franchised proposers plus public workshops and community meetings with such diverse community groups as elected officials, haulers, facility operators, environmental groups, and the general public.

Mr. Tagore-Erwin's additional experience includes hauler operational and performance reviews, financial analyses and rate reviews, service and rate surveys for multiple jurisdictions and public agencies, and Zero Waste and municipal operations' business and strategic plans.

EDUCATION

- Bachelor & Master of Arts in Political Science, University of Hawai'i, Mānoa

PROJECT ROLE & INVOLVEMENT

As Project Manager, Mr. Tagore-Erwin will be leading / involved in all Tasks and managing the staff for this engagement.

RELEVANT PROJECT EXPERIENCE

Procurement & Negotiation Assistance

As R3's negotiation and procurement specialist, Mr. Tagore-Erwin places significant emphasis on incorporating best practices in contractual requirements. He has assisted multiple clients with private hauler negotiations related to new franchised operations, contract extensions, and rate negotiations. His southern California clients include the cities of San Fernando, Hemet, Irwindale, Downey, Rolling Hills Estates, San Bernardino, West Hollywood, Laguna Beach, Temple City, and Calabasas, many of which established the highest franchised residential and commercial processor diversion requirements in the state. As a result of these successful projects, Mr. Tagore-Erwin has a strong understanding of regional southern California needs, as well as excellent professional relationships with the regional haulers, including Allied, Burrtec, Waste Management, CalMet, CR&R, and Athens Services.

Mr. Tagore-Erwin is currently leading negotiation assistance for the cities of Beaumont, San Juan Capistrano, Santa Clarita, and Thousand Oaks. For the City of Santa Clarita, he is leading negotiations for revised Agreements with the City's two haulers, which involves reviewing the existing Agreements and working with the haulers to incorporate programs that comply with state legislation (e.g., AB 341, AB 1826, and SB 1382) and help achieve the City's diversion goals.

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RELEVANT PROJECT EXPERIENCE (CONTINUED)

Procurement & Negotiation Assistance (continued)

Mr. Tagore-Erwin recently led a successful negotiation project for the **City of Galt**, providing recommendations and analysis on the proposed services and rates and incorporating multiple improvements in the Agreement, including: universal roll-out of commercial organics; substantial reductions to hauler-requested rate increases to fund all new program requirements and capital purchases; and a 75% franchised diversion requirement. He successfully assisted the **City of Rolling Hills Estates** to negotiate their Agreement with Waste Management, after conducting a performance review of the hauler; he designed the Agreement to assist the City in complying with state legislation, including ABs 939, 341, 1826, and 1594, which included the implementation of universal food-waste collection for commercial customers. He also assisted the **City of Temple City** in negotiating strengthened performance standards to be incorporated into their solid waste Agreement.

Mr. Tagore-Erwin recently led RFP processes and subsequent negotiations for the cities of **Half Moon Bay and Santa Rosa**, and the town of **Windsor**, helping the jurisdictions gain new or enhanced organics, solid waste, and recycling services provided by their respective haulers; this resulted in the implementation of organics collection services for commercial customers and increased overall diversion requirements. In addition, he recently led the **Sonoma County Waste Management Authority's** procurement process for an organics material processing facility to provide processing capacity throughout the Sonoma County region; he is currently assisting the Authority in securing final Agreements.

Legislative Compliance Assistance

Currently, Mr. Tagore-Erwin is leading our statewide survey for **CalRecycle** on SB 1383 implementation, which entails researching rate structures, developing infrastructure, and evaluating compost facility capacity. He is also leading our *SB 1383 Compliance Plan* project for the **City of Vallejo**.

He recently led the development of the **City of Los Altos' High Diversion Implementation Plan**. He assisted in developing recommendations for the City's hauler to meet its 78% diversion requirement and AB 1826 legislative requirements by advocating mixed-waste processing to remove organics and recyclables from commercial and multi-family waste streams. As Project Manager, Mr. Tagore-Erwin is also leading R3's projects for the cities of **Riverside and Irwindale**. These involve analyzing rate structures and methodologies regarding organic services and developing rate recommendations that increase customer participation in organic waste collection programs and, in turn, support the cities' diversion and legislative requirements.

Mr. Tagore-Erwin has assisted with the update of municipal codes to incorporate current state regulatory requirements for such clients as: the cities of **Hemet, Rolling Hills Estates, Temple City, and Piedmont**; the towns of **Windsor and Corte Madera**; and the **Novato Sanitary District**.

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William Schoen

R3 Project Director | Key Project Analyst



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PROFESSIONAL BACKGROUND

Mr. Schoen is an engineer with more than 30 years of solid waste operational and consulting experience. With his background in managing recycling and landfill operations, he has a deep understanding and significant experience in evaluating all aspects of municipally operated and franchised solid waste systems. Mr. Schoen has managed or assisted with sole-source and competitive procurement of collection, materials processing, transfer and landfill services. His significant areas of expertise include drafting RFP packages (which consist of a finalized RFP, a draft Agreement, and customer rate forms for proposers to complete) and detailed Agreements that incorporate performance incentives and rate-adjustment guidelines involving various profit bases, including detailed rate reviews and indexed adjustments. He has also evaluated proposals, prepared award recommendations, and assisted with contract negotiations. In addition, he has reviewed numerous proposals for new or expanded franchised services.

His other areas of expertise include financial and rate analysis, solid waste operational and performance assessments, strategy development for Zero Waste and high diversion, and overseeing visual and physical waste characterization studies. He also currently manages R3's food-rescue research efforts throughout California and nationally.

EDUCATION

- Bachelor of Science in Bioengineering, University of Pennsylvania

PROJECT ROLE & INVOLVEMENT

With his operational expertise and knowledge, Mr. Schoen will serve as a Key Project Analyst and support Project Manager Richard Tagore-Erwin with proposal evaluations in Task 3.

RELEVANT PROJECT EXPERIENCE

Procurement & Negotiation Assistance

In collaboration with Proposed Project Manager Richard Tagore-Erwin, Mr. Schoen has managed and assisted with contract negotiations on behalf of numerous cities for collection, hauling, and recycling services, including recently with the cities of **Downey**, **Temple City**, and **West Hollywood**. He also recently assisted the **City of Cerritos** with reviewing and evaluating CalMet Services' proposed 10-year extension to their current franchise with the City, and the counties of **Napa** and **Plumas** to negotiate extensions to their solid waste collection franchises and assisted the **City of Paso Robles** with negotiating the extension of their landfill operations agreement. During these projects, he developed draft contract language, evaluated historical operational performance measures, and assessed the financial condition of the providers' finances. Currently, for the **City of Cudahy**, Mr. Schoen is conducting an assessment of Republic Services' operational performance and compliance with its Franchise Agreement and supporting the City's negotiation of an amendment to its Agreement. He is also completing a Franchise Agreement Review for the **City of Corcoran**.

Previously, Mr. Schoen assisted **South Bayside Waste Management Authority (RethinkWaste)** with their procurement of solid waste, recyclables, and yard waste collection services, recyclable material processing, and transfer station operations.

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RELEVANT PROJECT EXPERIENCE (CONTINUED)

Procurement & Negotiation Assistance (continued)

Mr. Schoen has also assisted with contract reviews and negotiations on behalf of the cities of Cotati, Cloverdale, Davis, Los Altos, Elk Grove, Livermore, Oakland, Petaluma, Rancho Cordova, San Leandro, Stockton, and Sunnyvale, among many others.

Legislative Compliance Assistance

Mr. Schoen's operational and financial understanding of solid waste systems is fundamental to R3's ability to critically evaluate all aspects of existing and proposed solid waste collections programs, and develop solutions for organics collection in compliance with the requirements of AB 1826 and SB 1383.

As a result of Mr. Schoen's assistance in diversion and solid waste planning, the cities of Concord, Cotati, Paso Robles, Rancho Cordova, and San Jose, the Sacramento Solid Waste Authority, and many others successfully achieved compliance with: state legislation such as AB 939, AB 341, and AB 1826; CalRecycle annual reporting; and OSHA reporting.

Currently, Mr. Schoen is leading the development of a *Sustainable Materials Management Plan* for the City of Carlsbad. This includes recommending revised sustainability strategies through policy, program, partnership, and facility diversion options to enable the City to realistically achieve full compliance with AB 314, AB 1826, and SB 1383, and other relevant regulatory requirements. He also managed our review of Waste Management's AB 341, AB 1826, and construction and demolition debris diversion programs in conjunction with a review of Republic Services' compliance with its transfer station minimum diversion requirement for Carlsbad.

For the City of Galt, he recently served as Lead Analyst for R3's review of hauler Cal-Waste's proposals for a franchise renewal and the construction of a transfer station. This resulted in comprehensive recommendations regarding the feasibility and impacts of the proposed Transfer Station plus a new franchise agreement that included a 75% franchised diversion rate and universal roll-out of commercial organics.

Additionally, Mr. Schoen managed the development of AB 939 Source Reduction and Recycling Elements (SRRE) for the City and County of San Francisco and County of San Luis Obispo, and assisted with the drafting of AB 939 Plans for the counties of Fresno and Sonoma.

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Carrie Baxter

R3 Project Manager | Key Project Analyst



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PROFESSIONAL BACKGROUND

As a Project Manager at R3, Ms. Baxter has been involved in a range of operational, planning, and financial projects. She brings over ten years of experience assisting with sole-source negotiations and competitive procurement projects for solid waste management services, including: developing RFP documents; evaluating proposals; negotiating final terms and conditions; evaluating program options and needs; and writing staff reports to present the results and recommendations to Councils and Boards. Ms. Baxter specializes in: helping clients negotiate improvements and incorporate best practices and new state legislation in their municipal code and Agreements; providing financial analysis services, including studying jurisdiction rates and how to incentivize diversion; and conducting comprehensive solid waste and recycling benchmarking and rate surveys.

EDUCATION

- Bachelor of Science in Organization, Management, and Leadership, University of San Francisco

PROJECT ROLE & INVOLVEMENT

With her negotiation and procurement experience, Ms. Baxter will support Project Manager Richard Tagore-Erwin throughout the project (Tasks 1-4) as a Key Project Analyst.

RELEVANT PROJECT EXPERIENCE

Procurement & Negotiation Assistance

Ms. Baxter is currently serving as the lead analyst (with R3 Principal Richard Tagore-Erwin overseeing as Project Manager) for the negotiation of Nevada County's collection and transfer operation services. Through this process, she has analyzed the cost of necessary renovations and improvements to the County's transfer station, analyzed Waste Management's current diversion, and compared customer rates and services to jurisdictions in the surrounding region.

She recently assisted in the negotiations with the City of Rolling Hills Estates, designing the new Agreement to improve Waste Management's public education and reporting, while maintaining current service levels. Under Project Manager Richard Tagore-Erwin, Ms. Baxter also assisted with the design of the Agreement to assist the City in complying with state legislation, including ABs 939, 341, 1826, and 1594. This included the implementation of universal food-waste collection for commercial customers and diversion of all source-separated organics to a processing facility.

Previously, she led the negotiations with the City of Rohnert Park and the Town of Windsor's current exclusive franchised hauler for the non-exclusive construction and demolitions debris collection Agreement. She prepared the RFP package for the Agreements, was involved in community meetings for feedback on the processes for construction and demolitions collection during the application process, and reviewed all applications for qualifications and accuracy.

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RELEVANT PROJECT EXPERIENCE (CONTINUED)

Procurement & Negotiation Assistance (continued)

Ms. Baxter served as Lead Analyst (with Mr. Tagore-Erwin overseeing as Project Manager) for the procurement of a new collection Agreement for the **City of Half Moon Bay**. Through the procurement process, she assisted in evaluating proposals, conducted site visits of the proposed facilities, assisted with negotiations, and prepared a final staff report to present the results and recommendations to City Council. As a result of the negotiations, Ms. Baxter identified capital needs and operational efficiencies to help reduce operational costs, implemented new diversion programs (e.g., green and curbside recycling, residential and commercial food scrap collection), increased diversion requirements, and implemented rate freezes based on comparative analysis of surrounding jurisdictions.

In addition, in collaboration with Mr. Tagore-Erwin, Ms. Baxter assisted the **Sonoma County Waste Management Agency (SCWMA)** in procuring an Agreement to provide for organics processing capacity throughout the Sonoma County region. Her responsibilities included preparing the RFP package for organic material processing services. She assisted in evaluating the submitted proposals, conducting interviews of proposers, contacting references, and preparing a staff report to present the results and recommendations to the SCWMA Board.

Legislative Compliance Assistance

Ms. Baxter is coordinating research efforts for our current *Statewide SB 1383 (Organics) Rate Survey* for CalRecycle on SB 1383 implementation, which provides a summary of current rates and services, organic processing, and policy alternatives for jurisdictions to support the development of organics processing infrastructure throughout California. As part of this project, Ms. Baxter developed a toolkit of policy and regulatory resources, including sample ordinance language, as well as draft Agreement language and enclosure guidelines to address AB 341 and AB 1826 and meet current draft language of SB 1383.

For the **City of Santa Rosa**, Ms. Baxter developed a waste hauler reporting system, providing necessary AB 341 and AB 1826 monitoring information to the state. Ms. Baxter also developed a compliance plan for the **City of Irwindale** to meet the requirements of AB 1826, which was later submitted by the City to CalRecycle. The compliance plan provided CalRecycle with a description of activities that R3 assisted the City to undertake in order to develop: an effective organics collection program; an approach for the City to implement the program; and a timeline for the City to implement the organics collection program.

She assisted the **City of Shafter** with forecasting its commercial organic waste and recycling volume needs based on solid waste generation for AB 341 and AB 1826 compliance. This information was used to estimate service level needs for the City's commercial customers based on statewide waste characterization data and available information.

Ms. Baxter has also assisted with the preparation of annual reports to CalRecycle and AB 939 planning documents, including gathering and compiling data for waste generation studies for clients such as: **Inyo County, Rancho Santa Margarita, Santa Rosa, and Nevada County**. Additionally, she has revised municipal codes and updated ordinances on behalf of several jurisdictions, including the cities of **Hemet, Rancho Santa Margarita, Chico, and Petaluma**.

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Natalie Lessa

R3 Project Manager | Key Project Analyst



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PROFESSIONAL BACKGROUND

Specializing in the analysis of solid waste procurement proposals and development of organizational tools for evaluating proposals, Ms. Lessa serves an on-call role to select clients for procurement and negotiation support. Her work has included reviewing and analyzing Agreements, collaborating with cities to determine solid waste needs and potential services, developing RFPs and other procurement documents, conducting stakeholder engagement as part of the RFP process, analyzing waste hauler procurement proposals, incorporating best management practices in Agreements, and transitioning municipalities to new contracts. With her background in journalism and public relations, she also assists clients in revising ordinances and service contracts/Agreements.

With her extensive experience in developing Zero Waste and other waste-diversion strategies, Ms. Lessa assists our clients to achieve compliance with state regulations. She has particular expertise in developing organics programs, from the early stages of development to stakeholder engagement, inclusive of waste hauler and facility involvement, business waste audits, development of reporting mechanisms, education and outreach to businesses and waste haulers, and writing client reports.

EDUCATION, CERTIFICATES & TRAINING

- Bachelor of Arts in Journalism and Public Relations, CSU Chico
- Climate Protection Professional Career Certificate, Skyline Community College
- Formal Training in Organic Waste Program Planning, Education and Outreach Development, and Disaster Debris Management Planning

PROJECT ROLE & INVOLVEMENT

As our southern California lead, Ms. Lessa will also support Project Manager Richard Tagore-Erwin as a Key Project Analyst for Tasks 1, 3 and 4.

RELEVANT PROJECT EXPERIENCE

Procurement & Negotiation Assistance

For the cities of Rancho Cordova, San Bernardino, Santa Rosa, Vallejo, and the towns of Colma and Windsor, Ms. Lessa assisted in writing new or revising existing Agreements, while incorporating solid waste industry best management practices. Her responsibilities included assisting in the development of the RFP Packages, and the evaluation and analyses of proposals during the procurement process. For the procurement processes for San Bernardino, Santa Rosa, Vallejo, Colma and Windsor, Ms. Lessa worked alongside R3 Principal Richard Tagore-Erwin, and was responsible for providing summary analysis information to the client and making recommendations based on various evaluation criteria.

As R3's Project Manager for the City of Rancho Cordova, Ms. Lessa managed the procurement for disaster debris removal and disposal services and assisted in negotiations with the City's current residential franchised hauler, Republic Services. As part of this negotiation, she evaluated the hauler's diversion goals and the potential effect of AB 1594 on rates and diversion, and analyzed education and outreach plan details to meet behavior change goals and the overall appropriateness of the company's deal points.

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RELEVANT PROJECT EXPERIENCE (CONTINUED)

Procurement & Negotiation Assistance (continued)

Ms. Lessa recently assisted the cities of **Rancho Cordova** and **Citrus Heights** with revising commercial non-exclusive franchised collection service Agreements to bring them up-to-date with AB 341, AB 1826, and the forecasted effects of SB 1383. These revisions included a revamp of the waste hauler tracking forms, more streamlined reporting processes for addressing the open-market and competitive system, and obtaining stakeholder input for the revision of the Agreement language.

Legislative Compliance

For the **City of Rancho Cordova**, Ms. Lessa strategically planned for organic waste reduction in the greater Sacramento region in a collaborative effort with the area's municipalities. She helped create a comprehensive organic waste diversion plan to address the needs of AB 1826 and plan for SB 1383 by building new requirements into the commercial contract, establishing protocol with the non-exclusive waste haulers for tracking and increasing compliance, and developing education and outreach material to reduce contamination and increase participation. She also revised their exclusive Agreement and non-exclusive commercial Agreements to include language to meet AB 341, AB 1826, and SB 1594 legislative requirements. Ms. Lessa also completed similar organics diversion planning tasks for the **City of Citrus Heights**.

As Lead Analyst (with Mr. Tagore-Erwin as Project Manager) for R3's *Zero Waste Implementation Plan* for the **Town of Corte Madera**, Ms. Lessa coordinated with stakeholders and the franchised waste hauler to develop program updates to residential and commercial programs for diversion, developed policies and ordinances to establish waste-diversion mandates and goals, and created public education and outreach programs for creating behavior change. Subsequently, Ms. Lessa managed the Town's *AB 1826 Pilot Project*, which aimed to reduce organic waste from the business and multi-family garbage streams by following up with haulers to increase participation in the pilot project, conducting on-site waste characterizations and staff training, and providing recommendations for a countywide organics diversion program.

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Additional Support Staff

Nikhil Tagore-Erwin

R3 Associate Analyst | Project Support



Mr. Tagore-Erwin provides valuable support for R3 on a wide range of projects, including negotiation and procurement processes, hauler performance reports, financial analyses, solid waste planning, and grant application reviews. During these projects he has conducted surveys, performed online and in-the-field data research, and compiled and critically analyzed the resulting data and findings for our clients.

EDUCATION

- Bachelor of Arts in Political Science, University of Hawai'i, Mānoa

PROJECT ROLE & INVOLVEMENT

With his negotiation and procurement support experience, Mr. Tagore-Erwin will serve as additional support to Project Manager Richard Tagore-Erwin and be involved as needed in preparing the RFP package, reviewing proposals and preparing the new Agreement.

RELEVANT PROJECT EXPERIENCE

Procurement & Negotiation Assistance

Working under R3 Principal Richard Tagore-Erwin, Mr. Tagore-Erwin is currently providing support for our negotiation effort for the **City of Thousand Oaks**. He is reviewing and analyzing data received from the City and its two franchised haulers to determine which services and programs need to be implemented in order to maintain compliance with such state legislation as AB 1826, AB 341, and SB 1383. He is also providing project support for R3's negotiation assistance projects for the cities of **Santa Clarita** and **San Juan Capistrano**.

Mr. Tagore-Erwin provided support for our negotiation and procurement projects with the **Town of Windsor**, **Sonoma County Waste Management Authority (SCWMA)**, and the cities of **Santa Rosa**, **Rohnert Park**, and **Irwindale**. For the SCWMA, Mr. Tagore-Erwin is assisting in the evaluation of proposals for an organics processing plant. He conducted a pass/fail test of the submitted proposals based on the RFP-designated requirements for the submittal process and is now performing an in-depth proposal content review for those that passed the initial test.

For **Windsor**, **Rohnert Park** and **Santa Rosa**, his responsibilities included developing Agreement compliance checklists as well as new Quarterly and Annual Reporting Workbooks for monitoring future hauler compliance. These reporting forms were designed to streamline the reporting process by doing the following: auto populating from the quarterly reports into the annual report; limiting potential reporting and collection calculation errors; and preventing the haulers from excluding reporting requirements.

For the **City of Irwindale**, Mr. Tagore-Erwin recently reviewed organic waste collection rates proposed by their commercial hauler, Athens. The review analyzed the relationship between full implementation of a commercial organic waste program versus a partial implementation for select customers (i.e. the impact of an AB 1826 implementation schedule on customer subscription).

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Ryan Calkins

R3 Project Manager | Project Support



PROFESSIONAL BACKGROUND

Mr. Calkins joined R3 after a successful career managing private sector waste, organic, and recyclable collection systems for Waste Management (WM) at their Oakland and Stockton Divisions, and California Waste Solutions (CWS) in Oakland. He also worked as the Operations and Routing Implementation Manager for CWS during the acquisition of East Oakland's residential recycling services.

EDUCATION & CERTIFICATIONS

- Bachelor of Science in Business Administration and Management, SF State University
- Managing Municipal Solid Waste Collection Systems Certification, Solid Waste Association of North America (SWANA)

PROJECT ROLE

With his contract compliance and facility auditing experience, Mr. Calkins will also serve as additional support to Project Manager Richard Tagore-Erwin and be involved as needed for Task 3 evaluations and potential site visits.

RELEVANT PROJECT EXPERIENCE

Contract Compliance, Franchise Agreement Review and Recommendations

With his rich operational expertise from his time with Waste Management, Mr. Calkins is particularly skilled in reviewing and monitoring hauler contract compliance with operations and performance requirements, identifying issues, and providing actionable recommendations for improvement. His primary tasks include: ensuring that haulers are providing the services and level of service for which they are contractually obligated to provide; conducting reviews of hauler rate-adjustment application requests for accuracy; and verifying that customers are not being charged above the maximum allowable rate(s). These are conducted as part of his performance review projects, as described below.

As Lead Analyst, alongside R3 Project Analyst Nikhil Tagore-Erwin, Mr. Calkins recently conducted a performance review of Republic, the franchised hauler for the **City of Salinas**. R3 Principal Richard Tagore-Erwin led as Project Manager for this project, which included: contract and regulatory compliance and operations review; management and administrative review; vehicle and equipment maintenance, repair, and replacement review; customer service review; monthly, quarterly, and annual report review; and audit of billings. Mr. Calkins also conducted similar hauler operations and performance reviews for the cities of **Cotati, Petaluma, and Wildomar**, working in conjunction with R3 Project Director William Schoen.

Mr. Calkin's experience with contract compliance enables him to provide valuable assistance with reviews of Agreement language – particularly with regard to standards recommendations, incentives, and penalties related to contractor performance and operations. He has assisted in reviewing, assessing, and providing key recommendations for disposal and collections Agreements and other solid waste planning matters for both municipal and private sector entities; most recently for the **City of El Cerrito**. He has also assisted with the preparation of RFP packages for two retail locations on the campus of San Francisco State University, and served as a voting member during the review process of submitted RFPs and the interview process with the selected finalists.

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Current Work Commitments

R3 has thoroughly reviewed the scope of work and schedule and our commitments and staff availability; we are confident staff assigned to this engagement have sufficient time available to complete the requested tasks and present our deliverables within the expected project timeline. Below, we have provided tables displaying the current work commitments and utilization of our key and additional support team members.

**Table 3-1
Key Team Member Staff Utilization**

Richard Tagore-Erwin, Project Manager

Current Client	Project Name	Estimated Completion Date	Estimated % Utilization after March 6, 2019
Beaumont	Financial Analysis	March 4, 2019	0%
Carlsbad	Sustainable Materials Management Plan	March 2019	5%
San Juan Capistrano	Negotiation Assistance	June 2019	5%
Santa Clarita	Franchise Agreement Review / Negotiation Assistance	March 2019	0%
Temple City	Negotiation Assistance	July 2019	5%
Thousand Oaks	Negotiation Assistance	June 2019	5%
Total Estimated % Utilization Available for Calexico's Project in Accordance with Project Schedule			~80%

William Schoen, Key Project Analyst

Current Client	Project Name	Estimated Completion Date	Estimated % Utilization after March 6, 2019
Carlsbad	Sustainable Materials Management Plan	March 2019	10%
Cudahy	Performance Review	June 2019	5%
Amador County	Negotiation Assistance	June 2019	10%
Total Estimated % Utilization Available for Calexico's Project in Accordance with Project Schedule			~75%

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Carrie Baxter, Key Project Analyst

Current Client	Project Name	Estimated Completion Date	Estimated % Utilization after March 6, 2019
San Juan Capistrano	Negotiation Assistance	June 2019	10%
Santa Clara	Negotiation Assistance	June 2019	5%
Santa Clarita	Franchise Agreement Review / Negotiation Assistance	March 2019	15%
Thousand Oaks	Negotiation Assistance	June 2019	2%
Vallejo	On-Call Legislative Compliance & Ordinance Update	June 2019	5%
	Disaster Debris Management Planning	June 2019	10%
Total Estimated % Utilization Available for Calexico's Project in Accordance with Project Schedule			~53%

Natalie Lessa, Key Project Analyst

Current Client	Project Name	Estimated Completion Date	Estimated % Utilization after March 6, 2019
Carlsbad	Sustainable Materials Management Plan	March 2019	10%
Los Angeles County	Solid Waste Tonnage and Residential and Commercial Franchise Fee Verification	December 2019	15%
Total Estimated % Utilization Available for Calexico's Project in Accordance with Project Schedule			~75%

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**Table 3-2
 Additional Support Staff Utilization**

Nikhil Tagore-Erwin, Project Support

Current Client	Project Name	Estimated Completion Date	Estimated % Utilization after March 6, 2019
San Anselmo / Healdsburg	Vehicle Impact Study	April 2019	10%
Santa Clarita	Franchise Agreement Review / Negotiation Assistance	March 2019	10%
Thousand Oaks	Negotiation Assistance	June 2019	15%
Total Estimated % Utilization Available for Calexico's Project in Accordance with Project Schedule			~65%

Ryan Calkins, Project Support

Current Client	Project Name	Estimated Completion Date	Estimated % Utilization after March 6, 2019
Salinas	Financial Analysis & Operations Review	October 2019	20%
Vallejo	Routing Assistance	April 2019	10%
Total Estimated % Utilization Available for Calexico's Project in Accordance with Project Schedule			~70%

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Examples of Similar Engagements

R3 has completed over 40 negotiation and procurement assistance projects for municipalities in California *within the past 5 years*. Southern California clients are indicated in blue.

- | | | |
|--------------------|----------------------------|---|
| ▪ Apple Valley | ▪ Irwindale | ▪ San Fernando |
| ▪ Beaumont | ▪ Laguna Beach | ▪ San Juan Capistrano |
| ▪ Carlsbad | ▪ Lincoln | ▪ Santa Clarita |
| ▪ Cerritos | ▪ Los Altos | ▪ Santa Rosa |
| ▪ Chico | ▪ Napa County | ▪ Shafter |
| ▪ Cloverdale | ▪ Nevada County | ▪ Sonoma County Waste Management Agency |
| ▪ Colma | ▪ Novato Sanitary District | ▪ Temple City |
| ▪ Cotati | ▪ Petaluma | ▪ Thousand Oaks |
| ▪ Cudahy | ▪ Piedmont | ▪ Vallejo |
| ▪ Downey | ▪ Plumas County | ▪ West Hollywood |
| ▪ El Cerrito | ▪ Rancho Cordova | ▪ West Sacramento |
| ▪ Galt | ▪ Rohnert Park | ▪ Windsor |
| ▪ Half Moon Bay | ▪ Rolling Hills Estates | |
| ▪ Huntington Beach | ▪ San Bernardino | |
| ▪ Industry | | |

The following pages include summaries and contact information for completed reference projects where R3 conducted similar work to that which the City has requested. For references specific to each key R3 project team member, please refer to Section 6 of this proposal.

Beaumont, CA

Project Summary: Negotiation Assistance

R3 is currently assisting the City of Beaumont (City) with negotiating a new Franchise Agreement with Waste Management (WM) to include programs for SB 1383 compliance. As part of our negotiation support, we have advised the City on how to cost effectively implement commercial organics, and we will be validating WM's cost basis for the new services.

Benefits:

- A substantial payment by WM for a contract extension that will transfer City billing and street services to WM;
- Freezing of residential rates for 5 years;
- A substantial franchise fee; and
- Implementation of SB 1383 collection compliance and reporting.

Project Team: Richard Tagore-Erwin, Project Manager

Project Dates: January 2019 – Current Ongoing Project



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Client Contact: Ms. Kristine Day, Assistant City Manager
550 E. 6th Street, Beaumont, CA 92223
(951) 769-8520 | kday@beaumontca.gov

Rolling Hills Estates, CA

Project Summary: Negotiation Assistance

In early 2016, R3 was engaged by the City of Rolling Hills Estates (City) to conduct a performance review of their franchised hauler, Waste Management (WM), with the objective of assessing WM's collection operations prior to the Agreement's expiration.

As a result of the overall positive performance review, R3 was engaged to work on the City's behalf to negotiate a new Agreement with WM. The new Agreement went into effect on October 1, 2018 and was designed to improve WM's public education and reporting, while maintaining current service levels. R3 also designed the Agreement to assist the City in complying with state legislation, including AB 939, AB 341, AB 1826, and AB 1594.

Benefits:

- New Agreement with WM;
- Universal food-waste collection for all commercial customers;
- Agreement designed to improve WM's public education and reporting, while maintaining current service levels; and
- Assistance to the City in complying with state legislation (including AB 939, AB 341, AB 1826, and AB 1594).

Project Team: Richard Tagore-Erwin, Project Manager
Carrie Baxter, Project Analyst

Project Dates: August 2016 – September 2018

Client Contact: Ms. Alexa Davis, Assistant to the City Manager
4045 Palos Verdes Drive North, Rolling Hills Estates, CA 90274
(310) 377-1577 ext. 111 | AlexaD@ci.rolling-hills-estates.ca.us

Temple City, CA

Project Summary: Development of Franchise Agreement Performance Standards and Negotiation Assistance

In 2013, R3 was brought in to assist the City of Temple City (City) in reviewing the existing performance standards in the City's Franchise Agreement (Agreement) with their exclusive franchised hauler, Athens, to determine options for terminating the Agreement within the City's contractual obligations. The City had a very unfavorable, hauler-friendly 30-year rolling evergreen Agreement with Athens that had no performance, accountability, or operating standards. The City was not in a strong position to renegotiate and did not have the ability to conduct a competitive procurement any time soon.

R3 conducted a contract performance compliance review and worked extensively with City Council, Subcommittee, and staff to apprise them of available contract cancellation options, per the Agreement specifications. Subsequently, R3 developed a *performance-based, best-*

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management practices draft Agreement that included, among other things, proactive reporting of key operational data to enable the municipalities to effectively track contractor performance and compliance with key requirements of the franchise.

R3 is currently providing ongoing negotiation assistance to modify the City's Agreement with Athens to incorporate performance standards and liquidated damages, program options that better comply with legislative requirements, (e.g., AB 1826 and SB 1383), full residential and commercial organic collection services, Compressed Natural Gas (CNG) vehicles, and public education and outreach, all while preventing any negative impact to customer rates.

R3 also recently assisted the City in reviewing a rate adjustment proposed by Athens to implement AB 1826 requirements.

Benefits:

- Ability to control customer rates;
- Implementing programs to comply with AB 1826; and
- Performance-based, best-management practices Agreement requiring operational data the City can use to effectively track the hauler's performance and compliance with the Agreement.

Project Team: Richard Tagore-Erwin, Project Manager
Carrie Baxter, Project Analyst

Project Dates: November 2013 – August 2014 (Performance Standards)
February 2018 – Current Ongoing Project (Negotiations Assistance)

Client Contact: Mr. Bryan Cook, City Manager
9701 Las Tunas Drive, Temple City., CA 91780
(626) 285-2171 | BCook@templecity.us

Half Moon Bay, CA

Project Summary: Solid Waste Procurement Assistance

R3 was engaged by the City of Half Moon Bay (City) to provide "full service assistance" for the City's procurement of solid waste collection and street sweeping services, which included:

- Reviewing City and current contractor resource documents, working with stakeholders, and compiling the RFP Package;
- Developing collection program requirements, the Franchise Agreement (Agreement), minimum contractor qualifications, and a mailing list of potential proposers;
- Preparing evaluation criteria, providing written responses to questions submitted regarding the RFP, and preparing addenda as necessary;
- Conducting the pre-proposal meeting (Proposers' Conference), evaluating responses, conducting interviews, and checking proposers' references; and
- Attending City Council meetings, assisting with the presentation of the results of the evaluation process and staff recommendations, and finalizing the Agreement.

R3 conducted the RFP process, evaluated proposals, and negotiated improvements to the Agreement with the winning proposer, Republic Services.

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Recommendations for award were taken to City Council in September 2017 and Republic began providing new services in Spring 2018.

Benefits:

- A dedicated recycling specialist;
- Food waste collection and processing for all customers;
- Two HHW drop-off collection events for the City; and
- An implementation plan designed to lay the foundation for new services and facilitate a smooth transition before the start of the new contract.

Project Team: Richard Tagore-Erwin, Project Director
Carrie Baxter, Project Support

Project Dates: August 2016 – September 2017

Client Contact: Mr. John T. Doughty, Community Development Director
501 Main Street, Half Moon Bay, CA 94019
(650) 726-8252 | jdoughty@hmbcity.com

Galt, CA

Project Summary: Negotiation Assistance and On-Call Services

R3 recently completed a comprehensive review of California Waste Recovery System's (Cal-Waste) proposals for a franchise renewal and the construction of a transfer station, as part of an on-call engagement with the City of Galt (City). R3's approach to this project included a comprehensive audit of the current services provided by Cal-Waste, including a comparison of the current and proposed rates and services based on solid waste services in comparable cities, and recommendations to the City regarding Cal-Waste's proposed extension of the Agreement. R3 assisted City staff in determining the feasibility of Cal-Waste's Transfer Station proposal by conducting a review of the following: market rent charged for such facilities; appropriate host fees; compliance with permitting and regulatory requirements and their potential impacts; and the negotiations of a lease and other agreements necessary for siting and construction of the station or facility on City property.

The City ultimately decided to continue contracting with Cal-Waste, and R3 assisted City staff in negotiating the subsequent Agreement. R3's negotiations resulted in many benefits for the City, which are outlined below.

Benefits:

- Comprehensive recommendations regarding the feasibility and impacts of the proposed Transfer Station;
- 75% franchised diversion requirement;
- Universal roll-out of commercial organics;
- Strict limitations on future rate increases;
- Requirement for all new vehicles and containers;
- Incorporation of AB 1826 and SB 1383 legislative requirements into the Agreement;

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- Substantial reductions to the rate increases Cal-Waste requested to fund all new program requirements and capital purchases; and
- Reconciliation of issues with Cal-Waste's current compliance and rates, leading to clearer franchise requirements for the proposed Agreement period.

Project Team: Richard Tagore-Erwin, Project Manager
William Schoen, Project Support

Project Dates: October 2017 – August 2018

Client Contact: Mr. Eugene Palazzo, City Manager
380 Civic Drive, Galt, CA 95632
(209) 366-7100 | EPalazzo@ci.galt.ca.us

Downey, CA

Project Summary: Performance Appraisal of Solid Waste Services, Evaluation of Term Agreement Extension, and Sole Source Negotiations

In 2014, the City of Downey (City) engaged R3 to conduct a performance appraisal of the City's existing solid waste and recycling services provided by CalMet Services (CalMet), and to subsequently evaluate a proposal CalMet submitted to extend the term of its Agreement with the City through March 31, 2024. The City also requested that R3 conduct a rate survey of nearby jurisdictions to identify "best management practices" that could be incorporated into a new and/or revised Agreement.

R3's findings from the performance appraisal and rate survey concluded that CalMet is in compliance with a majority of the measures in the current Agreement, and that the City's residential and commercial customer rates were lower than surrounding communities. However, R3 found that CalMet's proposal to extend the Agreement lacked sufficient specificity and required significant negotiations. As such, R3 was subsequently engaged by the City in 2015 to prepare and negotiate a new Agreement, which was successfully completed.

Benefits:

- Two-year residential rate freeze;
- Approval of vehicle impact fee – 10% of gross revenues;
- Expanded recycling programs;
- Increased revenues from franchise fees;
- Immediate conversion of fleet to alternative fuel vehicles;
- 50% minimum diversion requirement to increase, as necessary, in compliance with state law;
- Provision for the City to conduct periodic performance reviews; and
- New rate adjustment methodology based on Refuse Rate Index (RRI).

Project Team: Richard Tagore-Erwin, Project Director
William Schoen, Project Analyst

Project Dates: December 2014 – April 2015 (Performance Appraisal)

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May 2015 – March 2016 (Negotiations)

Client Contact: Mr. John Oskoui, Assistant City Manager, City of Downey
11111 Brookshire Avenue, Downey, CA 90241
(562) 904-7282 | JOskoui@downeyca.org

West Hollywood, CA

Project Description: Evaluation of Enhanced Services and Extension of the Term of Existing Collection Services Agreement

R3 completed a contract compliance review of the City of West Hollywood's (City) franchise hauler (Athens) in support of the City's consideration of Athens' request for a contract extension. R3 subsequently assisted the City with drafting a new Agreement and negotiating a franchise extension with Athens.

The new draft Agreement was prepared by utilizing language from the current Agreement by reorganizing the language, incorporating enforceable performance standards, terms, and conditions addressing AB 341 and AB 1826, and updating the language to reflect current legislation and industry standards. New programs and services, including unlimited bulky item pickup service to all multi-family units at no additional charge and a commercial organics program, were also incorporated, along with vehicle replacement requirements.

R3 also revised the City's rate adjustment methodology to incorporate a detailed rate review and a rate survey that provided a review of comparable market conditions. Additionally, the City was provided with the ability to conduct a performance review paid for by the hauler, and an Agreement compliance checklist was prepared as part of the performance review.

R3 presented the draft Agreement to City Council, who subsequently approved it.

Benefits:

- Increased diversion requirements and ability to achieve AB 939 compliance requirements;
- Updated legislation and industry standards;
- Increased enforceability;
- Term extensions tied to verified performance;
- Enhanced navigability and organization;
- Stable customer rates; and
- Clearly defined administrative charges.

Project Team: Richard Tagore-Erwin, Project Manager
William Schoen, Project Analyst

Project Dates: May 2013 – October 2014

Client Contact: Mr. Oscar Delgado, Deputy City Manager
8300 Santa Monica Boulevard, West Hollywood, CA 90069
(323) 848-6374 | ODelgado@WeHo.org

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San Bernardino, CA

Project Summary: Negotiations & Procurement Assistance

R3 assisted the City of San Bernardino (City) with their solid waste municipal code update and privatization of solid waste and recycling, sweeping, and right-of-way services. This project ultimately led to R3 assisting the City with the privatization of solid waste services, which involved providing the City with comprehensive procurement assistance for the competitive RFP process, resulting in the selection of Burrtec as their hauler.

R3 conducted the RFP process for the City (including reviewing, summarizing, and evaluating submitted proposals, and assisting in the interview process), prepared and negotiated the new Agreement, and prepared new municipal code for the City.

Benefits:

- An added 20% franchise fee;
- No rate increases and a 4% rate cap;
- \$30 million transition fee payment; and
- Replacement vehicles and containers.

Project Team: Richard Tagore-Erwin, Project Manager;
William Schoen, Project Analyst

Project Dates: September 2015 – November 2016

Client Contact: Ms. Teri Cable, Sr. Mgmt. Advisor (Management Partners, Inc.)
3152 Red Hill Avenue, Suite 210, Costa Mesa, CA 92626
(949) 497-8418 | TCable@managementpartners.com

R3

Ability & Approach to Provide Services

Project Background

The City of Calexico (City) is located approximately 60 miles west of Yuma, 120 miles east of San Diego, and a mere three miles from Mexicali, its Mexican sister city. Being so close to the international border has its environmental challenges, as evidenced by the California-Mexico Border Relations Council Border Region Solid Waste Working Group's 2017 *Solid Waste and Waste Tire Strategic Plan (Plan)*. This Plan was established to identify and implement solutions to problems associated with solid waste (including e-waste), waste tires, and excessive sediment threatening water quality and public health in the California-Mexico border region. As stated in the Plan, "Lack of funding complicates remediation of these risks in the border region by inconsistent cross-border collaboration, limited waste management infrastructure in Mexico and limited commodity markets for recyclable materials." In addition, commercial incentives in the City have led to increasing industrial development, which in turn impacts the environment and the needs of the jurisdiction's solid waste management system.

According to the City's website, "The staff, City Manager and City Council are committed to a clean, attractive, and safe community; to the delivery of excellent municipal services; to high quality facilities and infrastructure..." As it relates to the City's RFP, R3 interprets that to mean that the City aspires to provide the best possible solid waste collection, hauling, and recycling services to their citizens, by way of assessing the current hauler Franchise Agreement (Agreement), City services and programs, and potential benefits of contracting with a new solid waste hauler.

To that end, R3 recognizes that the City has had a long-standing Agreement with Allied Waste Services¹ (Allied) for residential and commercial/industrial waste collection and disposal services, starting in 1998 with a seven-year term (January 1, 1998 – December 31, 2004). The Agreement was extended for five (5) years (January 1, 2005 – December 31, 2009) and then again for an additional ten (10) years (January 1, 2010 - December 31, 2019). The City now faces a rapidly approaching deadline for either amending the current Agreement or procuring a new provider. An informal survey by R3 of nearby jurisdictions in California and Arizona revealed only a few solid waste haulers currently providing residential hauling services²: CR&R (aka C&D in Yuma); Waste Management; and Burrtec.

R3 has reviewed the City's RFP and Addendum No. 1, Municipal Code, Council Minutes, CalRecycle draft SB 1383 Regulations, Initial Statement of Reasons to support the SB 1383 draft regulations, *Solid Waste and Waste Tire Strategic Plan*, the Agreement, and Amendments. From this review we understand that Allied currently submits quarterly program reports to the City and provides the following services for the City's customers, in addition to participating in two (2) community cleanups/year:

¹ Allied merged with Republic Services (Republic) on December 5, 2008.

² CR&R provides service to: Brawley; Calipatria; El Centro; Heber; Holtville; Westmorland; Unincorporated County; Wickenburg, AZ; Waste Management provides service to: Brawley; Burrtec provides service to: La Quinta; C&D/CR&R provides service to: Yuma. Republic provides service to other jurisdictions near Calexico: Imperial; El Centro; Brawley; La Quinta; Yuma, AZ; San Luis, AZ; and Somerton, AZ.

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- **Residential:** Solid waste weekly service using a three-can system (one each for "All-in-One Recycling," green waste, and refuse), plus sharps and needle mail-back kits and appliance recycling. Amendment 2 provides for: new blue recycling containers for each residence; weekly bulky item pick-up for each residence; and four (4) free landfill passes for each residence. The City bills residential customers and pays Allied for residential services provided.
- **Commercial and Industrial:** Collection service options from weekly to 6 times/week, Mon-Sat, from 5am-8pm. Hauler furnishes 2- to 8-yard bins, roll-off containers, and compactors for refuse and recycling. Per Amendment 2, commercial customers pay recycling rates that are 25% lower than commercial refuse rates, and they also receive a 10% rate discount for one year on all new construction within the City's Enterprise Zone. Allied directly bills commercial and industrial customers monthly.
- **City Facilities:** Refuse, recycling, and green waste collection at no cost.
- **Payments:** The City currently collects a 12% franchise fee (per Amendment 1) on solid waste gross receipts and an annual franchise fee of \$62,500 (per Amendment 2). Allied also pays a 2% AB 939 fee (per Amendment 2) on gross receipts earned from solid waste collections. Per Amendment 2, in January 2008 Allied began making an annual payment of \$50,000 (it increases by 2% per year) for wear-and-tear to City streets and alleys and pays the City 50% of net revenues earned on the sale of recyclable materials (per original Agreement and Amendment 2). Allied also pays to the City a landfill royalty fee of \$1.50/ton, per Amendment 1.

On June 20, 2018, the City Council adopted a resolution, effective July 1, 2018, that granted Allied's proposed rate increases: 2.7% solid waste and recycling rate CPI rate adjustment for 2018; and a 5-year annual increase, from January 1, 2019 through January 1, 2022, without further public hearing, "by an amount not to exceed the annual percentage increase, if any, in the CPI, subject to a maximum increase of 5% annually."³

R3 assumes that the City has issued this RFP to secure improved and additional solid waste management services that address the City's particular needs and all state regulations, while simultaneously demonstrating the City's financial prudence. To that end, R3 is very pleased to provide the following proposed Scope of Work, which will address all of the City's identified issues while completing these Tasks, as outlined in the City's RFP and further detailed in the following section of our proposal:

- Meet all state laws pertaining to solid waste management;
- Fees/funding provided through the collection agreement;
- Used oil and universal waste collection;
- Education and community outreach;
- Hauler rate methodology;
- Code enforcement; and
- Street sweeping services.

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³ Depending on the results of a competitive RFP process for a new hauler, the City may need to conduct an additional Prop 218 process.

Please note that in developing our Scope of Work, we have emphasized the need for the City's new Agreement and franchised services to comply with the draft SB 1383 regulations. R3 is completing a comprehensive report to CalRecycle on programmatic and cost impacts directly tied to compliance with SB 1383. As such, we are in a strong position to provide the City with insight on the rationale behind the draft regulations and what will be needed in a new Agreement.

Section 4

Ability & Approach to Provide Services

Specific issues, in addition to the above, that the City must address in a new Agreement are:

- Sustainable rate structures to pay for organics collection;
- Collection methods that result in delivery of "clean" materials to appropriate processing facilities;
- Collection methods that result in delivery of "mixed" materials to high-diversion processing facilities;
- City's ability to invoke flow control to permitted processing facilities;
- Uniform container colors and labeling;
- Recyclables and organics contamination oversight, tracking, and reporting;
- Universal roll-out of organics programs;
- Agreement term length to support organics processing facilities; and
- Municipal code changes to support SB 1383 compliance.

In addition to addressing the legislative requirements listed above, R3 will assess the adequacy of the proposed compensation (including escalation of pre-established fees) from potential franchisees seeking the exclusive right to provide all solid waste services. Specifically, we will verify if proposed residential and commercial customer rates provide adequate compensation to allow the City to pay the contractor for providing residential services and still retain the full franchise fee of 12% of gross billings. A review of the City's 2018-19 Public Works Department budget revealed a solid waste fund with customer fees of \$1.910M and payments to Allied of \$1.865M. The balance, \$45,000, is substantially lower than the 12% franchise fee to which the City is entitled under the terms of the current Agreement. We will advise the City on how to properly structure solid waste rates, so as to capture the full franchise fee.

Project Approach

Undertaking an RFP process is a complex and time-consuming effort. R3 recognizes that the City has limited staff to take on a project of this importance to the community. Accordingly, R3 proposes to provide **"full service" procurement and solid waste consulting assistance** to complete this project. We are available to handle every detail of the procurement process, at the City's preference.

The R3 Project Team has assisted numerous cities and counties, with staffing levels similar to the City's, on comparable projects and we are prepared to work closely with the City's Project Manager to complete all required Tasks. Our proposed work scope is based on the City's RFP, and is designed to allow **R3 to act as an extension of City staff** and assist in the following aspects of this procurement project:

- Developing a knowledge base of the City's current programs, including:
 - Current solid waste and recycling trends and updates on legislation;
 - Reviewing the existing Agreements;

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Section 4

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- Reviewing the City's AB 939 planning documents and Annual Reports;
- Reviewing the Border Region Solid Waste Working Group's "2017 Solid Waste and Waste Tire Strategic Plan;"
- Reviewing applicable laws;
- Giving presentations at community meetings, if requested;
- Compiling the RFP Package, including drafting of the program requirements, Agreement(s), and pricing options for different collection approaches (e.g., backyard services vs. curbside collection and on-call vs. scheduled bulky item collection);
- Developing a distribution list of potential proposers;
- Issuing the RFP to qualified haulers;
- Conducting a Proposers' Conference with potential proposers;
- Preparing written responses to questions submitted regarding the RFP and preparing addenda as necessary;
- Conducting interviews with proposers;
- Assisting in evaluation of proposals;
- Preparing staff reports;
- Conducting negotiation sessions, as necessary;
- Finalizing the Agreement(s); and
- Assisting City staff with making City Council presentations.

The goals that will guide the procurement process include the following:

- Providing the highest level of service to the City's residents and businesses at the best cost;
- Increasing overall landfill diversion through the promotion of re-use, recycling, composting, and source reduction strategies and programs; and
- Verifying that the City is adequately compensated by the franchisee through franchise, road impact fees, surcharge and/or AB 939 fees.

Ability to Provide Services

R3's approach is designed to result in a successful competitive procurement and selection of franchisee within the City's requested time schedule. The R3 Project Team has successfully completed numerous competitive procurement projects for municipal solid waste services, and we are confident that the project schedule will be met, barring unforeseen issues or obstacles arise.

With a staff of 17 full-time professionals who are all dedicated to providing solid waste management consulting services to public agencies, R3 has the breadth of industry knowledge and staffing to meet the City's project needs. R3 regularly tracks and monitors the status of all company projects and staff assignments and has reviewed the proposed Scope of Work and project schedule, our client commitments, and staff availability for the time frame of the City's engagement. As requested in the RFP, we have provided our key project staff's current workload in Section 3 of this proposal.

As additionally outlined in Section 3, our relevant project experience, specialized staffing, and understanding of the City's needs, make R3's Project Team the ideal partner to assist the City

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in successfully conducting its RFP process. Our recent procurement and negotiation projects with the southern California cities of **Apple Valley, Beaumont, Carlsbad, Cudahy, Downey, Huntington Beach, Industry, Irwindale, Laguna Beach, Rolling Hills Estates, San Bernardino, San Fernando, San Juan Capistrano, Santa Clarita, Temple City, Thousand Oaks, and West Hollywood** give us an excellent understanding of regional haulers, including **Allied (aka, Republic Services), Waste Management, Burrtec Waste Industries, CR&R, Cal-Met, and Athens Services**, among others.

Scope of Services

The development of a new Agreement provides the City with the following opportunities, which R3 will consider during our analysis and provision of recommendations in Task 1:

- Incorporate new legislation to address franchised hauler requirements and City compliance. Based on R3's knowledge of current organics and recycling legislative requirements and the City's current Agreement, there are several pressing concerns that need to be addressed in an updated Agreement:
 - **AB 1594** -Starting January 1, 2020, it will no longer be possible to obtain diversion credit for the use of green waste as alternative daily cover at landfills. This is an issue facing many cities, including Calexico;
 - **SB 1383** and **AB 1826** – The City's current Agreement does not contain language for AB 1826, or SB 1383. We will analyze how best to cost effectively provide for the mandated organics collection programs. Other aspects of this legislation to be considered include potential municipal code revisions, processing facilities development and improvements, potential rate increases, education and outreach, generator monitoring, and tracking for CalRecycle compliance;
- Address financial impact of fluctuating materials markets, particularly in regard to the **China National Sword**. China recently imposed strict contamination standards on over 20 material types and reduced its accepted level of contamination to 0.5% on inbound shipments. This has significant impacts on local recycling collection programs as it pertains to infrastructure development, customer rates, education and outreach, and contract language; and
- Establish best management practices and/or implement a high-diversion (aka "green") solid waste services Agreement.

Task 1 Determine City's Collection Needs & Develop Procurement Strategy

Task 1.1 Request for Information, Document Review, & Kick-off Meeting

Upon receiving "Notice to Proceed" from the City, R3 will submit a Request for additional Information (RFI) to City staff⁴. We will conduct an initial review of all documents to develop a further understanding of how the City's current solid waste collection programs and services, performance standards, and operational requirements compare to solid waste management

⁴ R3 has been provided, or obtained via research, the current Agreement and Amendments, the adopted FY 2018-19 City budget, the *Solid Waste and Waste Tire Strategic Plan (Plan)*, and the City's Municipal Code.

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best practices. This will include a review of the current Agreement, schedule of customer rates, and the City's operating budget.

Once the document review is complete, R3 will schedule one (1) in-person Project Kick-off meeting with City staff. This meeting will provide an opportunity to define the details of the selected scope of work, confirm project goals and objectives, review the proposed project timeline, and clarify details of the competitive procurement process that the City would like addressed in our executed work. It will also allow us to establish roles and responsibilities, identify appropriate contacts for the City and R3, and address any outstanding issues or concerns that may have arisen during the document review process.

While on site, R3 will schedule visits to the City's processing facilities and collection areas, per the City's request.

Task 1.2 Conduct Analysis of Current Franchise Agreement and Services

During this Task, R3 will further refine the project plan by conducting the following, all of which should be addressed in the City's new Agreement:

- A thorough analysis of the City's current Agreement and Amendments that includes a review of best management practices related to services, terms, and conditions;
- A comparison between those services and the latest solid waste and recycling trends;
- A review of the City's current solid waste billing system and related budgets; and
- Updates on key legislation (AB 341, AB 1594, AB 1826, and SB 1383).

Task 1.3 Prepare Recommendations for New Franchise Agreement

Using our experience bringing California municipalities into compliance with CalRecycle requirements, and with our understanding of recent state legislation, we will counsel the City on the latest state solid waste trends as they pertain to both franchised services and the Agreement development. This information will be discussed during our Kick-off Meeting, as well as in follow-up correspondence with the City.

In an electronic memorandum format, we will provide the City with an update of recent legislation, including AB 341, AB 1826, AB 901, AB 1594 and SB 1383, *all* of which should be addressed in the City's new Agreement. Our memorandum will also include a summary matrix of recommended new solid waste services, programs, and rate structures to incorporate into the new Agreement.

As indicated in the City's RFP and R3's Project Approach, there are many industry best practices that should be considered as part of the new Agreement, to be analyzed in further detail as part of this Task, which include:

- Collection programs, public education and outreach programs, contamination monitoring protocols, and reporting requirements to allow the City to fully comply with AB 341, AB 1826, and SB 1383;
- Establishment of diversion requirements (e.g., residential, bulky waste collection, commercial, organic materials), with incentives for meeting those requirements;
- "Universal" roll-out of organics to all customers;
- Incorporation of curbside oil/oil filter and battery collection, sharps, pharmaceuticals, electronic waste and/or universal waste collection options;

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- Street sweeping services;
- Implementation of a customer rate structure and rate-adjustment methodology that encourages high customer participation in all programs, provides adequate compensation to the hauler to allow for the provision of all services, and also delivers sufficient compensation to the City to allow for the management and administration of the contract and all required solid waste activities;
- Code enforcement activities provided by the hauler (i.e., illegal dumping collection);
- Requirement for the hauler to minimize greenhouse gas emissions by using compressed natural gas (CNG) vehicles or the latest technology for smarter routing;
- Requirement for the hauler to continue paying the City a "Vehicle Impact Fee" to compensate for road wear-and-tear;
- Requirement for the hauler to continue paying the City an AB 939 fee, as may be adjusted;
- Requirement for the hauler to continue paying the City a landfill royalty fee, as may be adjusted; and
- Other services realized during Task 1 to be valuable for inclusion in the Agreement.

A conference call between City and R3 Project Team staff will be scheduled to discuss the results of our analysis and Task 1 electronic memorandum.

Task 1.4 Present Preliminary Program Recommendations to City Council

Based upon results of Tasks 1.1 - 1.3, R3 will present program recommendations to City Council for their input and direction to inform the Draft RFP Package, as discussed in Task 2. Please note that while this Council presentation is not listed in the City's tentative schedule, R3 recommends that the City consider including it. Our experience has proven that enlisting the Council's input at this earlier stage increases the likelihood of developing a full RFP Package that will be approved on a timely basis.

Task 1 Deliverables

- One (1) electronic Request for Information (RFI) to City;
- One (1) in-person Project Kick-off Meeting with City staff;
- One (1) electronic memorandum, summarizing the results of Task 1, including a matrix of our preliminary recommendations;
- One (1) presentation to City Council on preliminary recommendations; and
- Conference calls with City and R3 Project Team staff, as needed to discuss this Task.

Task 2 Prepare and Issue Request for Proposals (RFP Package)

Task 2.1 Prepare Draft RFP Package

We will utilize the findings from Task 1 to develop a Draft RFP Package, which will include a Draft RFP, customer rate forms for proposers to complete, and a Draft Agreement, and may be organized as follows:

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- Section 1: General Introduction to the RFP Document
- Section 2: Available Demographic and Service Account Data
- Section 3: Current Services and Requested Services and Requirements
- Section 4: Communication Protocol for Proposers and the City, Qualification Requirements, and the Required Submittal Format
- Section 5: Required Work Plans
- Section 6: Evaluation Criteria and Evaluation Process
- Section 7: Customer Rate Forms
- Section 8: Draft Agreement

Task 2.2 Develop Proposal Evaluation Criteria

Prior to the release of the Draft RFP Package, R3 will work with the City to develop proposal evaluation criteria. We will use our experience conducting similar procurement processes to recommend and develop specific minimum requirements and qualifications for the proposals.

For example, prospective haulers may be required to submit work plans that specify how they will transition to new services, achieve diversion requirements, implement customer service programs, and promote public education activities. Additional evaluation criteria typically include: company qualifications and references; technical approach; financial ability; and customer rates.

We will also collaborate with the City to establish the evaluation and selection process for discussion. This will include identifying who is responsible for selecting and weighting the evaluation criteria and creating the scoring system (e.g., City Staff or City Council). It is important to carefully consider these choices, because, for example, if City Council desires a higher evaluation weight on customer rates and a lower one on diversion programs, the City could receive a "low ball" proposal from a marginally qualified proposer that may not be able to keep the City in legislative compliance.

It is equally critical to ensure that the evaluation process is objective. We have worked on numerous procurement processes where the jurisdictions used a "double-blind" approach to eliminate bias. With this method, the City Council establishes the criteria weighting after proposals have been received and scored by the Evaluation Team, which effectively maintains the objectivity of the selection process.

Task 2.3 Develop Draft Franchise Agreement for RFP Package

In our experience, the Draft Agreement should be developed and issued as part of the RFP Package. This significantly reduces the time and cost of negotiations, and contractually links the requested services to proposed costs as part of the evaluation process. In addition, this prevents proposers from making changes to the Agreement once proposals have been submitted.

The Draft Agreement will establish the scope of services and will specify performance standards, including, for example, diversion requirements, reporting overweight vehicles, customer service interaction, and those specifically designed for street sweeping. Based on discussions with City staff and the City Attorney, R3 will make revisions to the Draft Agreement and prepare it for inclusion in the RFP Package.

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Task 2.4 City Council Meeting to Present Draft RFP Package

Prior to finalizing and issuing the RFP Package, R3 will attend one (1) City Council meeting to present the details of the Draft RFP Package and discuss the selection process. The goal of this meeting will be to elicit input from City Council regarding specific elements of the Draft RFP and Draft Agreement. R3 will also prepare and provide copies of a handout for presentation at this City Council meeting.

Task 2.5 Finalize and Issue RFP Package

R3 will finalize the RFP Package based on City Council direction and will provide the City with an electronic copy of the Final RFP Package, including the Final RFP and Final Agreement. R3 will provide our extensive mailing list of solid waste companies operating in California and throughout the country, which the City can utilize for distribution of the RFP Package to prospective proposers. The R3 Project Team will work with the City to publicize the availability of the RFP Package, provide the City with a draft Notice of Availability for release on City letterhead, and work with City staff to post the RFP on the City's website.

Task 2.6 Conduct Mandatory Proposers' Conference and Prepare the RFP Addenda

R3 will conduct a mandatory Proposers' Conference with prospective proposers. This meeting will provide an opportunity for the City to review the RFP with prospective proposers and answer questions, as appropriate.

R3 will prepare written responses to questions raised before and during the Proposers' Conference for submittal to all parties at the meeting. In addition, R3 will prepare addenda to the RFP, as necessary.

Task 2 Deliverables

- Draft RFP Package (Draft RFP and Draft Franchise Agreement), in electronic format;
- Thirty (30) handouts for presentation to City Council;
- Attendance and presentation of Draft RFP Package at one (1) City Council meeting;
- One (1) finalized RFP Package, in electronic format, that includes background information on the service area, requested services, RFP preparation instructions, evaluation and selection criteria, project schedule, Draft Agreement, and all required cost and supporting forms to be filled out by the proposers (for distribution to potential proposers);
- A mailing list of prospective proposers, in electronic format, for use in City's distribution of the RFP Package;
- Preparation of a Notice of Availability of the RFP document and how proposers may obtain copies;
- Presentation during one (1) Proposers' Conference;
- Written responses to questions submitted before and during the Proposers' Conference, in electronic format; and
- Preparation of all necessary addenda to the RFP.

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Task 3 Review and Evaluate Proposals

Task 3.1 Assemble Evaluation Team

It is recommended, as part of the evaluation process, that the City form an Evaluation Team to actively participate in the following components of the proposal evaluation process:

- Proposal Review;
- Proposal Evaluation;
- Proposer Interviews; and
- Proposal Scoring.

An Evaluation Team typically will include any or all of the following individuals: City Manager; Finance Director; Public Works Director or staff; other City staff; Elected Officials; and R3 Staff. It should be noted that members of the Evaluation Team will be required to dedicate adequate time to attend Evaluation Team meetings and interviews⁵. R3 will prepare summary meeting agendas, summary documents, and scoring sheets for the Evaluation Team's use, and will meet with the Evaluation Team during evenings and weekends, as may be necessary to accommodate individual schedules.

Task 3.2 Conduct Initial Evaluation of Proposals

R3 will assist the City with the initial evaluation of proposals received in response to the RFP. The evaluation will include but is not limited to conducting an initial "pass-fail" checklist against the RFP's minimum requirements. In the event that a proposal does not meet the minimum requirements of the RFP, we will recommend that the proposal be disqualified as non-compliant.

R3 will then provide a summary of those proposals that advanced past the initial pass-fail process, which will include:

- Proposers' qualifications/references and processing/disposal facilities;
- Proposers' approach to meeting the City's diversion requirements;
- Customer rates;
- Collection methods;
- Customer service programs;
- Financial statements;
- Transition experience; and
- Work plans.

After the initial pass-fail evaluation is completed, R3 will prepare all necessary written requests for clarification to the haulers.

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⁵ R3 anticipates that up to four (4) Evaluation Team meetings may be needed to complete the evaluation and scoring process.

Task 3.3 Conduct Interviews and Reference Checks

R3's role in the evaluation process will include facilitation of the evaluation meetings, scheduling and conducting interviews of qualified proposers, along with participation in meetings with City staff and any City Council Subcommittee that may be formed. R3 will support the proposer interview process by preparing an evaluation checklist, in matrix format, that includes comparative summaries of the proposals as well as questions/concerns to be raised during the interview process. Please note that R3 will facilitate site visits of any proposed processing facilities, transfer stations, disposal facilities, or operation yards that have a SWMP or a CUP, as the City feels necessary to achieve a full understanding of the proposers' capabilities⁶.

We will provide a form to be used in completing reference checks. *The City may want to consider conducting reference checks prior to interviews.* Following interviews and reference checks, R3 will provide the City with an electronic summary memorandum of the reference check results, and written follow-up questions for the proposers.

Task 3.4 Conduct Final Evaluation, Proposal Scoring, and Ranking

R3 will assist the City in completing the final evaluation and scoring of proposals by preparing a comparative summary highlighting qualifications and technical merits, strengths and weaknesses, and value-added benefits of each proposal. The summary will also include information and insights gained from the proposal interviews, follow-up information as may be provided by the proposers, and results of any proposer site visits, as needed.

As part of the final evaluation, R3 will perform a rate analysis and summary of the consequential impacts on the City and its rate payers. This will be done comparing proposed customer rates and estimated revenue to be received by the City through franchise fees, AB 939 fees, road impact fees, as well as other fees and payments that may be offered by the proposers. *Of particular importance to the City, because the City bills residential customers directly, is that the proposed residential rates incorporate the City's 12% franchise fee.*

R3 will also develop a scoring sheet based on the specific criteria included in the RFP documents (or as may need to be modified if the City elects to follow a "double-blind" scoring process, such as that briefly described in Task 2). R3 will explain how to complete the scoring sheets with the Evaluation Team, but we strongly suggest that members of the Evaluation Team individually complete their own scoring sheets, and then allow R3 to compile the scores.

R3 will prepare a written report for the City that summarizes the proposal evaluation process and scoring results. The report will highlight the proposed collection methods, customer service programs, work plans, and customer rates (cost). To the extent possible, this information will be provided as comparative summaries that will accompany a recommendation of the top-ranked proposal(s) for the City Council to consider.

Task 3.5 Attend City Council Meeting to Present RFP Evaluation Results

R3 will present the results of the evaluation process to City Council, including recommendations made by the Evaluation Team. This will include a summary of the proposal process, proposals received, the evaluation process, and the results and recommendations for award of the Agreement. Please note that while this City Council presentation is not included in the tentative schedule in the City's RFP, our experience has proven that enlisting the Council's input at this stage increases the likelihood of developing a full RFP Package that will be approved on a timely basis. Given the time constraints to complete the City's engagement

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⁶ R3 suggests that interviews and necessary site visits be conducted on the same day.

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we strongly recommend that City staff consider including this additional City Council presentation.

If the City chooses to employ a "double-blind" scoring process (see Task 2), it may be necessary to present the evaluation criteria to the City Council prior to presenting any summary information on the proposals or compiling the weighted scores for proposal ranking.

Task 3 Deliverables

- Initial evaluation of the technical feasibility of each proposal received;
- Evaluation matrix, in electronic format, to easily compare the proposed programs and rates for each proposer;
- Preparation of any written request for clarification to the proposers, as necessary;
- Scheduling and conducting interviews with proposers;
- Creation of a "checklist" form to be used in completing reference checks;
- Electronic summary memorandum of reference check results;
- Electronic interview evaluation checklist in matrix format;
- Written follow-up questions to proposers, as necessary;
- Conduct necessary site visits;
- Rate analysis and summary of proposed impacts on City and rate payers;
- Facilitation and attendance at up to four (4) Evaluation Team meetings;
- One (1) written report, in electronic format, that summarizes the proposal evaluation process and scoring results;
- Attendance at one (1) City Council meeting to present the results of the evaluation process.

Task 4 Negotiate with Top-Ranked Contractors, and Prepare a New Agreement with Selected Contractor for City Council Approval

Task 4.1 Negotiate with Top-Ranked Proposer(s)

Based on direction from City Council, R3 will participate in up to five (5) Agreement negotiation sessions with the top-ranked proposer(s). Negotiations will focus on clarifying the proposers' service and cost proposals and incorporating any optional services as may be selected by City Council.

R3 will develop a list of outstanding service, cost, and Agreement issues to be negotiated with the proposers and provide it during negotiation strategy meetings with the City prior to the proposer negotiations.

Task 4.2 Finalize New Agreement for City Council Approval

Based on direction from City Council, we will incorporate any program changes or options selected by City Council and finalize the Agreement. This will include changes to the Draft Agreement through the issuance of addenda by the City, any final selected program options, proposed rates, final work plans, and exhibits.

R3 will prepare a staff report for delivery to the City Council to support the staff recommendation to execute an Agreement with the selected company.

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Task 4.3 Attend City Council Meeting to Present Final Agreement for Approval

R3 will make one (1) presentation to City Council to summarize the results of the final negotiations and facilitate their approval of the Final Agreement. This presentation will include summarizing final programs, implementation steps, and customer rates.

Task 4 Deliverables

- Meetings with City staff, either in person or by phone, to confirm negotiation strategy;
- Up to five (5) negotiation sessions with top-ranked proposers;
- Preparation of a listing of outstanding service, cost, and Agreement issues to be negotiated with the proposers;
- Revisions to the Draft Agreement based on the results of the negotiation sessions;
- Preparation of a staff report to the City Council to support the staff recommendation to execute an Agreement with the selected proposer;
- One (1) presentation to City Council to summarize the negotiation results and facilitate approval of the Final Agreement; and
- Final Agreement, in electronic and paper copy format, for execution by the City and the selected proposer.

Optional Task Assist in Transition to New Services

R3 is available to assist the City with ongoing on-call solid waste technical services following the finalization of the Agreement with the chosen contractor. While the nature of on-call services makes it difficult to determine the exact tasks that R3 may be asked to perform, we are prepared to provide the City with all necessary job functions for the transition to new waste hauler services. For this Optional Task, R3 will bill the City (or the hauler, if directed by the City) on a time-and-materials basis using our 2019 Billing Rates as outlined in Table 3. Our work efforts for this Optional Task may include, but are not limited to:

- Developing an implementation check list to measure progress of the hauler's proposed work plans;
- Participating/managing transition meetings between the hauler and City staff;
- Developing standardized reporting waste hauler tracking reporting procedures and forms;
- Assisting in conducting on-site waste audits for commercial customers subject to AB 1826 and SB 1383 requirements; and
- Participating/overseeing vehicle transition and cart transition activities.

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Project Schedule

R3's proposed timeline below incorporates the dates in the tentative schedule included in the City's RFP and assumes a new Agreement term start date of January 1, 2020.

**Table 4-1
Tentative Project Timeline**

Milestone Events	Week / Date of Completion
Notice to Proceed Issued by City (assumes City Council approval March 6, 2019)	March 7, 2019
Task 1 – Determine City's Collection Needs & Develop Procurement Strategy	
Request for Information & Review of Resource Documents	March 8 – 15, 2019
Project Kick-off Meeting	March 11, 2019
Review/Analysis of Agreement & Possible New Services for Inclusion in RFP	March 11 – March 29, 2019
Attend City Council Meeting to Present Preliminary Program Recommendations	April 3, 2019 *
Task 2 – Prepare & Issue Request for Proposals (RFP)	
Prepare Draft RFP Package	March 18 - April 17, 2019
Finalize Draft RFP Package for Release	May 23 – June 6, 2019
Attend City Council Meeting to Present Draft RFP Package for Approval	June 5, 2019
Issue RFP	June 6, 2019
Task 3 – Review & Evaluate Proposals	
Assist with Conducting Mandatory Proposers' Conference & Prepare RFP Addenda	June 13 – June 26, 2019
Mandatory Proposers' Conference	June 19, 2019
Proposals Due	July 18, 2019
Evaluate Proposals	July 18 – July 25, 2019
Conduct Interviews and Reference Checks	July 19 – July 23, 2019
Attend City Council Meeting to Present Results of Evaluation Process (receive direction to negotiate)	August 7, 2019 *
Task 4 – Negotiate with Top-Ranked Contractors & Prepare a New Agreement with Selected Contractor for City Council Approval	
Complete Negotiations and Finalize Franchise Agreement	August 8 – August 16, 2019
Attend City Council Meeting for Approval of Final Agreement	August 21, 2019
Transition to New Services	August 21 – Dec. 31, 2019
Begin New Services	Jan. 1, 2020

* R3 recommends including these City Council meetings on the dates listed in the above tentative schedule, even though they differ from the tentative schedule in the City's RFP.

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Local Benefit Statement

Should R3 Consulting Group, Inc. be selected, we will bring the following benefits to the City:

- Best practices Franchise Agreement (Agreement) that:
 - Provides the highest level of service to the City's residents and businesses at the best cost;
 - Cost-effectively achieves City compliance with legislative requirements (i.e., AB 341, AB 1594, AB 1826, and SB 1383) for the term of the new Agreement;
 - Verifying that the City is adequately compensated by the franchisee through franchise, road impact fees, surcharge and/or AB 939 fees;
 - Increases overall landfill diversion through the promotion of re-use, recycling, composting and source reduction strategies and programs; and
 - Prevents potential penalty fees assessed on the City and ratepayers, and decreases hauling costs by increasing recycling and diversion – which will increase end-market revenue from “cleaner” recycling.
- Reasonable rates for Calexico residents and businesses – cost control translates to more money for residents and businesses to invest in the local community; and
- Efficient hauler operations, which would mean less collection vehicles, pollution, and City street wear-and-tear.

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References for Key Team Members

In the following pages, we have provided references and current contact information for each of our key team members.

Richard Tagore-Erwin

R3 Principal | Project Manager

Client: City of Temple City

Client Contact: Mr. Brian Cook, City Manager, (626) 285-2171

Project Name: *Development of Franchise Agreement Performance Standards | On-Call Solid Waste Consulting*

Project Dates: November 2013 – August 2014 | Current Ongoing Project

Client: City of Beaumont

Client Contact: Ms. Kristine Day, Assistant City Manager, (951) 769-8520

Project Name: Negotiation Support

Project Dates: October 2018 – Current Ongoing Project

Client: City of Irwindale

Client Contact: Ms. Elizabeth Rodriguez, Sr. Management Analyst, (626) 430-2211

Project Name: *Solid Waste Procurement Services | Organic Waste Unit Cost Audit*

Project Dates: July 2014 – February 2015 | January 2018 –Current

Client: City of Riverside

Client Contact: Ms. Olivia Sanchez, Administrative Analyst, (951) 351-6174

Project Name: *Solid Waste Organic Services Program Review*

Project Dates: November 2017 – Current Ongoing Project

Client: City of Rolling Hills Estates

Client Contact: Ms. Alexa Davis, Assistant to the City Manager, (310) 377-1577 ext. 111

Project Name: *Negotiation Assistance*

Project Dates: August 2016 – September 2018

Client: City of Half Moon Bay

Client Contact: Mr. John T. Doughty, Community Development Director, (650) 726-8252

Project Name: *Solid Waste Procurement Assistance*

Project Dates: August 2016 – September 2017

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William Schoen

R3 Project Director | Key Project Analyst

References

Client: City of Cudahy

Client Contact: Mr. Jose Pulido, City Manager, (323) 773-5143

Project Name: *Performance Review and Negotiation Assistance*

Project Dates: August 2018 – Current

Client: City of Wildomar

Client Contact: Mr. Gary Nordqvist, City Manager, (951) 677-7751 ext. 209

Project Name: *Performance Review*

Project Dates: July 2017 – February 2018

Client: City of Carlsbad

Client Contact: Ms. Avecita Jones, Program Manager, (760) 602-7542

Project Name: *Various Solid Waste Projects*

Project Dates: 2010 – Current Ongoing Project

Client: City of Downey

Client Contact: Mr. John Oskoui, Assistant City Manager, (562) 904-7282

Project Name: *Sole Source Contract Negotiations*

Project Dates: May 2015 – March 2016 (Negotiations)

Client: City of Corcoran

Client Contact: Mr. Kindon Meik, City Manager, (559) 992-2151

Project Name: *Franchise Agreement Review*

Project Dates: August 2018 – Current Ongoing Project

Client: City of Cerritos

Client Contact: Mr. Mike O'Grady, Environmental Services Manager, (562) 916-1226

Project Name: *Review of CalMet's Contract Extension Proposal*

Project Dates: April 2017 – May 2017

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Carrie Baxter

R3 Project Manager | Key Project Analyst

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References

Client: City of Rolling Hills Estates

Client Contact: Ms. Alexa Davis, Assistant to the City Manager, (310) 377-1577 ext. 111

Project Name: *Negotiation Assistance*

Project Dates: August 2016 – September 2018

Client: City of Half Moon Bay

Client Contact: Mr. John T. Doughty, Community Development Director, (650) 726-8252

Project Name: *Solid Waste Procurement Assistance*

Project Dates: August 2016 – September 2017

Client: Sonoma County Waste Management Authority (SCWMA)

Client Contact: Mr. Patrick Carter, Former SCWMA Executive Director, Current Management Analyst II with City of Petaluma, Public Works & Utilities Dept., (707) 778-4560

Project Name: *Organics Processing Procurement Assistance*

Project Dates: March 2017 – August 2018

Client: City of Rohnert Park

Client Contact: Mr. Don Schwartz, Assistant City Manager, (707) 588-2242

Project Name: *Temporary C&D Collection Procurement*

Project Dates: July 2017 – November 2017

Client: City of Santa Rosa

Client Contact: Mr. Joey Hejnowicz, Administrative Analyst, (707) 543-3023

Project Name: *Solid Waste Services Transition Assistance and Contract Management*

Project Dates: December 2017 – Current

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Natalie Lessa

R3 Project Manager | Key Project Analyst

References

Client: City of Rancho Cordova

Client Contact: Mr. Steve Harriman, Public Works Division Manager, (916) 851-8716

Project Name: *Competitive Procurement / Residential Solid Waste Negotiations / Commercial Non-Exclusive Procurement*

Project Dates: July 2016 – January 1, 2018

Client: Town of Windsor

Client Contact: Ms. Kristina Owens, Acting Special Projects Manager, (707) 836-5313

Project Name: *Procurement Assistance*

Project Dates: April 2016 – October 2017

Client: City of Redlands

Client Contact: Mr. Louie Miranda, Solid Waste Manager, (909) 798-7662

Project Name: *Hazardous Household Waste Program Evaluation*

Project Dates: December 2017 – June 2018

Client: City of Citrus Heights

Client Contact: Ms. Mary Poole, Operations Manager, (916) 727-4770

Project Name: *AB 1826 Implementation Assistance and Disaster Debris Management Plan*

Project Dates: January 2016 – July 2017 (AB 1826 Implementation Assistance), March 2016 – March 2018 (Disaster Debris Management Plan)

Client: Town of Colma

Client Contact: Mr. Roger Peters, City Attorney (retired), (925) 788-2577

Project Name: *Procurement Assistance*

Project Dates: March 2015 – February 2016

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Section 7

Conflict of
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Conflict of Interest Statement

R3 Consulting Group, Inc. is strongly committed to providing our clients with unbiased opinions and recommendations. To that end, we provide service exclusively to public agencies and we do not have any financial, business, or other relationship with the City that could have an impact upon the outcome of this contract.

R3 also does not have any current or past clients who may have a financial interest in the outcome of this contract or any City construction project that may follow, or any financial interest or relationship with any owner/developer who might have future improvements within the City.

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Insurance Coverage

Below, we have provided the requested summary of our insurance coverage.

Comprehensive General Liability

Sentinel Insurance Company

Policy Number:

- 57 SBA AT6312

Summary of Coverage:

- Occurrence basis
- General aggregate limit applies per policy
- Limits: \$2,000,000 per Occurrence
\$1,000,000 – Damage to Rented Premises (each occurrence)
\$10,000 – Medical Expenses (any one person)
\$2,000,000 – Personal and Adv. Injury
\$4,000,000 – General Aggregate
\$4,000,000 – Products – COMP/OP AGG

Professional Errors & Omissions Liability

Philadelphia Indemnity Insurance Company

Policy Number:

- PHSD1394509

Summary of Coverage:

- Limits: \$2,000,000 (each claim limit)
\$3,000,000 (Aggregate)
\$5,000 (Deductible)

Automotive Liability

Hartford Accident & Indemnity

Policy Number:

- 57 UEC FM1071

Summary of Coverage:

- Any auto
- Limits: \$1,000,000 (combined single limit / each accident)

R3

Section 8

Insurance
Coverage

Workers Compensation and Employers' Liability

Property & Casualty Insurance Company of Hartford

Policy Number:

- 57 WBC NP9192

Summary of Coverage:

- Per Statute
- Limits: \$1,000,000 (E.L. – each accident)
\$1,000,000 (E.L. Disease – each employee)
\$1,000,000 (E.L. Disease – policy limit)

R3

Supportive Information

We have attached the following project deliverables from past projects as supportive information for our qualifications:

- **Presentation to Rolling Hills Estates City Council - Recommendations to Approve Negotiated Franchise Agreement with Waste Management**
- **Draft Memo to City of Riverside – Summary of City Organics Services Program**
- **Presentation to San Bernardino Common Council – Agreement for Solid Waste and Recycling, Sweeping and Right of Way Services**
- **Presentation to Half Moon Bay City Council – Residential and Commercial Garbage, Recyclable Material and Organic Waste Collection Services**
- **Staff Report for City of Half Moon Bay – Solid Waste Franchise Agreement Adoption**

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Section 9

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Supportive
Information

R3

Recommendations to Approve Negotiated Franchise Agreement with Waste Management



PRESENTATION TO:
City of Rolling Hills Estates City Council
September 11, 2018

0

Background *Status of Franchise Agreement*



- ▶ Residential franchise agreement became effective in 2005
- ▶ Commercial added to franchise agreement in 2009
- ▶ Performance Audit conducted in 2015
- ▶ Negotiations have been ongoing since 2016
 - Subcommittee meetings
 - Community meetings
 - Customer rate freeze since FY 2015/16
- ▶ Contract term extended through 9/30/2018

1



Background

New Regulations

- ▶ **AB 341 - Landfill Diversion & Recycling (2011)**
 - Increases landfill diversion requirement from 50% to 75% by 2022
 - Mandated recycling programs for businesses, public entities and multi-family complexes generating more than 4 cu. yd. commencing July 2012
- ▶ **AB 1826 - Organics and Food Waste Recycling (2014)**
 - Mandated organics & food waste recycling programs by April 2016 for businesses, public venues and multi-family complexes generating 8 or more cu. yd. per week
 - Expanded to include generators of 4 or more cu. yd. per week by Jan. 2017
 - Gives CalRecycle authority to expand mandate to include generators of 2 or more cu. yd. per week in Jan. 2020



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2



Background

New Regulations (continued)

- ▶ **AB 1594 – Green Material Used as ADC Prohibited as Diversion Credit (2014)**
 - Commences on January 1, 2020
 - Waste haulers can continue to deliver green material to be used as ADC, but it can no longer be reported to the CalRecycle as diverted material
- ▶ **SB 1383 – Diversion of Organics from Landfills (2016)**
 - Requires a reduction of 50% of organics going to landfills from 2014 levels by 2020
 - Increases reduction to 75% by 2025
 - A 20% reduction in edible food currently disposed, for recovery and human consumption, by year 2025
 - The State recognizes that 50 to 100 organic waste processing facilities are needed
 - *Draft regulatory language is still being developed*



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3



Background

National Sword & Recycling Markets

- ▶ Loss of major international markets for recyclable materials
 - China's National Sword Program sets strict contamination standards
 - Other nations are following suit
- ▶ Local recycling companies limiting materials they will take
- ▶ Significant reductions in value of recycled materials
- ▶ Significant increases in costs to divert organics and low value products
- ▶ Need for local regional organics processors – composting & bio-fuel producers
- ▶ New programs and facilities must be developed to meet the diversion mandates
- ▶ Significant increases in costs → Need to raise local collection rates



SLIDE 4

4



Key Terms

Modified Contract Terms

- ▶ 10 year, 9 month term with a 5-year extension
- ▶ Roll-out of organics collection for ALL commercial customers
- ▶ Correcting Manure Collection Services
- ▶ Allow charge for 5+ green waste carts
- ▶ Modify rate increase calculation
 - Years 1-3: Phased Rate increases
 - Years 4+: Rate adjustments based on WST-CPI index
- ▶ Modified diversion requirements



SLIDE 5

5

Key Terms
Maintain High Level of Services

- ▶ Contractor provides ALL containers
 - 32, 45, 64 & 96 gallon cart sizes
- ▶ Unlimited recycling services
- ▶ On-call bulky waste collection 4 times/year
- ▶ HHW and E-Waste collection (At-Your-Door)
- ▶ 3% annual pre-payment discount
- ▶ City-wide collection, one day/week
- ▶ Vehicle weight limits to reduce wear and tear on roads




SLIDE 6

6

Key Terms
Maintain High Level of Services

- ▶ Hard to service areas at no additional cost
- ▶ Green waste cart collection
 - 4 carts, any size
 - Nominal charge thereafter
- ▶ Manure collection
 - Carts or bins
 - Scout truck collection
 - Wheel out service
- ▶ Enhanced public education and community events




SLIDE 7

7

Key Terms
New / Enhanced Services



- ▶ Roll-out of organics collection for All commercial customers
- ▶ Provisions for implementing residential organics program (food waste)
- ▶ Diversion requirements:
 - ▶ 75% CalRecycle diversion goals
 - OR
 - ▶ Up to 60% of franchised materials collected
- ▶ Shift in rate increase calculation
 - ▶ Years 1-3: Phased rate increases
 - ▶ Years 4+: Rate adjustments based on WST-CPI index



SLIDE 8

8

Key Terms
Focus on Increased Regulatory Compliance



- ▶ City building recycling and organics program
- ▶ 90 gallon recycling carts provided to all businesses
- ▶ 64 gallon organic carts provided to all businesses
- ▶ Deliver all organics to compost facilities
- ▶ Collection carts have uniform colors and labeling
- ▶ On-going route audits for recyclables and organics contamination
- ▶ On-going commercial waste audits
- ▶ Quarterly Residential and Business Recycling Awards Program
- ▶ Expanded reporting of participation levels and compliance with recycling and diversion



SLIDE 9

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Key Terms

Focus on Increased Diversion



Frequent Landfill Diversion		
Calendar Year	Franchised Diversion	Citywide Diversion (City-wide)
2018-2020	80%	80%
2021-2022	80%	80%
2023-2024	80%	80%
2025+	80%	75%

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10

Customer Rates Will Increase

Higher Operating Costs



- ▶ Capital investment for collection vehicles and carts
- ▶ Higher costs for employee wages and benefits
- ▶ Higher annual cost for public outreach programs comply with state regulations
- ▶ 85% cost increase for new organic programs to comply with state regulations
- ▶ 30% higher cost to process recyclables to meet international market contamination standards
- ▶ 50% decrease in revenue from the sale of recyclables due to bans and contamination restrictions in international markets
- ▶ 3+ years since Waste Management received a rate increase

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Residential Rates (Effective 11/1/18)



Cart Size	Current Rate Effective 7/1/2015	Proposed Rate Effective 11/1/2018	Proposed Increase
32-Gallon	\$28.30	\$30.55	\$2.25
45-Gallon	\$32.26	\$34.31	\$2.06
64-Gallon	\$33.50	\$35.62	\$2.12
96-Gallon	\$41.17	\$43.71	\$2.53

- ▶ Year 1 average residential rate increase 6.3%
- ▶ Years 2 & 3 average residential rate increase 2.75%
- ▶ Last residential rate increase in July 2015

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Commercial Rates (Effective 11/1/18)



Bin Size (Cubic Yards)	Current Rate Effective 7/1/2015	Proposed Rate Effective 11/1/2018	Proposed Increase
1 CY	\$76.35	\$85.20	\$8.85
1.5 CY	\$79.32	\$90.78	\$11.46
2 CY	\$87.68	\$100.35	\$12.67
3 CY	\$104.45	\$119.54	\$15.09

- ▶ Year 1 average commercial rate increase 11.85%
- ▶ Years 2 & 3 average commercial rate increase 9.25%
- ▶ Last commercial rate increase in July 2015

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Manure Rates (Effective 11/1/18)

Bin Size (Cubic Yards)	Current Rate Effective 11/1/18	Proposed Rate Effective 11/1/18	Proposed Increase
1 CY	\$99.35	\$136.98	\$37.63
1.5 CY	\$105.54	\$145.80	\$40.26
2 CY	\$111.94	\$154.65	\$42.71

- ▶ Year 1 average manure rate increase 38.15%
- ▶ Years 2 & 3 average manure rate increase 35.55%
- ▶ Last manure rate increase July 2015
- ▶ Manure rates have been incorrectly charged since July 2005 (weekly rate charged as monthly rate)



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SLIDE 14

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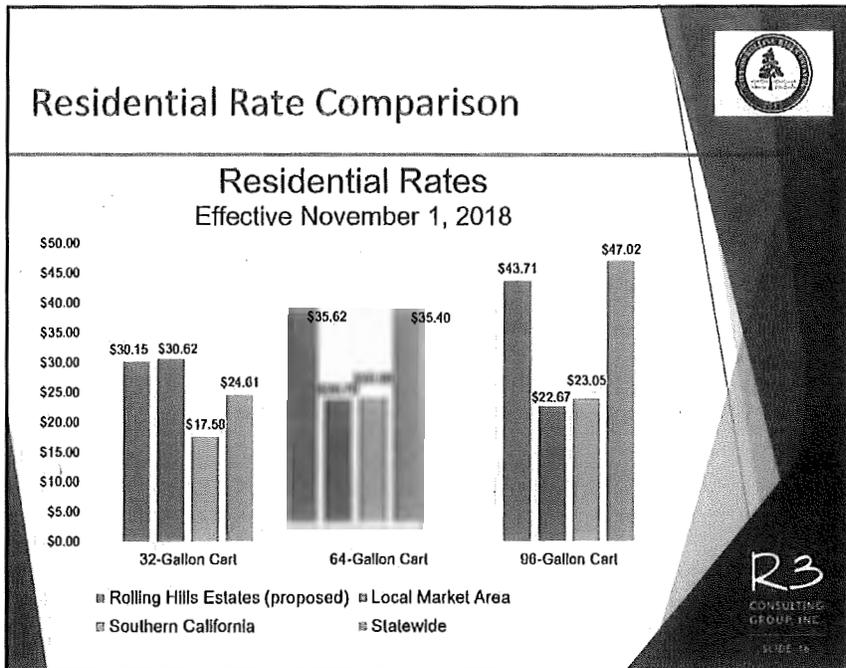
Residential Rate Comparison

Jurisdiction	32-Gallon Cart	64-Gallon Cart	96-Gallon Cart
Bradbury	\$14.93	\$16.21	\$19.02
La Habra Heights	Does not offer		\$18.46
Rolling Hills	\$91.66	Does not offer	
Lomita	\$20.38	\$20.96	\$22.26
Manhattan Beach	\$9.74	\$14.23	\$18.73
Palos Verdes Estates	\$40.22	Not applicable	
Redondo Beach	\$17.06	\$17.06	\$17.06
Rancho Palos Verdes	\$20.36	\$26.21	\$32.03
Torrance	Does not offer	\$30.08	\$31.14
Rolling Hills Estates (current)	\$28.30	\$33.50	\$41.17
Rolling Hills Estates (proposed)	\$30.15	\$35.62	\$43.71

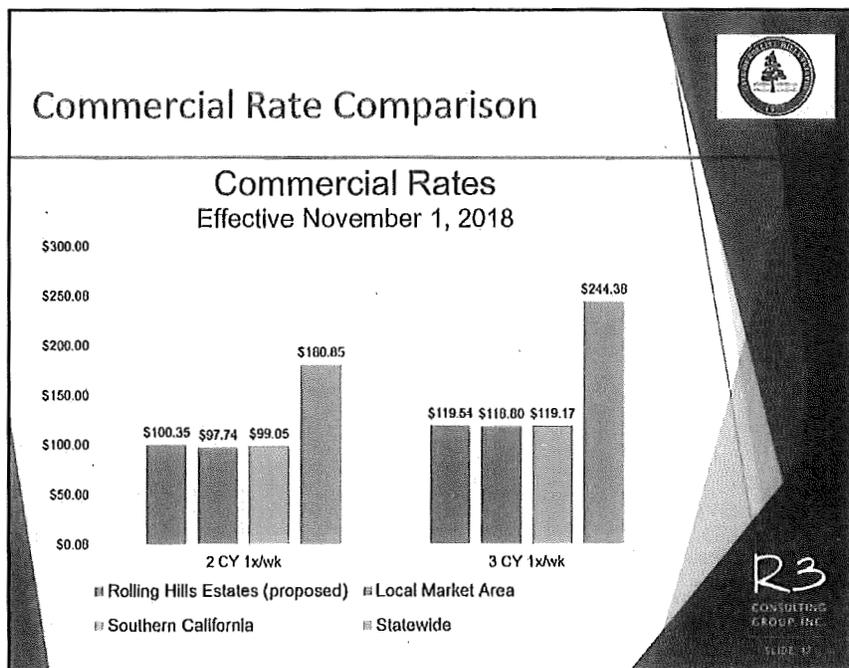


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Council Action

- ▶ Approve the exclusive Franchise Agreement for Residential and Commercial Solid Waste, Recyclable Materials and Green Waste Collection Services between the City and Waste Management



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SLIDE 18

18

QUESTIONS & ANSWERS

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THANK YOU FOR YOUR TIME

For additional questions, contact:

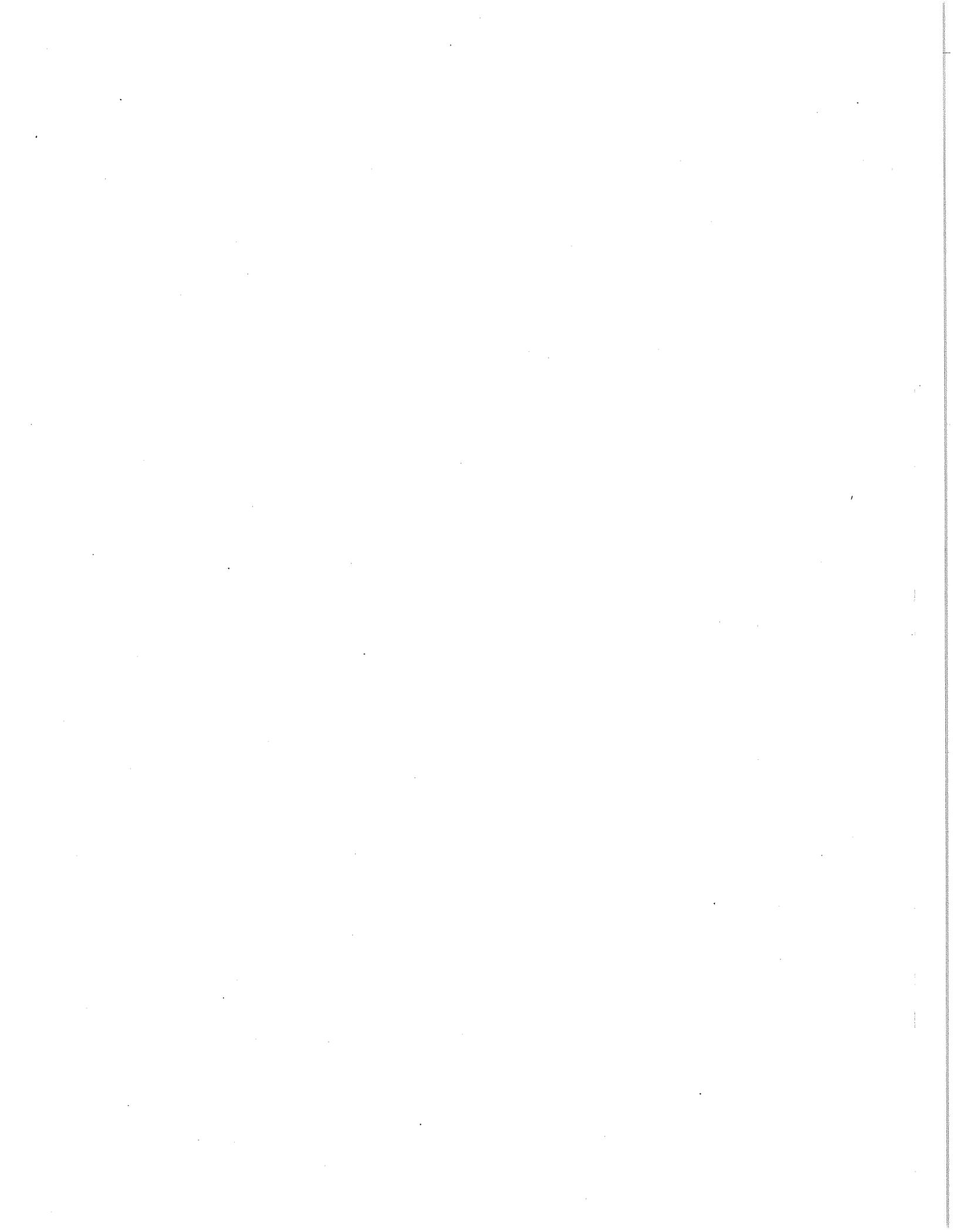
Richard Tagore-Erwin | R3 Principal

(916) 782-7821

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RESOURCES • RESPECT • RESPONSIBILITY

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2600 Tenth Street, Suite 424, Berkeley, CA 94710
Tel: 510-647-9674

To: Olivia Sanchez, City of Riverside
From: Richard Tagore-Erwin, Carrie Baxter & Taylor Grimes, R3 Consulting Group
Date: October 31, 2018
Subject: Summary of City Organics Services Program

City Organic Services Program

Overview

R3 was engaged by the City of Riverside (City) to examine the City's commercial solid waste management system and determine any modifications or updates that can be implemented to better facilitate the City's immediate and long-term needs. The following memorandum provides a review of California state legislation, current market conditions and an analysis of the available facilities in the market area.

The City currently contracts with three (3) non-exclusive franchised waste haulers, CR&R, Burrtec Waste Industries (Burrtec) and Athens Services (Athens) for commercial solid waste collection. A fifth amendment to the City's contracts with its commercial haulers went into effect in early 2018 which extended the contract term for up to an additional five (5) years, until June 2023. The City has an option to terminate the agreements sooner with a 6-month written notice to the haulers. Services currently offered through the haulers are green waste, recycling and garbage collection for commercial customers, as well as industrial collection service. Garbage collection rates for the 3 authorized haulers are the same which include potential for annual adjustments; however, recycling remains a competitive open market.

This memorandum provides an overview of the City's current collection program as it relates to California state legislation mandating organics and recycling collection. Recommendations are provided based on R3's professional judgement about the steps needed in order for the City to comply with legislative requirements enforced by the state.

Legislative Updates

Between 2010 and 2016 the State of California has been implementing a myriad of new statewide mandates for disposal, which has enacted a number of new laws that have made significant impacts on waste collection, recycling efforts, and disposal requirements; and perhaps, needless to say, the costs of providing service. While the City has established collection services for garbage, recycling, and green waste, the City currently lacks food waste collection services. Key regulatory changes affecting the City, and a description of their anticipated effects, are listed below.

Assembly Bill 341: Mandatory Commercial Recycling

AB 341 went into effect in 2012 and set a statewide goal of diverting 75% of all waste away from landfill disposal. It also requires jurisdictions to implement mandatory recycling for all businesses that generate four cubic yards or more of solid waste per week, and multi-family complexes of five or more units.

Assembly Bill 1826: Mandatory Organics Commercial Recycling

AB 1826, signed by Governor Brown in 2014, requires businesses that generate a specific amount of organic waste per week to arrange for organics recycling services. As of January 1, 2017, all businesses and multi-family properties that generated 4 or more cubic yards of organic waste were covered under the law. On January 1, 2019, businesses and multi-family properties that generate 4 or more cubic yards of solid waste will be covered. January 1, 2020 the State Department of Resources Recycling and Recovery has the authority to further expand the requirement to include entities generating 2 cubic yards or more of solid waste per week.

Assembly Bill 1594: Alternative Daily Cover Use (ADC)

AB 1594 comes into effect in January 1, 2020 and prohibits the use of green material used as alternative daily cover (ADC) for diversion credit. Waste haulers can continue to deliver green material to facilities that use green material as ADC, but if they do, that material will "count" against a jurisdiction's disposal for the purpose of determining compliance with a jurisdiction's 50% recycling goal set by AB 939.

Senate Bill 1383: Organic Waste Methane Emissions Reductions

SB 1383 sets statewide goals to reduce organic waste disposal by 50% from the 2014 level by 2020, and 75% from the 2014 level by 2025. It also establishes a target of recovering 20% of currently disposed edible food for human consumption by 2025. The law's requirements become effective on January 1, 2022, with some requirements having a longer time frame. The state is currently in the process of developing draft regulatory language, which is anticipated to be finalized in early 2019.

Regulatory language that is currently in its draft stages involve jurisdictions adopting enforcement mechanisms to ensure compliance, organic waste collection for residential customers, reporting requirements and edible food recovery efforts.

Regulatory language has been released by CalRecycle in draft form. Per the draft regulations, local jurisdictions may be required to implement the following tasks and responsibilities per SB 1383:

- Reduce organic waste generation from 2014 levels in alignment with the statewide requirements;
- Jurisdictions must adopt enforceable ordinances or other mechanisms to ensure that regulated entities under SB 1383 are compliant with the regulations;
- Organics collection services for residential customers;
- Revise rates to accommodate the implementation and enforcement of the new requirements;
- Provide education and outreach to its generators;
- Develop a method for addressing contamination and reducing its presence in the organic waste stream;

- Collaborate with facilities, haulers, and other operators to implement a regionally effective organic waste recycling program;
- Include details on purchasing and procurement of end-use organic waste products internally and/or as a requirement on generators;
- Identify and secure organic waste processing capacity for material collected;
- Develop local end-uses for processed organic waste (e.g. ordinances mandating local use of finished compost product);
- Provide consistently labeled organic waste containers adjacent to public garbage bins;
- Account for organic waste disposal reductions in landfill financial assurance planning, particularly if 15-year capacity is not adequate (AB 876), etc.;
- Jurisdictions using a three-container collection system must use black containers for garbage, green containers (lid and body) for organics, and blue containers (lid and body) for recycling. If food waste is collected, the container must be yellow. Labels must be applied with accepted materials listed. If three-container collection system is used, garbage does not need to be delivered to processing by "high diversion organic waste processing facilities." However, if food waste is collected in garbage, it must be processed by "high diversion... facilities"; and
- Jurisdictions must do a route review for contamination for each route, quarterly. If contamination is found, they must leave written notice. If a facility informs jurisdiction of contamination, jurisdiction must inspect route to find source of contamination and provide notice.

Current draft language can be found here:

<https://www2.calrecycle.ca.gov/PublicNotices/Documents/8915>

Current Market Conditions

Further complicating local waste diversion and recycling efforts are the recent losses of major international recycling markets, as China and other nations are no longer accepting a majority of the reclaimed materials produced in the United States for use in recycled product manufacturing. Due to China's "National Sword" Recyclable Materials Ban, the local recycling markets are currently faced with high levels of uncertainty in regard to any future trends of the market. As a result, the development of expensive new regional collection, sorting, delivery and bio-recycling processes will be necessary to meet the regulatory requirements.

As organic waste processing infrastructure remains limited in California, organic waste collection rates have continued to fluctuate due to varying operating and disposal fees. In order to assist in guiding the City towards the implementation of organics recycling and meet state regulations, R3 has prepared a rate comparison of the surrounding market areas nearest the City.

The graphs below compare the County of Riverside (County) and Southern California, which consists of Orange County, Ventura County, Imperial County, San Bernardino County, Los Angeles County, Kern County and San Diego County.

Figures 1 and 2 below compares the average organics and garbage collection rates in Southern CA and Riverside County for commercial bins (1 cubic-yard and 3 cubic-yard) serviced 1 time per week and 3 times per week.

Figure 1

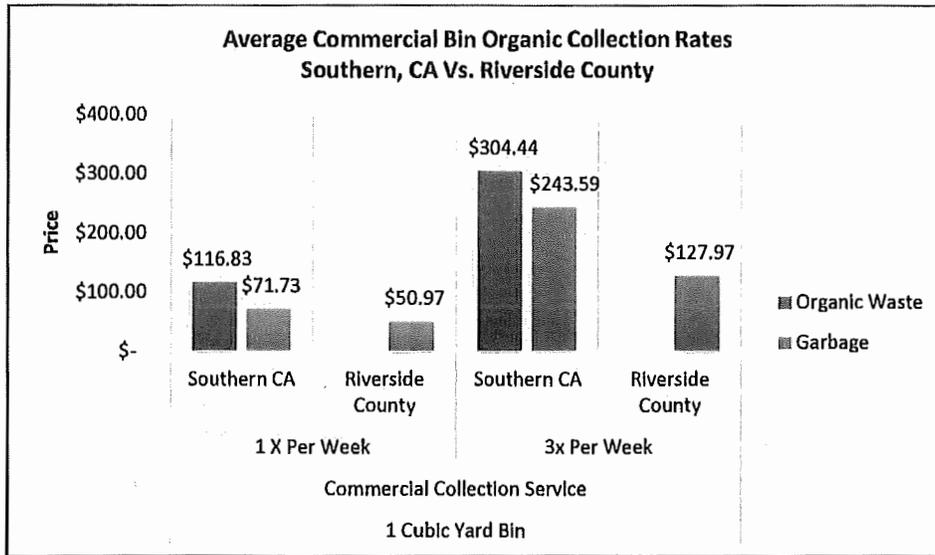
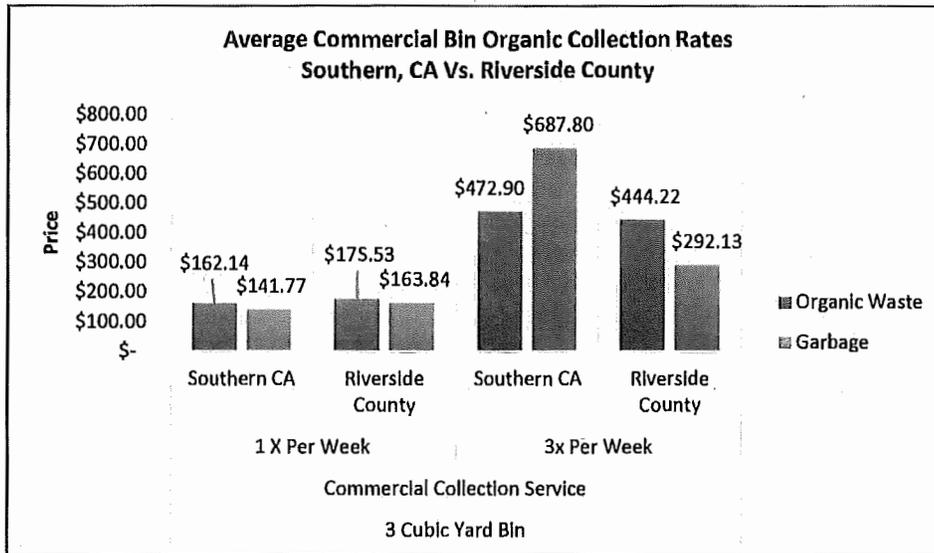


Figure 2



Figures 3 & 4 below compares the average organics and garbage collection rates in Southern CA and Riverside County for commercial collection carts (35-gallon, 65-gallon, and 96-gallon) serviced 1 time per week and 3 times per week.

Figure 3

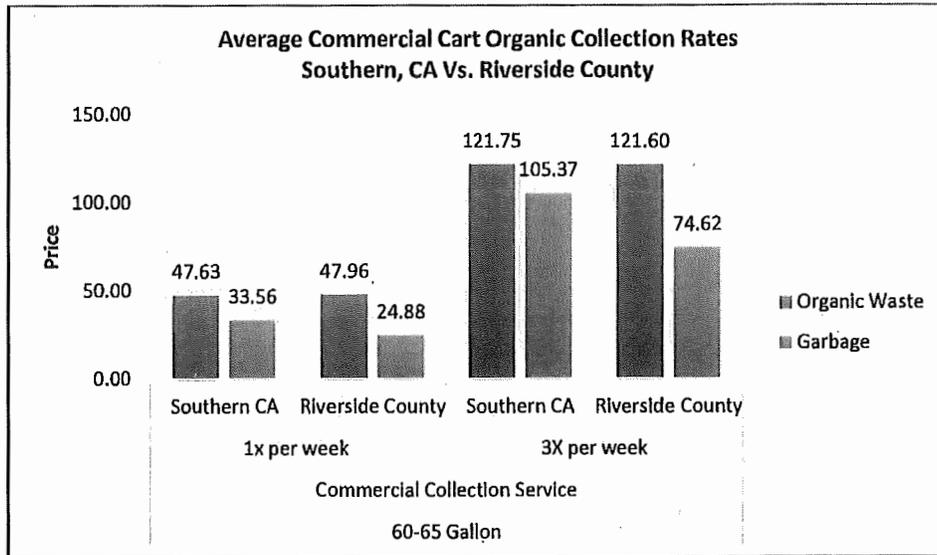
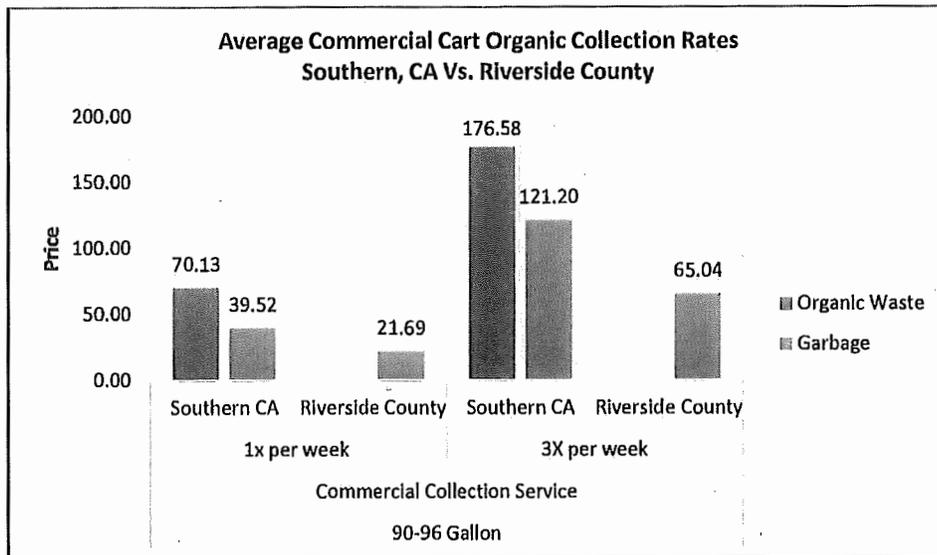


Figure 4



Based off the data represented in Figure 2, it appears average rates for organic waste collection for 1 cubic-yard organics collection bin serviced 3 times a week in Southern, CA versus Riverside County varies by 7.62%. For a 3 cubic-yard organics collection bin serviced 3 times per week the average difference is 6.06%. It should be noted that comparing the rates in Figure 1 for 1 cubic-yard bin collection service between Southern, CA and Riverside County is insignificant as the organic waste rate for 1 cubic-yard bin organic collection service in Riverside County is not known.

Based off the data represented in Figure 3, average organic waste rates between Southern, CA and Riverside County for a 65-gallon organics collection cart serviced 1 time per week vary by .68%. Average organic waste rates between Southern, CA and Riverside County for a 65-gallon organics collection cart serviced 3 times per week varies by .12%. It should be noted that comparing the rates in Figure 4 for 96-gallon carts between Southern, CA and Riverside County is insignificant as the organic waste rate for a 96-gallon cart collection service in Riverside County is not known.

The average food waste and garbage rates between Southern CA and Riverside County remain competitive. As R3 continues to work on developing an organics rate structure for the City, factors such as neighboring market rates will be considered. R3 included both average cart and bin rates as both options should be considered by the City for organic waste collection.

Rate Structure Goals

The City should consider setting rate structure goals as a means to make the cost of organics services as affordable and desirable to as many customers as possible. On January 1, 2019, the City's current proportion of customers required to recycle organics will increase substantially (see AB 1826 description in prior section of this memorandum). R3 does not have sufficient data to estimate the number of customers who will be covered under the 2019 threshold of AB 1826; however, considering the City of Riverside is the most populated City within Riverside County, the number of covered generators under AB 1826 are expected to increase substantially.

Rate Structure Recommendations for Organic Collection Service

The City currently maintains agreements with 3 haulers with a City approved rates that include the option for annual and unusual adjustments per Contract and City approval and competitive market-based approach for recycling. Collection service options and processing service options will continue to be developed; however, R3 recommends that the City integrate a long-term system-wide approach to developing its organics program. **R3 recommends that the City select one of the following three guiding principles while considering a system-wide approach to developing the City's organics program.**

- Retain the existing commercial non-exclusive franchise system;
- Establish a commercial exclusive franchise system with multiple haulers by districting the City via a competitive procurement process, or extensions with the existing haulers;
- Establish a commercial exclusive franchise system with one hauler via a competitive procurement; or
- The City could provide commercial organics collection via its own collection fleet.

R3 has developed a list of rate structure options that the City may consider for organic waste collection service.

1.) A universal roll-out with minimum 64 and 96-gallon organics collection carts to all commercial customers with a bundled rate for garbage and organics; additional 64 and 96-gallon organics carts or carts over 96-gallons will be an additional cost to customers.

- With this option the City could choose to:
 - Provide the collection service for 64-gallon and 96-gallon carts and allow the 3 haulers to provide bin collection service (1 cubic-yard and greater). This would require the City establish its own collection rates and also establish rates for the 3 haulers.
 - Procure a single hauler to provide collection service setting maximum rates of which can be annually adjusted for carts and bins.

2.) A universal roll-out with minimum 64 and 96-gallon organics collection carts to all commercial customers setting rates for collection separate from garbage and recycling; additional 64 and 96-gallon organics carts or carts over 96-gallons will be an additional cost to customers.

- With this option, the City could choose to:
 - Provide the commercial organics collection service for 64-gallon and 96-gallon carts and allow the 3 haulers to provide bin collection service (1 cubic-yard and greater). This would require the City establish its own collection rates and also establish rates for the 3 haulers.
 - Provide the commercial organics collection service for 64-gallon and 96-gallon carts setting even rates in place for the 3 haulers for all bin service (1 cubic-yard and greater). Also establishing 3 geographic zones within the City for each of the 3 haulers to service. This option would still require the City to establish its own collection rates and also establish rates for the 3 haulers.
 - Become the sole provider for commercial organics collection service throughout the whole City providing 64-gallon and 96-gallon collection carts and bins (1 cubic-yard and greater) to commercial customers. R3 does not recommend this option as the City does not have the ability to provide bin service for larger commercial customers.

3.) Procure a single hauler to provide commercial organics collection service for the whole City. This option would require that the City set maximum rates for service and enter into a new contract with the chosen hauler.

- With the option the City would:
 - Have the ability to control the rates.

4.) The City continue with the same current collection system between the 3 haulers setting maximum rates for cart and bin organics collection service.

- With this option the City could choose to:
 - Allow each hauler to operate throughout the whole City at set maximum rates.

- o Establish a geographic zone for each hauler within the City. This would ensure each hauler has equal opportunity for a customer base.

The subsections of the rate structures listed above provide the City with certain customizations of which can be further modified.

Franchise Agreement and Municipal Code Update

Complying with the current state legislation will necessitate the City to expand its current solid waste collection program requiring amendments to current franchise agreements and/or the City ordinance to include State compliance regulations, guidelines, and organics collection services. In order to effectively transition the City on a pathway towards compliance, the City ordinance and franchise agreement will need to be reviewed and amended, as described in the following sections of this memorandum.

R3 has reviewed the City's commercial franchise agreements (Agreements) with the three (3) haulers and summarized pertinent language for the addition of a Mandatory Organics Collection Service for qualifying Commercial Businesses and Multi-Family Dwellings.

- Under the terms of the agreement, commercial haulers pay a franchise fee which is adjusted based on the Consumer Price Index for the Los Angeles-Riverside-Orange County Area for a twelve-month period ending in December prior to rate year anniversary date;
- The Agreement allows the commercial haulers to propose extraordinary adjustments for additional services that were contemplated under the Second Amendment, and changes in State or local government Solid Waste fees and charges;
- The maximum rates are to be adjusted annually based upon the change in the Consumer Price Index for All Urban Consumers for Los Angeles-Riverside-Orange County (CPI) during the previous twelve-month period ending in December prior to the Rate Year anniversary date;
- The minimum to be diverted through Recycling, Green Waste Collection, Third Party Recycling and Mixed Waste Processing is 10% of the waste collected each year;
- The City may solicit proposals or bids from the Company and from third parties for the provision of Collection services, Disposal services, Recycling services and Green waste Services and may negotiate and execute Agreements; and
- The Company shall comply with those provisions in the Municipal Code of the City.

The current Franchise Agreements for the 3 haulers will require amendments for the inclusion of mandatory organics collection services. It is recommended that the City revise current amendments to include language which reflects current legislation to encourage and enforce the recycling of organics. Establishing set guidelines and enforcement mechanisms for the diversion of organics will bridge the gap between the City and hauler creating a better means of tracking, reporting and compliance records. Additionally, SB 1383 draft regulations, although not yet finalized, may require the City to devise jurisdictional enforcement mechanisms. **R3 recommends that the City opt to amend the current Franchise Agreement to reflect current and upcoming state legislation as this will prevent any potential administrative strain by having to fast track amendments as regulations and requirements continue to**

be phased in. Amending the agreement will also allow the City to keep better track of current compliance efforts made by the hauler for local and state reporting requirements.

The table displayed on *Attachment A* lists Model Franchise Agreement Language which can be used during procurement and/or negotiation sessions with current haulers. The language provided in the table is followed by a description of the relevant legislation of which it pertains to.

Review of City Municipal Code

R3 has reviewed the City's Municipal Code and identified that amendments should be made to reflect current legislation. The City should consider making changes to the Municipal Code to support the collection of organics and implementation of newly enacted State laws. Specifically, the City should consider making changes to the Municipal Code that includes language which mirrors AB 1826, AB 1594 and SB 1383 (as described in the Legislative Update section above). This would allow for businesses to make these changes and adjust to the new policies as regulations continue to be phased in. **R3 recommends that the City amend the Municipal Code to encourage and enforce the diversion of organic material.**

The language displayed on *Attachment B* lists Model Ordinance Language which can be used and/or modified to meet the specifications and requirements of the City to reflect current state legislation.

Review of Food Rescue Operations and Reduction

The City was awarded CalRecycle grant funds during the 2016-2017 year from the Food Waste Prevention and Rescue Grant Program. The City used the funds to launch a Food Waste Prevention and Food Rescue Initiative focused on three categories: Public Outreach, Food Rescue and Waste Prevention Certification Program and Food Rescue and Distribution. R3 is currently unaware of the current status and success of the program; however, as current state diversion efforts transition towards food rescue and recovery the current food waste prevention and rescue efforts put forth by the City are exemplary towards local and statewide diversion goals. It is important to note that within the proposed SB 1383 regulations is a food waste reduction and recovery component which sets a statewide goal to recover not less than 20 percent of edible food for human consumption by 2025.

The City's current food rescue operations yield progress towards the draft SB 1383 legislation, which relates to food recovery such that the City will be in a favorable position once the SB 1383 regulations are finalized. However, the City will need to continue to expand its current food rescue operations when the SB 1383 regulations are finalized in order to meet the specifications aligned with SB 1383. The potential regulations to be implemented are as follows:

- Jurisdictions must do outreach to edible food generators and provide a list of food recovery organizations to generators. Food recovery organizations must keep a record of donations received in pounds and donor. Tier One Edible food generators, by 1/1/2022, and Tier Two generators 1/1/2024, must:
 - Contract with food recovery organizations to collect their edible food for food recovery,
or

- o Self-haul edible food to food recovery organization;
- Keep an inventory of all food recovery organizations that can be engaged, and annually provide edible food generators with this list;
- May require jurisdictions to impose requirements on generators or other relevant entities within the jurisdiction and may authorize local jurisdictions to impose penalties on generators for noncompliance; and
- May include different levels of requirements for local jurisdictions and phased timelines based upon their progress in meeting the organic waste reduction goals for 2020 and 2025.

It should also be noted that SB 1383 regulations have not been finalized; however, edible food recovery regulations will be implemented so it is advised that the City continue with its current food rescue operations with considerations of the regulations stated above. It should also be noted that although there is draft language established, the State has the ability to adopt new language and regulations following the submission of this report.

Current legislation, which has the ability to assist compliance efforts with SB 1383 food recovery regulations and the City's current food recovery efforts that the City should be aware of is stated below.

AB 954: Food Waste Reduction and Date Labeling Act

AB 954 was signed into law on October 15, 2017. It creates standardized guidelines for food and date labels that better describe food freshness and safety.

AB 1219: The CA Good Samaritan Food Donation Act

AB 1219 was signed into law on October 9, 2017. This bill aims to clarify and strengthen the laws that protect food donors in order to maximize food donations. This bill will extend protection to good faith donors, for example, to individuals who donate food directly to individuals. Additionally, Environmental Health Officers, during inspection of food facilities will be required to promote the recovery of food by highlighting current laws.

SB 557: School Meal Donations

SB 557 signed into law September 25, 2017 allows public schools to donate food items that have been served and placed on share tables, such as, unopened packaged food, unopened milk cartons (kept to Health Code standards) and uncut produce to food banks.

R3 recommends that the City take note of the current legislation as it relates to food rescue and recovery. AB 954, AB 1219, and SB 557 creates an opportunity for the City to potentially expand its program and provide additional education for its residential, commercial and food rescue operations.

Solid Waste Facilities

The City has provided R3 with the following processing and disposal facilities that are able to transfer, process, and/or dispose of the City's waste: Badlands Landfill, Lambs Canyon Landfill, Robert A. Nelson Transfer Station, SCOR Industries, Victor Valley Regional Compost Facility, Colton Transfer Station, Augustine Metals, CR&R Anaerobic Digester, Aqua Mansa MRF and Riverside Water Quality Control Plant.

R3 has identified which of these facilities are able to accept green materials¹ and food waste². R3 has also identified additional facilities in the area that are capable of accepting green materials and food waste: Coachella Valley Compost and Edom Hill Transfer Station.

Facility	Facility Location	Facility Type	Tip Fee	Transfer Distance from City Hall	Total Capacity (Tons)	Accepted Materials
Perris Transfer Station and MRF (CR&R Anaerobic Digester)	Riverside County	Transfer Station and MRF	\$72.50	20.4 Miles	3,905 Tons per Day	Green Materials Food Waste
Victor Valley Regional Compost Facility	San Bernardino County	Composting Facility	Unknown	51.5	500 Tons per Day	Food Wastes Green Materials
Badlands Landfill	Riverside County	Solid Waste Landfill	Unknown	13.9 Miles	4,800 Tons per Day	Green Materials
Lamb Canyon Landfill	Riverside County	Solid Waste Landfill	Unknown	12.6 Miles	5,000 Tons per Day	Green Materials

¹ Green material includes, but is not limited to, yard trimmings, untreated wood wastes, natural fiber products, and construction and demolition wood waste. Green material does not include food material, biosolids, mixed solid waste, material processes from commingled collection, wood containing lead-based paint or wood preservative, and mixed construction or mixed demolition debris.

² Refers to all surplus food scraps. The term has fallen out of favor with some composters, who prefer to view this material as a resource rather than as waste material. However, this term is interchangeable with food scraps.

Facility	Facility Location	Facility Type	Tip Fee	Transfer Distance from City Hall	Total Capacity (Tons)	Accepted Materials
Robert A. Transfer Station and Agua Mansa MRF	Riverside County	Solid Waste, Processing and Composting Facility	Unknown	3.6 Miles	4,000 Tons per Day	Green Materials
Coachella Valley Compost	Riverside County	Composting Facility	Unknown	77.8 Miles	985 Tons per Day	Green Materials Food Waste
Edom Hill Transfer Station	Cathedral City, CA	Large Volume Transfer, Processing Facility and Composting Facility	Unknown	63.7 Miles	3,500 Tons per Day	Green Materials Food Waste

R3 will continue to explore options for organics processing operations as it relates to food waste including the facilities that currently accept green materials as they may be involved in research or food waste/compost pilot studies.

It should be noted that all transfer distance was measured using Riverside City Hall as a starting location, and that the current remaining capacity and disposal fees at the current facilities listed above is unknown. We have excluded any facilities that lie outside of 80 miles from the Riverside City Hall. R3 will continue investigating additional facilities in the area that may meet the needs of the City for processing of organics.

Solid Waste Storage

An additional item that R3 opted to discuss is current solid waste enclosure guidelines as they relate to AB 1826 regulations. Per the California Green Building Code Section 5.410 *Building and Maintenance Operation*, non-residential building space requirements must provide readily accessible areas that serve the entire building and are identified for the depositing, storage and collection of recycling, organic waste, metals, and garbage. Certain exemptions to this requirement do exist; however, **R3 recommends that the City opt to reassess current guidelines to reflect AB 1826 requirements.**

Next Steps

In order to successfully develop an immediate and effective long-term organics collection program for the City, **R3 recommends that the City undertake the following steps:**

- Schedule a meeting with R3, the City and the 3 haulers to discuss options for organics collection service.
- After the City's decision on 3 rate structure options that may meet the City's desired expectations and needs, R3 will develop organic waste collection rates and present them to the City. Additionally, R3 will continue to develop and analyze potential options for provision of services providing the City with a memorandum on service delivery options for both collection and processing.
- R3 will provide further review and recommendations for amendments to the City's Municipal Code and Franchise Agreement to reflect the state regulations and establish local organics laws. Amending the Agreements and Municipal Code will strengthen the City's organics program by placing enforcement mechanics within the City instead of relying on the hauler. Placing enforcement and reporting requirements within the City would reduce the potential for lack of customer compliance due to placing enforcement in the hauler's hands.
- R3 will also assist the City and provide a summary of recommendations that City may consider adopting into its Agreements for new education and outreach for all commercial and residential customers containing information on the new laws (AB 1826 and SB 1383), as well as the steps that the City is planning on taking to meet these new requirements such as, reporting requirements.
- If the City chooses to reassess current solid waste enclosure guidelines, R3 will assist the City in restructuring its current trash and recyclable materials standards to reflect current legislation.

Attachment A.

Model Franchise Agreement Language

Model Franchise Agreement Language	Relevance to Current Legislation
<p>Multi-Family Dwellings. Any multi-family residential property of five (5) or more units and multi-family residential properties under five (5) units that share solid waste collection services.</p>	<p>SB 1383 multi-family definition is recognized.</p>
<p>Quarterly Route Audit for Contamination. CONTRACTOR shall monitor the Organics Collection Containers provided to Service Units to minimize prohibited container contaminants as required by SB 1383 and any other state or federal law. CONTRACTOR shall conduct a route review for prohibited container contaminants on randomly selected containers in a manner that results in all Organics Collection routes being reviewed quarterly.</p>	<p>Requirement to conduct route audits per SB 1383 Section 30.5 is passed on to contractor.</p>
<p>CONTRACTOR may assess Collection Contamination Charge as given in Exhibit 1 for instances of excessive contamination. For the purpose of determining if Recyclable Materials or Organic Waste are excessively contaminated, if, by visual or digital inspection, Recyclable Materials are commingled with fifteen percent (15%) by weight or volume of Garbage or Organic Waste, or if, by visual inspection, Organic Waste is commingled with five percent (5%) by volume of Garbage or Recyclable Materials. CONTRACTOR shall in every case document excessive contamination with photographs or other similar documentation.</p> <p>Commingling of Garbage, Recyclable Material or Organic Material. Except contaminated loads, CONTRACTOR shall not at any time commingle Garbage with Source Separated Organic Material or with Source Separated Recyclable Material, or commingle Source Separated Organic Material with Source Separated Recyclable Material collected pursuant to this Agreement without the express prior written authorization of the CITY Representative. Such approval by the CITY will not be unreasonably withheld.</p>	<p>Hauler is allowed to collect fee based upon documented container contamination to encourage hauler participation in enforcement of contamination standards, as required in SB 1383 Section 30.5. Contamination charge would be included in Contractor's rate proposal and included in the exhibit to the agreement.</p>

Model Franchise Agreement Language	Relevance to Current Legislation
<p><u>Containers – Carts, Bins and Indoor Food Scraps Pails/Containers.</u> All Carts and Bins shall be color coded in the following ways: black or dark grey for Garbage, blue for Recyclable Material and green for Organic Material. All containers shall have non-removable instructional label for proper usage and images of the material type to be accepted in each collection Cart and Bin. At any such time when Cart labeling is being redesigned, CITY shall specify any additional languages necessary for Cart labeling. All Carts and Bins must be constructed and maintained to prevent leaks and litter from escaping. All Carts and Bins shall be clean prior to delivery to a Service Unit. All labeling on Carts, Bins and Food Scraps Pails/Containers shall be approved by the City.</p> <p><u>Indoor Food Scraps Pails/Containers.</u> Indoor Food Scraps Pails/Containers for SFD, MFD, Commercial, and CITY Collection Services shall be used or new at the start of Collection Services. Newly purchased Indoor Food Scraps Pails/Containers are to be hot-stamped, embossed (or labeled/decaled), or laminated, and labeled with the type of materials to be collected. Labeling on such newly purchased Indoor Food Scraps Pail/Container (if different from those currently used by CONTRACTOR) shall be approved by CITY.</p>	<p>Container color standards in alignment with SB 1383 regulations Section 30.1. Note that black is the container standard color for garbage under the current draft regulations. If it remains black, this wording will need to be changed.</p>
<p><u>Annual Bin Cleaning for CITY, Commercial, and MFD Service Units.</u> Once per Agreement Year upon request by City or Service Recipient, Contractor shall clean or replace Bin at no charge to the City or Service Recipient. Cleaning or replacement of Bins shall be provided in a manner that causes no reduction in services and maintains continuous access to the capacity to which the Service Recipient subscribes.</p> <p>Upon request by Service Recipient for additional Bin cleaning, CONTRACTOR may assess the Bin cleaning fee set forth in Exhibit 1 to Service Recipient. Prior to cleaning the Bin and/or assessing the fee, CONTRACTOR shall inform Service Recipient of such fee and shall also inform Service Recipient of the next date when the annual bin cleaning will be available to Service Recipient at no charge.</p>	<p>Collection container cleaning is especially important for containers used to collect food scraps.</p>

Model Franchise Agreement Language	Relevance to Current Legislation
<p><u>Indoor Food Scraps Container.</u> If requested by the Service Recipient, CONTRACTOR shall provide Commercial and CITY Service Units receiving Commercial or CITY Organics Collection Service with a Container for indoor storage of Food Scraps prior to placing the waste in the outdoor Organics Cart or Bin. Indoor Food Scraps Containers will be distributed at the Service Recipient's request, and the specific volumetric size and number of Containers will be determined between Service Recipient and CONTRACTOR. CONTRACTOR shall allow the use of compostable bags by the Service Recipient for the containment of the Food Scraps when placed in outdoor Organics containers and shall collect the compostable bags as part of the Commercial or CITY Organics Collection Service provided under the terms of this Agreement.</p>	<p>Indoor collection containers are required to be provided by CONTRACTOR. Compostable bags are required to be collected by CONTRACTOR to encourage participation in the food scraps recycling program.</p>
<p><u>Indoor Food Scraps Pail.</u> If requested by the Service Recipient, CONTRACTOR shall provide SFD and MFD Service Units with a pail for indoor storage of Food Scraps prior to placing the waste in the outdoor Organics Cart or Bin. Indoor Food Scraps Pails will be distributed at the Service Recipient's request. CONTRACTOR shall allow the use of compostable bags by the Service Recipient for the containment of the Food Scraps placed in Organics containers and shall collect the compostable bags as part of the SFD and MFD Collection Service provided under the terms of this Agreement. CONTRACTOR-provided compostable Food Scraps bags will be available from City Hall, CONTRACTOR'S Customer Service Office or with Service Recipient payment for postage, by U.S. Postal Service Certified Mail.</p>	<p>Food scraps pails for single-family are assumed to have already been distributed in this service area. If this isn't the case, the contract should require distribution of food scraps containers during program roll-out. Compostable bags are provided upon Service Recipient request.</p>

Model Franchise Agreement Language	Relevance to Current Legislation
<p><u>Organic Material Processing Facility.</u> CONTRACTOR shall deliver all collected Organic Material to a legally permitted Organics Processing Facility as listed in Exhibit 3. In the event the facility is closed on a Work Day, or is not able to accept Organic Material, CONTRACTOR shall transport and deliver the Organic Material to such other legally Permitted Facility as is approved by CITY. One-time delivery of Organic Material to a Disposal Facility may be permitted if requested and approved by CITY. CONTRACTOR shall ensure that all Organic Material collected pursuant to this Agreement, except Processing Residue, is diverted from the Disposal Facility in accordance with AB 939, AB 1826, SB 1383 (if applicable) and subsequent legislation and regulations. CONTRACTOR may also deliver Organic Material to a Transfer Station as listed in Exhibit 3 prior to delivery to a legally permitted Organic Material Processing Facility as listed in Exhibit 3.</p> <p><u>Organic Material Processing Residue Rate.</u> Material processed at an Organics Processing Facility under the terms of this Agreement shall not exceed 10% Processing Residue rate by weight. The Processing Residue rate shall be calculated by dividing the weight of Processing Residue by the total amount of material processed at the facility, or by another calculation which must be proposed by CONTRACTOR and approved by CITY. The Processing Residue rate must be reported on a quarterly basis, as described in Article 17. If the Processing Residue rate exceeds 10% during any quarter, Liquidated Damages may be assessed in accordance with the Liquidated Damage rate in Article 19.</p> <p><u>Regionally Developed Processing Facility.</u> In the event that [regional agency] develops a regional Organic Material Processing Facility or a regional Material Recovery Facility, the CITY retains the right to require the CONTRACTOR to deliver collected Organic Material or collected Recyclables Materials to the Regionally Developed Processing Facility in accordance with any agreement between [regional agency] and the CITY. Upon CITY direction of collected Organic Material or collected Recyclable Materials to the Regionally Developed Processing Facility, CONTRACTOR'S customer rates will be adjusted in accordance with Article 25 of this Agreement.</p>	<p>All Organics Collection Service is defined as the delivery of organic material to a designated Organics Processing Facility, subject to the approval of the franchisor, as required by SB 1383.</p>

Model Franchise Agreement Language	Relevance to Current Legislation
<p><u>Adjustments to Organic Material Processing Element.</u> The <i>Organic Material Processing Elements</i> of the Service Recipient Rates will be adjusted at the same time as the RRI adjustment to <i>Collection Elements</i> described in Section 4.04.1. The percentage change to the <i>Organic Material Processing Elements</i> will be calculated as the percentage change in the annual average of the Consumer Price Index (CPI) between the base year, which shall be the prior preceding twelve (12) months from January 1 through December 31, and the preceding year ending December 31. For example, the first Organic Material Processing Element rate adjustment effective July 1, 2019 would be based on the percentage changes between the annual average CPI value from January 1, 2016 to December 31, 2017 and the annual average CPI value from January 1, 2017 to December 31, 2018.</p>	<p>Organic material processing element is accommodated here by escalating by CPI because it is assumed that hauler is providing processing services. If another contractor is providing processing services, tip fee can be increased by % change in actual tip fee.</p>

Model Franchise Agreement Language	Relevance to Current Legislation
<p><u>CONTRACTOR's Annual Minimum Diversion Requirement.</u> During the term of the Agreement, CONTRACTOR shall divert a minimum of sixty percent (60%) of the Solid Waste it collects pursuant to this Agreement. These minimum diversion requirements represent CONTRACTOR's "Annual Minimum Diversion Requirement."</p> <p>If CITY determines that CONTRACTOR has not met any Annual Minimum Diversion Requirement as a result of failure to successfully provide any of the services required in the Agreement, then, at CITY's option, the CITY may take any or all of the following actions:</p> <p style="padding-left: 40px;">CITY may require CONTRACTOR to implement additional diversion programs with no additional compensation for CONTRACTOR or adjustments to the Service Recipient Rates.</p> <p style="padding-left: 40px;">CITY may deny an extension request as set forth in Article 2 of this Agreement.</p> <p>For purposes of determining whether CONTRACTOR has achieved the Annual Minimum Diversion Requirement, CITY and CONTRACTOR agree that the annual diversion rate will be calculated using the following formula: "The tons of materials collected by CONTRACTOR from the provision of Collection Services in the CITY that are delivered to the Materials Recovery Facility, Organic Material Processing Facility, C&D Debris Processing or any other processing facility approved by CITY, or that are otherwise handled in a manner that constitutes diversion under applicable CalRecycle regulations (in each case, not including Processing Residue, calculated based on the methodology described in Section 3.15.4.1, Section 3.15.5.1, and Section 3.15.6.1), divided by the total tons of materials collected in the Service Area by CONTRACTOR from the provision of Collection Services in each Agreement Year." The annual diversion rate shall not count diversion from other sources other than CONTRACTOR'S collection and diversion efforts, such as waste hauled by another hauler.</p> <p>As part of the Annual Reports submitted in accordance with Article 17, CONTRACTOR shall provide documentation acceptable to CITY in its sole discretion stating and supporting diversion rate.</p> <p><u>CONTRACTOR's Annual Diversion Goal.</u> During the term of the Agreement, CONTRACTOR shall endeavor to divert a minimum of seventy percent (70%) of the Solid Waste it collects pursuant to this Agreement as a goal.</p>	<p>Many franchise agreements tie contractor performance to AB 939 50% PPD targets; however, tonnage associated with AB 939 PPD also includes non-franchised material. Even with an exclusive right to collect all solid waste (including C&D), some material is self-hauled by residents and businesses. Contractor diversion should be calculated in accordance with the contractor-reported diversion figures, including an allocation of actual residuals from processing, and in alignment with the tons reported by the contractor via the Disposal Reporting System.</p>

Model Franchise Agreement Language	Relevance to Current Legislation
<p>End Uses for Organic Material. CONTRACTOR shall divert Organic Material materials collected through Organics Collection, Holiday Tree Collection, and Large Item Collection from disposal. CONTRACTOR must provide or arrange for end uses for such Organic Material that provide diversion credit for CITY according to regulations established by CalRecycle.</p> <p>Prohibited Use of Alternative Daily Cover (ADC). CONTRACTOR may not utilize Organic Material as Alternative Daily Cover (ADC). If overs from the composting process are approved by the Enforcement Agency for use as ADC and these overs grant diversion credit and do not count as disposal under the Disposal Reporting System or its equivalent, this use is allowed; if compost overs contribute to disposal, this use is not allowed.</p>	<p>Per AB 1594, green material used as ADC (and <i>not compost overs</i>) will be added to disposal tons, which contribution may affect a jurisdiction's calculated compliance with AB 939. It is anticipated that compost overs used as ADC will count as diversion and not disposal, but contradictions in the regulations exist; the proposed language is designed to encourage proper use of organic material in alignment with rulemaking as it changes over time.</p>

Model Franchise Agreement Language	Relevance to Current Legislation
<p><u>Base SFD Recycling Collection Service.</u> All SFD Service Recipients subscribing to SFD Garbage Collection Service shall receive weekly collection of one (1) 64-gallon Recycling Cart at no additional charge to the Service Recipient, and may request additional carts and/or a change in cart size at no additional cost, subject to the cart replacement requirements given in Section 3.12.7.</p> <p><u>Base MFD Recycling Collection Service.</u> All MFD Service Recipients subscribing to MFD Garbage Collection Service shall receive weekly collection of the equivalent volume of one (1) 32 gallon Recycling Cart per individual Dwelling Unit in the MFD complex at no additional cost, and may request additional carts and/or a change in cart size at no additional cost, subject to the cart replacement requirements given in Section 3.12.7. The actual configuration of Recycling Cart and/or Bin sizes to be provided at no additional cost shall be based on the total equivalent volume, and configured in a manner determined by the Service Recipient in consultation with the CONTRACTOR.</p> <p><u>Base Commercial Recycling Collection Service.</u> All Commercial Service Recipients subscribing to Commercial Garbage Collection Service shall receive weekly collection of the equivalent volume of one (1) 96-gallon Recycling Cart per Service Recipient at no additional cost, and may request additional carts and/or a change in cart size at no additional cost, subject to the cart replacement requirements given in Section 3.12.7. This equivalent volume may be provided in the form of up to two (2) smaller Cart sizes, if requested by the Service Recipient and/or to help meet space constraints. In situations where shared service is provided, the equivalent volume of one (1) 96-gallon Recycling Cart per individual Commercial entity that is sharing service shall be provided at no additional cost, and the actual configuration of Recycling Cart and/or Bin sizes to be provided shall be based on the total equivalent volume, and configured in a manner determined by the Service Recipient in consultation with the CONTRACTOR.</p>	<p>All Service Units (including SFD, MFD, and Commercial) are required to be provided recycling service.</p>

Model Franchise Agreement Language	Relevance to Current Legislation
<p>Base SFD Organic Collection Service. All SFD Service Recipients subscribing to SFD Garbage Collection Service shall receive weekly collection of one (1) 96-gallon Organic Collection Cart at no additional charge to the Service Recipient, and may request additional carts and/or a change in cart size at no additional cost, subject to the cart replacement requirements given in Section 3.12.7.</p> <p>Base MFD Organic Collection Service. All MFD Service Recipients subscribing to MFD Garbage Collection Service shall receive weekly collection of the equivalent volume of one (1) 20 gallon Organic Collection Cart per Individual Dwelling Unit in the MFD complex at no additional cost, and may request additional carts and/or a change in cart size at no additional cost, subject to the cart replacement requirements given in Section 3.12.7. The actual configuration of Organic Collection Cart and/or Bin sizes to be provided at no additional cost shall be based on the total equivalent volume, and configured in a manner determined by the Service Recipient in consultation with the CONTRACTOR.</p> <p>Base Commercial Organic Materials Collection Service. All Commercial Service Recipients subscribing to Commercial Garbage Collection Service shall receive weekly collection of the equivalent volume of one (1) 32-gallon Organic Collection Cart per Service Recipient at no additional cost, and may request additional carts and/or a change in cart size at no additional cost, subject to the cart replacement requirements given in Section 3.12.7. In situations where shared service is provided, the equivalent volume of one (1) 32-gallon Organic Collection Cart per individual Commercial entity that is sharing service shall be provided at no additional cost, and the actual configuration of Organic Collection Cart and/or Bin sizes to be provided shall be based on the total equivalent volume, and configured in a manner determined by the Service Recipient in consultation with the CONTRACTOR.</p>	<p>All Service Units (including SFD, MFD, and Commercial) are required to be provided organic recycling service in alignment with the three-container collection system as described in Section 30.1 of the regulations. Automatic subscription to recycling and organics collection service is not required by SB 1383, but recommended to ensure full access to diversion services.</p>

Model Franchise Agreement Language	Relevance to Current Legislation
<p><u>Compliance with AB 341.</u> CONTRACTOR will develop and maintain a recycling program in compliance with AB 341, and implement such program upon the starting date of this Agreement. CONTRACTOR will notify any covered businesses not participating in the recycling program of the requirements to comply with the law. CONTRACTOR will provide the volume of collection service that covered businesses require in order to be in compliance with the law.</p> <p><u>Compliance with AB 1826 and SB 1383.</u> CONTRACTOR will develop and maintain an Organic Material recycling program in compliance with the AB 1826 and SB 1383 schedule, and implement such program upon the starting date of this Agreement. CONTRACTOR will notify any covered MFD not participating in the program of the requirements to comply with the law. CONTRACTOR will provide the volume of collection service that covered businesses require in order to be in compliance with the law.</p>	<p>Compliance with state recycling laws is required, including AB 341, AB 1826 as well as SB 1383.</p>
<p><u>Food Rescue and Recovery.</u> The CITY believes that the highest and best use for edible food is to feed people. The CONTRACTOR shall not impede the implementation or expansion of edible food placement networks in the City.</p> <p>The CONTRACTOR shall partner with an appropriate local non-profit for the redistribution of edible food "Before the Bin." Collection services for foods that are safe for human consumption shall be offered to all CUSTOMERS in coordination with a CITY directed food rescue program.</p>	<p>Hauler to provide partnerships with food rescue and recovery efforts for highest and best use of edible foods.</p>

<p><u>Record Keeping and Reporting Requirements.</u></p> <p><u>Tonnage Records.</u> CONTRACTOR shall maintain records of the quantities of:</p> <ul style="list-style-type: none">Garbage, Recyclable Material, and Organic Material collected, processed, composted, and disposed under this Agreement;Recyclable Material and Organic Material, by material type, purchased, sold, donated or given for no compensation; <p><u>Quarterly Reports.</u> Quarterly reports to the CITY shall include:</p> <p><u>Garbage Data.</u> A listing of the tonnage from all Collection Services, including Large Item Collection Service, collected, diverted and disposed by CONTRACTOR at the Disposal Facility for the preceding quarter sorted between SFD, MFD, Commercial and CITY Service Units.</p> <p><u>Recyclable Material Data.</u> The number of gross tons collected by material type for SFD, MFD, Commercial and CITY Recycling Collection Services, including Recyclable Material collected as part of Large Item Collection Service, for the preceding quarter. Include quarterly totals, Processing Residue rate, based on the methodology described in Section 3.15.4.1, and location for Processing Residue disposed.</p> <p><u>Organic Material Data.</u> The number of gross tons collected for SFD, MFD, Commercial and CITY Organics Collection Services, for the preceding quarter.</p> <p><u>Collection Overage or Contamination Charges.</u> Each Service Unit incurring a charge for Collection Overage or Contamination in the previous quarter.</p> <p><u>Annual Reports.</u> The annual report submitted to CITY shall be summarized by quarter and averaged for the Agreement year. For all annual reports beginning with the report for Agreement Year 2020, CONTRACTOR shall also include a historical comparison of the last year and the average of all years.</p> <p><u>Garbage Data.</u> A listing of the tonnage from all Collection Services, including Large Item Collection Service, collected, diverted and disposed by CONTRACTOR at the Disposal Facility for the preceding year sorted between SFD, MFD, Commercial and CITY Service Units.</p> <p><u>Recyclable Material Data.</u> The number of gross tons collected by material type for SFD, MFD, Commercial and CITY Recycling Collection Services, including Recyclable Material collected as part of Large Item Collection Service, for the preceding year. Indicate any quantities, by material type, donated or otherwise disbursed without compensation. Indicate quarterly and annual totals, Processing Residue rate, based on the methodology</p>	<p>Food Rescue and Recovery: Hauler should include tonnage estimates from food rescue and recovery in the contractor's diversion report.</p> <p>Collection Overages or Contamination Charges: Hauler is allowed to collect fee based upon documented container contamination to encourage hauler participation in enforcement of contamination standards, as required in SB 1383 Section 30.5, and in this Agreement Section 3.05.4</p> <p>AB 341 and AB 1826 Compliance Data: All subscription data is required to be reported to the City, ensuring that the City has adequate access to information required to be reported to CalRecycle on compliance with state law. This model contract requires that the hauler complete the notification and monitoring efforts required by law. Additional information can be accessed by the City upon request.</p>
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Model Franchise Agreement Language	Relevance to Current Legislation
<p>described in Section 3.15.4.1, and location for Processing Residue disposed.</p> <p><u>Organic Material Data.</u> The number of gross tons collected for SFD, MFD, Commercial and CITY Organics Collection Services, for the preceding year. Indicate quarterly and annual totals, Processing Residue rate, based on the methodology described in Section 3.15.5.1, and location for Processing Residue disposed. All tonnage data shall be compared to the corresponding tonnage data from the prior year comparable period.</p> <p><u>AB 341 and 1826 Compliance Data.</u> CONTRACTOR shall report the total number of Commercial and/or MFD Service Units serviced and the number of containers, container sizes and frequency of collection for Garbage, Recyclable Material and Organic Material for each of Commercial and/or MFD Service Units. Upon request by CITY, CONTRACTOR shall provide a full listing of all Service Units (including customer name and service/ mailing address) identified as covered under AB 341, AB 1826, and SB 1383 and all outreach activities completed by CONTRACTOR with respect to these Service Units; and any information identified by the City as pertinent to reporting compliance with AB 341, AB 1826, and SB 1383, such as exemptions granted.</p>	

Attachment B.

Model Ordinance Language

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF [city name] AMENDING THE [code section] ENTITLED "SOLID WASTE COLLECTION, REMOVAL, DISPOSAL, PROCESSING AND RECYCLING"

WHEREAS, the City Council of the City of [city name] ("City") finds that the State of California through its California Waste Management Act of 1989 (AB 939) and Alternative Compliance Act of 2008 (SB 1016) requires each local jurisdiction in the state divert 50% of discarded materials from landfill garbage disposal on a per capita basis; and

WHEREAS, the City Council finds that every city and county in California, including the City, could face fines up to \$10,000 a day for not meeting the above mandated goal; and

WHEREAS, the City Council finds that the State of California through its California Global Warming Solutions Act of 2006 (AB 32) requires commercial generators statewide participate in recycling programs; and

WHEREAS, the City Council finds that the State of California through the 2011 passage of AB 341 adopted a goal that 75% of solid waste generated statewide be diverted from landfill by the year 2020. Furthermore, AB 341 requires that each commercial solid waste generator, including multi-family dwellings of five or more units, provide for recycling programs, and each city or county implement recycling programs for commercial solid waste generators, including multi-family dwellings of five or more units; and

WHEREAS, the City Council finds that the State of California through the 2014 passage of AB 1826 adopted requirements for each commercial solid waste generator, including multi-family dwellings of five or more units, to provide for organics recycling programs, and for each city or county to implement organics recycling programs for commercial solid waste generators, including multi-family dwellings of five or more units by April 1, 2016; and

WHEREAS, the City Council finds that the State of California through the 2014 passage of AB 1594 disallows cities and counties from receiving landfill diversion credit from green waste being used as alternative daily cover effective January 1, 2020; and

WHEREAS, the City continues to make progress in maintaining the disposal reduction requirements of AB 939, but additional efforts, particularly in the recycling of recyclable materials and organic materials generated by businesses and multi-family dwellings, will assist the City in maintaining and exceeding the goal of diverting waste from landfill disposal. The City desires to implement a program to require the diversion of materials from landfill and transformation facilities, to ensure that resources are used to their highest potential, and to reduce upstream waste and reduce the City's ecological footprint; and

WHEREAS, the City Council finds that organic waste that is buried in the anaerobic conditions of landfills creates methane gas and leachate that may impact air and water quality. Reductions or capture of methane are critical as methane gas from the decomposition of waste is a source of renewable energy, but if not collected and controlled is at least twenty-one (21) times as potent as carbon dioxide in contributing to climate change; and

WHEREAS, the City Council finds that reductions in greenhouse gas emissions from solid waste management can be realized by recovering recyclable materials and organic materials from the waste stream; and

WHEREAS, the City Council finds that efforts by the City and the private sector to encourage voluntary diversion of commercial and special event recyclable materials have not fully achieved desired levels of diversion; and

WHEREAS, the City Council finds that mandatory commercial recycling and organics programs in other cities and counties in California, similar to the one implemented by this Chapter 6.12, have proven successful; and

WHEREAS, on March 23, 2010, the [city name] entered into an exclusive franchise agreement with [hauler name] entitled "Collection Service Agreement" for the collection of solid waste and recyclable materials; and

WHEREAS, the City finds that many C&D materials can be diverted from landfill disposal via recycling, composting, reuse, and other methods including use as biomass conversion and alternative daily cover; and

WHEREAS, the City finds that diversion of C&D materials described herein is essential to further the City's efforts to reduce waste and comply with AB 939, AB 32, AB 341, help achieve the State's 75% diversion goal by 2020 and the City's goal of [insert goal] diversion, and exceed CALGreen diversion requirements; and

WHEREAS, the City finds that building projects can seek to divert C&D materials via a number of means, including: deconstruction and/or reuse; recycling by source separation; and commingled collection and sorting of mixed C&D materials with the purpose of diverting C&D materials; and

WHEREAS, the City finds that deconstruction, reuse, and recycling by source separation of C&D materials are the most desirable ways to ensure that resources are used to their highest potential by reducing upstream waste, and reducing the City's ecological footprint; and

WHEREAS, the City finds that deconstruction, reuse and recycling by source separation of C&D materials may not be possible for all building projects due a variety of reasons, including but not limited to cost, type of building, project design, and site space available for waste management activities; and

WHEREAS, the City finds that commingled collection and sorting of mixed C&D materials with the purpose of recycling divertible C&D materials is an important strategy to ensure maximum diversion; and

WHEREAS, the City finds that generators of C&D materials in the City may either use debris boxes provided by the City's franchised hauler or self-haul C&D materials; and

WHEREAS, the City's franchised hauler of debris boxes provides source separated and commingled collection of C&D materials and recycles those loads at solid waste facilities that are known to achieve high levels of diversion of C&D materials; and

WHEREAS, the City currently does not receive or retain information regarding the amount of diversion achieved by those who self-haul their C&D materials; and

WHEREAS, the services required by this Ordinance are currently provided by [hauler name] and are available to all [city name] residential and commercial solid waste generators; and

WHEREAS, this Ordinance is intended to promulgate rules and regulations to implement the requirements of the Collection Services Agreement, the State requirements of AB 939, SB 1016, AB 32, AB 341, AB 1826, AB 1594, and other State mandates; and

WHEREAS, the City finds that the California Green Buildings Standards Code (CALGreen) currently requires certain residential and commercial construction and demolition projects to recycle or divert a minimum of 65% of nonhazardous C&D materials; and

WHEREAS, the Council finds that adoption of this Ordinance is exempt from review under the California Environmental Quality Act (CEQA) as an action taken by a regulatory agency to protect the environment (CEQA Guidelines Section 15308).

NOW THEREFORE, the City Council of the City of [city name] does hereby ordain as follows:

SECTION 1. AMENDMENT OF CODE.

[city name] Municipal Code, [code section] entitled "Garbage Collection and Disposal" is hereby repealed in its entirety and to be replaced by a new [code section] to read as follows:

CHAPTER 6.12 [example code chapter] – SOLID WASTE COLLECTION, REMOVAL, DISPOSAL, PROCESSING AND RECYCLING

6.12.010 Definitions.

For the purposes of this Chapter, unless otherwise apparent from the context, certain words and phrases used in this Chapter are defined as follows:

1. "Alternative daily cover (ADC)" means cover material other than earthen material placed on the surface of the active face of a municipal solid waste landfill at the end of each operating day to control vectors, fires, odors, blowing litter, and scavenging.
2. "City Manager" means the City Manager of the City of [city name], or his/her designee, including City employees or entities hired by the City to implement the requirements of this Ordinance.
3. "City Council" means the City Council of the City of [city name].

4. "Commercial facility" means all retail, professional, office, wholesale and industrial facilities, and other commercial enterprises offering goods or services to the public and multi-family dwelling units located within the boundaries of the City.
5. "Commercial generator" means a commercial facility or business which generates garbage, organics or recyclable materials as a result of its business, commercial facility or property activity. Commercial generator also means any multi-family residential property of five (5) or more units and multi-family residential properties under five (5) units that share solid waste collection services. Commercial generator may also include tenants, property managers for facilities with leased space, employees and contractors of commercial generator. Commercial generator also includes the City, its facilities, its non-residential properties and special events, its sponsors or co-sponsors, as well as mobile food vendors and the responsible party for any special event.
6. "Construction and demolition debris" means commonly used or discarded materials removed from construction, remodeling, repair, demolition, or renovation operations on any pavement, house, commercial building, or other structure, or from landscaping. Such materials include, but are not limited to, dirt, sand, rock, gravel, bricks, plaster, gypsum wallboard, aluminum, glass, asphalt material, plastics, roofing material, cardboard, carpeting, cinder blocks, concrete, copper, electrical wire, fiberglass, formica, granite, iron, lead, linoleum, marble, plaster, plant debris, pressboard, porcelain, steel, stucco, tile, vinyl, wood, masonry, rocks, trees, remnants of new materials, including paper, plastic, carpet scraps, wood scraps, scrap metal, building materials, packaging and rubble resulting from construction, remodeling, renovation, repair and demolition operations on pavement, houses, commercial buildings and other structures. Construction and demolition debris does not include exempt waste.
7. "Container" means any heavy plastic or galvanized metal box, can, cart, barrel, bin or similar type container used for the accumulation of garbage, recyclable materials, organic materials, or construction and demolition debris.
8. "Debris box" means any ten (10) to forty (40) cubic yard container, or any compactor provided by a solid waste generator, placed in the public right-of-way, on City property, private property, or elsewhere in the service area, which is procured by a solid waste generator for their use in the collection of their solid waste. Debris boxes are serviced by means of lifting the entire container, including all contents, onto a designated collection vehicle.

9. "Delinquent" means a failure of the recipient of solid waste collection service, or of the property owner, to pay when due all charges owed to the franchised hauler for solid waste collection service rendered or to be rendered.
10. "E-Waste" means discarded electronics equipment such as cell phones, personal digital assistant (PDA), computers, monitors, televisions, and other items containing cathode ray tubes (CRTS), LCD, LED or plasma screens and monitors.
11. "Exempt waste" means hazardous waste, sludge, automobiles (including motorcycles and motor scooters), automobile parts, boats, boat parts, boat trailers, internal combustion engines, and those wastes under the control of the Nuclear Regulatory Commission.
12. "Franchised hauler" means a hauler holding a franchise, contract, license or permit issued by the City which authorizes the exclusive or non-exclusive right to provide solid waste handling services within all or part of the jurisdictional boundaries of the City.
13. "Garbage" means all non-recyclable packaging and putrescible waste attributed to normal activities of a service unit. Garbage must be generated by and at the service unit wherein the garbage is collected. Garbage does not include recyclable materials, organic materials, construction and demolition debris, large items, E-waste, universal waste, hazardous waste, household hazardous waste or exempt waste.
14. "Generator" means any commercial generator or residential generator of solid waste.
15. "Hazardous waste" means any material which is defined as a hazardous waste under California or United States law or any regulations promulgated pursuant to such law, as such as local, state or federal law or regulations may be amended from time to time.
16. "Household hazardous waste" means dry cell household batteries; used motor oil; used oil filters when contained in a sealed plastic bag; cooking oil; compact fluorescent light bulbs contained in a sealed plastic bag; cleaning products, pesticides, herbicides, insecticides, painting supplies, automotive products, solvents, and adhesives, auto batteries; and universal waste.
17. "Large items" means furniture, carpets, mattresses, white and brown goods (household appliances), E-waste, clothing, tires without rims, and green waste attributed to the normal activities of a service unit.
18. "Occupied premises" are occupied when a person or persons take or hold possession of the premises for permanent or temporary use. For the purposes of determining whether a premises is occupied during periods when

solid waste collection service is made available to such premises, occupancy shall be presumed unless evidence is presented that gas, electric, telephone and water utility services were not being provided to the premises during such periods.

19. "Organic materials", "organic materials" and "organics" mean food scraps and trimmings from food preparation, including but not limited to: meat, fish and dairy waste, fruit and vegetable waste, grain waste, stable matter, and acceptable food packaging items such as pizza boxes, paper towels, waxed cardboard, food-contaminated paper products, plant debris, such as palm, yucca and cactus, ivy, grass clippings, leaves, pruning, weeds, branches, brush, and holiday trees.
20. "Recyclable materials" or "recyclables" mean those materials separated from garbage by the generator which are capable of being recycled and which would otherwise be processed or disposed of as garbage.
21. "Recycling" means the process of collecting, sorting, cleansing, treating and reconstituting materials that would otherwise become garbage and returning them for use or reuse in the form of raw materials for new, used or reconstituted products which meet the quality standard necessary to be used in the market place. Recycling does not include transformation as defined in Public Resources Code §40201.
22. "Residential generator" means an owner, tenant or resident of any residential property which generates garbage, organics or recyclable materials as a result of occupancy or property activity, including all generators not otherwise meeting the definition of commercial generator.
23. "Responsible party" means the individual or entity responsible for the generator's management of solid waste at the generator's, commercial facility, business, residential property, or special event.
24. "Self-haul" means when a generator collects solid waste at their premises or place of business for the purpose of hauling those materials in their own vehicles to a permitted solid waste facility in compliance with the requirements of this Ordinance.
25. "Service unit" means any City facility or City property, any single-family or multi-family dwelling unit, or any retail, professional, office, wholesale or industrial facility located within the incorporated boundaries of the City of [city name] that utilizes a solid waste cart, bin, compactor, or debris box for the accumulation and set-out of solid waste.
26. "Sharps" means needles, scalpels, blades, broken medical glass, broken capillary tubes, and ends of dental wires.

27. "Solid waste" means garbage, recyclable materials, organic materials, construction and demolition debris, large items, E-waste, universal waste or exempt waste.
28. "Source separate" means the process of removing recyclable materials from garbage at the place of discard generation, prior to collection, into separate containers that are separately designated from recyclable materials, organic materials, or garbage for the purposes of recycling.
29. "Special event" means a community, public, commercial, recreational or social event as further defined in Chapter 9.25 of the [city name] Municipal Code.
30. "Sludge" means the accumulated solids, residues, and precipitates generated as a result of waste treatment or processing, including wastewater treatment, water supply treatment, or operation of an air pollution control facility, and mixed liquids and solids pumped from septic tanks, grease traps, privies, or similar disposal appurtenances or any other such waste having similar characteristics or effects.
31. "Tenant" means any person or persons, other than the owner, occupying or in possession of a premises.
32. "Universal waste" means E-Waste, fluorescent lamps, cathode ray tubes, non-empty aerosol cans, instruments and switches that contain mercury, and dry cell batteries containing cadmium copper or mercury.

6.12.020 General Provisions.

1. Subscription Required.

The property owner or tenant of each occupied premises shall subscribe to and pay for at least the minimum level of solid waste collection service made available to that premises by the franchised hauler, as specified in the franchise agreement between the City and the franchised hauler. The charges for solid waste collection service rendered or made available shall be paid for all periods of time during which the premises are occupied, regardless of whether or not the owner or tenant has any solid waste to be collected on any particular collection date during such occupancy. Nothing in this section is intended to prevent an arrangement, or the continuance of an arrangement, under which payments for solid waste collection service are made by a tenant or tenants, or any agent or other person, on behalf of the owner. However, any such arrangement will not affect the property owner's obligation to pay for solid waste collection service as provided herein.

2. Commencement of Solid Waste Collection Service.

The property owner or tenant shall commence solid waste collection service within seven (7) days after occupancy of a premises, or portion thereof. In the event service is not initiated within such period of time, the City Manager may give written notice to the owner or tenant that solid waste

collection service is required. If service is not initiated by the property owner or tenant within seven (7) days after the date of mailing the notice, the City Manager shall authorize the franchised hauler to begin and continue providing the minimum level of solid waste collection service to such premises and the service shall be deemed to have been made available as of the date of such authorization.

3. Charge for Solid Waste Collection Service.

Any and all charges for solid waste collection service shall be set forth in the franchise agreement, contract or the Collection Service Agreement between the City and its franchised hauler.

4. Failure to Pay for Solid Waste Collection Service.

The franchised hauler shall be entitled to payment from the property owner, tenant or any other subscribing person on behalf of the property owner for any services rendered or to be rendered. Upon failure to make such payment, the means of collecting delinquent charges shall be in accordance with the procedures set forth in this Chapter. Solid waste collection service shall not be discontinued by reason of any failure to pay the charges for such service.

5. Notification of Delinquency.

If a bill for solid waste collection service remains delinquent for sixty (60) days, the franchised hauler shall send or deliver notice of any delinquency to the property owner, tenant or any other subscribing person on behalf of the property owner indicating the amount owed for solid waste collection service. The City is not obligated to use its police power to collect delinquent, overdue or unpaid bills for solid waste collection service.

6. Containers Must Be Covered and Kept Clean.

All solid waste set out by generators on the street or other designated location for collection by the franchised hauler shall be placed in covered containers. No container shall be loaded beyond its capacity. It shall be the responsible parties' responsibility to keep the containers used for the storage and collection solid waste material generated on the premises in a clean and sanitary condition. No material or containers shall be kept or handled in such a manner as to become a nuisance. No solid waste shall be allowed to become odoriferous or a producer of vermin. Lids on containers shall remain closed at all times while stored or placed for collection.

7. City Manager May Restrict Self-Haul.

Nothing in this section is intended to prevent generators that subscribe and pay for solid waste services with the franchised hauler from self-hauling extra solid waste to permitted solid waste facilities, as may be necessary from time-to-time. However, the City Manager may restrict or prohibit self-hauling by individual generators if the City Manager determines, after providing notice and an opportunity for a hearing, that the generator's self-hauling activities violate the provisions of this section or any other applicable law or regulation.

8. Exclusive Provider of Debris Boxes.

The franchised hauler is the exclusive provider of debris boxes for the collection of construction and demolition debris, garbage, recycling, organic waste and large items. No person, other than the franchised hauler shall provide or service (haul) debris boxes for the collection of construction

and demolition debris, garbage, recycling, organic waste and large items, and it is a violation of this code to obtain a debris box from any person other than the franchised hauler or to engage the services of any person other than the franchised hauler to provide debris box service. This includes any and all debris boxes placed in the public right-of-way, on City property, private property, or elsewhere in the service area, for collection of construction and demolition debris, garbage, recycling, organic waste and large items and subsequent delivery to a permitted solid waste facility. Collection utilizing debris boxes may be on a temporary or permanent basis, in accordance with the terms of the franchise agreement between the City and the franchised hauler.

9. Organics Prohibited from Use as Alternative Daily Cover.

Pursuant to the provisions of Assembly Bill 1594 (AB 1594) the franchised hauler, and any commercial or residential generators who self-haul organics, may not direct their organic waste for use as alternative daily cover (ADC). If the City Manager determines that the franchised hauler or any other generator has directed any organic waste for use as ADC, the City Manager will notify the franchised hauler or generator of the requirements of this provision. Repeated instances of directing organic materials for use as ADC may result in enforcement action as per [code reference].

6.12.030 Storage.

1. Sufficient Container Capacity and Storage of Containers.

All persons occupying or maintaining any premises within the City where garbage, organic materials and recyclable materials are created, produced or accumulated shall maintain sufficient standard containers for receiving and holding all garbage, organic materials and/or recyclable materials which are produced, created or accumulated on such premises. No containers or roll-off bins shall be allowed to be stored in the public streets, alleys or rights-of way. In commercial areas of the City that have limited space for the placement of containers, upon written request of the property owner or occupant, the City may allow the bins or carts as provided by the franchised hauler to be placed in public parking lots expressively for the purpose of normal weekly collection by the franchised hauler.

2. Design Review.

The design of any new, substantially remodeled or expanded building or other facility shall provide for proper storage of garbage, organic materials and recyclable materials and which will allow for efficient and safe waste removal or collection. The design shall be submitted for approval to the City Manager and shall meet all applicable regulations.

3. Ownership of Recyclable Materials.

All recyclable materials placed in containers designated for recyclable materials provided by any franchised hauler shall be considered owned by and be the responsibility of the franchised hauler. Without permission of the franchised hauler, no person shall remove recyclable materials placed in such containers. All recyclable materials placed in recyclable materials containers provided or owned by the generator, shall be considered owned by and be the responsibility of that generator until the material is placed at a franchised hauler's designated point of collection and in containers described in 6.12.030(A). It shall be unlawful for any person to engage in the business of

collecting, removing or transporting, or otherwise organize or direct the collection, removal or transportation of recyclable materials without being a franchised hauler.

6.12.040 Nuisance and Littering.

1. Nuisance Prohibited.

No person shall accumulate solid waste in any amount that creates a nuisance. If accumulation of solid waste creates a nuisance, the City Manager may require a more frequent collection schedule and/or removal of the accumulated solid waste. Furthermore:

- Putrescible solid waste including garbage and organic materials shall not be allowed to remain on the premises for more than seven (7) days.
- The occupant of any property may not dispose of solid waste on their property (with the exception of organic materials that are composted on-site via backyard composting).
- No person shall throw or deposit, or cause to be thrown or deposited, any solid waste upon any premises whatsoever except at permitted solid waste facilities.
- It is unlawful for any person to burn, or cause to be burned, any solid waste within the City.
- It is unlawful for any person to dispose of any burning ash or embers in solid waste containers.

2. Littering of Streets Prohibited.

It shall be unlawful for any person to cause the accumulation or deposit of dirt, mud, sand, rocks, gravel, or debris on the surface of any street of the city by the tracking of motor or horse drawn vehicles or in any other way.

3. Hauling and Transport.

No generator, self-hauler or franchised hauler shall transport solid waste over any public street, alley, right-of-way or parking plaza unless solid waste is contained and covered in such a manner as to prevent the dropping or spilling of any solid waste, litter, or liquid upon the public street, alley, right-of-way or parking plaza.

6.12.050 Mandatory Commercial & Multi-Family Recyclable and Organic Materials Diversion.

1. Commercial Generators Responsible for Compliance.

Each commercial generator, as defined in 6.12.010(E), shall be responsible for ensuring and demonstrating its compliance with the requirements of this Chapter, including all multi-family dwellings of five (5) units or more, and also including multi-family dwellings under five (5) units

that share solid waste collection containers and services under one subscription with the franchised hauler.

2. Commercial Recycling and Organics Collection Required.

Each commercial generator shall subscribe to a level of service with the franchised hauler that is sufficient to handle the volume of recyclable materials and organic materials generated or accumulated on the premises, or complete and retain on-site a self-hauling form certifying that all self-hauling activities will be completed in accordance with Section 6.12.100(C) or any other applicable law or regulation. The commercial generator shall make a copy of such form available to the City Manager upon request. Additionally, each commercial generator shall ensure the proper separation of solid waste, as established by the franchised hauler, by placing each type of material in designated receptacles or containers collocated on the premises, and ensure that employees, contractors, volunteers, customers, visitors, and other persons on site conduct proper separation of solid waste.

3. Commercial Generator Self-Haul.

Nothing in this Chapter shall preclude any commercial generator from self-hauling recyclable materials or organic materials generated by that commercial generator to a recycling or organics processing facility, provided that the responsible parties:

- Comply with the requirements in this Chapter by delivering recyclable materials or organics materials to permitted facilities that will process those materials in accordance with the requirements and intent of this Ordinance.
- Complete and retain on-site a self-hauling form certifying that all self-hauling activities will be completed in accordance with this Ordinance or any other applicable law or regulation. A copy of such form shall be completed and remitted annually to the City Manager.
- Provide proof of compliance with this Chapter, upon request by the City; proof includes, but is not limited to, a receipt from a recycling or organics processing facility that clearly identifies the type and quantity of material delivered and the location to which it was delivered.

4. Exemptions to Mandatory Commercial Recycling and Organics.

The following shall be exempt from the requirements of this section. Commercial generators seeking an exemption shall submit their request for exemption in a form specified by the City Manager, if one exists. After reviewing the exemption request, and after an on-site review, if applicable, the City Manager may either approve or deny the exemption request.

- The State of California, a special district or other local public agency other than the City, as defined, or any employee thereof, when collecting or transporting recyclable materials produced by operation or system of the entities described above.

- Municipal corporations and governmental agencies other than City using their own vehicles and employees engaged in the collection, transportation or disposal of recyclable materials within the boundaries of the City; or engaging in other recycling activities allowed under the franchise agreement with the franchised hauler, resulting in no remaining organic materials or recyclable materials after these activities take place.
- Commercial generators that can provide documentation to the satisfaction of the City Manager that no organic materials and recyclable materials are generated by that commercial generator, its employees, customers, tenants, businesses practices, and other persons or processes which occur on the premises of the commercial generator. This exemption may be granted only if the commercial generator is not subject to the requirements of AB 1826, AB 341, or subsequent legislation.
- Commercial generators that can provide documentation to the satisfaction of the City Manager that there is inadequate space for the commercial generator to store sufficient containers for recyclable materials and organic materials on site and that it is infeasible for the commercial generator to share recyclable materials or organic materials containers with adjacent commercial facilities or multi-family dwellings. This exemption may be granted only if the commercial generator is not subject to the requirements of AB 1826, AB 341, or subsequent legislation.
- Commercial generators that can provide documentation to the satisfaction of the City Manager that compliance with this Chapter will result in violating City zoning or other regulations. This exemption may be granted only if the commercial generator is not subject to the requirements of AB 1826, AB 341, or subsequent legislation.

5. Implementation.

Each commercial generator shall use containers to collect and store recyclable materials and organic materials, and shall designate areas to collect and/or store these materials. Each commercial generator shall prominently post and maintain one or more signs in maintenance or work areas or common areas where recyclable materials and organic materials are collected and/or stored that specify the materials to be recycled and how to recycle such material. The City shall notify and instruct commercial generators in writing of applicable recycling and organics requirements. Upon request by commercial generators, the City will also provide outreach and training to commercial generator employees and tenants regarding what materials are required to be recycled and how to recycle such material. Additionally:

- The City Manager shall annually work with the franchised hauler to identify commercial generators subject to the requirements in this Ordinance.

- The City Manager shall review franchised hauler data to confirm whether all commercial generators are compliant with the requirements of this Ordinance by reviewing subscription levels of garbage, organics and recycling collection services. Those commercial generators who do not subscribe to the required collection services with the franchised hauler will be notified of the requirement to subscribe or self-haul organics and recyclables. Those commercial generators who do not subscribe to the required services with the franchised hauler but who can produce evidence of legitimate self-haul of organics and recyclables will be deemed compliant with this Ordinance, whereas those who cannot will be deemed non-compliant.
- Commercial generators shall be responsible for ensuring and demonstrating compliance with the requirements of this Chapter within 30 days of notification of non-compliance. Failure to demonstrate compliance with the requirements of this Ordinance shall be cause for enforcement.

6.12.060 Special Events.

1. Special Event Recycling and Organics Collection Required.

For a special event, in addition to any other conditions the City requires as part of the special event permit, the responsible party shall either arrange for commingled or source separated collection and processing of garbage, recycling and organics with the franchised hauler or shall arrange for and provide recycling and organics containers throughout the event location to make source separation of recyclable materials, organic materials and garbage convenient for the employees, volunteers, contractors, and customers of the food vendors and attendees of the event. This includes arranging for collection and appropriate processing of all garbage, organics and recycling collected during the special event. Requirements for special events not utilizing commingled or source separated collection services provided by the franchised hauler include:

- The minimum number of recycling and organic containers shall equal or exceed the number of garbage containers. Containers for garbage, organics and recyclables shall be collocated throughout the event location in order to provide equally convenient access to users.
- All of the containers must have appropriate signage and be color coded to identify the type of materials to be deposited and meet any additional design criteria established by the City by regulation.
- Food vendors must have at least one separate container each for recyclable materials, organic materials and garbage for use by customers and visitors. Multiple food vendors that provide disposable food service ware and share a common eating area may share an appropriate number, size, and placement of containers for recyclable materials, organic materials and garbage for convenient use by customers or visitors or have common access to such a container which shall be located within a reasonable proximity of the vendors.

- The types of recyclable materials suitable for deposit into each container shall include, at a minimum; plastic bottles and jars, paper, cardboard, glass, newspaper, metal containers, and cans. Each recycling container shall be clearly identified as a recycling container and shall display a list of types of recyclable materials which may be deposited into the recycling container.
- Mobile food vendors shall comply with this Chapter [code reference].

6.12.070 Enforcement.

1. City Manager Authorization.

The City Manager is authorized to administer and enforce the provisions of this Chapter. The City Manager, or anyone designated by the City Manager to be an enforcement officer, may exercise such enforcement powers. If the City Manager determines that a solid waste generator is in violation of this Chapter or of any rule or regulation adopted pursuant to this Chapter, the City Manager may begin enforcement proceedings. Public nuisance proceedings and/or code enforcement proceedings under the City's code shall apply, in addition to the administrative penalties approved by resolution of the City Council, as modified from time to time. Enforcement proceedings may include issuing notices of violation, requiring changes in subscription service levels or assessing administrative fines.

2. Administrative Citations and Orders.

If the City Manager determines that a solid waste generator is in violation of this Chapter, the City Manager may issue administrative citations or orders pursuant to the [city name] Municipal Code [code reference], for violations of this Chapter or of any rule or regulation adopted pursuant to this Chapter, except as otherwise provided in this Chapter. The City's procedures on imposition of administrative fines are hereby incorporated in its entirety and shall govern the imposition, enforcement, collection and review of administrative citations or orders issued to enforce this Chapter and any rule or regulation adopted pursuant to this Chapter, provided, however, that the City Manager may adopt regulations providing for lesser penalty amounts. The City Manager has the authority to impose administrative penalties for the notices of violations.

3. Additional Remedies.

The City Attorney may seek injunctive relief or civil penalties in the superior court in addition to the above remedies and penalties. All administrative civil penalties collected from actions pursuant to this section shall be paid to the City and shall be deposited into a solid waste administrative account that is available to fund activities to implement the applicable provisions of this section. Any remedy provided under this section is cumulative to any other remedy provided in equity or at law. Nothing in this Chapter shall be deemed to limit the right of the City or its authorized collection agent(s) to bring a civil action; nor shall a conviction for such violation exempt any person from a civil action brought by the City or its authorized collection agent(s). The fees and penalties imposed under this Chapter shall constitute a civil debt and liability owing to the City from the persons, firms or corporations using or chargeable for such services and shall be collectible in the manner provided by law. Nothing in this Chapter shall be deemed to impose any liability upon the City or upon any of its officers or employees including without limitation under

the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA). This Chapter does not do any of the following:

- Otherwise affect the authority of the City Manager to take any other action authorized by any other provision of law.
- Restrict the power of a City attorney, district attorney or the attorney general to bring in the name of the people of California, any criminal proceeding otherwise authorized by law.
- Prevent the City Manager from cooperating with, or participating in, a proceeding specified in 6.12.120.
- Affect in any way existing contractual arrangements, including franchises, permits or licenses, previously granted or entered into between the franchised hauler and City.

4. Penalties on solid waste generators in alignment with State law.

If the City Manager determines that a solid waste generator is in violation of the requirements given in State code [SB 1383 reference], the City Manager may issue citations or orders pursuant to State code [SB 1383 reference], for violations of State code herein referenced, or of any rule or regulation adopted pursuant to this Chapter, except as otherwise provided in this Chapter or State code. Procedures on imposition of administrative fines as described in [SB 1383 reference] are hereby incorporated in their entirety and shall govern the imposition, enforcement, collection and review of citations or orders issued to enforce this Chapter and any rule or regulation adopted pursuant to this Chapter or State code.

6.12.080 C&D Recycling General Provisions.

1. Building Permit Applicants Responsible for Compliance.

Each applicant, as defined in 6.XX.010(B), shall be responsible for ensuring and demonstrating its compliance with the requirements of this Chapter, for all projects that are required to recycle C&D materials per CALGreen.

2. C&D Materials Diversion Required.

Each applicant shall divert C&D materials through deconstruction, reuse, and/or recycling for each applicable project, at a minimum of 65% diversion or as given in CALGreen code. Applicants can recycle C&D materials by using the services of the City's franchised hauler or by self-hauling C&D materials to certified facilities.

3. Exemptions.

Diversion of C&D materials is not required for work for which a building permit is not required under Title X Chapter XX.XX., or for projects that require a building permit but do not meet the thresholds for recycling C&D materials per CALGreen. It is unlawful to split or separate a project into small work projects for the purpose of evading the requirements of this Section 6.XX.020.

6.12.090 C&D Documentation.

1. Design Verification.

Except as otherwise specified in this Chapter, on or after the date this Ordinance is enacted, prior to issuance of a building permit, each applicant whose project is required to recycle C&D materials per CALGreen must verify that C&D materials generated by the project will be diverted via one or more of the following methods:

- Deconstruction and/or reuse of C&D materials;
- Source separation and diversion of C&D materials with the franchised hauler or at a certified facility; or
- Commingled collection and sorting of mixed C&D materials with the franchised hauler or at a certified facility.

2. Implementation Verification.

Except as otherwise specified in this Chapter, on or after the date this Ordinance is enacted, each applicant whose project is required to recycle C&D materials per CALGreen shall provide the City with documentation of compliance with this Ordinance prior to final building inspection. Documentation of C&D materials diversion includes receipts from the franchised hauler, weight tickets from certified facilities for all loads delivered for recycling, or such additional information deemed necessary by the City to document accomplishment of the requirements of this Ordinance.

6.12.0100 C&D Nuisance Prohibited.

No person, applicant or generator shall accumulate C&D materials or solid waste in any amount or in any manner that creates a nuisance per this Chapter or per Chapter 6.12.040 (Nuisance and littering) or violates Chapter 8.20.090 (Parking for more than 72 hours). If such accumulation creates a nuisance, or if trailers or other methods of collecting, storing and transporting C&D materials is in violation of the City's parking code, the City Manager may require its immediate removal and/or require a removal schedule.

6.12.0110 Forms, Regulations and Guidelines.

The City Manager may adopt necessary forms, rules, regulations and guidelines which may be necessary or desirable to aid in the administration or enforcement of the provisions of this Chapter. The City may provide information on its website regarding what materials are accepted as recyclable materials, organic materials, and garbage under this Chapter.