

**City of San Bernardino
Presentation to the Common Council**

**Agreement for Solid Waste and Recycling,
Sweeping and Right of Way Services**



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Recommended Actions

The items before the Council are the next steps in contracting the City's solid waste and recycling, sweeping and right-of-way services:

1. Approval of a ten-year agreement with Burrtec Waste Industries, Inc. with one five-year renewal at City option;
2. Direct staff to send notice to Republic Industries, Inc. terminating the processing agreement effective Jan. 1, 2018;
3. Authorize \$500,000 paid by Burrtec to the transitioning employees; and
4. Authorize reduction in the number of full time positions in the Public Works Department by 87, effective April 1, 2016.

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Background

- Contracting is consistent with City's Bankruptcy Recovery Plan, providing a more effective and efficient method of service delivery.
- Contracting will provide:
 - Enhanced levels of service through economies of scale
 - Revenue to the City
 - Same rates to rate payers

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Background: (cont.)

- Services/parameters covered in RFP
 - Solid waste, garbage, and recycling collection, processing and disposal
 - Street sweeping
 - Right-of-way clean-up
 - 10-year term, with City option to extend
 - Employment of displaced City employees
 - Assume customer service
 - Option to assume residential billing
 - Purchase City equipment
 - Pay various fees to the City

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Background: (Cont.)

- RFP Timeline:
 - RFP Issued June 4, 2015
 - Pre-bid meeting held June 16, 2015
 - Addenda issued July 2, 2015
 - Proposals submitted July 20, 2015
 - Interviews conducted August 20, 2015
 - Evaluation completed early Nov. 2015
 - City Council direction to negotiate with Burrtec Nov. 16, 2015
 - Develop & negotiate franchise agreement Nov. 17 – Jan. 14, 2016

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Background: (cont.)

- Burrtec was ranked highest:
 - Strongest technical proposal
 - Experience with similarly-sized cities (Fontana and Rancho Cucamonga)
 - Robust and proactive right-of-way program
 - Good employee transition plan
 - Excellent references and good track record doing business with City
 - Strong underlying financials
 - Highest financial proposal of \$34.9M for required 10-year term
 - \$5.6 million higher than the next highest proposer

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Franchise Agreement:

Starting Point

- Identify industry best practices to be included in the Franchise Agreement
- Convert City's RFP requirements and current services into contract language for inclusion in Agreement
- Incorporate additional value-added items proposed by Burrtec for inclusion in Agreement

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Franchise Agreement:

Key Items

- Service Start Date: April 1, 2016
- Existing routes and collection days to remain the same for minimum of four months
- Solid waste & recycling services will mirror current services
- Street sweeping will return to twice per month
- Burrtec will provide right-of-way clean-up
- Existing customer rates stay at current amount
- Customers will retain their carts, bins and roll-offs
- Burrtec to purchase City existing vehicles and will rebrand, repair and maintain
- Burrtec to assume responsibility for customer service and customer billing
- Disposal at San Bernardino County landfills (contact with Burrtec)

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Franchise Agreement: *Immediate Payments From Burrtec*

- Purchase of City Equipment/Property
 - \$12,225,000 (one-time payment)
- Procurement-Related Costs Reimbursement
 - \$250,000 (one-time payment)
- One-Time Franchise Fee Payment
 - \$5,000,000 (one-time payment)
- Displaced City Employee Payment
 - \$500,000 (distributed to displaced employees)
- Proposal Submittal Fee
 - \$10,000 (one-time payment)

\$17.975M Paid by Burrtec by April 30, 2017

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Franchise Agreement: *Fixed On-Going Payments to the City*

- \$500,000/year - Annual Value-Added Franchise Payment
(for 9 years beginning in year 2)
- \$325,000/year Host Fee Payment
 - \$81,250 for July – December 2017
 - \$81,250 for January – March 2018
 - \$325,000 per year beginning April 2018
- \$500,000/year - Landfill Maintenance Cost Avoidance Payment
- \$500,000/year – BioCNG Biofueling Station Payment
- \$250,000/year - Infrastructure Repair Fee Payment

Estimated \$19.8M paid as "Fixed On-going Payments Over 10-year Term"

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Franchise Agreement
Variable On-Going Payments to the City

- 20% Monthly - Franchise Fee Payment based on Gross Receipts
- 50% of net revenue from the sale of recyclables for Annual Recyclables Revenue Share Payment

Estimated \$50M paid as "Variable On-going Payments Over 10-year Term

Estimated \$88M Paid By Burrtec Over 10-year Term

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Franchise Agreement:
Contract Term and Extension

- Initial Term: 10 years
 - April 2016 through March 2026
- Term Extension: 5 years (at City's sole option)
 - April 2026 through March 2031
- Prior collection (Jack's) and facility (Burrtec) agreements are superseded
- Prior facility agreement with Republic is incorporated
 - Burrtec to assume responsibility for all fees currently paid by City to Republic
 - City needs to provide notice of non-extension to Republic

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Franchise Agreement:

Services Provided

- Collect solid waste, recyclables, and organic materials from residential and commercial accounts
- Bulky item collection
- Street sweeping services
- Right-of-way cleanup
- Collection from City accounts at no charge
- Public education and outreach
- Special Events
- Staff to support diversion activities

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Franchise Agreement:

Performance Requirements

- Industry standard best practices performance standards, including:
 - Material type definitions
 - Approved disposal and processing facilities
 - Specific hours and days of collection, and specific office hours
 - Specific response times for customer service requests
 - No commingling City materials with outside waste
 - Graffiti removal
 - Cleanup of spillage/litter
 - Proper handling of hazardous waste
 - Compliance with State legislation including AB 939, AB 341, AB 1826, AB 1594, SB 20 and SB 50

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Franchise Agreement:
Diversion Requirements

- **Diversion Guarantee:** Contractor must achieve a diversion from landfill rate (measured in tons) of:
 - 31% diversion by end of 2016
 - 40% diversion by end of 2020
 - 55% diversion by end of 2025
 - Failure to fulfill the Diversion Guarantee may result in imposition of Liquidated Damages
- **Example Using Current City Operations** ⁽⁷⁾
 - Current City collection = _____ tons
 - Current City diversion = _____ tons
 - Tons needed to meet 40% Diversion _____ tons
 - Example liquidated damages \$ _____

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Franchise Agreement:
Customer Rates and Adjustments

- Customer rates will remain at 2009 levels until July 1, 2017. Specifically:
 - Residential: \$22.84 per month for standard service
 - Commercial (solid waste):
 - \$112.10 per month for 2 cubic yard bin collected 1x/week
 - \$119.18 per month for 3 cubic yard bin collected 1x/week
 - \$130.98 per month for 4 cubic yard bin collected 1x/week
 - \$189.98 per month for 6 cubic yard bin collected 1x/week
- Future annual increases (beginning July 1, 2017) based on local CPI
- Burrtec assumes risks for increases in disposal, green waste, organics processing costs increases
- 5% annual rate cap
- Contractor responsible for billing of all accounts

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Franchise Agreement:

Liquidated Damages

- Failure to meet Diversion Guarantee for two consecutive years: \$50/ton each ton under the minimum diversion requirement
- Commingling of City materials with outside materials: \$1,000 per incident
- Use of non-allowed disposal or processing facility: \$5,000 per incident
- Various other L.D.'s ranging from \$100 to \$500 per incident (Includes failure to remedy various customer service issues, and failure to meet employee, container and vehicle standards, etc.)

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Franchise Agreement:

Reporting Requirements

- Monthly reports for first year of Agreement, quarterly thereafter
- Monthly/quarterly reports include summary of:
 - Gross receipts and payments to City
 - Disposal and diversion data, with material type tonnage data broken down by Residential, Commercial and City accounts
 - Street sweeping data
 - Bulky waste data
 - Construction and demolition (C&D) data
 - Local purchase preference program data
 - Service complaints

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Franchise Agreement:

Reporting Requirements (continued...)

- Annual reports include:
 - Summary of all monthly/quarterly report information
 - Information and statistics regarding City compliance with AB 341, AB 939, AB 1594, and AB 1826
 - Account service data, including changes in the account base
 - Vehicle and container replacement data
 - Recommendations for improvements to the City's integrated waste management system, including recommendations for compliance with AB 341, AB 939, AB 1594, and AB 1826

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Franchise Agreement:

Insurance and Performance Bond

- Workers' Compensation Insurance
- Liability and Vehicle Insurance
 - \$20M aggregate; \$5M per occurrence
- Pollution and/or Environmental Impairment Liability Insurance
 - \$6M aggregate; \$6M per occurrence
- Performance Bond
 - \$4M during first Agreement year, and \$2M each year thereafter

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Transition: *Employee-Related Issues*

- Agreement requires Burrtec to provide payment of \$500,000 for transitioning employees
 - City to determine methodology
 - All transitioning employees to receive a base amount
 - Methodology based primarily on seniority
 - Staff to meet and confer with the two unions that represent employees
 - Bonus to paid within 30 days of employment

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Improvements Through Contacting

- Increased compliance with recent legislation
- Commercial and organic recycling
- More reliable service with modern, reliable fleet
- Increase in recycling diversion through use of multiple processing facilities
- Dedicated customer service personnel
- More flexibility/redundancy of staffing to cover vacancies
- More flexibility in obtaining supplies, materials and contracts
- Improved accountability for providing service

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Transition:

Employee-Related Issues (cont.)

- Three operations currently have 87 positions that will no longer be required:
 - Some positions are vacant
 - Approximately 58 full time employees will be offered employment
 - Part time employees may be transitioned if they are able to work full time
 - The City plans to retain 6 full time employees to manage the contract and to provide field inspection

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Future Actions:

Municipal Code Update

- City's current municipal code is outdated:
 - Doesn't include a recent of State laws that govern solid waste management
 - Uses outdated definitions
 - Doesn't allow for debt collection on property tax bills, common in other cities
- Staff will review the municipal code and return to the Council with recommended changes

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In the Audience

- Burrtec Owner and Management
- Clean-Street Owner
- R3 Principal – subject matter expert
- Staff
- to address any questions

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Residential and Commercial Garbage, Recyclable Material and Organic Waste Collection Services



PRESENTATION TO:
City of Half Moon Bay
City Council

June 20, 2017



R3

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Background

- December 1, 2015:** City Council opts for open solicitation of new franchise agreement and a 1-year extension with Allied
- July 19, 2016:** City Council approves the 1-year extension with Allied and awards professional services agreement to R3
- October 20, 2016:** R3 hosted a community meeting
- November 1, 2016:** R3 and staff conduct study session at City Council to discuss services for RFP



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Background

- ❑ **December 20, 2016:** R3 and staff meet with the Finance Subcommittee to finalize terms of RFP
 - Key decisions
 - Remove 96-gal option for Single Family Dwellings (SFD)
 - Include Alternative for food waste for SFDs and Multi-Family Dwellings (MFD)
 - Include Alternative for increase Household Hazardous Waste (HHW) services
 - Endorsed review criteria and weighting



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Background

- ❑ **January 31, 2017:** RFP is released
- ❑ **April 4, 2017:** Proposals due
 - Recology of the Coast
 - Republic Services
- ❑ **April 4 – June 6, 2017:** Initial evaluation by R3 and staff
 - Interviews
 - Site Visits (Proposed recycling processing facilities and landfill)
 - 3 rounds of follow-up/clarifying questions



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Background

- ❑ **June 6, 2017:** R3 and staff met with the City Council Finance Subcommittee to review initial results based on information gathered
- ❑ **June 9, 2017:** R3 and staff released the fourth round of clarifying questions
- ❑ **June 13, 2017, 4pm:** R3 and staff received the responses to the fourth round of questions
- ❑ **June 14-15, 2017:** R3 and staff reviewed responses to the fourth round of questions finalized scoring of proposals



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Proposal Evaluation

Proposers' Score Per Evaluation Criteria Section			
RFP Criteria	Max Points	Republic	Recology
Qualifications	45	37	38
Sustainability Programs	75	55	57
Technical Approach	75	66	53
Service Recipient Rates	105	105	88
Total	300	263	236

- All total scores have been rounded to the nearest whole number

Republic received highest overall scores



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Evaluation Details

Republic Services

- Qualifications (45 points)
 - Qualified and experienced in providing similar services in the Bay Area
 - Reference checks were positive for Republic
 - Less impact on service recipients during transition
 - Clearly understood requested services and service area

Republic: 37

Recology: 38



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Evaluation Details

Republic Services

- Sustainability (75 points)
 - Outreach coordinator dedicated to City (20 hrs/week on average)
 - Tailored public education and outreach materials to customer needs
 - Commitment to meeting minimum diversion requirements
 - Established routes to reduce wear and tear on City streets

Republic: 55

Recology: 57



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Evaluation Details

Republic Services

- Technical Approach (75 points)
 - Proposed a clear roadmap for processing and disposal over the term of the Agreement
 - Proposed processing facilities will result in significantly lower distance for both trucks and transfer trailers, resulting in a lower GHG impact
 - New carts at start of contract with in-mold label
 - New vehicles between years 2-5 of contract
 - Real-time link between route operations and customer service

Republic: 66

Recology: 53



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Evaluation Details

Republic Services

- Service Recipient Rates (105 points)
 - Lowest rates for Single Family Dwellings
 - Lowest rates for Commercial Units
 - Lowest rates for Multi-Family Units (including food scraps)

Republic: 105

Recology: 88

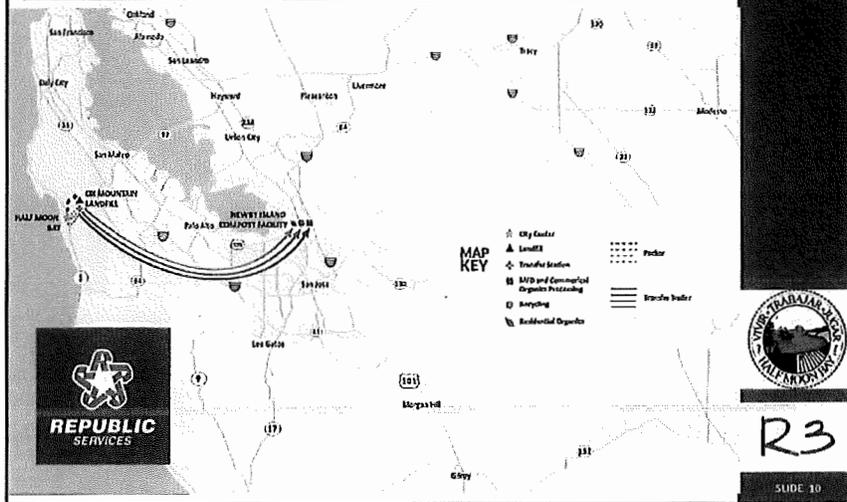


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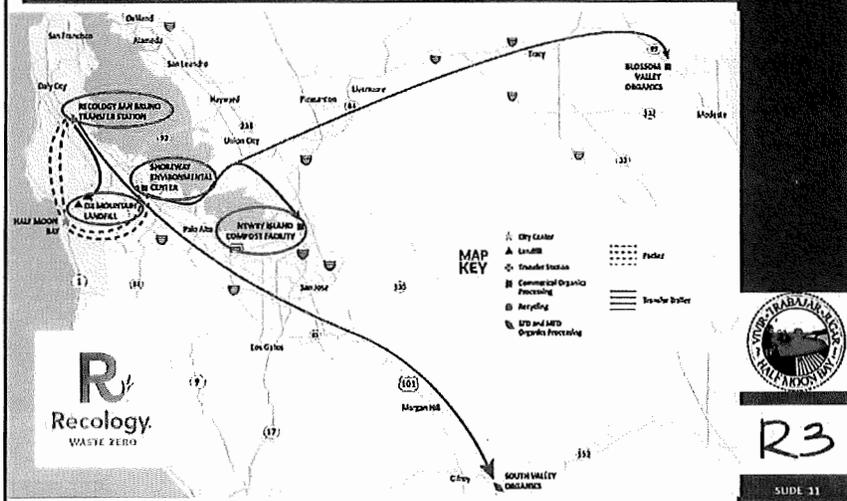
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Proposed Travel Path With Food Waste (Republic)



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Proposed Travel Path With Food Waste (Recology)



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Causes of Service Recipient Rate Increases

- Historically low rates (subsidized by current provider)
- Weak end-market prices for recyclable material and organic waste
- State mandates change the solid waste management system
 - AB 341: Mandatory Commercial Recycling
 - AB 1826: Mandatory Commercial Organics Recycling
 - AB 1594: Green Waste used as Alternative Daily Cover (ADC) does not constitute diversion

City-wide system costs estimated to increase 30-35%



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Comparison of Current Residential Rates

	Jurisdiction	20 Gallon	32 Gallon	64 Gallon	96 Gallon
Residential Rates	Belmont	\$21.19	\$33.50	\$65.97	\$98.95
	Daly City	n/a	\$24.10	\$48.19	\$72.29
	Los Altos	\$30.03	\$32.34	\$64.69	\$97.03
	Montara	\$23.87	\$29.35	\$96.44	n/a
	San Carlos	\$21.29	\$31.80	\$53.27	\$69.82
	South San Francisco	\$24.52	\$31.02	\$68.23	\$106.69
	Average	\$24.18	\$30.35	\$66.13	\$88.96

Potential causes for rate variation:

- Joint-powers authority & special districts (e.g. SBWMA, Granada CSD)
- Ownership of facilities
- Incentivizing smaller carts

*Half Moon Bay \$13.01 \$26.69 \$53.39 \$81.53

*Rates are being subsidized by the current provider and by the larger carts to incentivize smaller carts



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Included Services in Base Proposal (Republic)

SFDs

- Three (3) sizes of garbage (20, 32, or 64-gal carts)
- Weekly recycling (64-gal cart)
- Weekly yard trimmings (96-gal cart)
- Curbside HHW for cell phones and household batteries and motor oil
- Curbside holiday tree collection (3 week period)
- Curbside Bulky Waste (2 on-call collections per year)



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Alternative #2: Residential Curbside Organics (w/ Food Scraps)

Recommendation: Negotiate to include in base services

- The community has expressed that they want this service
 - ~59% of the 177 survey responses wanted kitchen scraps collection
- Future law may require this service
- It will save money in the long-term to start this service immediately



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Included Services in Base Proposal (Republic)

MFDs

- Weekly garbage collection (carts & bins)
- Weekly recycling collection (96-gal cart/unit included)
- Weekly yard trimming collection w/ food scraps (32-gal cart/unit included)
- Curbside Holiday Tree Collection (3-week period)
- Curbside Bulky Waste (2 on-call collections/year)



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Included Services in Base Proposal (Republic)

Commercial

- Weekly garbage collection (carts & bins)
- Weekly recycling collection (96-gallon cart included)
- Weekly green waste collection w/ food scraps (32-gallon cart included)
- Curbside Holiday Tree Collection (3-week period)
- Curbside Bulky Waste (2 on-call collections/year)



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Included Services in Base Proposal (Republic)

- City and Public Spaces
 - Weekly garbage (carts and bins as needed)
 - Weekly recycling collection (96-gallon cart included)
 - Weekly green waste collection with food scraps (32-gallon cart included)
 - Bulky Waste, U-Waste, and E-waste collection from City Facilities
 - 1,000 cubic yard per year of Code Enforcement clean-up
 - 2 compost giveaways per year
- Street sweeping



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Recommendations

- Enter into negotiations With Republic for:
 - A rate structure that incentivizes participation in diversion programs and reduces the rate impact on lower volume users
 - Residential food scrap collection (curbside)
 - All other as proposed services as City requested in the RFP
- Negotiate final Collection Service Agreement for review and adoption at the August 15, 2017 City Council meeting



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Benefits to Including SFD Food Waste

PROS

- Proposed cost for composting residential food and green waste is likely cheaper now than future costs
- Locked in tipping fees with start of new contract
- Avoiding confusion, duplication, and additional expenses for transitioning to new services
- Higher and better use for diversion
- In keeping with statewide greenhouse gas emissions strategies

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- Higher immediate customer rates



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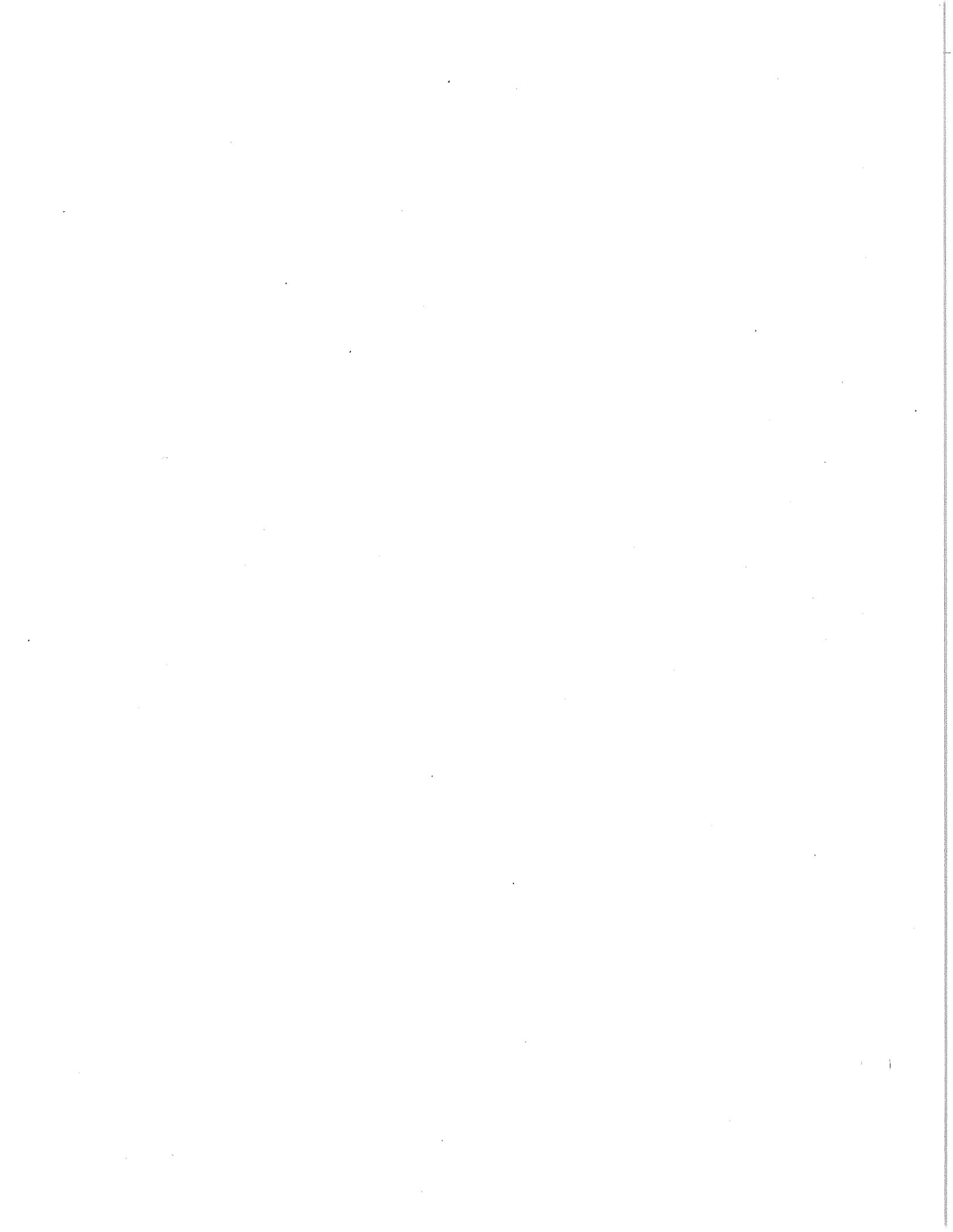
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QUESTIONS & ANSWERS



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BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **September 5, 2017**

TO: Honorable Mayor and City Council

VIA: Magda Gonzalez, City Manager

FROM: John T. Doughty, Public Works Director
Jennifer Chong, Management Analyst

TITLE: **SOLID WASTE FRANCHISE AGREEMENT ADOPTION**

RECOMMENDATION:

- 1) Adopt a resolution authorizing the Mayor to sign and execute a new, 10-year Franchise Agreement with Republic Services, Inc. for Residential and Commercial Garbage, Recyclable Material and Organic Waste Collection Services starting on April 1, 2018; and
- 2) Adopt a resolution authorizing the City Manager to execute Amendment No. 4 to the current Franchise Agreement extending the expiration date to March 31, 2018.

FISCAL IMPACT:

There is no General Fund fiscal impact associated with the requested action. The cost for providing solid waste services to the City's residents and businesses are covered by the customer rates established by the City's franchised hauler and paid by those receiving the services. Based on the proposed customer rates and estimated revenue as provided by Republic Services, the estimated annual revenue received by Republic for the first year of the contract will be approximately \$3.6M. The Franchise Agreement includes a Consumer Price Index (CPI) annual rate adjustment of 1-4%.

STRATEGIC ELEMENT:

This recommendation supports the Infrastructure and Environment, Healthy Communities and Public Safety, and Inclusive Governance Elements of the Strategic Plan.

BACKGROUND:

Republic Services, Inc. (aka Allied Waste Services) currently has an exclusive franchise to provide solid waste, recyclables, green waste, and street sweeping services in Half Moon Bay. The current franchise agreement expires December 31, 2017.

At the direction of the City Council, staff and R3 Consulting Group, Inc. (R3), the City's solid waste consultant, prepared and released a Request for Proposals (RFP) for Residential and Commercial Garbage, Recyclable Material, and Organic Waste Collection Services. The RFP was

released on January 31, 2017 with a due date of April 4, 2017. On April 4, 2017, the City received formal proposals from Recology of the Coast (Recology) and Republic Services (Republic).

At the request of the City Council, staff and R3 issued a request for Best and Final Offers (BAFOs) inclusive of residential food scraps to both proposers on June 21, 2017 with a due date of July 5, 2017. City staff and R3 met with each of the proposers on June 22, 2017 to discuss the request for BAFOs and provide any necessary clarifications.

On July 5, 2017, the City received BAFOs from Recology and Republic. The evaluation team, consisting of one (1) City staff member and two (2) representatives from R3, scored each proposal (inclusive of the original proposal, answers to clarifying questions, an interview, and the BAFO) independently out of 100 points. The cumulative scores from the evaluation team are displayed in Table 1.

TABLE 1		
Proposers' Cumulative Scores Per Evaluation Criteria		
RFP Criteria	Recology	Republic
Qualifications (45 points)	34	37
Technical Approach (75 points)	51	67
Sustainability Programs (75 points)	54	57
Service Recipient Rates (105 points)	105	104
Total (300 points)	244	265

* All total scores have been rounded to the nearest whole number

On July 12, 2017, the Finance Subcommittee (Subcommittee) recommended that the City Council authorize staff to enter into negotiations with Republic Services for a ten (10) year franchise agreement for solid waste services inclusive of Alternative #3 (two annual Household Hazardous Waste drop-off collection events). On July 18, 2017, the City Council unanimously voted to support the Finance Subcommittee recommendation and authorized staff to commence negotiations with Republic Services.

On August 3, 2017, the Subcommittee met to receive an update on negotiations for the new Franchise Agreement including a request to consider modifying the start date of the Franchise Agreement to improve effectiveness of rollout of new/modified programs and services. The Subcommittee is recommending extension of the current Franchise Agreement through March 31, 2018 and start new services on April 1, 2018.

Staff, R3, and Republic engaged in extensive negotiations and conversations, which resulted in the proposed Franchise Agreement.

DISCUSSION:

In December of 2015, the City Council, in response to community calls for transparency, directed staff to commence formal and open solicitation for solid waste and street sweeping services in Half Moon Bay. The process identified by staff and affirmed by the City Council included: 1) solicitation and contracting of professional services to assist staff and City Council; 2) preparation and release of a Request for Proposals (RFP); 3) review of proposals; 4) negotiation of a Franchise Agreement with chosen firm; and 5) implementation of new/modified programs and services. As noted earlier, R3 has provided direct assistance to staff, including community outreach and preparation of the RFP and draft Franchise Agreement.

The process itself was developed and implemented with community transparency in mind. The process included a community meeting, a City Council Study Session, several publicly noticed meetings of the Finance Subcommittee as well as a series of publicly noticed City Council action items. Additionally, the City offered a survey opportunity for customers prior to the release of the RFP. The survey results helped to form the scope of services of this Agreement which includes curbside organics for all customers.

There are two actions being requested of the City Council. These are described below:

A. Approval of New Ten-Year Franchise Agreement

To complete negotiations of the Franchise Agreement, staff, consultants, and Republic restructured the rates and negotiated agreement terms. The rate structure was presented to the Finance Subcommittee and the City Council. On July 18, 2017, the City Council affirmed the rate structure which are included in Tables 2, 3 and 4 below. Since July, staff and the consultant team have been in discussions with Republic to finalize all terms. Exhibit A to the Resolution includes the Franchise Agreement. The following is a brief synopsis of the agreement.

- **Exclusive Franchise:** The Franchise Agreement provides Republic the exclusive right and privilege to use City streets to collect, transport, recycle, process and dispose of all garbage, recyclable materials, food waste, green waste, and bulky waste within the City of Half Moon Bay.
- **Term:** The agreement is for 10 years starting on April 1, 2018, with a five-year extension option.
- **Customer Rates:** Through the agreement, the City is regulating the maximum rates that the service provider may charge. Rates are set through March 31, 2019. Consumer Price Index (CPI) will be applied to the rates after March 31, 2018 (see Future Rate Adjustment Methodology section below). Garbage rates include basic trash, recycling, and organics collection. The rate structure includes other additional services based on the customer type as affirmed by the City Council on July 18, 2017.

Single-Family Dwellings (SFDs) are residential premises containing no more than four (4) Dwelling Units. SFD garbage rates (see Table 2) includes a 64-gallon recycling cart; a 96-gallon organic waste cart (inclusive of food scraps); weekly curbside collection of used motor oil, household batteries, and cell phones; curbside Christmas tree collection; and two (2) annual bulky waste collections.

Table 2	
Single-Family Dwelling (SFD) Rates	
Container Size	Garbage Rates
20-Gallon	\$23.01
32-Gallon	\$36.99
64-Gallon	\$67.34
96-Gallon	N/A

Multi-Family Dwellings (MFDs) are residential premises containing five (5) or more Dwelling Units. MFD garbage rates (see Table 3) include 32 gallons of recycling per unit; 20 gallons of organic waste per unit (inclusive of food scraps); curbside Christmas tree collection; and two (2) annual bulky waste collections.

Table 3		
Multi-Family Dwelling (MFD) Rates		
Container Size	Garbage Rates	Organic Rates (Yard Trimmings & Food)
20-Gallon	\$34.66	\$27.18
32-Gallon	\$36.13	\$28.36
64-Gallon	\$72.20	\$56.68
96-Gallon	\$108.31	\$85.01
1-Yard	\$177.79	\$139.65
1.5-Yard	\$266.70	\$209.48
2-Yard	\$355.68	\$279.37
3-Yard	\$533.51	\$419.05
4-Yard	\$711.38	n/a
6-Yard	\$1,173.73	n/a

Commercial garbage rates (see Table, page 5) include 96 gallons of recycling per Service Recipient and 32 gallons of organic waste (inclusive of food scraps) per Service Recipient.

Container Size	Garbage Rates	Organic Rates (Yard Trimmings & Food)	Organic Rates (Yard Trimmings ONLY)
20-Gallon	\$33.98	\$27.18	\$23.78
32-Gallon	\$35.45	\$28.36	\$24.82
64-Gallon	\$70.85	\$56.68	\$49.59
96-Gallon	\$106.27	\$85.01	\$75.13
1-Yard	\$174.56	\$139.65	\$122.19
1.5-Yard	\$261.85	\$209.48	\$183.29
2-Yard	\$349.21	\$279.37	\$244.45
3-Yard	\$523.81	\$419.05	\$366.67
4-Yard	\$698.45	n/a	\$488.91
6-Yard	\$1,152.09	n/a	\$806.46

Republic Services will pay the City a franchise fee at a negotiated rate of fourteen percent (14%) of their annual revenue. The franchise fee will off-set costs and impacts associated with Republic's use of streets, roadways and related services, and will be paid by Republic for the exclusive privilege of using City streets and providing the subject services over the next ten years. Additionally, rates include a monthly administrative support payment of \$6,000 for the City's cost of managing the solid waste program with CalRecycle and monitoring/managing the Franchise Agreement itself.

- **Future Rate Adjustment Methodology:** Rates, beginning April 1, 2019, are subject to annual adjustments based on the Consumer Price Index (CPI). Annual rate adjustments have a ceiling of four percent (4%) and a floor of one percent (1%).
- **Additional Services:** Republic must provide garbage, recycling, organic waste, and debris box collection service at all City buildings, facilities, and City-supported events at no cost. Republic must also provide other "value added" services including compost giveaways, shred events, Household Hazardous Waste (HHW) collection events, school tours of Ox Mountain, Poplar beach clean-ups, City code enforcement clean-up, and an annual scholarship award.
- **Street Sweeping Services:** Republic must provide street sweeping services as part of this exclusive franchise. Street sweeping includes weekly sweeping of downtown streets and City parking lots, every other week sweeping of Lewis Foster Drive while school is in session, and monthly sweeping of all other streets in Half Moon Bay.
- **Hauler Diversion Requirements:** Republic shall meet diversion requirements that either meet or exceed state mandates AB 341 and AB 1826 phased in over three to five years. AB 341 sets a minimum requirement for recycling for Commercial and MFDs. Similarly, AB 1826 sets minimum requirements for organics for Commercial and MFDs.

- **Public Education and Outreach:** Republic will provide public education and outreach to increase customer knowledge and buy-in of the new programs, and to assist in meeting the diversion and sustainability goals of the City. Republic's public education and outreach plan includes:
 - Robust residential outreach: quarterly newsletters, brochures, bill inserts, in-molded graphics on carts;
 - Robust commercial outreach: expanded waste assessments, technical support and outreach materials with focus on AB1826 and furthering AB341 compliance;
 - Proprietary tablet based apps for real-time diversion planning and reporting – Eco-Diversion Calculator®;
 - Multilingual outreach materials; and
 - Strong community partnership and events.

- **Recycling Specialist:** Republic must provide a Recycling Specialist to work on Half Moon Bay programs. Republic's Recycling Specialist must spend an average of 20 hours per week on Half Moon Bay projects throughout the duration of the contract; with the understanding that the hours will be frontloaded during the first three years of the contract and decrease during the latter years. During the first two years of the contract, Republic's Recycling Specialist is to spend, on average, at least ten (10) hours per week conducting field work within the City limits of Half Moon Bay (e.g. site audits, community meetings, trainings). From year three and onwards, the Recycling Specialist must spend, on average, five (5) hours per week conducting field work within the City limits of Half Moon Bay.

- **Reporting:** Republic is required to submit quarterly and annual reporting. At a minimum, the reports must include: tonnage collected, processed, marketed and disposed divided by customer type; AB 341 and 1826 compliance data; street sweeping summary; operational problems and actions taken; summary of payments to City; and public education and information activities (historical and proposed).

- **Liquidated Damages:** Republic agrees that the intent of entering an exclusive franchise agreement is to ensure high quality collection service, meet required diversion levels, and divert materials collected to their highest and best use. As such, Republic will pay liquidated damages for failure to meet contract requirements. The City may assess liquidated damages for failures including, but not limited to: failure to submit payments and reports to the City on time; failure to repair damaged customer property, City property or City streets caused by Contractor or its personnel; disposal of separated recyclable materials or organic waste in disposal facility; failure to deliver garbage to the disposal facility; and failure to meet the minimum diversion requirements.

- **Equipment:** Republic will continue to use the vehicles currently in service at the beginning of the contract and will replace them with new vehicles during years two through five of the agreement. A street sweeper and rear-end lad truck will be

purchased for the start of the agreement. New carts and/or new or refurbished bins will be provided for all customers with labeling and/or graphics instructing on proper use.

- **RFP Reimbursement:** Republic is required to submit \$150,000 to the City as reimbursement of the General Fund for the cost of the solicitation process. This payment was included as part of the released RFP.

B. Extension of Existing Franchise Agreement

As part of initial negotiations, staff, consultants and Republic Services agreed that a start date of January 1, 2018 did not afford the best opportunity for a seamless transition in programs and services. For example, the ideal transition plan would include a mail announcement for Single-Family Dwellings (SFDs) that would request return service from the customer with their preferred garbage cart size. This would allow Republic to collect data from the SFDs so that they could order the appropriate amount of garbage carts with enough surplus to cover transition requests throughout the term of the Agreement. Due to the extended lead time required to purchase carts, the final cart order would have to be placed in early October in order to meet the January 1, 2018 deadline. Consequently, the mail announcements for SFDs would have to be developed and sent out in early September, leaving little to no window for SFD customers to respond.

Furthermore, Republic proposes to perform site visits and assessments of each Commercial customer in Half Moon Bay as part of the implementation process of the new Franchise Agreement. Completing this task before January 1, 2018 would require 100% cooperation and response from the customers and assumes that they would have time to meet with Republic before this date. It is further complicated when considering businesses that have corporate offices that require notification to be routed through a chain of command, often causing significant delays.

Additional delays could likely result from the transition period falling within the holiday season (November-December). Based on previous experiences, many customers either go out of town or are so focused on the holiday season that any educational messaging conducted for the new programs and services are completely lost. Even if the customers remain in the area, they are often reluctant to respond to requests or take on new projects before the start of the New Year.

Successful implementation of the new Franchise Agreement will be heavily dependent on the foundation laid before the services begin. For all the reasons stated above, staff and the consultant team recommend a three (3) month extension of the current Franchise Agreement through March 31, 2018. It is important to note that outreach and education for the services in the new Franchise Agreement will begin immediately.

As part of the proposed Amendment No. 4 to the current agreement, staff and Republic have negotiated additional street sweeping to compensate for deferred street sweeping due to

PG&E construction throughout much of the City. The expanded street sweeping services have been included in the new Franchise Agreement in addition to Amendment No. 4 to the current Franchise Agreement.

Conclusion

The City Council directed staff to initiate an open, public solicitation of solid waste services to ensure that services were aligned with current and anticipated State laws and regulations, services provided to customers are better aligned with their service wants, and that customer rates are fair. Following an extensive solicitation process that included detailed evaluation and review of two proposals (inclusive of interviews, site visits, three rounds of follow-up questions and a request for Best and Final Offers (BAFOs)) and 45-days of negotiations, staff believes the proposed Franchise Agreement achieves the objectives of City Council.

Next Steps

Staff and Republic are very excited to begin promoting the new programs and services of the new Franchise Agreement. Upon City Council's approval of Amendment No. 4 and the new Franchise Agreement, staff, R3, and Republic will immediately begin the implementation process of the new Franchise Agreement. The implementation process will include design and distribution of various education material including the aforementioned mailed announcement for single family customers, notices reminding customers of the bulky waste collection service, and posters for Multi-Family Dwellings (MFDs) and Commercial customers displaying appropriate use of the new carts and bins.

Republic will schedule and conduct site visits and audits of MFDs and Commercial sites to provide educational materials, training, and recommendations for appropriate service levels under the new Franchise Agreement. Furthermore, Republic will attend community meetings, conduct presentations, and promote the new programs and services via newspaper ads.

Staff will be heavily involved in the roll-out process of the new Franchise Agreement. In addition to having weekly check-in meetings with Republic throughout the implementation phase of the contract, staff will also be assisting with the design and review of all education and outreach material and will participate in site visits and audits.

Staff and Republic look forward to beginning the education and outreach process for the new Franchise Agreement and are excited about the opportunity to continue to work in partnership to bring quality services to the constituents of Half Moon Bay.

ATTACHMENTS:

- 1) Resolution authorizing the Mayor to sign and execute a new, 10-year Franchise Agreement with Republic Services, Inc. for Residential and Commercial Garbage, Recyclable Material and Organic Waste Collection Services starting on April 1, 2018.
- 2) Resolution authorizing the City Manager to execute Amendment No. 4 to the current Franchise Agreement extending the expiration date to March 31, 2018.



CITY OF CALEXICO

608 Heber Ave.
Calexico, CA 92231-2840
Tel: 760.768.2100
Fax: 760.357.7862
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e-mail: publicworks@calexico.ca.gov

Public Works Department

**Request for Proposals
for
Development of an RFP/RFQ for Solid Waste Collection, Hauling and Recycling
Addendum No. 1
February 6, 2019**

This Addendum forms a part of the Contract Documents for the above identified project and modifies the original request for proposal (RFP) as noted below. Portions of the contract not specifically mentioned in this Addendum, remain in force. All subconsultants affected shall be fully advised of these changes, deletions, and additions.

Response to Questions:

1. Copies of the City's current exclusive Franchise Agreement and all amendments with Allied.

Attached please find the following documentation:

- Calexico Sanitation Services Agreement dated November 26, 1997
- Allied Waste Transportation, Inc. Agreement dated March 15, 2005
- Allied Waste Transportation, Inc. Agreement dated November 21, 2007

2. The budget for this project.

The City of Calexico proposed budget for said project is \$75,000 to \$100,000.

3. Copy of the 2018 Annual Report to CalRecycle.

Attached please find the 2018 Annual Report to CalRecycle.

4. Copies of monthly, quarterly, and annual reports from Allied.

Documentation requested is unavailable at this time.

5. Given that the City renewed the Agreement with Allied two times, why is the City opting to pursue a competitive procurement process this time?

As per City of Calexico Ordinance No. 1165, contract over \$10,000 require formal bidding and City Council approval.

6. What was the precipitating event that caused the City to release the RFP in January 2019 for a service start date of December 2019?

Viva Calexico!

Lack of staff in the Public Works Department caused delay in the release of the RFP.

- 7. Has the City experienced service problems, or been dissatisfied in any way with Allied, either recently or in the past?

The City has not experienced service problems or been dissatisfied with Allied services.

- 8. Has the City worked with solid waste management consultants? Who were/are they and was/is the City pleased with their service?

The City has not worked with solid waste management consultant before.

- 9. Who is currently providing the City's Street Sweeping service?

The City currently provides street sweeping services.

- 10. The City released an RFP online on RFPMart on January 29, for "Solid Waste Collection, Hauling and Recycling Services," (deadline February 12, 2019), that indicates a contract term of three years for the following: "Vendor needs to provide solid waste collection, hauling and recycling services on as needed basis to the government authority located in Calexico, CA." Please clarify if that RFP is seeking haulers, or if it is the same RFP. If that RFP is seeking haulers, please provide a copy of the full RFP.

On January 25, 2019, the City of Calexico began advertising Request for Proposals for Development of an RFP/RFQ for Solid Waste Collection, Hauling and Recycling on our City's website and Imperial Valley Press. The City is not seeking a hauler at this time.

- 11. Has the City received a MORE Plan Request from CalRecycle? If so, please provide a copy.

At this time, the City has not received a plan request from CalRecycle.

Please acknowledge receipt of this Addendum by signing and returning a copy with the proposal package.

CITY OF CALEXICO


Lilliana Palomir
Public Works Manager

ACCEPTANCE OF ADDENDUM

Receipt of the above-mentioned ADDENDUM No. 1, is hereby acknowledged by:

R3 CONSULTING GROUP, INC.

Company Name

This the 7th day of February, 2019

By: RICHARD TAGORE-ERWIN

Signature:  Title: PRINCIPAL

EXHIBIT B
SCHEDULE OF CHARGES

Cost Proposal

Project Budget

We propose to complete the Project Scope of Work on a time-and-materials basis for a not-to-exceed budget by task totaling **\$98,540**. Our project budget includes labor, travel, and project expenses for the work and deliverables as listed in Tasks 1-4. We would be happy to discuss changes to our Scope or budget as may be needed to align with the City's needs, and will match any competitor's price for a similar level of effort.

Note: In the majority of procurement / RFP process projects that R3 has conducted, it is common for the winning hauler(s) to pay for the full cost of the procurement process. At R3, we stress the integrity of our process and cost proposal / billing rates (which are 30% lower than our competitors). We have fixed contracts and prices, unlike other firms, and will not cause the City to spend an unforeseen amount on the procurement process.

**Table 10-1
Project Budget**

	Task	Cost	Hours
1	Determine City's Collection Needs & Develop Procurement Strategy	\$7,100	36
2	Prepare and Issue Request for Proposals (RFP Package)	\$17,200	96
3	Review and Evaluate Proposals	\$52,600	280
4	Negotiate with Top Ranked Contractors, and Prepare a New Agreement with Selected Contractor for City Council Approval	\$21,640	112
Totals		\$98,540	524

R3

Section 10

Cost Proposal

Billing Rates

In Table 10-2 below, we have provided the 2019 hourly billing rates for R3 Consulting Group, Inc.

**Table 10-2
Billing Rates**

Classification	Hourly Rate
Principal	\$215 per hour
Project Director	\$215 per hour
Senior Project Manager	\$190 per hour
Project Manager	\$175 per hour
Senior Project Analyst	\$160 per hour
Senior Administrative Support	\$160 per hour
Project Analyst	\$145 per hour
Associate Analyst	\$130 per hour
Administrative Support	\$115 per hour

Payments

Unless otherwise agreed in writing, fees for work completed will be billed monthly at the first of each month for the preceding month and will be payable within 30 days of the invoice date.

R3

EXHIBIT C

CERTIFICATE OF EXEMPTION FROM WORKERS' COMPENSATION INSURANCE

I hereby certify that in the performance of the work for which this Agreement is entered into, I shall not employ any person in any manner so as to become subject to the Workers' Compensation Laws of the State of California.

Executed on this ____ day of _____, 2019, at _____, California.

Consultant

CITY OF CALEXICO



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

Public Works Department
608 Heber Avenue
Calexico, CA 92231
760/768-2160
www.calexico.ca.gov

January 25, 2019

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I. INTRODUCTION

The City of Calexico is soliciting 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.

II. 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). The City will be issuing a request for competitive proposals from haulers in order to secure a new agreement.

The City currently has a three-cart residential collection program. The City is looking at evaluating current services and adding new services. Some of the issues the City intends to address are:

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

III. SCOPE OF WORK

The purpose of the City of Calexico is to hire a solid waste consultant to assist the City in preparing an RFQ/RFP for the City's solid waste hauling contract. A list of the tasks to be completed by the proposed consultant are listed below.

Task No. 1 - Determine City's Collection Needs & Develop Procurement Strategy.

- Initiate Project
 - Review existing background documents and prepare for kickoff meeting
 - Meet with City staff
 - Prepare the project plan and analysis of the current agreement
- Define Scope of Services and Confirm with Council

- Review existing service methods and tour collection area and facilities
- Document recommended options for inclusion in RFP and agreement
- Present recommended services/terms to Council
- Gather and Review Operating Data
 - Collect any data available regarding the current services provided.
- Public Education and Outreach Activities
 - Identify customers satisfaction with current service provided and recommends for improvements.

Task No. 2 - Prepare and Issue Request for Proposals.

- Prepare draft RFP and agreement
- Upon review by the City Attorney, other City staff and potential proposers, revise RFP and agreement
- Attend Council meeting to approve RFP package
- Prepare for and attend proposers' conference
- Prepare addendum(s)

Task No. 3 - Review and Evaluate Proposals.

- Review proposals for completeness
- Evaluate proposals
- Prepare follow-up questions for proposers
- Review responses and clarify unresolved issues
- Interview proposers
- Contact references for recommended proposer
- Prepare draft evaluation report
- Review City comments and prepare final evaluation report

Task No. 4 - Negotiate with Top Ranked Contractors, and Prepare a New Agreement with Selected Contractor for City Council Approval.

- Participate in negotiating session
- Prepare revised portions of agreement
- Attend one Council meeting for approval of final agreement

IV. SUBMITTAL REQUIREMENTS

Proposals shall include the following:

1. Introductory Letter

The introductory letter shall be addressed to:

City Manager
 City of Calexico
 Office of the City Manager
 608 Heber Avenue
 Calexico, CA 92231

Specify the name of the firm submitting the proposal, the firm's mailing address, telephone number, fax number and the name of the individual to contact if further information is desired. This letter should contain a statement of the consultant's basic understanding of the City's needs. This should be based on information available in this Request for Proposals, available documents, and applicable regulations or requirements. This letter should also contain an expression of the consultant's interest in the work, a statement regarding the qualifications of the consultant to do the work and any summary information on the project team or the consultant that may be useful or informative to the City.

Within the introductory letter, the consultant should address the acceptability of the terms and conditions for the standard Model Contract for Services contained in Appendix A. No deviations to the agreement will be allowed for any reason. Firms who cannot accept this contract in the form attached to this RFP need not apply.

2. Office location from which the work will be performed
Indicate the location of the office from which the contract will be managed and/or the majority of the key personnel assigned to the contract will be located. Locations of sub-consultant's offices shall be identified as well.
3. Qualifications and Experience of Firm and Key Team Members
Include an organization chart for the proposed consultant team. Identify key individuals, including subconsultants, if any, who are proposed to be part of the team along with their qualifications and experience as related to the contract. Experience on similar or related work should include RFP and negotiating solid waste collection, hauling and recycling. Describe the responsibilities of key team members and how the team will interact. The information should include the expected amount of involvement for each of these individuals on this contract. The Statement should contain a listing of current work commitments to other projects or activities in sufficient detail to show that the organization and all of the individuals assigned to the contract will be available throughout the contract. Any changes in key personnel after the award of the contract must be approved by the City before the change is made.

Describe the Consultant firm's available resources and capability for actually undertaking and performing the work. Examples and locations of similar work performed in the last five years that best characterize the quality and cost control of the consultant should be included. Names and phone numbers of individuals who can provide information related to work quality and cost control should be included. Resources, including management and organization capabilities, should be addressed.

4. Ability to provide identified services in a timely, high-quality manner.
Describe how the firm will begin services when contacted by the City and the time needed before services could be expected to begin. Describe previous experience/references for providing services on similar or related contracts. Provide any other information that may assist the City in evaluating the ability, flexibility, and responsiveness in providing quality future required services in a timely, high-quality manner.

5. **Local Benefit Statement.**
Describe the local benefit your firm would bring to the City or Community should they be selected. For example, local benefit may include but is not limited to local vendors, suppliers, labor or subcontractors used in support of the project as well as fees or taxes paid to the city. For purposes of this section, a local vendor or service provider is one located within the city limits and in possession of a City of Calexico business license. To the extent practical, the local benefit described with the firm's proposal should be measurable.
6. **References**
All key individuals listed in the organization chart should have professional references listed. Provide a minimum of 5 references, with current phone numbers, for whom the team member has performed work in the past 5 years. References of agency project managers on similar projects, or other responsible individuals who have recent, direct working experience with the proposed key individuals shall be provided. References will be contacted as part of the selection process.
7. **Conflict of Interest Statement**
The prospective consultant shall disclose any financial, business or other relationship with the City that may have an impact upon the outcome of this contract. The prospective consultant shall also list current clients who may have a financial interest in the outcome of this contract or any City construction project that may follow. In particular, the prospective consultant shall disclose any financial interest or relationship with any owner/developer that might have future improvements within the City.
8. **Insurance Coverage**
The prospective consultant shall provide a summary of the firm's insurance coverage for comprehensive, general liability, professional liability, automotive liability and worker's compensation insurance. Indicate the limits of coverage on each policy. The City requires a minimum of \$1 million of general liability coverage during the contract period (see Appendix A).
9. **Supportive Information**
Supportive information may include graphs, charts, photos, resumes, references, etc., and is to the Consultant's complete discretion.
10. **Cost Proposal**
Proposed Consultant fees shall be submitted in a separate envelope labeled "Proposed Fees".

V. SELECTION PROCESS

The City of Calexico will utilize a one-step selection process. The City reserves the right to include an oral interview process component. If an oral interview is considered, selected firms will be notified.

Proposals will be reviewed by an evaluation committee. The evaluation committee's assessment and recommendations shall be forwarded to the City Managers for review. The City Manager shall provide a report of the committee's evaluation and recommendations, along with his

recommendation, for the selection of a firm to the City Council for final review and approval to enter into negotiations for an agreement.

Additionally, the City reserves the right to reject any and all proposals submitted and/or request additional information for clarification.

The firm that is selected to do the work must meet the City's minimum insurance requirements prior to the award of the contract. A copy of these requirements is attached in Appendix A.

Award of the Consultant's contract will be subject to the approval of the City Council.

The firm that is selected to do the work must meet the City's minimum insurance requirements prior to the award of the contract. A copy of these requirements is attached in Appendix A.

VI. TENTATIVE SCHEDULE

Request for Proposal Issued	January 25, 2019
Consultant Proposals Due	February 12, 2019
Consultant Interviews	February 19, 2019
Consultant Selection and Negotiations	February 27, 2019
City Council Approval of Contract	March 6, 2019
Identify key service issues, review hauler operating data, seek City staff input	April 3, 2019
Draft RFP	May 1, 2019
Revised RFP for City Council Approval and Distribution	May 22, 2019
City Council Presentation for Council Approval of RFP	June 5, 2019
Issue RFP	June 6, 2019
Proposals deadline	July 18, 2019
Final Evaluation	July 25, 2019
Negotiate Agreement	August 7, 2019
Council Presentation for Award of Contract	August 21, 2019
Project Completion	December 2019

VII. SELECTION CRITERIA

1. The Consultant selected for this project shall have demonstrated experience with Development of an RFP/RFQ for Solid Waste Collection, Hauling and Recycling.
2. Selection will be based upon the following factors:
 - a. Consultant's understanding of the City's desires and needs as demonstrated in the consultant's scope of work. (20 points)
 - b. The completeness of the work included in the Proposal. (10 points)

- c. Consultant's experience with similar contracts comparable in type, size, and complexity. (15 points)
- d. Consultant's experience preparing RFP and negotiating solid waste collection, hauling and recycling contract. (15 points)
- e. Qualifications of the Consultant's staff being assigned to this project. (10 points)
- f. Demonstrated ability of the Consultant to perform high quality work, to control costs and meet time schedules. (10 points)
- g. Demonstrated ability of the Consultant team to work effectively together and with governmental agency staff. (5 points)
- h. Oral presentation provided by the staff that would be assigned to the contract and senior level staff that will be available for consultation by the project staff. (if necessary - 10 points)
- i. Local preference will only be considered as a tie-breaker in the event that more than three candidate firms are deemed by the selection panel to be equally qualified.

VIII. INQUIRIES

Pre-submittal procedural or technical inquiries may be directed to Lilliana Falomir, Project Coordinator via email at falomirl@calexico.ca.gov.

IX. SUBMITTAL DEADLINE

Consultant must submit five (5) copies of their proposal with original Consultant signature. The proposal must be formatted in accordance with the instructions of this RFP. Promotional material may be attached, but are not necessary and will not be considered as meeting any of the requirements of this RFP. Proposals must be enclosed in a sealed envelope or package, clearly marked "RFP for Development of an RFP/RFQ for Solid Waste Collection, Hauling & Recycling" and delivered on or before 2:00p.m. on February 12, 2019 to:

Office of the City Clerk
City Hall
City of Calexico
608 Heber Avenue
Calexico, CA 92231

Late, emailed or facsimile proposals will not be accepted. It is the proposer's responsibility to assure that its proposal is delivered and received at the location specified herein, on or before the date and hour set. Proposals received after the date and time specified will not be considered.

APPENDIX A

AGREEMENT FOR PROFESSIONAL SERVICES

This Agreement is made and entered into as of the _____ day of _____, 2019, by and between the City of Calexico ("City") and _____ ("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.

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 _____)

EXHIBIT B
SCHEDULE OF CHARGES

EXHIBIT C

CERTIFICATE OF EXEMPTION FROM WORKERS' COMPENSATION INSURANCE

I hereby certify that in the performance of the work for which this Agreement is entered into, I shall not employ any person in any manner so as to become subject to the Workers' Compensation Laws of the State of California.

Executed on this _____ day of _____, 2019, at _____, California.

Consultant