

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL

FROM: JOEY HEJNOWICZ, ADMINISTRATIVE ANALYST, CITY
MANAGER'S OFFICE

SUBJECT: FOURTH AMENDMENT TO PROFESSIONAL SERVICES
AGREEMENT NO. F001238 WITH R3 CONSULTING GROUP,
INC.

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the City Manager's Office that the Council, by resolution, approve the Fourth Amendment to Professional Services Agreement Number F001238 with R3 Consulting Group, Inc. to provide solid waste contract management assistance and support, prepare a Refuse Rate Index Adjustment workbook, and review and analysis of Recology's annual rate application, in an amount not to exceed \$20,500 for a total amount not to exceed \$267,000.

EXECUTIVE SUMMARY

The City of Santa Rosa desires to extend contract management assistance of the Solid Waste Collection Services Agreement (CSA) with Recology, Inc. R3 Consulting Group, Inc. (R3) will continue to provide CSA management assistance as well as prepare a Refuse Rate Index Adjustment workbook and a review and analysis of Recology's annual rate application.

BACKGROUND

The City entered into the Agreement with R3 to aid in procuring a new solid waste agreement in an amount not to exceed \$150,000. The City entered into the First Amendment to the Agreement in an additional amount of \$49,000 to provide additional negotiation assistance and CSA contract management services, the Second Amendment in an additional amount of \$27,000 to provide on-call assistance during the transition to Recology and contract management training and support, and the Third Amendment in an additional amount of \$20,500 to extend on-call assistance, contract

management training/support and preparation of a refuse rate index (RRI) workbook for a total amount payable under the Agreement not to exceed \$246,500.

PRIOR CITY COUNCIL REVIEW

None

ANALYSIS

Task 1 – Contract Management Training and Support

R3 will provide training and support to one designated City staff person with responsibility for management and oversight of the Recology CSA. Using the CSA contract management guide developed by R3 for the City via a prior task, R3 will:

- Identify all CSA terms and conditions requiring attention in 2019 (including such matters as monthly, quarterly and annual reports, diversion reports, franchise and other fee payments reports, outreach and education, etc.);
- Provide staff with a description and schedule for monitoring the CSA, including reports and other milestones;
- Support staff in the review of reports, performance metrics and other documents and communications from Recology;
- Provide guidance and advice to staff regarding means of monitoring and addressing potential performance issues and Recology non-compliance with CSA terms and conditions; and
- Provide on-call assistance on contract management issues as requested by the City.

In addition to training and support, R3 will continue to provide on-call assistance to the City regarding any conditions that may arise with Recology as the City's solid waste services provider under the CSA.

Task 2 – Prepare Refuse Rate Index (RRI) Adjustment Workbook

R3 will calculate the 2019 annual customer rate application adjustments for the Recology's Maximum Refuse Rates. Recology is required to submit financial information to the City annually, by October 1st, as part of its application for an adjustment in Recology's Maximum Refuse Rates.

R3 will review the provided financial information for accuracy and notify the City whether the Recology has correctly calculated its adjustment. R3 will communicate with Recology in the event that calculation errors exist and will reevaluate calculation errors as part of the resubmitted Application.

A memorandum summarizing Recology's Maximum Refuse Rate adjustment process and an updated Maximum Refuse Rate sheet will be provided to the City.

FISCAL IMPACT

Funds for this amendment, in an amount not to exceed \$20,500, will be paid from the General Fund.

ENVIRONMENTAL IMPACT

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Resolution / Exhibit A

CONTACT

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