

**SEVENTH AMENDMENT  
TO PROFESSIONAL SERVICES AGREEMENT NUMBER F001238  
WITH R3 CONSULTING GROUP, INC.**

This Seventh Amendment to Agreement number F001238, dated August 15, 2016 ("Agreement") is made as of this \_\_\_\_\_ day of \_\_\_\_\_, 2022, by and between the City of Santa Rosa, a municipal corporation ("City") and R3 Consulting Group, Inc., a California corporation ("Consultant").

**RECITALS**

- A. City and Consultant entered into the Agreement for Consultant to provide assistance in procuring a new solid waste agreement, the First Amendment to the Agreement to provide additional negotiation assistance and contract management services, the Second Amendment to provide on-call assistance during the transition to Recology as the City's solid waste services provider and contract management training and support, the Third Amendment to extend on-call assistance, contract management training/support, and preparation of a refuse rate index (RRI) adjustment workbook, the Fourth Amendment to extend on-call contract management assistance, preparation of a refuse rate index adjustment workbook and review and analysis of Recology's annual rate increase application, the Fifth Amendment to extend on-call contract management assistance, preparation of a refuse rate index adjustment workbook and review of Recology's annual rate increase application, and the Sixth Amendment to extend the Agreements time of performance to allow Consultant to complete all the required services and tasks.
- B. City and Consultant now desire to further amend the Agreement to provide an evaluation of the City's zero waste program and funding options, review and analyze the construction and demolition franchise program, examine and provide recommendations on recyclable materials revenue and processing elements distribution within franchised solid waste collection service rates, extend on-call assistance contract management support and perform an analysis of Recology's annual rate increase application.

**AMENDMENT**

**NOW, THEREFORE**, the parties agree to amend the Agreement as follows:

1. Section 1. Scope of Services

Exhibit A-5 to the Agreement is replaced by Exhibit A-6 to this Amendment.

2. Section 2. Compensation

Section 2(c) is amended to increase the compensation payable to Consultant under the Agreement by \$74,520 to read as follows:

"Notwithstanding any other provision in this Agreement to the contrary, the total maximum

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compensation to be paid for the satisfactory accomplishment and completion of all tasks set forth above shall in no event exceed the sum of three hundred seventy eight thousand nine hundred and ten dollars and no cents (\$378,910). The City's Chief Financial Officer is authorized to pay all proper claims from Charge Number 100701-5320."

3. Section 12. Time of Performance

The last sentence of Section 12 is amended to read as follows:

"Consultant shall complete all the required services and tasks and complete and tender all deliverables to the reasonable satisfaction of City by August 31, 2023."

All other terms of the Agreement shall remain in full force and effect.

Executed as of the day and year first above stated.

**CONSULTANT:**

Name of Firm: R3 Consulting Group, Inc.

TYPE OF BUSINESS ENTITY (*check one*):

Individual/Sole Proprietor

Partnership

Corporation

Limited Liability Company

Other (please specify: \_\_\_\_\_)

**CITY OF SANTA ROSA**  
a Municipal Corporation

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
Office of the City Attorney

*Signatures of Authorized Persons:*

By: \_\_\_\_\_

Print Name: Garth Schultz

Title: Principal

By: \_\_\_\_\_

Print Name: Janet Barile

Title: Vice President, Operations

City of Santa Rosa Business Tax Cert. No.

73GR62RNIY

April 8, 2022

Mr. Joey Hejnowicz, Zero Waste Coordinator  
Transportation and Public Works Department  
City of Santa Rosa  
69 Stony Circle, Santa Rosa, CA 95401  
submitted via email: [jhejnowicz@srcity.org](mailto:jhejnowicz@srcity.org)

**SUBJECT: Proposal for Solid Waste Master Services Agreement**

Dear Mr. Hejnowicz,

For the past decade, R3 Consulting Group, Inc. (R3) has proudly partnered with the City of Santa Rosa (City) on multiple engagements – from conducting performance reviews of the solid waste collection agreement, to procuring new collection services, tailoring a Zero Waste Plan to the unique trends and goals of the City, revising the solid waste ordinance to meet SB 1383 regulations, and assisting with other various on-call solid waste services. We have been at the forefront as recycling and organics collection services are implemented throughout the City.

The City's Zero Waste Plan, adopted in January 2020, details five key strategies for the City to implement on its path to Zero Waste. The City has made important strides in implementing its Zero Waste strategies in the last 2 years. R3 will continue to work alongside City staff to implement core components of the Zero Waste goals.

**Claire Wilson** will serve as the City's Project Manager and primary point of contact. She will be responsible for overseeing the team, providing analytical review, and leading stakeholder engagement and presentations. **Carrie Baxter** will still be available to the City and will directly support Claire, as needed. **Jordan Muratsuchi**, **Alex Soulard**, and **Sarah Koplowitz** are experienced analysts and talented in understanding regulatory requirements and will provide key analytical support. Additional support staff will be used as necessary throughout this engagement.

\* \* \* \* \*

We appreciate the opportunity to submit our proposal to the City. Should you have any questions regarding our proposal or need any additional information, please don't hesitate to reach out directly.

Sincerely,



Claire Wilson | *Project Manager*  
**R3 Consulting Group, Inc.**  
707.480.0753 | [cwilson@r3cgi.com](mailto:cwilson@r3cgi.com)



Carrie Baxter | *Sr. Project Manager, Project Support*  
**R3 Consulting Group, Inc.**  
916.878.7413 | [cbaxter@r3cgi.com](mailto:cbaxter@r3cgi.com)

# 1. SCOPE OF WORK

## Task 1 Zero Waste Program Evaluation and Funding Recommendations

On January 28, 2020, City Council approved the Zero Waste Master Plan (Plan). The Plan, drafted by R3, recommends the following five key strategies for the City to implement over the next five years to make significant strides toward achieving Zero Waste:

1. Reusable and Compostable Food Ware Ordinance
2. Mandatory Recycling and Composting Ordinance
3. Construction and Demolition Ordinance Update
4. Targeted Technical Assistance
5. Zero Waste Culture Change

The Plan details specific steps for implementation of each of these strategies and the City has made important strides in many of these areas. R3 will evaluate each of the City's 5 Zero Waste strategies and provide updated options for implementation. Options will include both a standard/best practice option and a visionary option with more aggressive actions. Each Zero Waste strategy will include a summary to-date of actions taken by the City, future implementation steps (for both standard and visionary approaches) updated staff resource needs (in terms of FTE) needed for full implementation and management of each strategy (for both standard and visionary approaches).

R3 will also include updated funding strategies for Zero Waste implementation including via solid waste rates and analyze the impact to solid waste rates for full implementation. R3 will complete this task in advance of the City's rate setting process should the City choose to fund some portion of the Zero Waste implementation on the solid waste rates.

### Task 1 Deliverables

- » One (1) draft and (1) final memorandum detailing implementation strategies for each of the City's five Zero Waste Strategies.
- » One (1) Excel workbook with funding estimates for Zero Waste implementation.

## Task 2 Review of City's Construction and Demolition Program and C&D Ordinance Update

Based on our extensive experience implementing C&D programs for clients throughout California, R3 will review, analyze, and make findings and recommendations regarding the City's existing C&D program. This will include a review of current C&D agreements, the process for incorporating waste management plan approvals and post-construction approvals into the City's current permit tracking software, and other C&D program information distributed to building permit applicants and the community. R3's focus will be on potential ways to streamline and simplify the process via a variety of means, including but not limited to use of third-party IT solutions that may also integrate with the City's permit tracking system (such as Green Halo).

R3's focus will also be on how to retain valuable information regarding the effectiveness of the City's C&D program and creating defensible documentation which the City may use when proving compliance with CALGreen to CalRecycle. After review and analysis of the City's overall C&D program, R3 will provide findings and recommendations to improve the City's program. As a part of this effort, R3 will come on-site and conduct up to two (2) trainings/meetings with City staff (including those in the Planning and/or Building Divisions) for cross-department training.

After our review of the City's current C&D program, R3 will then review the City's C&D Ordinance and provide a redline update to Chapter 9-14 that will incorporate recommended changes from our review.

## **Task 2 Deliverables**

- » One (1) draft and (1) final comprehensive memorandum detailing improvements the City's C&D system, technology options, best practices, and alternative program structures.
- » One (1) draft and (1) final redlined C&D ordinance (Chapter 9-14) incorporating changes (detailed in the memorandum) as decided on by the City.
- » One (2) in-person trainings with City staff.

## **Task 3 Recyclable Materials Revenue and Processing Elements' Distribution**

The structure of the current solid waste service rates does not account for Recyclable Material Revenue or Processing Elements of commercial and multi-family recycling service because recycling collection service is included at no added charge when commercial and multi-family customers subscribe to garbage collection. However, residential customer rates are adjusted using Collection, Disposal, Organics Waste Processing, and Recyclable Material Revenue and Processing Elements. This causes a significant inequity in the annual percentage rate increases between Single-Family, Multi-Family and Commercial customer segments.

For example, 2020 rate adjustments saw Single-Family increases between 8% -14%, while Commercial and Multi-Family increases were between 3%-6% (dependent on bin size and service frequency).

R3 will conduct an analysis to determine appropriate adjustments to this methodology. This adjustment will require agreement between both the City and Recology and will likely require an Amendment to the CSA. R3's analysis will deliver a revenue-neutral change in the Recyclable Materials Revenue and Processing Elements distribution between residential, multi-family, and commercial customer rates.

Commercial rates are made up of the various combinations of components depending on the type of service provided (e.g., Collection Element and Organic Waste Processing Element are used to adjust the Organic Waste rates); however, recycling rates were proposed at no additional cost with subscription to garbage collection leaving the Recyclable Material Revenue Element irrelevant. The issue with this is that the Recyclable Material Revenue only effects the Residential customers allowing for the potential of larger adjustments especially with the current recycling market crisis. The City Council voiced concerns with this unbalanced revenue source and would like to find a revenue-neutral way of spreading the revenue produced to both the Residential and Commercial customers alike.

R3 will analyze the rate structure and provide the City with potential options to assist the City in resolving this issue. These options may include normalizing the difference between residential and commercial accounts going forward, splitting the financial impact of the recycling elements change between residential and commercial accounts, and shifting the additional impact that has already affected the residential rates to the multi-family and commercial rates.

## **Task 3 Deliverable**

- » One (1) Draft and one (1) final Excel Workbook with rate changes.

## **Task 4 On-Call Contract Management Support**

### **Task 4.1 Prepare Refuse Rate Index (RRI) Adjustment Workbook**

Using the RRI Adjustment Workbook developed in 2018, R3 will calculate the 2022 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 if 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.

### **Task 4.2 Monthly Meetings and On-call Support**

Via this task, R3 will provide training and support to one designated City staff person with responsibility for management and oversight of the Recology Collection Services Agreement (CSA). Support may include:

- » 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.

### **Task 4 Deliverables**

- » One (1) updated Maximum Refuse Rate sheet.
- » One (1) memorandum summarizing Recology's Maximum Refuse Rate adjustment process.
- » Other deliverables as agreed upon.

## 2. PROJECT SCHEDULE

R3's proposed schedule, below, incorporates tentative dates. We would be happy to discuss changes to our schedule as may be needed to align with the City's needs.

TASK	START DATE	COMPLETION DATE
1. Zero Waste Program Evaluation and Funding Recommendations	June 1, 2022	August 31, 2022
2. Review of City's Construction and Demolition Program and C&D Ordinance Update	June 1, 2022	September 30, 2022
3. Recyclable Materials Revenue and Processing Elements' Distribution	June 1, 2022	August 15, 2022
4. On-Call Contract Management Support	April 1, 2022	June 30, 2023



### 3. PROJECT BUDGET

We propose to complete the Project Scope of Work on a time-and-materials basis for a not-to-exceed budget totaling **\$74,520**. 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.

TASK	HOURS	COST
1. Zero Waste Program Evaluation and Funding Recommendations	80	\$ 16,850
2. Review of City’s Construction and Demolition Program and C&D Ordinance Update	120	\$ 20,850
3. Recyclable Materials Revenue and Processing Elements’ Distribution	106	\$ 20,110
4. On-Call Contract Management Support	82	\$ 16,710
<b>Total</b>	<b>388</b>	<b>\$ 74,520</b>

#### Billing Rates

In the table below, we have provided the hourly billing rates for the R3 Project Team that may be involved in providing solid waste consultant services. These hourly rates and are subject to periodic adjustments based on CPI. 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.

CLASSIFICATION	HOURLY RATE
Principal	\$ 285 per hour
Senior Project Director	\$ 285 per hour
Project Director	\$ 240 per hour
Senior Project Manager	\$ 220 per hour
Project Manager	\$ 200 per hour
Senior Project Analyst	\$ 190 per hour
Senior Administrative Support	\$ 170 per hour
Project Analyst	\$ 170 per hour
Associate Analyst	\$ 155 per hour
Administrative Support	\$ 125 per hour
REIMBURSABLE COSTS	
Consultants/Subcontractors	Cost plus 10%
Lodging and meals	Direct cost
Travel - Private or company car	At Current Federal Rate
Travel - Other	Direct cost
Delivery and other expenses	Direct cost