

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL

FROM: GLORIA HURTADO, DEPUTY CITY MANAGER

SUBJECT: RESOLUTION APPROVING SOLID WASTE COLLECTION SERVICES AGREEMENT BETWEEN THE CITY OF SANTA ROSA AND RECOLOGY SONOMA MARIN, DBA RECOLOGY SANTA ROSA

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the City Manager's Office that the Council, by resolution, approve the Solid Waste Collection Services Agreement between the City of Santa Rosa and Recology Sonoma Marin, dba Recology Santa Rosa.

EXECUTIVE SUMMARY

The proposed agreement includes the grant of an exclusive franchise to Recology for the collection and removal of solid waste, organic waste and recyclable materials in the City of Santa Rosa pursuant to Chapter 9-12 of the Santa Rosa City Code. The term of the agreement will commence on January 1, 2018 and end on December 31, 2032, for a term of fifteen (15) years. The current collection services agreement will expire on December 31, 2017. The transition between the current franchisee and Recology will occur following approval of this agreement and the commencement of the term on January 1, 2018.

BACKGROUND

The City and North Bay Corporation have had an exclusive franchise agreement in place for the collection of solid waste, organic waste and recyclable materials since 2003. The agreement was last amended in 2010 and expires on December 31, 2017.

In September, 2016, City staff held two public meetings to receive public input and feedback regarding collection services in the City. The public expressed a desire for improved recycling and diversions rates, the need for education and outreach from the new collection services provider, improved customer service, and a preference for the

SOLID WASTE COLLECTION SERVICE AGREEMENT
PAGE 2 OF 9

selection of a quality services provider rather than the selection of the least expensive provider.

On October 20, 2016, the City issued a request for proposals (RFP) for collection services providers for the award of an exclusive franchise agreement in the City of Santa Rosa to commence on January 1, 2018.

The following is a summary of the timeline of events preceding the proposed contract award:

- October 20, 2016 – RFP 16-79 posted via City’s electronic bidding platform, PlanetBids
- January 30, 2017 – RFP closed and five proposals received by City
- February 1, 2017 – Panel assembled to evaluate the proposals. The panelists included Gloria Hurtado – Deputy City Manager, John Sawyer – City Councilmember, Jason Nutt – Director of Transportation and Public Works, Nanette Smejkal – Director of Recreation and Parks, and Patrick Carter – Executive Director of Sonoma County Waste Management Agency
- February 21, 2017 – Panel reviewed proposals and found one proposal to be non-responsive to RFP
- March 16, 2017 – Panel interviews four proposers
- April 19, 2017 – Panel interviews two proposers
- June 21, 2017 – Staff narrowed selection to Recology and commenced negotiations.
- August 14, 2017 – Concluded negotiations with Recology and reached mutual agreement regarding the terms of the agreement, subject to approval by the City Council.

PRIOR CITY COUNCIL REVIEW

None.

ANALYSIS

The City established goals to guide the RFP process through a combination of public meeting input/feedback, general guidance provided by City Council on July 12, 2016 (when City Council authorized staff to prepare the RFP for a new contract), input from City staff and professional expertise from R3 Consulting Group. The goals include:

- Provide a high level of service for the City’s residents and businesses;
- Increase diversion and reduce disposal using innovative techniques;
- Provide cost-effective and efficient collection and processing methods;

SOLID WASTE COLLECTION SERVICE AGREEMENT
PAGE 3 OF 9

- Provide for state-of-the-art fully permitted or licensed processing, operations and maintenance facilities;
- Provide various diversion and sustainability programs (AB 939, AB 341, AB 1826, etc.) that address achievement of the State's 75% diversion goal and SCWMA's 70% diversion goal;
- Reduce emissions, traffic and wear and tear on the City's streets caused by collection vehicles;
- Provide public education and outreach programs and information to further support City's diversion requirements and goals;
- Provide and continually staff a Zero Waste Manager position to oversee diversion goals and public outreach component;
- Commit to environmental stewardship including use of local vendors and an overall "green" approach to providing services;
- Provide services that are easily tracked, including waste hauler reporting requirements and performance standards.

During the first meeting, one of the five proposals was deemed non-responsive. The remaining four proposals were evaluated based on the following criteria:

- Qualifications
- Financial Ability
- Technical Approach
- Diversion Programs
- Education and Outreach Programs
- Service Recipient Rates
- Reference Checks

Recology is the company that best meets the requests and goals of RFP 16-79 for a solid waste collection services provider.

The new Collection Services Agreement with Recology includes:

- New Vehicle Fleet and Collection Equipment
 - All new collection vehicles will be purchased and phased in as they are received
 - Collection vehicles will be furnished with up-to-date technological equipment including onboard computer and safety systems
 - New customer bins/carts will be purchased within first five (5) months
- Superior Customer Service
 - Recology will maintain a local office with walk-in and telephone access for customers, including English, Spanish and TDD service capabilities. Its call center will be staffed with twelve customer service specialists

SOLID WASTE COLLECTION SERVICE AGREEMENT

PAGE 4 OF 9

- Customer Service office hours will be 7:00 AM to 6:00 PM, Monday through Friday, and 7:00 AM to 3:00 PM on Saturdays. The call center will be located at 3400 Standish Ave
- Specialized Website
 - Recology will maintain a webpage tailored to the City, equipped with online management capabilities. The webpage will also include information designed to educate customers on services and programs. Webpage content will be tailored to the City, and could include:
 - Links to outreach and educational materials
 - Announcements on new programs and services
 - Standard service descriptions
 - A “Contact Us” function, allowing customers to contact Recology
 - Online bill pay options
- Extensive Public Education and Outreach
 - Recology’s public education program will be led by a dedicated Public Education Manager who will be responsible for designing and executing the annual Education and Outreach Plan, coordinating outreach efforts and community events with the City, local businesses and other community organizations, and designing public outreach and education materials.
 - Recology will also provide four (4) dedicated Zero Waste Specialists that will serve as public education and diversion liaisons in the community, promoting recycling, composting, and reduced disposal in the City. They will be overseen by a Zero Waste Manager, dedicated to planning and overseeing the diversion activities in the City.
 - Overview of the types of public education (exact content to be developed by Recology and City staff):
 - service brochures, sorting posters, commercial and multi-family mandatory recycling and composting notices, move-in/move-out guides, “how to” guide for food scrap collection, resident and business engagement to reduce contamination and improve diversion, education in City schools, etc.
- Diversion Rates Improvement Timeline and Implementation Strategy
 - We are currently reporting a 36% diversion rate for Santa Rosa. The Collection Services Agreement includes gradually increasing diversion targets as follows:
 - 2018 – 40%
 - 2019 – 50%
 - 2024 – 55%
 - 2029 – 60%
 - The Zero Waste Manager will be dedicated to planning and overseeing the diversion activities and implementation strategies in the City.

SOLID WASTE COLLECTION SERVICE AGREEMENT
PAGE 5 OF 9

- Recology's public education and outreach component will greatly assist in improving diversion rates via:
 - presentations to homeowner's associations, business groups, multi-family tenants, etc., site visits to educate customers on diversion goals, contamination concerns and new programs, on-site waste audits to help customers divert more material, etc.

In order to provide the highest-quality customer service and environmentally focused solid waste collection services in the City, and to meet all of our waste prevention and diversion goals, service rates will increase in Santa Rosa. The current waste collection rates in Santa Rosa are well below local market rate comparisons (See Tables 1-6 on following pages for rate comparison).

SOLID WASTE COLLECTION SERVICE AGREEMENT
PAGE 6 OF 9

The current residential collection rates for the City are between 42% and 48% lower than the average residential collection rates of the surrounding jurisdictions, as shown in Table 1. The City's proposed residential collection rates will range from 7% to 18% below the average rates of the surrounding communities.

Table 1 Current vs. Proposed Residential Rate Comparison				
Cart Size	20 Gallon	32 Gallon	64 Gallon	96 Gallon
Regional Average* (excluding Sonoma County rates)	\$25.78	\$29.09	\$50.11	\$71.35
Santa Rosa Current Rate	\$14.72	\$16.97	\$25.95	\$41.12
% Difference from Average	- 43%	-42%	-48%	-42%
Santa Rosa Proposed Rate	\$23.56	\$27.05	\$41.11	\$64.77
% Difference from Average	-9%	-7%	-18%	-9%

*Regional Average is based on aggregate average of thirty-two cities from counties listed below in Table 2.

Table 2 Current Residential Collection Service Rates (County Average*)					
County	Function	Cart size			
		20 Gallon	32 Gallon	64 Gallon	96 Gallon
Contra Costa	Average	\$ 24.90	\$ 30.35	\$ 41.00	\$ 50.25
Marin	Average	\$ 27.63	\$ 36.66	\$ 74.11	\$ 112.34
Napa	Average	\$ 21.65	\$ 29.03	\$ 54.93	\$ 82.63
Sacramento	Average	\$ 22.15	\$ 21.67	\$ 26.82	\$ 37.73
San Joaquin	Average	N/A	\$ 26.62	\$ 40.05	\$ 87.29
Solano	Average	\$ 21.38	\$ 24.44	\$ 33.89	\$ 37.62
Sonoma	Average	\$ 12.52	\$ 18.58	\$ 33.16	\$ 51.21
Yolo	Average	N/A	\$ 25.45	\$ 28.33	\$ 36.04

*County Average is based on combined city data within each individual county listed above in Table 2.

SOLID WASTE COLLECTION SERVICE AGREEMENT
PAGE 7 OF 9

The current commercial collection rates for carts in the City are approximately half the regional average at 47% to 55% lower than the average for the surrounding jurisdictions, as seen in Table 2. The proposed rate increase for commercial cart collection services ranges from 22% to 46% above the regional average collection service rates.

Table 3			
Current vs. Proposed Commercial Cart Rate Comparison			
Cart Size	32 Gallon	64 Gallon	96 Gallon
Regional Average* (excluding Sonoma County rates)	\$34.24	\$62.63	\$85.90
Santa Rosa Current Rate	N/A	\$33.05	\$38.81
% Difference from Average	N/A	-47%	-55%
Santa Rosa Proposed Rate	\$41.64	\$83.29	\$125.07
% Difference from Average	22%	33%	46%

*Regional Average is based on aggregate average of sixteen cities from counties listed below in Table 4.

Table 4				
Current Commercial Cart Collection Service Rates (County Average*)				
County	Function	32 Gallon	64 Gallon	96 Gallon
Marin	Average	\$ 36.84	\$ 73.69	\$ 110.53
Napa	Average	\$ 26.72	\$ 46.12	\$ 71.36
Sacramento	Average	N/A	N/A	\$ 35.58
Solano	Average	\$ 30.04	\$ 31.71	\$ 61.42
Sonoma	Average	\$ 23.65	\$ 40.17	\$ 54.85
Yolo	Average	N/A	\$ 26.97	\$ 39.33

*County Average is based on combined city data within each individual county listed above in Table 4

SOLID WASTE COLLECTION SERVICE AGREEMENT
PAGE 8 OF 9

The current commercial collection service rates for bins in the City range from 18% to 30% below the average surrounding communities' commercial collection service rates, as shown in Table 3. The proposed rate increase for commercial cart collection services ranges from 7% to 60% above the regional average collection service rates.

Table 5 Current vs. Proposed Commercial Bin Rate Comparison				
Bin Size and Collection Frequency	1-Yard		3-Yard	
	1/week	3/week	1/week	3/week
Regional Average* (excluding Sonoma County rates)	\$167.00	\$523.37	\$409.60	\$1,179.67
Santa Rosa Current Rate	N/A	N/A	\$334.85	\$832.23
% Difference from Average	n/a	n/a	-18%	-30%
Santa Rosa Proposed Rate	\$268.26	\$560.24	\$519.63	\$1,286.66
% Difference from Average	60%	7%	27%	9%

*Regional Average is based on aggregate average of twenty-two cities from counties listed below in Table 6

Table 6 Current Commercial Bin Collection Service Rates (County Average*)					
County	Function	1-Yard		3-Yard	
		1/week	3/week	1/week	3/week
Marin	Average	\$ 240.82	\$ 680.04	\$ 510.24	\$ 1,429.09
Napa	Average	\$ 234.55	\$ 636.99	\$ 601.52	\$ 1,844.75
Sacramento	Average	\$ 75.09	\$ 270.88	\$ 150.14	\$ 339.50
San Joaquin	Average	\$ 139.14	\$ 593.09	\$ 258.09	\$ 949.10
Solano	Average	\$ 152.32	\$ 375.39	\$ 417.76	\$ 893.01
Sonoma	Average	N/A	N/A	\$ 289.12	\$ 759.55
Yolo	Average	\$ 77.19	\$ 235.96	\$ 189.59	\$ 536.03

*County Average is based on combined city data within each individual county listed above in Table 6

FISCAL IMPACT

There is no expenditure/cost impact to the City's General Fund from the approval of the Solid Waste Collection Services Agreement.

The Solid Waste Collection Services Agreement includes a Franchise Fee (14% of gross revenues) payable to the City monthly.

ENVIRONMENTAL IMPACT

This action is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines, title 14, section 15301 of the California Code of Regulations in that the Collection Services Agreement pertains to existing equipment, systems, and facilities involving negligible expansion of existing uses.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Resolution/Solid Waste Collection Services Agreement

CONTACT

Gloria Hurtado, Deputy City Manager, City Manager's Office – 707-543-3021.
ghurtado@srcity.org