

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL

FROM: JOEY HEJNOWICZ, ZERO WASTE COORDINATOR,
TRANSPORTATION AND PUBLIC WORKS

SUBJECT: SEVENTH AMENDMENT TO PROFESSIONAL SERVICES
AGREEMENT NUMBER F001238 WITH R3 CONSULTING
GROUP, INC. OF ROSEVILLE, CALIFORNIA

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Transportation and Public Works Department that the Council, by resolution, approve the Seventh Amendment to Professional Services Agreement Number F001238 with R3 Consulting Group, Inc. of Roseville, California 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 organics processing elements distribution within the Solid Waste Collection Services Agreement, extend on-call contract management assistance and support and perform an analysis of Recology's annual rate increase application in an amount not to exceed \$74,520 for a total contract amount not to exceed amount of \$378,910.

EXECUTIVE SUMMARY

The City of Santa Rosa desires to extend professional services agreement No. F001238 with R3 Consulting Group, Inc. of Roseville, California (R3) 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.

BACKGROUND

The City entered into the Agreement with R3 in an amount not to exceed \$150,000 to assist the City with analysis and negotiation of a new solid waste agreement. Since the

initial agreement, the City has entered into six amendments, with a total amount not to exceed \$304,390 over the Agreement and Six Amendments combined:

- The First Amendment to the Agreement in an amount of \$49,000 to provide additional negotiation assistance and CSA contract management services;
- The Second Amendment in an amount of \$27,000 to provide on-call assistance during the transition to Recology and contract management training and support;
- The Third Amendment in an amount of \$20,500 to extend on-call assistance, contract management training/support and preparation of a refuse rate index (RRI) workbook; and
- The Fourth Amendment in an amount of \$20,500 to provide contract management assistance, preparation of a refuse rate index workbook and provide analysis of Recology's annual rate application.
- The Fifth Amendment in an amount of \$37,390 to extend on-call contract management assistance, preparation of a refuse rate index adjustment workbook and review of Recology's annual rate increase application.
- The Sixth Amendment to extend the Agreement's time of performance to allow R3 to complete all the required services and tasks with no additional monetary compensation.

PRIOR CITY COUNCIL REVIEW

- July 12, 2016 – Original Agreement approved by Council (\$150,000)
- First Three Amendments approved by City Manager pursuant to Award Authority (\$27,000, \$20,500, and \$20,500 respectively)
- March 26, 2019 – Fourth Amendment approved by Council (\$20,500)
- Fifth and Sixth Amendment approved by City Manager pursuant to Award Authority (\$37,390 and no additional increase, respectively)

ANALYSIS

Task 1 – Zero Waste Program Evaluation and Funding Recommendations

R3 will evaluate each of the City's five (5) Zero Waste Master Plan strategies and provide updated options for implementation. Options will include both a standard/best practice option and a visionary option with more aggressive actions. R3 will provide a summary to-date of actions taken by the City, future implementation steps and updated staff resource needs for full implementation and management of each strategy.

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.

Task 2 – Review of City’s Construction and Demolition Program and Construction and Demolition Ordinance Update

R3 will review, analyze, and make findings and recommendations regarding the City’s existing Construction and Demolition (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.

R3 will also focus 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.

Task 3 – Recyclable Materials Revenue and Organics Processing Elements’ Distribution

The structure of the current solid waste service rates does not account for Recyclable Material Revenue or Organics Waste Processing Elements of Multi-Family Dwelling (MFD) and Commercial (COM) recycling service because recycling collection service is included at no added charge when MFD and COM customers subscribe to garbage collection. However, Single-Family Dwelling (SFD) 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 SFD, MFD and COM customer segments.

R3 will analyze the rate structure and provide the City with potential options to assist the City in resolving this issue. Any potential modifications to this adjustment methodology will require an agreement between both the City and Recology and will require an Amendment to the Solid Waste Collection Services Agreement.

Task 4 – On-Call Contract Management & Project Implementation Support

R3 will review Recology’s annual rate application for accuracy and notify the City whether Recology has correctly calculated it’s adjustment as defined in the Solid Waste Collection Services Agreement. A memorandum summarizing Recology’s refuse rate adjustment process and an updated refuse rate sheet will be provided to the City.

R3 will continue to offer support to City staff in the review of reports, performance metrics and other documents and communication from Recology. R3 will be available

for on-call assistance on contract management issues and other project implementation projects as requested by the City.

FISCAL IMPACT

Funds for this contract amendment exist within existing budget appropriations and have no additional impact on 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 Guidelines Section 15378.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

Resolution/Exhibit A - Professional Services Agreement

CONTACT

Joey Hejnowicz, Zero Waste Coordinator, Transportation & Public Works – 707-543-3023. jhejnowicz@srcity.org