



## Item No. 15 Town of Atherton

### **CITY COUNCIL STAFF REPORT – REGULAR AGENDA**

**TO: THE HONORABLE MAYOR AND CITY COUNCIL**

**FROM: GEORGE RODERICKS, CITY MANAGER**

**DATE: JUNE 19, 2019**

**SUBJECT: APPROVAL OF A PROFESSIONAL SERVICES AGREEMENT WITH R3 CONSULTING GROUP FOR SOLID WASTE PROCUREMENT ASSISTANCE**

### **RECOMMENDATION**

Authorize the City Attorney to prepare and City Manager to execute an agreement with R3 Consulting Group, Inc. for Solid Waste Procurement Assistance, in the total amount of \$49,700, plus an administrative contingency of \$5,300.

### **BACKGROUND**

In May 2019, the Town released a Request for Proposal (RFP) for Solid Waste Procurement Assistance. The Town has a Franchise Agreement with Recology San Mateo County (Recology) that expires in December 2020. The Town, as a member of the South Bayside Waste Management Authority (SBWMA), has participated in negotiation of a 15-year extension of that Agreement via an Amended and Restated Franchise Agreement.

However, prior to moving forward with that extension, the City Council asked for the opportunity to evaluate alternative service providers based on the current services provided by Recology. At the conclusion of the bid process, the Town could opt to approve the Amended and Restated Franchise Agreement with Recology or select an alternative service provider.

### **ANALYSIS**

The Town directly solicited four firms for responses to the RFP –

- R3 Consulting Group;
- MSW Consultants;
- Sloan Vazquez McAfee; and
- HF&H Consulting.

These firms all have very positive reputations in the industry and have worked extensively with local governments over the years to provide procurement service assistance. The RFP was also released industry wide. HF&H Consulting advised that they reviewed the requirements and schedule for the project and have determined that it was not a good fit for their firm at this time. HF&H currently provides services to the SBWMA and was the lead consultant in the negotiation of the Amended and Restated Franchise Agreement with Recology. They declined to respond to the RFP. The Town did not receive a proposal from MSW Consultants. The Town received formal responses to the RFP from two firms – R3 Consulting Group, Inc. and Sloan Vazquez McAfee.

After review of the RFP responses and follow-up with each responding firm, staff is recommending that the Council consider award of the professional services agreement to R3 Consulting Group, Inc.

### **POLICY FOCUS**

Policy issues related to this item involve a discussion of whether to proceed with the Amended and Restated Franchise Agreement with Recology or continue to move forward with procurement assistance. The City Council can opt, at any time prior to its expiration in December 2020, to execute the Amended and Restated Franchise Agreement. However, if the Town opts to exit the SBWMA and continue services with an alternative service provider, appropriate notice must be provided to the SBWMA and Recology and the Town must comply with the exit provisions of both the JPA Agreement and the Franchise Agreement. A Notice of Intent to Withdraw must be submitted at least six months prior to the end of the current rate year, specifying the exact date of withdrawal. To coincide with the end of the Franchise Agreement, the Notice of Intent would need to be sent by June 2020. Other issues related to withdrawal will also be necessary, to include a vote of the SBWMA member agencies and liquidation of all existing debts, obligations, and liabilities. At this time, the Town does not have a determination of the exact amount of debt obligation; but, should the Council opt to move forward with procurement services, staff would reach out to the SBWMA to determine this obligation with specificity.

The timing of the procurement process is set such that it provides the Council the opportunity to review and make a decision within the timeline required by the SBWMA and Recology.

### **FISCAL IMPACT**

Funding for this item will come from the Town's Rate Stabilization Fund. The budget for this item is set at \$49,700 plus a contingency of \$5,300. Total authorized funding is \$55,000.

### **PUBLIC NOTICE**

Public notification was achieved by posting the agenda, with this agenda item being listed, at least 72 hours prior to the meeting in print and electronically. Information about the project is also disseminated via the Town's electronic News Flash and Atherton Online. There are approximately 1,200 subscribers to the Town's electronic News Flash publications. Subscribers include residents as well as stakeholders – to include, but be not limited to, media outlets, school districts, Menlo Park Fire District, service providers (water, power, and sewer), and regional elected officials.

### **COMMISSION/COMMITTEE FEEDBACK/REFERRAL**

This item \_\_\_ has or X has not been before a Town Committee or Commission.

- Audit/Finance Committee (meets every other month)
- Bicycle/Pedestrian Committee (meets as needed)
- PMC - Civic Center Advisory Committee (meets as needed)
- Environmental Programs Committee (meets every other month)
- Park and Recreation Committee (meets each month)
- Planning Commission (meets each month)
- Rail Committee (meets every other month)

### **ATTACHMENTS**

1. R3 Consultants, Inc. Proposal

**PROPOSAL FOR:**

## **Solid Waste Procurement Assistance**



**SUBMITTED TO:**

**Town of Atherton, CA**

June 10, 2019

*This page intentionally left blank.*

---

**Northern California Office**

1512 Eureka Road, Suite 220, Roseville, CA 95661  
Tel: 916-782-7821 | Fax: 916-782-7824

**San Francisco Bay Area Office**

2600 Tenth Street, Suite 424, Berkeley, CA 94710  
Tel: 510-647-9674

---

**Southern California Office**

212 Marine Street, Suite 100, Santa Monica, CA 90405  
Tel: 323-491-8868

---

June 10, 2019

Mr. George Rodericks  
City Manager  
Town of Atherton  
91 Ashfield Road  
Atherton, CA 94027

**Subject: Proposal to Provide Solid Waste Procurement Assistance**

Dear Mr. Rodericks:

R3 Consulting Group, Inc. (R3) is pleased to submit the attached proposal to provide solid waste procurement assistance to the Town of Atherton (Town), in response to the Town's Request for Proposals (RFP) for solid waste procurement services. R3 is well positioned to provide the Town with a cost-effective RFP process that will enable the Town to make a decision about whether to approve the Amended and Restated Franchise Agreement with Recology, or to contract for solid waste collection, recycling, processing and disposal services with another service provider.

As is described in detail in our proposal, R3 already has an expert level understanding of the costs related to the solid waste services provided to the Town, the terms and conditions of the Amended and Restated Franchise Agreement with Recology, and the competitive marketplace for alternative service providers in the region. More importantly, we are one of the very few consulting firms that has provided similar consulting services to neighboring agencies but did not work on the negotiation of the Amended and Restated Franchise Agreement with Recology. Given that the purpose of this project is to evaluate whether the Town should proceed to approve that Agreement, we are ideally positioned to provide the Town with objective findings and recommendations regarding its future solid waste contracting decisions.

\* \* \* \* \*

We appreciate the opportunity to submit our proposal to the Town. Should you have any questions regarding our proposal or need any additional information please contact me by phone at (510) 292-0853 or by email at [gschultz@r3cgi.com](mailto:gschultz@r3cgi.com). As Principal at R3, I am authorized to contractually obligate R3 and negotiate contracts on behalf of the organization.

Sincerely,

**R3 CONSULTING GROUP**



Garth Schultz | Principal

*This page intentionally left blank.*

# Table of Contents

Table of Contents

Cover Letter

Section 1: Firm Qualifications & Key Personnel..... 1

Section 2: Subcontractors ..... 17

Section 3: Project Work Plan..... 19

Section 4: Project Schedule..... 29

Section 5: Fee Information *(not included in this PDF file - saved separately)*.....31

Section 6: References ..... 33

Section 7: Disclosure ..... 43

Section 8: Agreement and Insurance Requirements ..... 45

R3

*This page intentionally left blank.*

Table of  
Contents

# Section 1

## **Firm Qualifications & Key Personnel**

*This page intentionally left blank.*

# Firm Qualifications & Key Personnel

## Firm Introduction

**Resources, Respect, and Responsibility** – These are the guiding principles of R3 Consulting Group, Inc. (R3). Our mission is to assist municipal clients with identifying opportunities, evaluating alternatives, and implementing cost-effective, environmentally-sound and community-friendly solutions to their solid waste management challenges.

Incorporated in 2002 (17 years in business), R3 is a California Certified Small Business led by Principals Garth Schultz and Richard Tagore-Erwin, who each bring decades of solid waste consulting experience and knowledge. Our seasoned, professional team members have backgrounds in the public and private sectors, engineering, resource management, environmental science, and urban planning. We have dedicated our careers to the field of solid waste management and sustainability, and skillfully deliver expert industry analysis and recommendations to our clients.

### The R3 Advantage

R3 has conducted hundreds of solid waste management consulting projects for clients throughout the western United States, and we are strongly committed to providing our clients with unbiased opinions and recommendations. Accordingly, **R3 works only for municipal agencies**. R3 is pleased to provide a broad range of services to our clients, including but not limited to the following:

- Providing negotiation and procurement assistance for collection, processing, and disposal services;
- Performing financial and technical analysis of programmatic and policy alternatives, including evaluating residential and commercial recycling and organic services;
- Conducting multi-year solid waste rate collection studies and detailed rate reviews;
- Developing rate models;
- Performing rate and service surveys;
- Assisting in compliance with state requirements (including AB 1826, SB 1383, AB 341, AB 1594, and Proposition 218);
- Reviewing municipal operations and performance and providing findings and recommendations;
- Developing and negotiating contracts and Franchise Agreements (Agreements), including rates, rate-setting formulas, performance standards, and other contractual terms and conditions; and
- Developing Zero Waste / high-diversion planning and implementation.



## Section 1

### Firm Qualifications & Key Personnel

We aim to always complete work in a cost-effective manner while achieving our clients' goals and objectives. We do this by streamlining processes, simplifying methodologies, and providing work products that concisely identify next steps and strategic actions. With R3, the City will always receive:

- **Top-level attention:**
  - An R3 Principal is Project Manager or Lead Analyst on every project.
- **Unbiased, conflict-free project management and objective, fair treatment:**
  - We work exclusively for public agencies – no entanglements with local districts, no hidden agendas, and no pre-ordained vendors. This translates to a high repeat customer rate and solid, respectful relationships with cities and haulers.
  - Extensive experience managing projects with multiple stakeholders, which includes planning realistic goals, schedules, and budgets, effectively communicating with all key players, working collaboratively to achieve objectives and stay responsive, and streamlining processes.
- **Data-driven, money-saving solutions and clear deliverables:**
  - Best-approach, honest recommendations to the City's contractual needs, derived from decades of solid waste consulting experience and analysis of client data.
  - Focused on improving safety and customer service, increasing productivity, and reducing costs.
  - Fair, affordable rates and clearly-defined deliverables – no overages.
- **Comprehensive, up-to-the-minute understanding of industry regulations:**
  - Principals and key staff have superior knowledge base from over decades of hands-on industry and legislative compliance experience.

### Relevant Firm Experience

#### Negotiation & Procurement Assistance

R3 has successfully provided technical support on the design, development, procurement, evaluation, and negotiation of franchised collection services for over 100 municipal clients throughout California and the western United States. These range from assisting jurisdictions with sole-source negotiations with an existing service provider to managing all aspects of a competitive procurement process for refuse collection, transfer, recycling, processing, and disposal services.

Our procurement and negotiation services include the following:

- Negotiation, development, and monitoring of contracts and Agreements;
- Assistance with the technical and financial evaluation of proposals;
- Evaluation of commercial collection system service options and structures;
- Development and evaluation of policy and programmatic alternatives that meet the specific needs of the community;
- Compliance monitoring and review;



- Design of performance standards, incentives, and penalties related to contractor performance;
- Development of an annual adjustment mechanism to the contractor compensation and user rates and fees;
- Leadership in community and stakeholder engagement processes, including workshops, focus groups, surveys, interviews, and presentations; and
- Preparation and distribution of Request for Proposals (RFP) packages, including the Agreement and operating contracts.

R3 typically has several sole-source negotiations and competitive procurement projects in various stages at any one time and is one of the most experienced procurement consultants in the state. We help our clients procure services under exclusive and non-exclusive Franchise Agreements at reasonable rates, and with reporting requirements that provide our clients with the concise information they need to effectively monitor and manage those contracts.

Our recent procurement and negotiation clients include: **Galt, Half Moon Bay, Los Altos, Piedmont, Santa Rosa, Windsor, Beaumont, Rolling Hills Estates, San Bernardino, and Zero Waste Sonoma** (formerly known as the **Sonoma County Solid Waste Agency**). Currently, we are also assisting the cities of **Calexico, Huntington Beach, Riverside, San Juan Capistrano, Santa Clarita, Temple City, and Thousand Oaks** with procurement and/or negotiation processes.

With a substantial portfolio of procurement and negotiation experience in the City's market area, we have an excellent understanding of the region's needs and haulers, including **Recology, GreenWaste Recovery, Mission Trail Waste Systems, California Waste Solutions, Green Team / West Valley Collection and Recycling, Marin Sanitary Services, Waste Management, Republic Services, and Sonoma County Resource Recovery**. Additionally, haulers enjoy working with us, even when we are on opposite sides of the negotiating table, because we treat them fairly and respectfully, and guard the confidentiality of their information. This promotes their cooperation and, in turn, the successful and timely completion of our projects.

### **Franchise Agreement Review and Development**

R3 knows from experience that successful negotiations are contingent upon first establishing a solid understanding of the terms and conditions of the existing Agreement, as well as any modifications or additional services that have changed since the Agreement first began. As such, R3 begins each negotiation process by first meeting with the client jurisdiction staff to review their specific needs. We then conduct a thorough review of the existing hauler Agreement in order to develop an understanding of how the jurisdiction's current solid waste collection programs and services, performance and reporting standards, and operational requirements compare to industry best standards. We then review the Agreement's organizational structure and formatting, and perform an in-depth analysis of how it relates to:

- Reporting requirements related to recent state legislation;
- Customer service practices;
- Disposal and processing facilities available currently and long term;
- Reports submitted by the current contractors;
- Term and extension provisions;
- Operating and performance standards;



Section 1

Firm  
Qualifications  
& Key  
Personnel

- Contamination and overage protocols;
- Vehicle and container replacement practices;
- Realistic and verifiable diversion standards;
- Education and outreach programs;
- Rate-setting methodology and adjustments for changes in recyclables markets and organics processing;
- Performance and contract compliance reviews;
- Insurance and performance bond standards; and
- Any other relevant information provided by the City.

Our experience negotiating multiple contracts and contract amendments, combined with our successful track record conducting dozens of operational and performance reviews of private sector providers, has endowed us with a valuable perspective on how to best structure Agreements.

#### **Financial Analysis of Systems, Configurations, & Alternatives**

R3 staff members have extensive relevant experience conducting solid waste financial analysis, planning, and rate structure analyses for over 50 public sector clients, including municipalities, public utilities and regional authorities. We understand the challenge faced by local governments to balance complex services with budget constraints, and that allows us to provide effective and meaningful financial consulting services to our clients.

We have particular expertise in the following areas:

- Cost-of-service and revenue-requirement studies;
- Rate models and financial projections;
- Budgeting and long-term financial planning;
- Rate structure analyses;
- Financial modeling and analysis of funding alternatives;
- Customer rate setting and adjusting;
- Development of refuse vehicle impact fees and solid waste development fees;
- Audits of solid waste billing systems and franchise fee payments; and
- Proposition 218 assistance.

Our financial and rate analysis projects furnish the financial information and comparative analysis our clients require to make sound, informed decisions regarding their solid waste systems. We routinely provide comprehensive review and analysis of contractor rate applications, resulting in documented adjustments to projected revenues and expenses plus specific recommended rate adjustments.

Clients for whom R3 has conducted financial planning services include: the cities of **El Cerrito, Salinas, Folsom, Menlo Park, Merced**, the **Marin Franchisors Group** (cities of **San Rafael, Larkspur, and Ross**, the **County of Marin**, and the **Las Gallinas Valley Sanitary District**), the **South Bayside Waste Management Authority, West Contra Costa Integrated Waste Management Authority (RecycleMore)**, the counties of **Plumas** and **San Joaquin**, and the **Kings Waste Regional Authority**.



## Legislative Compliance

One of R3's main practice areas is providing assistance to our clients to achieve legislative compliance by reaching the aggressive diversion requirements and goals set by such state mandates as AB 939, AB 341, AB 1826, and SB 1383, in particular.

Our corporate headquarters is located in the greater Sacramento region, which ideally positions us for legislative monitoring and tracking. We regularly attend in-person workshops and engage in stakeholder discussions related to AB 1826 and SB 1383, both regionally and throughout the state.

As a member of regional planning groups in California, we facilitate discussions with municipalities about the potential implications of AB 1826 and SB 1383 on programs and help develop plans to prepare for the future of organics infrastructure, policy, and statewide programs.

Our knowledgeable, experienced staff advise and guide our clients to ensure that jurisdictions meet and remain compliant with all current regulatory requirements, and proactively plan for the demands of impending legislation. We provide a coordinated approach that is logical, cost-effective, and draws upon our operational, public policy, and public education and outreach capabilities. Our specific legislative and regulatory compliance services include the following:

- Developing and evaluating commercial recycling and organics recycling programs;
- Analyzing options for program improvement and potential new programs;
- Identifying businesses subject to compliance with AB 341 and AB 1826;
- Monitoring and tracking covered generator compliance;
- Designing and assessing public education and outreach materials and methods for notifying businesses of their requirements and compliance options;
- Developing franchised waste hauler tracking methods for necessary reporting, public education and outreach, and compliance monitoring requirements;
- Providing on-site waste assessments, material characterizations, and hands-on technical assistance to regulated businesses to support their compliance; and
- Facilitating private sector diversion opportunities, including food donations and recycle/reuse vendors.

R3 recently assisted or is currently assisting the following clients in achieving legislative and regulatory compliance: the cities of **Chico, Corte Madera, Galt, Los Altos, Palo Alto, Santa Rosa, and Vallejo**, and **RecycleMore**. Other clients we have assisted or are currently assisting include the cities of **Beaumont, Carlsbad, Calexico, Huntington Beach, Irwindale, Rolling Hills Estates, San Juan Capistrano, Santa Clarita, Santa Monica, Temple City, and Thousand Oaks**.

## Section 1

### Firm Qualifications & Key Personnel



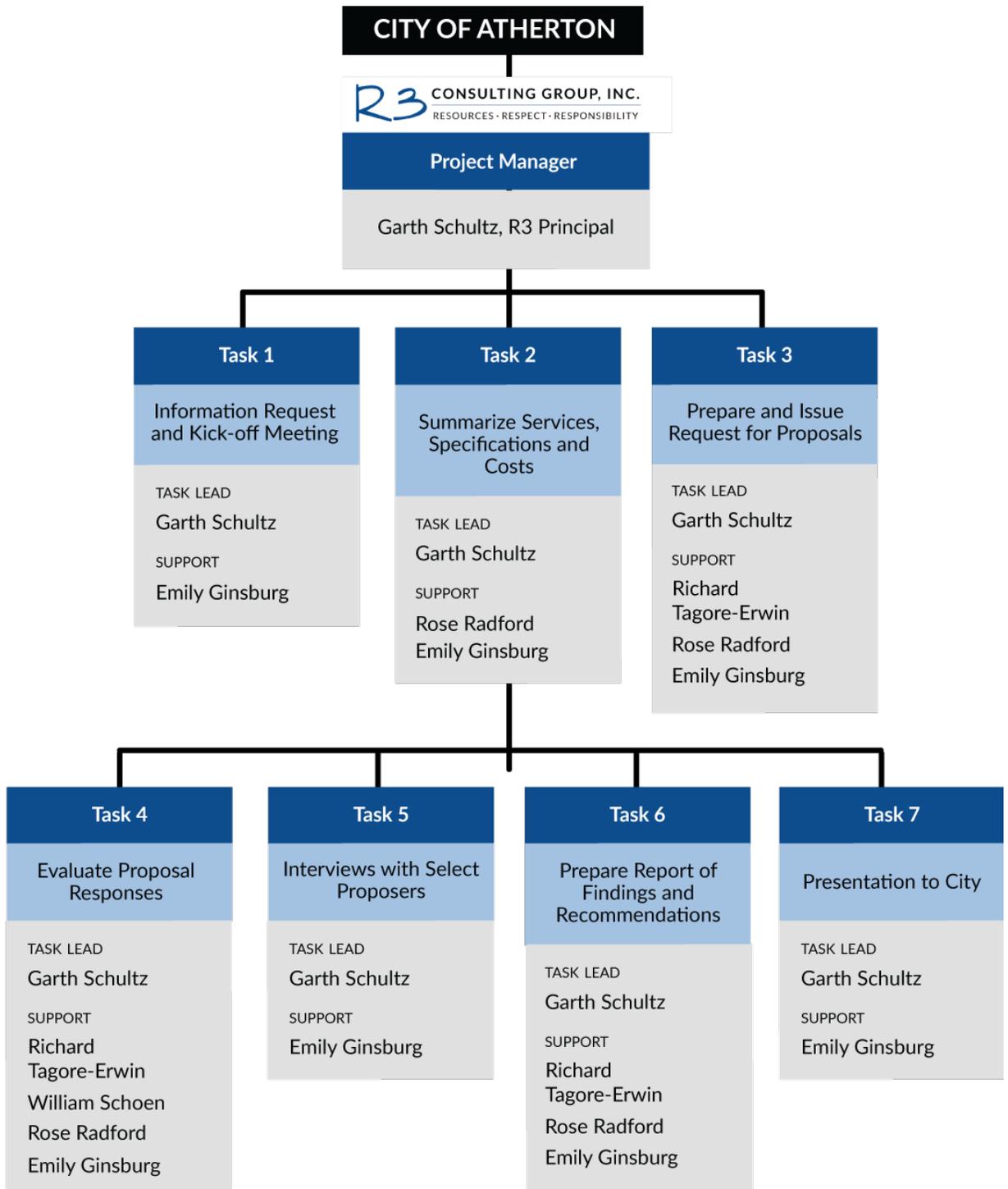
Section 1

## Key Personnel Utilization & Resumes

Below is our organizational chart for R3’s proposed key personnel utilization for this engagement. Please see our key personnel’s resumes on the following page.

Firm  
Qualifications  
& Key  
Personnel

**Figure 1-1  
Organizational Chart**



Garth Schultz

R3 Principal | Project Manager



Section 1

Firm  
Qualifications  
& Key  
Personnel

**PROFESSIONAL BACKGROUND**

Mr. Schultz has 18 years of solid waste management experience in both the private and public sectors. His areas of expertise include managing or assisting with sole source and competitive procurement of collection, materials processing, and transfer and landfill services. Mr. Schultz has participated in crafting Request for Proposal (RFP) documents and detailed Agreements that incorporate state legislative requirements, performance incentives, and rate-adjustment guidelines involving various profit bases. Mr. Schultz has also evaluated proposals, prepared and presented award recommendations, and assisted with contract negotiations. He is very knowledgeable of state regulations and skilled at assisting clients to achieve legislative compliance, particularly with regard to AB 1826 and SB 1383.

Other areas of solid waste industry experience include: developing strategic Zero Waste and high-diversion plans; modeling, reviewing, and restructuring rates; reviewing hauler operations and performance; reviewing solid waste programs and providing recommendations for improvement; and engaging stakeholders and communities through workshops and outreach planning.

**EDUCATION & CERTIFICATIONS**

- Master of Public Administration and Public Policy Development, Cal State East Bay
- Bachelor of Science in Environmental Science and Minor in Public Policy, UC Berkeley
- Lead Construction and Demolition Facility Evaluator, Recycling Certification Institute

**PROJECT ROLE**

Mr. Schultz will serve as Project Manager and oversee all project tasks.

**RELEVANT PROJECT EXPERIENCE**

**Procurement and Negotiation Assistance**

Currently, Mr. Schultz is leading negotiations for the **City of Santa Clara** for the City's future exclusive Agreements with Recology South Bay (Recology) and Mission Trail Waste Systems (MTWS), including a rate study to help the City establish customer rates for services to be provided under the new Agreements. The new Agreements are designed to achieve the City's objectives, including compliance with applicable state legislation and the City's long-term financial and diversion goals.

Mr. Schultz recently managed R3's work with the **City of Piedmont** to pursue a negotiated franchise extension with the City's franchised hauler, and previously assisted with the procurement processes for the cities of **Half Moon Bay** and **Santa Rosa**. He oversaw similar tasks and the solid waste, recyclables, and organics procurement process for the **City of Los Altos**, whose hauler is MTWS. He also assisted Mr. Tagore-Erwin in **Zero Waste Sonoma's** recent procurement process for an organics material processing facility to provide processing capacity throughout the Sonoma County region.

Mr. Schultz played a key support role in evaluating post-collection services alternatives for **RecycleMore** member agencies (**Contra Costa County** and the cities of **El Cerrito, Hercules, Pinole, Richmond, and San Pablo**).



Section 1

Firm  
Qualifications  
& Key  
Personnel

**RELEVANT PROJECT EXPERIENCE (CONTINUED)**

**Procurement and Negotiation Assistance (continued)**

He also led transition assistance for the **City of Milpitas** when they switched to a new franchised hauler for solid waste collection. On behalf of the **City of Petaluma**, Mr. Schultz recently assisted in R3's extensive review of the proposed assignment of multiple contracts for collection, processing, transfer, and other services from The Ratto Group (TRG) to Recology Sonoma Marin (Recology) for jurisdictions throughout the counties of **Marin and Sonoma**.

**Financial Analysis and Planning**

Mr. Schultz recently led R3's restructuring of the **Marin Franchisors Group's** base-year detailed rate-review methodology and recycling revenues balancing account. He also assisted the **City of Menlo Park** in adopting a new rate structure that facilitates a transparent rate-setting process aligned with cost-of-service. He led R3's *Detailed Rate Review* for the **City and County of San Francisco**, which involved a detailed review of a rate application including over \$180 million in annual revenues, and an annual contract value of more than \$300 million with its solid waste service provider, Recology. He has also been leading R3's *Annual Financial Systems Audits* for the **South Bayside Waste Management Authority (RethinkWaste)** for the past three years.

For the **West Contra Costa Integrated Waste Management Authority (RecycleMore)**, Mr. Schultz conducted financial and diversion studies to analyze the associated impacts should the cities of El Cerrito and/or Richmond withdraw from RecycleMore, as well as outlining the key responsibilities and cost allocation scenarios to consider in the event that withdrawal was implemented by one or both of the withdrawing agencies. He also provided methodologies for calculating new diversion and disposal targets and rates.

Mr. Schultz also recently led our solid waste rate studies for the cities of **Folsom, Merced, and Roseville**, and the **Tamalpais Community Services District**. For these projects, he assisted with the development of estimates of future solid waste operational requirements and costs to address future growth and potential expansion of collection programs, such as commercial recycling and organics (e.g., in response to AB 1826 and SB 1383). He also conducted a comprehensive, cost-of-service study of solid waste utility rates and designed financial planning models of up to 10 years based on expected cost increases over time.

**Legislative Compliance Assistance**

Mr. Schultz recently completed the **City of Los Altos' High Diversion Implementation Plan**, developing recommendations to help the City's hauler meet its 78% diversion requirement in the Agreement through mixed-waste processing to remove organics and recyclables from commercial and multi-family waste streams. He also assisted in updating the City's Municipal Code to meet new state legislative requirements under AB 341, AB 1826, AB 1594, and CALGreen mandatory C&D diversion requirements. Mr. Schultz led the recently completed **City of Livermore's Strategic Plan for High Diversion**, which targets specific waste types and sectors to support continued increases in diversion over the coming years, including targeted outreach and education focused on organics for commercial customers. For the **City of Piedmont**, Mr. Schultz conducted on-site assessments of Republic's compliance with commercial recycling and organics requirements.



Richard Tagore-Erwin

R3 Principal | Strategic Negotiation Advisor



Section 1

Firm  
Qualifications  
& Key  
Personnel

**PROFESSIONAL BACKGROUND**

Over the past 30 years, Mr. Tagore-Erwin has developed and designed service terms and conditions, Agreements and contracts, and cost proposal forms for solid waste and recycling programs for over 100 municipal clients throughout California and the United States. His areas of expertise include designing and negotiating solid waste Agreements that incorporate industry best practices, leading efficient Request for Proposal (RFP) processes and evaluations and developing clear-cut and sound recommendations to present to Councils and Boards of municipal jurisdictions. He has also assisted or is currently assisting jurisdictions in achieving legislative compliance with state ordinances and regulations such as AB 341, AB 1826, and SB 1383. As a certified meeting facilitator, Mr. Tagore-Erwin routinely conducts working sessions with municipalities and their franchised proposers and facilitates public workshops and community meetings with diverse community groups such as elected officials, haulers, facility operators, environmental groups, and the general public.

Mr. Tagore-Erwin's other experience includes hauler operational and performance reviews, financial analysis and rate reviews for multiple jurisdictions and public agencies, and Zero Waste and high diversion strategic plan development.

**EDUCATION**

- Bachelor & Master of Arts in Political Science, University of Hawai'i, Mānoa

**PROJECT ROLE**

As Strategic Negotiation Advisor, Mr. Tagore-Erwin will provide support to Mr. Schultz in the development of the RFP and in the evaluation of proposal responses.

**RELEVANT PROJECT EXPERIENCE**

**Procurement and Negotiation Assistance**

As R3's negotiation and procurement specialist, Mr. Tagore-Erwin is currently leading negotiations for the cities of **San Juan Capistrano, Temple City, Vallejo, Santa Clarita, and Thousand Oaks**. All of these projects involve reviewing the existing Agreements, programs, and services to determine pathways for compliance with state legislation and organic requirements such as AB 341, AB 1826, and SB 1383, as well as to achieve the cities' diversion goals.

Recently, Mr. Tagore-Erwin led RFP processes and subsequent negotiations for the cities of **Half Moon Bay, Santa Rosa, and the Town of Windsor**. He helped the jurisdictions implement or enhance organics, solid waste, and recycling services provided by their respective haulers, resulting in organics collection to commercial customers and increased overall diversion requirements.

Mr. Tagore-Erwin also recently led a successful negotiation project for **City of Galt**, providing recommendations and analysis on the proposed services and rates, and incorporating multiple improvements in the Agreement, including universal roll-out of commercial organics, substantial reductions to hauler-requested rate increases to fund all new program requirements and fund capital purchases, and a 75% franchised diversion requirement. He recently led an Agreement review and subsequent negotiation process for the **County of Nevada** related to services and facility operations and associated rates.



Section 1

Firm  
Qualifications  
& Key  
Personnel

**RELEVANT PROJECT EXPERIENCE (CONTINUED)**

**Procurement and Negotiation Assistance (continued)**

He also led **Zero Waste Sonoma's** (formerly the **Sonoma County Waste Management Authority**) procurement process for an organics material processing facility to provide processing capacity throughout the Sonoma County region.

Mr. Tagore-Erwin has extensive experience working with **Recology**. He recently led a review of Recology on behalf of the various jurisdictions in the **County of Sonoma** that held contracts for solid waste collection with The Ratto Group (TRG), to establish findings regarding the proposed assignment of those contracts to Recology. He has also successfully assisted the **City of Vallejo** with negotiations with Recology. Additionally, the recent procurement processes he led for the **Town of Windsor** and **City of Santa Rosa** resulted in the selection of Recology as their hauler.

**Financial Analysis and Planning**

Mr. Tagore-Erwin regularly assists clients with conducting financial analyses, reviewing rates, performing annual rate-adjustment calculations, and negotiating rates.

He recently managed R3's annual rate-adjustment review for the **City of Rolling Hills Estates**, and has managed or assisted with the review of franchised hauler rate applications for many jurisdictions, including the cities of **Chico, Cotati, Los Altos, Piedmont, Rohnert Park, Temple City, Vallejo**, the **Town of Windsor**, and the **Novato Sanitary District**.

Mr. Tagore-Erwin assisted the **City of El Cerrito** in developing its post-collection rate schedule and subsequent Agreement for post-collection services, and managed our alternative funding analyses for the **Zero Waste Sonoma** and the **Humboldt County Waste Management Authority**. He is also currently assisting on R3's *Operational Analysis and Rate Study* for the **City of Santa Monica**.

For the cities of **Downey, Hemet, Pomona, Redlands, San Bernardino, San Fernando, Upland**, and **West Sacramento**, Mr. Tagore-Erwin worked with the cities' Finance Departments to address the cities' significant financial shortfalls and customer service functions. His work included developing solid waste rate models to project program costs and revenues and conducting benchmarking rate studies to develop new rate structures.

**Legislative Compliance Assistance**

As Project Manager, Mr. Tagore-Erwin is leading R3's current **City of Riverside** project, which includes an evaluation of how organic waste rates may be set in order to increase customer participation in organic waste collection programs. For the **City of Irwindale**, Mr. Tagore-Erwin is leading our review of the organics waste rate structure that was submitted by Athens, which involves overseeing the analysis of the submitted rate structure and review of the rate methodology, and subsequent development of recommendations and additional alternatives.

Mr. Tagore-Erwin recently led the development of the **City of Los Altos' High Diversion Implementation Plan**, and helped form recommendations for the City's hauler to meet its diversion and legislative requirements, which included promoting mixed-waste processing to remove organics and recyclables from commercial and multi-family waste streams. He has assisted many of our clients in implementing state regulatory requirements, including the cities of **Corte Madera, Piedmont, Hemet, Rolling Hills Estates**, and **Temple City**, the **Town of Windsor**, and the **Novato Sanitary District**.



William Schoen

R3 Project Director | Strategic Financial Advisor



Section 1

Firm  
Qualifications  
& Key  
Personnel

**PROFESSIONAL BACKGROUND**

Mr. Schoen is an engineer with more than 30 years of solid waste operational and consulting experience, with primary experience in the areas of solid waste operations, rate reviews, and financial analysis. With his background in managing recycling and landfill operations, he has a deep understanding and significant experience in evaluating all aspects of municipally operated and franchised solid waste systems. Mr. Schoen has managed or assisted with sole-source and competitive procurement of collection, materials processing, transfer, and landfill services. His significant areas of expertise include drafting RFP documents and detailed Agreements that incorporate performance incentives and rate-adjustment guidelines involving various profit bases, including detailed rate reviews and indexed adjustments. He has also evaluated proposals, prepared award recommendations, and assisted with contract negotiations. In addition, he has reviewed numerous proposals for new or expanded franchised services.

Mr. Schoen’s other areas of expertise include financial and rate analysis, solid waste operational and performance assessments, strategic development for Zero Waste and high diversion, and overseeing visual and physical waste characterization studies. He also currently manages R3’s food-rescue research efforts throughout California and nationally.

**EDUCATION**

- Bachelor of Science in Bioengineering, University of Pennsylvania

**PROJECT ROLE**

With his operational expertise and knowledge, Mr. Schoen will serve as strategic financial advisor to Mr. Schultz and assist with the financial review of RFP responses.

**RELEVANT PROJECT EXPERIENCE**

**Procurement and Negotiation Assistance**

Mr. Schoen recently assisted the counties of **Napa** and **Plumas** with negotiating extensions to their solid waste collection franchises and assisted the **City of Paso Robles** with negotiating the extension of their landfill operations agreement. As part of these projects, he developed draft contract language, evaluated historical operational performance measures, and assessed the financial condition of the provider’s finances. He assisted the **City of Cerritos** with reviewing and evaluating CalMet Services’ proposed 10-year extension to their current franchise with the City. Currently, for the **City of Cudahy**, Mr. Schoen is conducting an assessment of Republic Services’ operational performance and compliance with its Agreement and supporting the City’s negotiation of an amendment to its Agreement. He is also assisting Mr. Tagore-Erwin with the **City of San Juan Capistrano’s** contract negotiations. For **RethinkWaste**, Mr. Schoen assisted with the procurement of solid waste, recyclables, and yard waste collection services, recyclable material processing, and Transfer Station operations. He has also assisted with contract reviews and negotiations on behalf of numerous clients throughout the state, including the cities of **Cotati, Cloverdale, Downey, Davis, Los Altos, Elk Grove, Oakland, Petaluma, Temple City, Rancho Cordova, San Leandro, Stockton, Sunnyvale, and West Hollywood.**



Section 1

Firm  
Qualifications  
& Key  
Personnel

**RELEVANT PROJECT EXPERIENCE (CONTINUED)**

**Financial Analysis and Planning**

Mr. Schoen has conducted cost-of-service studies and managed the development of Excel-based enterprise fund cost-of-service rate models for multiple jurisdictions in support of rate-setting and long-term financial planning.

For **RecycleMore**, Mr. Schoen led the financial and diversion studies to provide a comprehensive analysis of the rate impacts of withdrawal for RecycleMore's residential, commercial, and industrial customers should the cities of El Cerrito and/or Richmond withdraw from RecycleMore. He also led our *Solid Waste Rate Study and Financial Planning* project for the **City of Tulare**, which involved the development of a rate model to account for costs and project the City's Solid Waste Division's costs over an extended planning period. Mr. Schoen recently assisted **Siskiyou County** with a rate comparison and creation of a rate model to develop a 10-year rate-adjustment plan that supports the long-term financial strength of the County's Sanitation Enterprise Fund. He was also the Project Manager for our *Solid Waste Cost-of-Service and Rate Design Study* project for the **City of Davis**, and developed a solid waste rate model for the **City of Upland** to project the City's program costs and forecast future financial impacts.

Other relevant engagements that Mr. Schoen supported include R3's recent *Cost-of-Service Study, Rate Model, and Rate Comparison Survey* project for the **City of Long Beach**, our *Solid Waste Rate Study* for the **City of Folsom**, our *Rate Modeling* project for the **City of Redlands**, and our *Rate Review, Cost of Service Study, and Proposition 218 Assistance* project for **Plumas County**. For the cities of Long Beach and Folsom, the projects involved the development of an Excel-based financial model for long-range financial planning purposes, and an analysis of the impact of changes in various economic factors on the financial strength of the associated Enterprise Funds.

**Legislative Compliance Assistance**

Currently, Mr. Schoen is leading the development of a *Sustainable Materials Management Plan* for the **City of Carlsbad**, which includes recommendations on policy, program, partnership, and facility diversion options so that the City can realistically achieve full compliance with AB 314, AB 1826, and SB 1383, and other relevant regulatory requirements through revised sustainability strategies and new programs. He also managed our review of Waste Management's AB 341, AB 1826, and construction and demolition (C&D) debris diversion programs for the City, in conjunction with a review of Republic's compliance with its Transfer Station minimum diversion requirement.

For the **City of Galt**, Mr. Schoen recently served as Lead Analyst for R3's review of hauler Cal-Waste's proposals for a franchise renewal and the construction of a Transfer Station. This resulted in comprehensive recommendations regarding the feasibility and impacts of the proposed Transfer Station plus a new Agreement that included a 75% franchised diversion rate and universal roll-out of commercial organics.

Additionally, as a result of Mr. Schoen's assistance, the cities of **Carlsbad, Concord, Cotati, Paso Robles, Rancho Cordova, and San Jose**, the **Sacramento Solid Waste Authority**, and many others have successfully achieved compliance with state legislation such as AB 939, AB 341, and AB 1826, as well as CalRecycle annual reporting, OSHA reporting, contract compliance, and other requirements.



Rose Radford

R3 Project Manager | Project Support



## Section 1

Firm  
Qualifications  
& Key  
Personnel

### PROFESSIONAL BACKGROUND

Ms. Radford has extensive experience in environmental consulting, research, policy, and data analysis. With her strong background in research and technical writing, she has provided valuable support for procurement of solid waste collection services by writing high-diversion collection service and processing/disposal agreements, conducting extensive surveys, and coordinating clear communications between clients and proposers.

Her other areas of expertise include: solid waste management planning and program development; operations, programs, and facility reviews; Municipal Code analysis and revision; researching and compiling data; operational and performance reviews of haulers; field studies and survey coordination; and financial planning, including rate modeling, rate studies and rate reviews.

### EDUCATION & MEMBERSHIPS

- Master of Public Administration in Environmental Science and Policy, Columbia University
- Bachelor of Science in Conservation and Resource Studies, UC Berkeley
- C&D Recycling Facility Evaluator, Recycling Certification Institute

### PROJECT ROLE

With her experience and knowledge related to the Recology contract and SBWMA services, Ms. Radford will serve as Project Support on Tasks 2,3, 5 and 6.

### RELEVANT PROJECT EXPERIENCE

#### Procurement and Negotiation Assistance

Currently, Ms. Radford is leading contract negotiations for the **City of Los Altos**, and was instrumental in each step of the **City of Piedmont's** recent procurement assistance project for solid waste collection services, participating in community engagement processes, incorporating requests from City Council, and writing both the RFP and the base contract used in the procurement. She also provided key support in drafting the RFP and Collections Service Agreement for the **City of Santa Rosa** by consolidating City requests and requirements, reviewing and streamlining applicable documents, and revising drafts to encompass requested services.

Ms. Radford incorporated key recommendations and findings about organics material processing in the **County of Sonoma** to compile a Request for Information (RFI), which was followed by a full procurement process for **Zero Waste Sonoma**. As part of this process, Ms. Radford drafted and revised the RFP document and its attachments, participated in facilitating community workshops, and drafted the two base contracts that will be used by the Agency and its selected contractors. This procurement process was a key step in a strategic action plan to provide for organics capacity throughout the region, simultaneous with the procurement of solid waste services for several jurisdictions within the County and the potential assignment of nearly every collection services contract in the region.

R3

Section 1

Firm  
Qualifications  
& Key  
Personnel

**RELEVANT PROJECT EXPERIENCE (CONTINUED)**

**Financial Analysis and Planning**

Ms. Radford worked with the **City and County of San Francisco** on their *2017 Detailed Rate Review* project, helping develop the implementation of planned improvements to capital infrastructure in support of new Zero Waste programs. She also recently assisted with the *2018 Rate-Setting* for **RecycleMore**, and a *10-year Financial Plan and Cost-of-Service Analysis* for the **City of Davis** that is anticipated to result in a Proposition 218 notice and hearing process for adoption of rates.

She also recently assisted Mr. Schultz in creating a comprehensive model of costs and revenues as part of setting cost-of-service solid waste rates for the **City of Menlo Park**. The rate model incorporated hauler expenses and disposal costs to calculate the cost of service. It also used actual subscription data to calculate expected revenues based on current rates. Ms. Radford created a financial projection of the rates over a three-year time span; rates generated in this model were used in a Proposition 218 notice distributed by the City.

For the cities of **Santa Rosa, Milpitas, and Piedmont**, Ms. Radford studied the hauler-proposed rate structures to assist the City in their procurement process for solid waste services. Ms. Radford also reviewed the Indexed Rate-Adjustment Applications submitted by haulers for the cities of **Piedmont, Concord, and Los Altos**.

**Legislative Compliance Assistance**

Ms. Radford is actively tracking upcoming regulations such as AB 901, AB 1594, and SB 1383, and their expected impacts on programmatic requirements and diversion for clients throughout the state, including: the cities of **San Francisco, Menlo Park, Los Altos, Concord, and Martinez**; the **West Contra Costa Integrated Waste Management Authority (RecycleMore)**; and the **County of Marin**.

She has also advised clients throughout California on the anticipated effects of changing requirements for organics programs, as well as the implications of the changes in reporting regulations for diversion performance, regulatory compliance, and long-term planning efforts. She has advised clients such as **RecycleMore** and **Marin County** on the interactions between SB 1383 and AB 901 disposal reporting requirements, especially on the disposal of sludge and biosolids and the use of organic material as Alternative Daily Cover (ADC).

Recently, Ms. Radford played a primary role in designing the database used to store and analyze rates for **CalRecycle** in the *Statewide SB 1383 (Organics) Rate Survey* conducted by R3.

Emily Ginsburg

R3 Senior Project Analyst | Project Support



Section 1

Firm  
Qualifications  
& Key  
Personnel

**PROFESSIONAL BACKGROUND**

Ms. Ginsburg is a Senior Project Analyst at R3 with expertise in conducting various financial analyses, reviewing rate applications, revenue and expense projections, price indices, and tonnage projections, and confirming calculation accuracy. She is also skilled in reviewing the accuracy of reported fees, assessing compliance with and completeness of reporting requirements, and providing verification through on-site evaluations.

Additionally, Ms. Ginsburg conducts market area surveys to assess if proposed rates are consistent with surrounding market rates, supports informed decision-making through reporting of key findings, and assists in verification support. Other valuable experience includes providing support for R3’s negotiation and procurement projects, strategic Zero Waste plans, and solid waste surveys.

**EDUCATION & CERTIFICATIONS**

- Bachelor of Science in Conservation and Resource Studies, and a Minor in City and Regional Planning from the University of California, Berkeley
- C&D Recycling Facility Evaluator, Recycling Certification Institute

**PROJECT ROLE**

With her experience on similar past projects for the City of Menlo Park and the County of San Mateo, Ms. Ginsburg will serve as Project Support on all Tasks.

**RELEVANT PROJECT EXPERIENCE**

**Financial Analysis and Planning**

Ms. Ginsburg assisted the **Tamalpais Community Services District** in a 10-year financial planning and rate-setting effort. This work involved conducting a detailed review of the District’s financial management practices in order to project operating expenses and revenues and making recommendations to set rates that adequately support the District’s operations while minimizing the impact on ratepayers.

Ms. Ginsburg provided valuable project support for our *Rate Methodology Review* for the **Marin Franchisors Group** (cities of **San Rafael, Larkspur, and Ross, the County of Marin,** and the **Las Gallinas Valley Sanitary District**), which involved studying various rate-setting methodologies and the complete restructuring of the Group’s base-year detailed rate-review methodology.

For rate-related projects conducted for **RecycleMore** and the cities of **Concord, El Cerrito, Piedmont, and Industry**, Ms. Ginsburg has conducted rate surveys, evaluated hauler-submitted rate applications and resulting rate structures. Ms. Ginsburg has also assessed indexed rate adjustments for the cities of **Piedmont and El Cerrito**, the **Marin Franchisors Group**, and other Bay Area jurisdictions. Her responsibilities included reviewing rate applications, which entailed confirming revenue and expense projections, price indices, tonnage projections, and accuracy of calculations.



Section 1

Firm  
Qualifications  
& Key  
Personnel

**RELEVANT PROJECT EXPERIENCE (CONTINUED)**

**Financial Analysis and Planning**

In her work evaluating solid waste hauler applications for rate increases, Ms. Ginsburg assesses estimated costs to implement new waste diversion programs. She recently provided analytical support for our detailed review of Recology’s rate-adjustment request for the **City and County of San Francisco**. As part of this engagement, Ms. Ginsburg helped assess the proposed costs for a mixed-waste processing pilot program in support of the City’s efforts to achieve Zero Waste. Her careful assessment of new services to be funded on solid waste rates helped establish the reasonableness of proposed costs and assisted in ultimately minimizing ratepayer impacts.

In addition, Ms. Ginsburg worked with the **City of Alameda** to evaluate costs associated with implementing Zero Waste plan policies and programs. This work involved the identification of potential funding sources, potential solid waste rate impacts, and estimates of annual cost over the 5-year planning horizon for start-up and ongoing labor, outreach and educational materials, and infrastructure. Ms. Ginsburg has performed similar cost analyses for the **City of Menlo Park** as part of its Zero Waste plan development, and for the **City of Livermore** to implement Phase II of its High Diversion Strategic Plan.

**Legislative Compliance Assistance**

Ms. Ginsburg has assisted many municipalities with implementing AB 1826 and AB 341 requirements and demonstrating these efforts to CalRecycle. She is also monitoring the state’s rulemaking process for SB 1383, and assisting local jurisdictions in preparing for stricter requirements on organics disposal.

For the **Tamalpais Community Services District**, Ms. Ginsburg developed recommendations to provide additional opportunities to divert green waste, and a new programmatic position to assist the District in complying with SB 1383 and other legislative requirements. She developed recommendations to address SB 1383 for the **City of Menlo Park’s Zero Waste Plan** and the **City of Livermore’s Phase 2 High Diversion Plan**. She also recommended enhancements to organic material diversion through technical assistance, and mixed waste processing, edible food recovery in the **City of Alameda**, and conducted an analysis of additional potential diversion and development of waste reduction policies and programs to help the **City of Corte Madera** divert its organic waste and recyclables from disposal, and comply with AB 1826.

Ms. Ginsburg assisted **RecycleMore** and the cities of **Los Altos** and **Concord** in identifying covered and non-compliant waste generators under AB 1826 and AB 341, developing and reviewing educational materials and letters to communicate legislative requirements, conducting site visits, and documenting jurisdiction implementation and monitoring efforts in the Electronic Annual Report. For the cities of **Los Altos** and **San Bernardino**, Ms. Ginsburg assisted in updating the cities’ Municipal Code to address legislative compliance and set requirements for commercial and multi-family waste generators.



## Section 2

### **Subcontractors**

*This page intentionally left blank.*

## Subcontractors

R3 will not be utilizing any subcontractors for this engagement for the Town.

R3

Section 2

*This page intentionally left blank.*

Subcontractors

R3

## Section 3

### **Project Work Plan**

*This page intentionally left blank.*

## Project Work Plan

This work plan outlines R3's understanding of the project and outlines our detailed approach and is based on our firm's years of experience providing similar procurement services to agencies throughout California. Additionally, this work plan is made cost-effective thanks to our intimate familiarity with the current services provided to the Town, the costs for services provided to the Town, and the details of the proposed Amended and Restated Franchise Agreement with Recology. Our work plan provides a realistic approach to providing the Town with assistance evaluating the opportunity for the Town to use a different service provider for solid waste collection, recycling, processing and disposal services. Specifically, via this work plan, R3 will help the Town:

- Identify known current services and costs for those services provided to the Town by Recology and SBWMA;
- Evaluate its options for securing a different service provider for collection services only, and for collections, recycling, processing and disposal services together;
- Identify and invite a limited set of alternative and local solid waste companies to propose to provide services to the Town;
- Secure firm cost proposals from local solid waste companies that can be easily compared to the current services received by the Town and costs paid by its ratepayers;
- Evaluate proposals and interview proposers to establish findings and recommendations for the Town as it considers its options;
- Support the Town and City Council in deciding whether to approve the Amended and Restated Franchise Agreement with Recology, or to contract with a different service provider; and
- Establish the necessary next steps if the Town does decide to pursue a contract with a service provider other than Recology, and, potentially, SBWMA.

R3's technical assistance to the Town will include:

- Documentation of current services and costs as noted above;
- Adaptation of the draft Amended and Restated Franchise Agreement as the basis of the contract to be included with the RFP;
- Preparation and distribution of a concise Request for Proposals (RFP) for the desired services and cost proposals;
- Management of the RFP development, issuance, amendment, evaluation, and interview processes; and
- Development of written reports and presentations to the City Council, including findings and recommendations resulting from the RFP process.

The following task descriptions describe our approach and methodology in detail.

The logo for R3, consisting of the letters 'R' and '3' in a stylized, blue, handwritten font.

## Section 3

### Project Work Plan

It should be noted that while this proposal will provide the Town with the necessary information to make a decision about whether to adopt the Amended and Restated Franchise Agreement with Recology – further due diligence, documentation, and negotiation (all not included in this proposal) would need to be conducted prior to executing a contract with a different services provider.

While the proposed RFP process will provide sufficient information for the Town to reach a decision about the potential contract with Recology, due to timing and our assessment of the Town's budget for this project, the proposed process does not include elements that would otherwise be necessary for the Town to contract with a different service provider, such as a review of financial information, insurance requirements, performance and surety bonding, exceptions to the proposed agreement, and reference checking, etc. We recommend that such activities be undertaken by the Town subsequent to the Town making a decision about whether to approve the Recology contract, and R3 is fully prepared and qualified to support the Town with such due diligence via an amendment to this work plan and proposed fees.

### Task 1 Information Review and Kick-off Meeting

#### Initial Information Review

R3 will begin by acquiring and conducting an initial review of documents necessary for successful completion of the project, which include and not necessarily limited to:

1. The Town's current Franchise Agreement and the Amended and Restated Franchise Agreement, both of which R3 has already reviewed previously on behalf of Menlo Park and the County of San Mateo; we will re-review both documents with respect to the Town's specific interests;
2. The upcoming 2020 Recology Compensation Application from Recology, as well as the revisions that may arise during the associated public review and adoption process;
3. Recology's annual Revenue Reconciliation for the Town, which R3 has reviewed annually in each of the past four years, and which identify the amounts of surplus that are owed the Town or Recology through 2018;
4. Recology's current projected 2021 Compensation allocation to the Town, set by the Amended and Restated Franchise Agreement, as well as associated assumptions about projected fuel and account growth inflation that will be applied in 2021;
5. Recology's complete and current subscription levels, with all associated monthly rates billed to customers by Recology, and all associated contact information, which the Town should be allowed by Franchise Agreement in the event the Town chooses to contract with a different service provider;
6. SBWMA's upcoming 2020 budget, including associated tipping fees, tonnage projections, and projected expenses attributable to the Town, the projected 2019 amounts for the Town, and the actual amounts attributable to the Town in 2016, 2017 and 2018;
7. South Bay Recycling's (SBR's) annual 2019 monthly report and select 2020 monthly reports as they are available, which identify all franchised tonnages attributable to the Town, and with which R3 is already intimately familiar with and has access to;
8. Detailed listings, provided by Recology, SBWMA, and the Town, for all known services associated with the Town's contract with Recology and its membership in SBWMA;

9. Detailed listing, provided by the Town of all known and current Town-adopted service rates, Town services provided by Recology, and fees paid by Recology to the Town; and
10. Other relevant information as identified by R3 and the Town.

While this document listing is extensive and comprehensive, R3 is able to acquire and conduct initial review for the Town very cost-effectively thanks to our four years conducting the annual audits of Recology's Revenue Reconciliation to SBWMA and the Recology and SBR annual reports. R3 is consequently one of the very few firms that has easy access to the information required for this project.

### **Kick-off Meeting**

Additionally, R3 will attend an initial face-to-face kick-off meeting with the Town, including staff and, if desired, an Ad Hoc Committee of the Council. The purpose of the meeting would be to review the project approach, schedule, key decision points, limitations to this scope of work, and revisions that may be desired to further the interests of the Town. R3 will prepare the kick-off agenda and lead the meeting, with the Town providing the meeting space and schedule coordination. R3 will also prepare a list of Town information needed for the project and will be prepared to discuss the specifics with Town staff.

### **Task 1 Deliverables**

- Kick-off meeting agenda; and
- List of Town information needed.

## **Task 2 Summarize Services, Specifications and Costs**

### **Concise Annual Summary**

As a benefit to the Town, R3 already has an extremely detailed understanding of the complex regional financial arrangements between the Town, Recology, SBWMA and SBR. As a result, we have the direct ability to demonstrate the annual cost of service for the Town's services, expressed in an easy to understand "annual budget summary" type presentation that we propose be the basis of comparison for this project.

Clearly demonstrating the complete set of known services, their annual costs, and other specifications will not only form the main basis of comparison for the project, but certain pieces of information will need to be shared with potential proposers for an equivalent comparison. Likewise, proposers will be required to respond with specific cost information for each proposed service, to allow for direct comparison to the projected Town costs for 2019, 2020 and 2021.

### **Detailed Review and Analysis**

As R3 prepares the summary, which will involve a detailed review and analysis of the documents made available to R3 in Task 1, we will be mindful of the primary categories of expenses that relate to the Town's solid waste rates.

Specifically, we will separately categorize and detail:

- Costs for collection, Town services, special events, and other services provided to the Town by Recology, with delineation by subcategories in Recology's annual Compensation Applications;

R3

## Section 3

### Project Work Plan

- Costs for processing, recycling and disposal services – including household hazardous waste and other “post-collection” or “special handling” type services – provided to the Town via its membership in SBWMA through the Shoreway Environmental Center, operated by SBR;
- Costs for state compliance, collection and post-collection contract management, and other services provided to the Town by SBWMA; and
- Costs for Town fees paid by Recology.

Within each of the above, we will provide listings of all known services provided to the Town, and will attempt to, where possible, specifically calculate – or estimate where necessary – the costs for each service. This may not be possible in all cases but could be beneficial in advancing the Town’s interests.

#### **SBWMA Withdrawal**

It should be noted that one important limitation to the scope of this project pertains to the potential costs to the Town if it were to seek withdrawal from the SBWMA. Based on the Town’s statement of intentions for this project as stated in the Town’s RFP, we understand that the Town wishes to evaluate proposals for services that include those services currently provided by the SBMWA. If the Town were to decide to contract for those services with a different service provider, then the Town’s membership in SBWMA would become redundant. If that were to be the case, R3 suspects that the Town may wish to withdraw, which would likely require some amount of one-time transactional costs, potentially some ongoing repayment costs, and certainly some ongoing government administration costs.

Given what we suspect is the Town’s anticipated budget for this project, R3 is not proposing to conduct any review or analysis of the potential costs herein. R3 would be available to conduct such an analysis for the Town and would welcome the opportunity to discuss that work with the Town. However, the Town could also potentially conduct this analysis on its own, and via engagement and participation with SBWMA staff. In either case, for the success of this project, it will be important to have Town-approved estimates of these costs for comparative evaluation in Task 4. The Town should determine during completion of this Task whether it truly does wish to consider a different service provider for all solid waste collection, recycling, processing and disposal services, or whether it wishes to evaluate different collection service providers only (in which case estimates of the costs to withdraw from SBMWA would not be necessary).

#### **Task 2 Deliverables**

- One (1) concise draft annual summary of services, specification, and calculated (or, if necessary, estimated) costs for solid waste collection, recycling, processing and disposal services provided to Town by Recology and SBWMA, for 2019, 2020, and 2021;
- One (1) round of revisions to the annual summary based on consolidated set of written comments provided by the Town (with approximately two weeks provided for Town review); and
- One (1) final summary used as the basis for comparison for the RFP process.



## Task 3 Prepare and Issue Request for Proposals

## Section 3

### Project Work Plan

### Develop Concise RFP Document

Using the summary information developed via Task 2, an adapted version of the Amended and Restated Franchise Agreement, and prior procurement documents developed by R3, we will prepare a brief RFP for the Town's solid waste collection, recycling, processing and disposal services. Due to factors described in prior sections, this RFP will gather information necessary for the Town to make a decision about whether to approve the Recology contract or pursue a contract with a different service provider and will establish not-to-exceed cost proposals for equivalent services for the Town.

R3 envisions development and issuance of a short, approximately 20-page RFP document, which will be accompanied by a lightly adapted Amended and Restated Franchise Agreement, and which will furthermore provide sufficient service and specific detail to potential proposers to establish equal comparisons during the evaluation process.

### Response Requirements

Specific requirements for responses to the RFP will be developed during this Task, and generally would include such considerations as:

- Completeness of response, and Town's ability to reject any or all proposals;
- Succinctness of proposal responses;
- Separate treatment and responses for collection services and post-collection services;
- Need for binding not-to-exceed cost proposals by service and in total; and
- Ability to waive minor discrepancies, etc.

R3 will work with the Town to establish other specific requirements necessary to the Town's evaluation of proposals, while keeping within the concise and cost-effective approach to the development of the RFP.

### Proposal by Invitation Only

There are a limited number of potential local/regional service providers that could realistically provide cost-effective services to the Town. Given the timing of the project, and for greater cost-effectiveness, R3 proposes that the following potential proposers be invited to respond to the RFP. These proposers are representative of all known service providers operating locally to the Town, and can be reviewed and amended by R3 and the Town prior to issuance of the RFP:

1. GreenWaste Recovery, which operates locally in Palo Alto, Los Altos Hills, San Jose, and elsewhere locally and regionally;
2. Mission Trail Waste Systems / Garden City Sanitation (and associated companies), which operates locally in Los Altos, Santa Clara, Milpitas, South San Francisco, and elsewhere locally;
3. California Waste Solutions, which operates in San Jose, Oakland, and elsewhere regionally;

R3

Section 3

Project Work  
Plan

4. Green Team / West Valley Collection and Recycling (operated by Waste Connections), which operates in Los Gatos, Saratoga, San Jose, and elsewhere locally, regionally, and nationally;
5. Republic Services, which operates in Half Moon Bay, San Jose, Fremont and elsewhere regionally and nationally; and
6. Waste Management, which operates in Oakland, and elsewhere regionally and nationally.

These are the firms most likely to be in a position to propose cost-effective services to the Town, based on R3's experience. The Town could also invite Recology to respond to the RFP, though R3 is already aware that Recology would likely decline such an opportunity.

Given that R3 is suggesting a concise RFP with requirements with the anticipation of short and succinct responses from invited respondents, we propose that the RFP be issued with a six-week response timeframe. After issuing the RFP, and while respondents are preparing their proposals, R3 will be available to assist the Town in responding to questions raised by proposers, and the development and issuance of limited addenda to the RFP should they be necessary to provide clarification to proposers.

### Task 3 Deliverables

- One (1) draft concise RFP document and associated adapted Franchise Agreement;
- One (1) round of revisions to the RFP based on consolidated set of written comments provided by the Town (with approximately two weeks provided for Town review); and
- One (1) final RFP and adapted Franchise Agreement issued electronically to invited proposers.

### Task 4 Evaluate Proposal Responses

Once responses to the RFP have been received by the Town, R3 will assist the Town by:

- Reviewing all complete and qualified RFP responses;
- Summarizing and establishing comparisons of responses;
- Establishing evaluation criteria and identifying anomalies and exceptions to the proposal requirements;
- Working with the Town to establish an evaluation committee of Town staff (potentially including members of a Council Ad Hoc Committee); and
- Meeting with the Town's evaluation committee to review and evaluate proposals.

Because this process is being designed to compare cost proposals for equivalent services, we expect that the primary evaluation criteria will be the proposed costs for providing services to the Town. Though other evaluation criteria should be considered, the fact that this process can establish comparison of costs for equivalent services should facilitate relatively straightforward evaluation by the Town evaluation committee.

R3 will support the evaluation committee by conducting analysis of proposal responses, comparing those responses to the information analyzed in Task 2, and providing the Town with findings and recommendations resulting from our analysis.



#### Task 4 Deliverables

- Review and analysis of complete and qualified RFP responses;
- One (1) written summary comparing responses;
- One (1) analytical analysis in Excel, comparing costs for proposed services;
- One (1) meeting with the Town evaluation committee to review responses; and
- Development of one (1) set of initial findings and recommendations for Town consideration during the evaluation process.

#### Task 5 Interviews with Select Proposers

Upon completion of the Task 4 evaluation process, R3 will work with the Town to conduct interview with select proposers. This would occur at the Town's offices over the course of one (1) day. R3 will arrange interviews with the select proposers with scheduling and interview locations provided by the Town.

The purpose of the interviews will be to clarify and attain additional information from proposers to solidify critical elements of the Town's initial evaluation. R3 suggests that proposers, at minimum, present specifically how they would meet the Town's service needs and provide a virtual tour of the recycling, processing and disposal facilities that would be used in performing services to the Town. Other topics that we anticipate exploring with proposers during the interview include:

- Exceptions to Franchise Agreement;
- Opportunities for services changes that the Town may wish to consider; and
- Other items for consideration should the Town choose to contract with a new services provider.

#### Task 5 Deliverable

- One (1) day of interviews with select proposers, including associated preparation and following up with the Town.

#### Task 6 Prepare Report of Findings and Recommendations

Following completion of the interviews conducted in Task 5, R3 will prepare and draft and then final report of findings and recommendations resulting from the RFP project. R3 currently anticipates that the report will generally include:

- An overview of the RFP process, including the timeline and specific efforts undertaken;
- A summary of the Town's solid waste collection, recycling, processing and disposal services, including those currently provided by Recology and SBWMA, as well as those that would be provided via Town approval of the Amended and Restated Franchise Agreement;
- A summary of the RFP responses received, including the solid waste service providers that proposed, and comparison of the costs and services offered;
- Key findings and results established during the evaluation and interview processes;

R3

## Section 3

### Project Work Plan

- Recommendations to the Town regarding approval of the Recology Amended and Restated Franchise Agreement or pursuit of a contract with an alternative service provider;
- A request for the City Council to decide whether or not to approve the Recology Amended and Restated Franchise Agreement;
- A request for the City Council to decide whether or not to pursue a contract with an alternative service provider; and
- Next steps for the Town if the City Council decides not to approve the Amended and Restated Franchise Agreement with Recology.

R3 will first prepare and send a draft report for Town staff review approximately three (4) weeks prior to the City Council meeting. The Town will have approximately one (1) week to review the draft report and provide one set of consolidated written comments to R3. After receiving written comments from Town staff, R3 will proceed to finalize the report and provide a final report approximately one (2) weeks prior to the City Council meeting.

#### Task 6 Deliverables

- One (1) draft report for Town review and written comments; and
- One (1) final report based on Town's written comments.

#### Task 7 Presentation to City Council

Following completion of Task 6, R3 will summarize the Final Report in a PowerPoint Presentation and will prepare for an in-person presentation to the City Council. R3 will first prepare and send a draft presentation for Town staff review approximately three (3) weeks prior to the City Council meeting. The Town will have approximately one (1) week to review the draft presentation and provide one set of consolidated written comments to R3.

After receiving written comments from Town staff, R3 will proceed to finalize the presentation, and provide a final presentation approximately one (1) week prior to the City Council meeting. Based on the proposed schedule, R3 anticipates that the Council meeting will occur on November 20 or December 18, 2019. Delays in the project could result in postponement of the presentation to January 15 or February 19, 2020, ahead of the March 31, 2019 project completion date stated in the Town's RFP.

R3's Council presentations are clear and concise, with an emphasis on explanation and justification. While R3 is a firm of technical solid waste experts, our presentations focus on communicating results in ways that are easily understood by elected officials and the public.

#### Task 7 Deliverables

- One (1) draft PowerPoint presentation for Town to review and written comments;
- One (1) final PowerPoint presentation including revisions based on the Town's written comments; and
- Attendance at one (1) City Council meeting to present findings and recommendations.

R3

## Additional Meetings with Staff, Public, or City Council

This Project Work Plan and the accompanying fee proposal includes limited meetings with Town Staff and the City Council. R3 is available for conversations via phone/conference calls as needed throughout completion of the project. Meetings included within the base proposal and fee proposal are limited to:

- One (1) kick-off meeting with Town staff, provided in Task 1;
- One (1) evaluation meeting with Town staff, provided in Task 4;
- One (1) day of interviews with Town staff and RFP select proposers, provided in Task 5; and
- One (1) presentation during a City Council meeting.

R3 will prepare for and attend additional meetings if the Town requires additional meetings with staff, RFP proposers, Councilmembers, the City Council, SBWMA, or other individuals or entities. The cost for additional meetings is stated in our fee proposal and is a not-to-exceed amount of \$2,950 per meeting, inclusive of preparation, meeting attendance, travel/expenses, and limited follow-up actions/communications.

## Limitations and Exclusions

As noted above, this proposal is by necessity limited in its scope, and expressly excludes the following types of analyses. While these are not included in this scope or our fee proposal, R3 is fully qualified and capable of conducted such analyses, subject to approval of additional scope and fees by the Town. Excluded analysis include but are not limited to:

- Potential Town withdrawal from SBWMA, and the associated one-time, short-term, and ongoing costs of such action;
- Negotiating and executing a Franchise Agreement with a different provider, if the Town chooses to contract with a provider other than Recology;
- Rate analysis and rate structure, which is not necessary for the RFP preparation and evaluation process, since the Town's rates are currently decoupled from compensation for solid waste collection, recycling, processing and disposal services;
- Evaluation of Town compliance with AB 939, SB 1016, AB 341, AB 1826, and SB 1383, and other associated laws and regulations;
- Evaluation of proposals from solid waste companies not specifically invited to submit proposals to the Town; and
- Other analyses and deliverables not specifically described herein.

Given what we understand of the Town's needs for this project, the exclusion of the above-references analyses is not immediately necessary, unless the Town chooses to pursue a contract with a different service provider. If the Town does make such a choice, the Town may need to conduct the types of additional analyses described above. Should that occur, R3 would be happy to provide supplemental scope and fee proposals to the Town for the additional work.

R3

Section 3

*This page intentionally left blank.*

Project Work  
Plan

## Section 4

### **Project Schedule**

*This page intentionally left blank.*

## Project Schedule

R3’s proposed timeline below assumes that the City Manager will provide recommendation of award to City Council on Wednesday, June 19, 2019, as outlined by the RFP, with the project starting on the following Monday, June 24, 2019. Note that the schedule is subject to change and will be adjusted accordingly. Please also note that if the Town chooses to contract with a service provider other than Recology, the negotiation and finalization of that contract would follow after the Task 7 presentation to City Council, and is not included in this proposal.

**Table 4-1  
Tentative Schedule**

Task & Milestones		Start Date	Completion Date
1	Information Review and Kick-off Meeting	June 24, 2019	July 8, 2019
2	Summarize Services, Specifications and Costs	June 24, 2019	July 8, 2019
3	Prepare and Issue Request for Proposals	July 8, 2019	August 5, 2019
<i>Invited Respondents Prepare Proposal Responses</i>		<i>August 5, 2019</i>	<i>September 16, 2019</i>
4	Evaluate Proposal Responses	September 16, 2019	September 30, 2019
5	Interviews with Select Proposers	September 30, 2019	October 14, 2019
6	Prepare Report of Findings and Recommendations	October 14, 2019	October 28, 2019
7	Presentation to City Council	November 20, 2019	January 29, 2020

## Section 6

### **References**

*This page intentionally left blank.*

# References

## Half Moon Bay, CA

**Relevant Experience:** Negotiations & Procurement

**Project Description: Solid Waste Procurement Assistance**

R3 was engaged by the City of Half Moon Bay (City) to provide full-service assistance with the City’s procurement of solid waste collection and street sweeping services, which included:

- Reviewing City and current contractor resource documents, working with stakeholders, and compiling the RFP package;
- Developing collection program requirements, the Agreement, minimum contractor qualifications, and a mailing list of potential proposers;
- Preparing evaluation criteria, providing written responses to questions submitted regarding the RFP, and preparing addenda as necessary;
- Conducting the pre-proposal meeting, evaluating responses, conducting interviews, and checking proposers’ references;
- Attending City Council meetings, assisting with the presentation of the results of the evaluation process and staff recommendations, and finalizing the Agreement.

R3 conducted the RFP process, evaluated proposals and negotiated improvements to the collection service Agreement to include the addition of two HHW drop-off collection events for the City with the winning proposer, Republic. Recommendations for award were taken to City Council in September 2017 and Republic began new services in Spring 2018.

**Benefits:**

- The addition of a dedicated recycling specialist;
- Food waste collection and processing for all customers;
- Two HHW drop-off collection events for the City; and
- An implementation plan designed to lay out the foundation for new services and facilitate a smooth transition before the start of the new contract.

**Project Team:** Richard Tagore-Erwin, Project Manager  
Garth Schultz, Project Support

**Project Dates:** August 2016 – September 2017

**Client Contact:** Mr. John T. Doughty, Community Development Director  
501 Main Street, Half Moon Bay, CA 94019  
(650) 726-8252 | [jdoughty@hmbcity.com](mailto:jdoughty@hmbcity.com)



Section 6

References

---

## Los Altos, CA

---

**Relevant Experience:** Negotiations & Procurement Assistance

**Project Description: Contract Extension Negotiations**

R3 is currently engaged by the City of Los Altos (City) to assist in contract extension negotiations with the City’s franchised hauler, Mission Trail Waste Systems (MTWS).

For this engagement, R3 is acting as an extension of City staff to assist in the following tasks:

- Seeking City Council direction regarding desired terms for negotiation and potential inclusion in an extended Agreement (“deal points”);
- Proposing suggested amendments to the existing Agreement to be used to negotiate with MTWS;
- Conducting clarification or negotiation sessions as necessary;
- Finalizing the Agreement Amendment, if determined to be appropriate; and
- Assisting City staff with staff reports, memoranda, and presentation materials for City Council.

R3 is also preparing an overview of six neighboring jurisdictions’ solid waste operations (i.e., programs, services, performance and operational requirements, customer rates, and rate structure) to allow the City to draw an effective comparison between the City’s solid waste operations and the current operations of similar communities.

**Anticipated Benefits:**

- Established City “deal points” for an extended Agreement with MTWS, to be used to guide the negotiation process; and
- Agreement Amendment with MWTS for extended services, including:
  - Incorporation of solid waste industry best practices and state legislative requirements AB 1594 and AB 1826.

**Project Team:** Rose Radford, Project Manager  
Garth Schultz and Claire Wilson, Project Analysts

**Project Dates:** December 2018 – Current Ongoing Project

**Client Contact:** Ms. Aida Fairman, Interim Engineering Services Director  
1 N. San Antonio Road, Los Altos, CA, 94022  
(650) 947-2603 | [AFairman@LosAltosCA.gov](mailto:AFairman@LosAltosCA.gov)



## Marin Franchisors Group

(Cities of San Rafael, Larkspur, and Ross, the County of Marin, and the Las Gallinas Valley Sanitary District)

**Relevant Experience:** Financial and Rate Services

### **Project Description: Rate Methodology Review**

R3 worked with the cities of San Rafael, Larkspur, and Ross, the County of Marin, and the Las Gallinas Valley Sanitary District (Marin Franchisors Group or Group) to review their solid waste rate-setting methodology. Project tasks included:

- **Developing a Simplified Rate-Adjustment Methodology** – R3 simplified and streamlined the current rate-adjustment methodology, and proposed a method of addressing changes and challenges in the industry in the coming years (i.e., where the industry is going and what the Group and the hauler, Marin Sanitary Service [MSS], should be planning for) as well as the proposed approach to address potential MSS-requested changes to programs and services in non-detailed rate review years;
- **Developing a New Methodology for the Recycling Revenues Balancing Account** – R3 addressed recycling commodities fluctuations, including how the processing cost and recycling revenue projections are initially set and subsequently adjusted; and
- **Developing a Methodology for Addressing Commercial Migration** – i.e., more recycling and composting results in a smaller garbage cart and lower price, but not less service or cost.

“Thank you again for all the hard work, creativity and diligence you put into this project. We clearly made the right choice in selecting you and R3 to lead this project. I’ve heard nothing but praise from all the stakeholders, including the other jurisdictions and the company. Our Council appreciated your clear and compelling presentations.”

- Cory Bytof,  
**Sustainability & Volunteer Program Coordinator, City of San Rafael**

### **Benefits:**

- Lower level of effort and cost for annual rate adjustments; and
- Improved communications about the rate-adjustment process.

**Project Team:** Garth Schultz, Project Manager  
Emily Ginsburg, Project Analyst

**Project Dates:** May 2016 – December 2018

**Client Contact:** Mr. Cory Bytof, Sustainability & Volunteer Program Coordinator,  
City of San Rafael  
1313 Fifth Avenue, San Rafael, CA 94901  
(415) 485-3407 | [cory.bytof@cityofsanrafael.org](mailto:cory.bytof@cityofsanrafael.org)



Section 6

References

---

## Piedmont, CA

---

**Relevant Experience:** Negotiations & Procurement Assistance

**Project Description: Franchise Extension Negotiations & Solid Waste Collection Service RFP**

R3 assisted the City of Piedmont (City) in conducting a competitive process to procure high-quality services for garbage, green waste, and recyclables collection and processing. R3 also conducted an operations and billing review of the City's franchised hauler, Republic. Among other tasks, R3 conducted a survey of rates and services for comparative communities, fully reviewed the current Agreement, established a set of recommendations for the new Agreement, and organized the City's "deal points" for potential inclusion in an extended and restated Agreement.

Recently, R3 was engaged by the City to assist with franchise extension negotiations with Republic. Tasks included:

- Seeking City Council direction regarding desired terms for negotiation and potential inclusion in an extended Agreement;
- Developing a new Agreement;
- Conducting clarification or negotiation sessions;
- Finalizing the Agreement; and
- Assisting City staff with staff reports, memoranda, and presentation materials for City Council.

During negotiations, Republic requested unacceptable rate increases, and R3 subsequently recommended going to bid. R3 then led the subsequent competitive procurement process, for which the RFP was released in April 2017.

City Council approved staff's recommendation to proceed to negotiations with Republic, and R3 scheduled negotiation meetings and submitted letters to Republic for clarification of their proposal and stances on various negotiation items. The second round of negotiations resulted in Republic being selected for the solid waste collections contract.

**Benefits:**

- The provision of on-premises "backyard" service at a surcharge equivalent to the costs of providing these services, except for physically disabled residents, who pay curbside rates;
- A new fleet of collection vehicles;
- Compact fluorescent lamp (CFL) pickup at curbside;
- Payment to the city of \$75,000 (escalated by CPI) per year to fund the provision of commercial education and outreach services by the City or its representative; and
- Bulky item pickup provided twice per year for up to 6 cubic yards per event for single-family residents and provided to multi-family residents at the request of the property manager.



**Project Team:** Garth Schultz, Project Manager  
Rose Radford, Project Analyst

**Project Dates:** May 2016 – January 2018

**Client Contact:** Mr. Kevin Jackson, Interim Planning Director  
120 Vista Avenue, Piedmont, CA 94611  
(510) 420-3039 | [kjackson@ci.piedmont.ca.us](mailto:kjackson@ci.piedmont.ca.us)

---

## Santa Rosa, CA

---

**Relevant Experience:** Negotiations & Procurement Assistance

**Project Description: Solid Waste Procurement Assistance**

As a result of a performance review conducted by R3 in 2015, we were engaged by the City to provide assistance in procuring a new hauler for the City’s solid waste and recycling collection and processing services. As with all of our procurement projects, R3 worked closely with City staff to complete the following tasks:

- Conduct community workshops and City Council meetings;
- Prepare written RFPs and Agreements;
- Oversee the competitive procurement process;
- Analyze waste hauler proposals; and
- Manage the evaluation of proposers and selection of a provider for City services.

This project resulted in a high-diversion, state-of-the-art residential and commercial exclusive Agreement and RFP. The City received five (5) proposals for the provision of collection service – R3 reviewed and analyzed proposals, interviewed and negotiated with the highest-ranked companies, conducted site visits at proposed facilities, and provided the City with high-level information about how each company could affect the goals and collection within the City.

During this process, The Ratto Group sold its company to Recology. R3 assisted in a review of Recology to establish findings regarding the proposed contract assignment, on behalf of the various jurisdictions in Sonoma County (including Santa Rosa) holding solid waste collection franchise and other agreements with The Ratto Group. Currently, R3 is providing contract management assistance and developing a Zero Waste Plan for Santa Rosa.

**Benefits:**

- A new high-diversion, state-of-the-art residential and commercial exclusive Agreement and RFP; and
- Full compliance with AB 1826 and SB 1383.

**Project Team:** Richard Tagore-Erwin, Project Manager  
Garth Schultz, Natalie Lessa and Rose Radford, Project Support

**Project Dates:** July 2016 – March 2018

**Client Contact:** Ms. Gloria Hurtado, Deputy City Manager (recently retired)  
100 Santa Rosa Ave Room 10, Santa Rosa, CA 95404  
(707) 543-3021 | [GHurtado@srcity.org](mailto:GHurtado@srcity.org)

Mr. Joey Hejnowicz, Administrative Analyst  
100 Santa Rosa Ave Room 10, Santa Rosa, CA 95404  
(707) 543-3023 | [jhejnowicz@srcity.org](mailto:jhejnowicz@srcity.org)



Section 6

References

## South Bayside Waste Management Authority (SBWMA/RethinkWaste)

**Relevant Experience:** Financial and Rate Services

**Project Description: Financial Systems and Annual Report Audits**

R3 was engaged by South Bayside Waste Management Authority (RethinkWaste) to conduct the 2014, 2015, 2016, 2017, and 2018 Financial Systems Audits, as well as annual Audits of the Recology and SBR annual reports. These engagements have included detailed reviews of RethinkWaste's franchised hauler's (Recology) annual Revenue Reconciliation and a review of its contracted facility operator's (SBR) accounting and remittance of all self-haul gate revenues.

For these engagements, R3 investigated and resolved extraordinary adjustments and conditions in financial information reported to RethinkWaste, and validated the calculations of surplus (or shortfall) in billings by member agency, as compared to Recology's compensation by Member Agency as set by RethinkWaste.

The Recology Financial Systems Review included:

- Verification of Gross Revenue Billed: Gross revenues reported in the Revenue Reconciliation by Member Agency and in total tied to accounting records;
- Verification of Rates by Member Agency: Recology's billings are consistent with the approved rate schedules;
- Verification of Pass-Through Costs: Pass-through costs including disposal and processing costs and Member Agency fees are accurately calculated by Member Agency;
- Verification of Net Revenue Calculation: Net revenues and adjustments are supported and accurately calculated;
- Verification of Contractor's Compensation: Recology's annual compensation ties to RethinkWaste's approved compensation for each Member Agency; and
- Verification of Surplus (Shortfall) Calculations: Surplus (shortfall) calculations are accurately calculated.

The SBR Financial Systems Review included:

- Verification of Public Revenue: Public revenue (\$6,105,000) transferred to RethinkWaste ties to accounting records;
- Verification of Commodity Revenue: Reported gross commodity revenue (\$11,153,000 to SBWMA) ties to accounting records;
- Verification of Shoreway Buyback Center Payments: Payment by SBR to Shoreway Buyback Center customers, and associated reimbursements by RethinkWaste, ties to accounting records and other related supporting documentation;
- Review of Scale House Procedures; and
- Test of Weight Tickets.



**Benefits:**

- Validation of calculations of surplus (or shortfall) in billings by Member Agency, as compared to Recology’s compensation by Member Agency as set by RethinkWaste; and
- Investigation and resolution of extraordinary adjustments and conditions in financial information reported to RethinkWaste.

**Project Team:** Garth Schultz, Project Manager  
Emily Ginsburg & Rose Radford, Project Support

**Project Dates:** Annual Project: 2013, 2014, 2015, 2016, 2017, 2018;  
Currently completing 2019

**Client Contact:** Mr. Joe La Mariana, Executive Director  
610 Elm St, Ste 202, San Carlos, CA 94070  
(650) 802-3505 | [JLaMariana@rethinkwaste.org](mailto:JLaMariana@rethinkwaste.org)

---

## West Contra Costa Integrated Waste Management Authority (RecycleMore), CA

---

**Relevant Experience:** Financial and Rate Services

**Project Description: JPA Withdrawal Study**

R3 was engaged by the West Contra Costa Integrated Waste Management Authority (RecycleMore) to conduct financial and diversion studies to analyze the associated impacts should the cities of El Cerrito and/or Richmond (Withdrawing Agencies) withdraw from RecycleMore.

At the time of this engagement, RecycleMore was adopting a rate schedule that approved the Post-Collection Rates be included in the total amounts charged to the residential, commercial and industrial solid waste customers, effective January 1, 2017. The City of Richmond had initiated a withdrawal process from RecycleMore, which would result in a recalculation of how much each of the remaining members will be charged for RecycleMore expenses and HHW services. In addition, the City of El Cerrito had a separate Post-Collection Agreement that started with the 2014 rates, and approved its own associated rates but still relied upon the HHW Budget approved by RecycleMore.

For this engagement, R3 considered the specific financial and diversion impacts of withdrawal on all three parties: RecycleMore, its remaining Member Agencies, and the Withdrawing Agencies. We provided comprehensive analysis of the rate impacts of withdrawal for RecycleMore’s residential, commercial and industrial customers, and outlined the key responsibilities and cost allocation scenarios to consider in the event that withdrawal was implemented by one or both of the Withdrawing Agencies. We also provided RecycleMore with methodologies for calculating new diversion and disposal targets and rates.

Based on analysis of the main rate portions defined in the Post-Collection Agreement between RecycleMore and its franchised hauler, Republic Services, R3 found that the overall financial impacts of withdrawal would be 7% or less, and provided RecycleMore with a low and high estimate of the financial impacts that could result from withdrawal of one or both Withdrawing Agencies. The primary financial impacts of withdrawal corresponded to three of five main rate



Section 6

References

portions, including the Authority (RecycleMore), Household Hazardous Waste (HHW), and Recycling Rebate portion of the Per Ton Rate.

Based on methodology and calculations provided by CalRecycle, R3 found that withdrawal from RecycleMore would not bring about significant diversion impacts, although calculations of CalRecycle disposal targets for pounds per person per day (PPD) and performance would change for all parties. R3 provided RecycleMore with summaries of changes to targeted/achieved PPD that could result if one or both Withdrawing Agencies implemented withdrawal.

**Benefits:**

- Provided RecycleMore, the potential Withdrawing Agencies, and the remaining Member Agencies with cost-effective, analytically sound, and objective analyses of the various scenarios and impacts of withdrawal;
- Identified the responsibilities and key roles necessary to assume by Withdrawing Agencies and Remaining Agencies in the even that withdrawal is implemented by one or both Withdrawing Agencies;
- Provided cost allocation scenarios (RecycleMore, HHW, and Recycling Rebate) to consider in the case of withdrawal by one or both Withdrawing Agencies; and
- Provided RecycleMore with an overview of the process and timeline under which the Withdrawing Agencies would need to develop and submit key AB 939 planning documents.

**Project Team:** Garth Schultz, Project Manager

**Project Dates:** February 2017 – June 2017

**Client Contact:** Mr. Stan Hakes, Executive Director, RecycleMore  
1 Alvarado Square, San Pablo, CA 94806  
(510) 215-3127 | [StanH@recyclemore.com](mailto:StanH@recyclemore.com)

---

## Windsor, CA

---

**Relevant Experience:** Negotiations & Procurement Assistance

**Project Description: Procurement & Other Solid Waste Assistance**

In 2017, R3 was engaged by the Town of Windsor (Town) to provide comprehensive assistance in procuring an exclusive franchised hauler for the Town’s residential and commercial integrated waste management collection and processing services. This project involved a deep analysis of the Town’s existing solid waste system, including reviewing how existing Agreements impacted the flow of material and services to be provided in the new Agreement. R3 conducted the RFP process, the Town Council approved staff’s recommendation for a 10-year contract with Sonoma County Resource Recovery (SCRR); and R3 provided the Town with transition assistance. As a result of R3’s assistance, the new Agreement provided the Town with a host of new solid waste services, programs and equipment, including new vehicles and containers, an increased commitment to diversion and sustainability, a well-developed education and outreach plan, and a school education program.



Currently, R3 is engaged by the Town to provide further solid waste assistance, including drafting language for an amendment to the Agreement with SCRR, developing a Refuse Rate Index (RRI) Adjustment Workbook, and reviewing SCRR's Annual Rate-Adjustment Request.

Additionally, as a separate engagement, R3 assisted the Town with procuring multiple haulers for the non-exclusive temporary debris box collection and processing services.

**Benefits:**

- New 10-year contract with Sonoma County Resource Recovery (SCRR);
- A host of new services, programs, and equipment provided to the Town including new vehicles, new containers, an increased commitment to diversion and sustainability, a well-developed education and outreach plan, and a school education program.

**Project Team:** Richard Tagore-Erwin, Project Manager  
Garth Schultz, Project Support

**Project Dates:** April 2016 – October 2017 (Procurement Assistance)  
February 2018 – Current Ongoing Project (Solid Waste Assistance)

**Client Contact:** Ms. Kristina Owens, Acting Special Projects Manager  
9291 Old Redwood Hwy, P.O. Box 100, Windsor, CA 95492-0100  
(707) 836-5313 | [KOWens@townofwindsor.com](mailto:KOWens@townofwindsor.com)

Section 6

*This page intentionally left blank.*

References

## Section 7

### **Disclosure**

*This page intentionally left blank.*

## Disclosure

R3 has not provided services to or contracted with any waste haulers or private landfill operators during the past ten years (or ever). We understand the sensitive nature of conducting projects for public agencies, and are strongly committed to providing our clients with unbiased opinions and recommendations. Accordingly, R3 only provides services to public agencies. We do, however, take pride in successfully working with our clients' private sector operators. We are respectful and provide the franchised operators with the opportunity to provide input during the course of our projects.



Section 7

*This page intentionally left blank.*

Disclosure

R3

## Section 8

### **Agreement and Insurance Requirements**

*This page intentionally left blank.*

## Agreement and Insurance Requirements

R3 has reviewed the Town's standard professional services agreement and the insurance requirements that are attached to the RFP, and we have no objection to any of the requirements. We agree to sign the Town's standard professional services agreement and provide the required insurance documentation upon award of the contract.

R3

Section 8

*This page intentionally left blank.*

Agreement  
and Insurance  
Requirements

R3

# Fee Information

Fee Information

## Project Budget

We propose to complete the Project Work Plan on a time-and-materials basis for a not-to-exceed budget by task totaling **\$49,700**. Our project budget includes expected incidental expenses such as travel, supplies, and communications for the work and deliverables as listed in Tasks 1 – 7. We have also identified the not-to-exceed fee (\$2,950) that will be charged for additional public or City Council meetings not identified in our Project Work Plan.

We would be happy to discuss changes to our scope or budget as may be needed to align with the Town’s needs. As noted in our Work Plan, there are other associated analyses and work efforts that may be necessary if the Town chooses to contract with a solid waste service provider other than Recology and/or chooses to consider withdrawal from SBWMA, which are not included in the proposed Project Budget below.

**Table 5-1  
Project Budget**

Task		Garth Schultz	Richard Tagore-Erwin	William Schoen	Rose Radford	Emily Ginsburg	Hours	Cost
		\$ 215	\$ 215	\$ 215	\$ 175	\$ 160		
1	Information Review and Kick-off Meeting	10	0	0	0	10	20	\$ 3,750
2	Summarize Services, Specifications and Costs	10	0	0	5	20	35	\$ 6,225
3	Prepare and Issue Request for Proposals	10	5	0	10	35	60	\$ 10,575
4	Evaluate Proposal Responses	20	10	5	10	25	70	\$ 13,275
5	Interviews with Select Proposers	15	0	0	0	15	30	\$ 5,625
6	Prepare Report of Findings and Recommendations	15	5	0	5	20	45	\$ 8,375
7	Presentation to City Council	5	0	0	0	5	10	\$ 1,875
<b>Total</b>		<b>85</b>	<b>20</b>	<b>5</b>	<b>30</b>	<b>130</b>	<b>270</b>	<b>\$ 49,700</b>

Additional Meetings with Staff, Public, or Council (Per Meeting)	10	0	0	0	5	15	\$ 2,950
--	----	---	---	---	---	----	----------

R3

Section 5

Fee Information

## Billing Rates

In Table 5-2 below, we have provided the hourly billing rates for R3 Consulting Group, Inc.

**Table 5-2  
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
<b>Reimbursable Costs (Included in Hourly Rates)</b>	
Lodging and meals	Direct cost
Travel — Private or company car	At Current Federal Rate
Travel — Other	Direct cost
Delivery and other expenses	Direct cost

## 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.

