

CITY OF SEBASTOPOL CITY COUNCIL
AGENDA ITEM REPORT FOR MEETING OF: February 20, 2024

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To: Honorable Mayor and City Councilmembers
From: Ad Hoc Committee Garbage Franchise Agreement
Subject: Report out/Recommendation on City of Sebastopol Garbage Franchise Agreement

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RECOMMENDATIONS:

1. Terminate further negotiations with Recology for a long-term extension of their Franchise Agreement;
2. Direct and authorize staff to prepare and execute a contract with R3 Consulting Group, a solid waste management consultant, to manage procurement for hauler;
3. Approve Resolution for Budget Amendment for *\$200,000 for R3 Contract to be paid from the unassigned fund balance.

**The General Fund will be reimbursed through a one time procurement reimbursement from selected hauler.*

4. Authorize staff to formalize with Recology the additional short term extension (Recology has agreed by email to the City to an additional six month extension to June 2025) to the current Recology contract to allow for a 15 month process for the hauling services RFP;
5. Authorize City staff to negotiate with Recology an additional three month extension (through September 2025) allowing for a minimum of 18 months for a RFP process; (As of the writing of this report, staff has not heard back from Recology on this request);
6. Issue a Request For Proposal for hauling services (“hauling services RFP”) to include preparation of a new Solid Waste and Recycling Services Franchise Agreement in anticipation of the expiration of the existing franchise agreement;
7. Dissolving of the current Ad Hoc Committee. If a future ad hoc committee is required, City staff will return to the City Council with an agenda item with that request.

Staff concurs with these recommendations.

EXECUTIVE SUMMARY:

Despite extensive efforts over numerous months to protect residents and businesses from substantial rate increases, and as a result of unsuccessful negotiations between the City of Sebastopol and Recology, the Ad Hoc Committee recommends pursuing a competitive process for future hauling services. We believe that this provides the best opportunity for quality services at reasonable rates.

BACKGROUND AND DISCUSSION:

The City’s solid waste franchise agreement is a long-term commitment with a significant contract value, the cost for which is ultimately borne by City of Sebastopol residents, businesses and the City as part of the rates paid for solid waste collection services.

On December 16, 2008 the Council entered into a Franchise Agreement (Agreement) with a local solid waste collection and hauling firm, Redwood Empire Disposal, also known as “The Ratto Group”. The Agreement covered solid waste, recyclable and compostable materials collection and street sweeping services. Subsequently, on September 19, 2017, the Council approved the assignment of the Agreement from Redwood Empire Disposal to Recology. The original Franchise Agreement was effective January 1, 2009 and is set to end by December 31, 2024. A copy of the Agreement can be found in Attachment 1.

On April 18, 2023, Council established an ad hoc committee consisting of Councilmembers McLewis and Maurer along with the City Manager and Assistant City Manager, City Attorney, Public Works Superintendent, Administrative Services Director and GHD Engineering Staff. The purpose of the ad hoc committee (“committee”) was to review a proposal from Recology for a new Franchise Agreement to extend garbage hauling and recycling services and to negotiate terms and service rates for the City. At that Council meeting, Recology committed to working in good faith with the City and agreed to continue to provide garbage services to the City during the negotiation process up to one year from the Agreement’s expiration date, or December 31, 2024. A copy of the letter from Recology stating this one-year extension is included as Attachment 2.

To ensure the best outcome for these services, the Ad Hoc Committee met 12 times over the past 10 months; some meetings were with the Recology representatives and some meetings were only with the Ad Hoc Committee to discuss the negotiations as well as review of the various versions of their proposal for garbage and recycling (hauling) services. After multiple discussions and input and participation from all committee members as well as Recology representatives, It became apparent that Recology and the committee could not come to agreement on fair and reasonable rates and services that the committee could recommend to the City Council and community.

This committee has made significant efforts to protect residents and businesses from substantial increases in rates. Proposals from Recology ranged from raising residential rates from 1% to 53% above the average of other cities in Sonoma County, or 30% on average, in the first year and raising commercial rates from 2% to 39% above rates in the other cities, with rates on average 23% higher; where another proposal would have raised rates on average by about 50% over four years. These proposals included a 15 year extension of the Franchise Agreement. In January 2024, the City received the latest proposal from Recology which is shown as Attachment 3. A comparison to other Sonoma County cities is shown at Attachment 4.

Recology is claiming that they are losing \$1 million a year in Sebastopol. While we cannot verify these numbers, we believe that they may well be losing money as their contract is based on our agreement with Ratto (the prior hauler), which had a lower cost structure, was not unionized, and had an aging fleet of trucks and equipment that were in need of upgrades and efficiencies, as well as they faced regulatory and financial issues at that time.

While negotiations have not been successful, Recology has agreed via email to a further six month extension at the current terms and conditions, with a CPI adjustment if the City pursues the RFP process. This would extend the expiration date to June 30, 2025. This extension is needed as the City has been informed that the RFP process timeline for both Santa Rosa and Windsor was approximately 15-16 months from the RFP posting date to the contract start date. Ultimately, Windsor selected Sonoma County Resource and Recovery and Santa Rosa selected Recology. With the extension to June 2025, this would provide at least 15 months for a RFP process. City staff would request a formal letter of extension through June 2025 from Recology.

A typical competitive procurement takes approximately 18 months, including the contracting process, possible service provider transition including time for a potentially new hauler to order and receive new trucks and equipment, hire and train drivers, change-out of customer containers, perform customer outreach, and conduct transition activities related to customer billing. It is recommended that City staff work with Recology for an additional three month extension allowing for an 18 month RFP. Staff is also recommending that the Council authorize City staff to prepare and execute the contract with R3 that would allow the RFP process to begin immediately with the assumption of a 15 month process.

STAFF ANALYSIS:

As negotiations have come to a stand still, the committee is recommending that the City solicit competitive proposals from haulers. An RFP would:

- Provides greater confidence that the City has obtained the greatest value;
- Provide assurance to the public that the contractor was selected in a fair manner;
- City benefits from the technical creativity of several firms in identifying a menu of program and service options;
- Potentially allow the City to choose from several haulers;

There are disadvantages of soliciting competitive proposals from several haulers such as:

- In theory having more than one solid waste hauler submit proposals would inspire competition and result in the best service for the lowest rate. In reality each hauler negotiates the lowest rate they are able to offer their services. This could result in higher rates than those that have been proposed during the current negotiations. There have been occasions where cities who extended contracts had lower rates than those who went through a competitive procurement. While this risk exists, on balance we believe that an RFP is the better approach.
- Competitive procurements for franchise agreements are major projects requiring considerable amounts of staff time. Hiring R3 to manage the process makes this effort viable; City staff lack the expertise and time to take this on directly.

Overview of Potential RFP Process

If the City were to issue an RFP for solid waste services, we recommended that the city contract with a firm specializing in these types of RFPs (and there are very few firms that actually do this work), and the firm would need to prepare and distribute an RFP package to potential proposers, and evaluate and score the haulers' proposals. The RFP package would include everything the proposers would need to prepare a comprehensive proposal. After submittal, the firm will help the City evaluate and score the proposals, and depending on the results of the evaluation, the City Council would authorize the firm and City staff to negotiate a final agreement, which would be presented to the City Council for approval.

City staff reached out to vendors to provide a Statement of Qualifications and Letter of Interest regarding assistance vendors have provided to various cities in Sonoma County and throughout California. Only one vendor responded (R3) (Attachment 5). The City did reach out an additional vendor recommended to the City but there was no response from that vendor. After receipt of the letter of interest from R3, the Ad Hoc Committee interviewed the vendor and found their experience and knowledge of solid waste procurement contracts would be a valuable asset to the City for all matters related to the Request for Proposals.

R3 has worked with most if not all cities in Sonoma County, and has a universally positive reputation. Every procurement in Sonoma County in the last ten or more years that we are aware of has been managed by R3. These procurements are highly complex and at times subject to legal challenges. Having a firm specializing in this work will allow us to run a procurement with expertise that will reduce risks of a legal challenge. Also, R3's expertise will help us negotiate better rates. The cost of their contract will likely more than pay for itself over the Franchise Agreement term due to better rates and higher value services than we would be able to obtain should staff run the process. A copy of their proposal is Attachment 6.

City staff also reached out to neighboring cities to ascertain if they were open to the idea of a combining efforts to create economies of scale and possibly better rates; however, due to scheduling or timing of their current negotiations, it was determined that it would not be possible at this time to combine efforts.

COMMUNITY OUTREACH:

This item has been noticed in accordance with the Ralph M. Brown Act and was available for public viewing and review at least 72 hours prior to schedule meeting date. The City has also used social to promote and advertise the City Council Meeting Agenda Items.

FISCAL IMPACT:

If the Council approves the procurement process and selection of R3 for RFP services, the anticipated cost of the R3 contract would be approximately \$150,000.00 to \$250,000 (this amount would also include reimbursement for city staff and city attorney time). Payments to the consultant would be paid over the course of this fiscal year and next fiscal year, therefore encumbering the FY 24-25 City budget and requiring a budget adjustment in the current Fiscal Year (Attachment 7). The RFP for solid waste Franchise Agreement would include a requirement that the selected provider pay the City a one-time procurement reimbursement payment due to the City within 30-days of Franchise Agreement award. The reimbursement payment would cover the cost of R3’s services and reimbursement for City Staff and City Attorney time; therefore, it is estimated the total reimbursement from the provider would be between \$150,000 to \$250,000. If the amount goes above \$200,000 as requested in the budget amendment, City staff will return with that information in the new fiscal year. However, as noted, these costs are reimbursements to the City through the hauler and although the City would pay the consultant costs first, those costs as well as city staff time would be recouped through the one time procurement reimbursement payment.

OPTIONS:

1. The Committee discussed an option to contract with R3 to conduct a detailed review of Recology’s rates to be paid for by Recology and not the City, but that will take considerable time and this committee does not believe it would be fruitful to do so;
2. Not approve contract with R3 to conduct the RFP process. We do not recommend this as it is imperative that having a firm specializing in this work will allow the City to run a procurement with expertise that will reduce risks of a legal challenges.
3. The City can accept the latest Recology proposal. We do not recommend this because the rates in any of the proposals submitted would be substantially higher than today.

ATTACHMENTS: Summaries of Recology Proposals

- Attachment 1. Recology Franchise Agreement
- Attachment 2. Letter of Extension To December 2024
- Attachment 3. Latest Recology Proposal/January 2024
- Attachment 4. Comparison Sheet/Graphs
- Attachment 5. R3 Letter of Interest
- Attachment 6. R3 Proposal for RFP services
- Attachment 7. Budget Amendment Resolution

APPROVALS:

Department Head Approval: Approval Date: 2-14-2024

CEQA Determination (Planning): Approval Date: 2-14-2024

The proposed action is not a project under the California Environmental Quality Act (CEQA)

Administrative Services (Financial) Approval Date: 2-15-2024

Costs authorized in City Approved Budget: Yes No N/A

Account Code (f applicable) _____

City Attorney Approval:
City Manager Approval:

Approval Date: 2-14-2024
Approval Date: 2-14-2024

Resolution Number 5723

**A Resolution of the City Council of the City of Sebastopol
Approving the Franchise Agreement between the City of Sebastopol and Redwood Empire Disposal, Inc for
Solid Waste, Recyclable and Compostable Materials Collection and Street Sweeping Services**

WHEREAS, the Sebastopol City Council desires to maintain effective solid waste disposal services for City residents; and

WHEREAS, the City Council fully supports the reduction of solid waste disposal in landfills through recycling and reuse of materials; and

WHEREAS, on November 18, 2008, the City Council received a presentation by Redwood Empire Disposal requesting an extension to the Solid Waste/Recycling Franchise Agreement with Redwood Empire Disposal Inc;

WHEREAS, on November 18, 2008, the City Council authorized staff to complete negotiations with Redwood Empire Disposal Inc and bring a recommended franchise agreement back to the City Council for approval and to hold a public hearing on the rate changes; and

WHEREAS, negotiations with Redwood Empire Disposal Inc have resulted in an agreement for more services that will further reduce solid waste at lower costs to residents; and

WHEREAS, the franchise agreement provides for a service plan that will use split body trucks to reduce greenhouse gas emissions and the impact of truck traffic on City streets by reducing travel trips; and

WHEREAS, a public hearing has been duly noticed and held on December 16, 2008 on the subject rate changes.

NOW, THEREFORE BE IT RESOLVED, the Sebastopol City Council does hereby approve the Franchise Agreement between the City of Sebastopol and Redwood Empire Disposal, Inc for Solid Waste, Recyclable and Compostable Materials Collection and Street Sweeping Services.

BE IT FURTHER RESOLVED that all agreements are hereby rescinded.

IN COUNCIL DULY PASSED this 16th day of December, 2008.

I, the undersigned, hereby certify that the foregoing Resolution was duly adopted by City of Sebastopol City Council following a roll call vote:

City of Sebastopol City Council:

Ayes: Councilmembers Robinson, Wilson, Shaffer, Kelley and Mayor Gurney

Noes: None

Abstain: None

Absent: None

APPROVED:


MAYOR SARAH GURNEY

ATTEST:


CITY CLERK MARY GOURLEY

**COLLECTION SERVICES AGREEMENT
BETWEEN
THE CITY OF SEBASTOPOL
AND
REDWOOD EMPIRE DISPOSAL, INC.

FOR

SOLID WASTE, RECYCLABLE &
COMPOSTABLE MATERIALS COLLECTION
AND
STREET SWEEPING SERVICES**

DECEMBER 5, 2008

TABLE OF CONTENTS

LIST OF EXHIBITS X
ARTICLE 1. DEFINITIONS 1
1.1 AGREEMENT 1
1.2 BILLINGS 1
1.3 BIN(S)..... 1
1.4 BIN SERVICE 1
1.5 BULKY ITEM..... 1
1.6 CART(S)..... 1
1.7 CART SERVICE 2
1.8 CITY 2
1.9 COLLECTION 2
1.10 COMMERCIAL BUSINESS..... 2
1.11 COMPACTOR 2
1.12 COMPLAINT..... 2
1.13 COMPOSTABLE CONTAINER..... 2
1.14 COMPOSTABLE MATERIALS 2
1.15 COMPOSTING FACILITY 3
1.16 CONTRACTOR..... 3
1.17 CONSTRUCTION AND DEMOLITION DEBRIS (C&D DEBRIS)..... 3
1.18 CURBSIDE..... 3
1.19 DEBRIS BOX..... 3
1.20 DELIVERY 3
1.21 DESIGNATED WASTE 3
1.22 DISPOSAL (OR DISPOSE) 3
1.23 DISPOSAL SITE(S) 3
1.24 EXTRAS 4
1.25 FRANCHISE FEE..... 4
1.26 GENERATOR 4

1.27 GROSS REVENUES..... 4

1.28 HANDLING..... 4

1.29 HAZARDOUS SUBSTANCE 4

1.30 HAZARDOUS WASTE..... 5

1.31 HOUSEHOLD HAZARDOUS WASTE 5

1.32 INDUSTRIAL 5

1.33 INFECTIOUS WASTE 5

1.34 LEGISLATION 5

1.35 MULTI-FAMILY RESIDENTIAL COMPLEX..... 5

1.36 OCCUPANT 5

1.37 OWNER..... 5

1.38 PERSON 5

1.39 PREMISES 6

1.40 PROCESSING 6

1.41 PROCESSING FACILITY..... 6

1.42 RECYCLING CONTAINER..... 6

1.43 RECYCLABLE MATERIALS (ALSO "RECYCLABLES")..... 6

1.44 RECYCLING 6

1.45 REFUSE..... 6

1.46 ROLL-OFF/COMPACTOR REFUSE SERVICE..... 7

1.47 ROLL-OFF CONTAINER 7

1.47 SINGLE-FAMILY RESIDENCE 7

1.48 SMALL COMMERCIAL GENERATOR..... 7

1.49 SOURCE SEPARATED CONSTRUCTION AND DEMOLITION (C&D) MATERIALS..... 7

1.50 TEMPORARY DEBRIS BOX SERVICE 7

1.51 TERM..... 7

1.52 TRANSFER STATION..... 8

1.53 TRANSPORTATION 8

1.54 WHITE GOODS 8

ARTICLE 2. REPRESENTATIONS AND WARRANTIES OF THE CONTRACTOR..... 9

2.1 CORPORATE STATUS 9

2.2 CORPORATE AUTHORIZATION (OR PARTNERSHIP, ASSOCIATION OR JOINT VENTURE AUTHORIZATION)9

2.3 AGREEMENT WILL NOT CAUSE BREACH.....9

2.4 NO LITIGATION9

2.5 NO ADVERSE JUDICIAL DECISIONS9

2.6 ABILITY TO PERFORM.....10

ARTICLE 3. TERM OF AGREEMENT..... 11

3.1 EFFECTIVE DATE11

3.2 CONDITIONS TO EFFECTIVENESS OF AGREEMENT11

 3.2.1 Accuracy of Representations.....11

 3.2.2 Absence of Litigation11

 3.2.3 Effectiveness of City Council Action.....11

3.3 TERM.....11

3.4 OPTION TO EXTEND TERM11

ARTICLE 4. SCOPE OF AGREEMENT12

4.1 SCOPE OF AGREEMENT.....12

4.2 LIMITATIONS TO SCOPE.....12

ARTICLE 5. COLLECTION SERVICES14

5.1 GENERAL.....14

5.2 REFUSE SERVICES.....14

 5.2.1 Single-Family Residential Refuse Service.....14

 5.2.2 Multi-Family Complex Refuse Service.....14

 5.2.3 Commercial Refuse Service14

5.3 RECYCLING SERVICES15

 5.3.1 Single-Family Residential Recycling Service15

 5.3.2 Multi-Family Complex Recycling Service.....15

 5.3.3 Commercial Recycling Program.....15

5.4 COMPOSTABLE MATERIALS PROGRAM.....16

 5.4.1 Single-Family Residential Compostable Materials Program.....16

5.5 USED MOTOR OIL COLLECTION PROGRAM16

 5.5.1 *Single Family Residences*16

 5.5.1 *Multi-Family Residences*16

5.6 CHRISTMAS TREE DROPOFF17

5.7 HOUSEHOLD ALKALINE BATTERY RECYCLING PROGRAM17

5.8 BULKY ITEM COLLECTION PROGRAM.....17

5.9 CLEAN UP BIN SERVICE17

5.10 CITY FACILITIES18

5.11 COLLECTION FROM CITY SPONSORED EVENTS.....18

5.12 REMOVAL OF HAZARDOUS WASTE18

5.13 TRANSPORTATION OF REFUSE, RECYCLABLE MATERIALS AND COMPOSTABLE MATERIALS18

5.14 PROCESSING OF REFUSE, RECYCLABLE MATERIALS, AND COMPOSTABLE MATERIALS...18

5.15 COLLECTION STANDARDS19

 5.15.1 *Care of Private Property*19

 5.15.2 *Litter Abatement*.....19

 5.15.3 *Hours of Collection*.....19

 5.15.4 *Noise*19

 5.15.5 *Holiday Collection Schedule*.....19

5.16 VEHICLES20

 5.16.1 *General*20

 5.16.2 *Specifications*20

 5.16.3 *Vehicle Identification*.....20

 5.16.4 *Inventory*20

 5.16.5 *Cleaning and Maintenance*.....20

 5.16.6 *Operation*.....20

5.17 CONTAINERS21

 5.17.1 *General*21

 5.17.2 *Refuse Cart Containers*.....21

 5.17.3 *Refuse Bin Containers*.....22

 5.17.4 *Recycling Containers*.....22

5.17.5 Compostable Materials Cart Service Containers..... 22

5.17.6 Repair and Replacement..... 23

5.18 EDUCATION AND RECYCLING/RE-USE SUPPORT.....23

5.18.1 New Customer Start Up Packet 23

5.18.2 Informational Newsletters..... 23

5.18.3 Ongoing Education and Outreach..... 23

5.19 PERSONNEL.....24

5.19.1 General..... 24

5.19.2 Driver Qualifications..... 24

5.19.3 Safety Training..... 24

5.19.4 No Gratuities..... 24

5.19.5 Employee Conduct and Courtesy..... 25

5.19.6 Provision of Field Supervision..... 25

5.19.7 Customer Service/Billing Liaison..... 25

ARTICLE 6. STREET SWEEPING SERVICES.....26

6.1 Street Sweeping Methodology.....26

6.2 Street Sweeping Equipment.....26

6.3 Operator Responsibilities.....27

ARTICLE 7. OTHER RELATED SERVICES AND STANDARDS.....28

7.1 BILLING.....28

7.1.1 Charges and Rates.....28

7.1.2 Production of Invoices.....28

7.1.3 Partial Month Service.....28

7.1.4 Past Due Accounts.....28

7.1.5 Annual Prepayment.....29

7.2 SERVICE RATE ELEMENTS.....29

7.3 ADJUSTMENTS TO MAXIMUM COLLECTION SERVICE RATES.....29

7.3.1 Adjustment to Collection Component.....29

7.3.2 RRI Adjustment.....29

7.3.3 *Adjustment to Disposal Component*.....30

7.3.4 *Disposal Element rate Adjustments*.....31

7.3 ADJUSTMENTS TO MAXIMUM COLLECTION SERVICE RATES31

ARTICLE 8. RECORDS.....32

8.1 GENERAL.....32

8.1.1 *Refuse Records*.....32

8.1.2 *Recyclable Materials and Compostable Materials Collection Service Records*33

8.1.3 *Transfer and Disposal Records*33

8.2 REPORTS33

8.2.1 *General*33

8.3 ANNUAL REPORTS34

8.3.1 *Annual Report Requirements*34

8.4 FINANCIAL INFORMATION.....34

8.5 DIVERSION PROGRAMS.....35

8.6 RIGHT TO INSPECT RECORDS35

8.7 INSPECTION BY CITY35

8.8 PUBLIC/CUSTOMER SERVICE AND ACCESSIBILITY.....35

8.8.1 *Office Location*.....35

8.8.2 *Office Hours*.....35

8.8.3 *Availability of Representatives*35

8.8.4 *Telephone*.....36

8.9 TITLE TO REFUSE.....36

8.10 NON-DISCRIMINATION36

8.11 REPORT OF ACCUMULATION OF REFUSE; UNAUTHORIZED DUMPING.....36

ARTICLE 9. FRANCHISE FEE, AB 939 AND OTHER FEES36

9.1 FRANCHISE FEE.....37

9.2 OTHER FEES37

9.3 ADJUSTMENT TO FEES.....37

ARTICLE 10. INDEMNITY, INSURANCE, FAITHFUL PERFORMANCE.....38

10.1 AB 939 INDEMNIFICATION38

10.2 INSURANCE.....	38
10.2.1 Minimum Scope of Insurance.....	38
10.2.2 Minimum Limits of Insurance.....	38
10.2.3 Deductibles and Self-Insured Retentions.....	38
10.2.4 Other Insurance Provisions.....	39
10.2.5 Acceptability of Insurers.....	39
10.2.6 Verification of Coverage.....	39
10.2.7 Required Endorsements.....	40
ARTICLE 11. DEFAULT AND REMEDIES.....	41
11.1 EVENTS OF DEFAULT.....	42
11.2 RIGHT TO TERMINATE UPON DEFAULT.....	42
11.3 POSSESSION OF PROPERTY UPON TERMINATION.....	42
11.4 CITY'S REMEDIES CUMULATIVE; SPECIFIC PERFORMANCE.....	42
11.5 LIQUIDATED DAMAGES.....	43
11.6 EXCUSE FROM PERFORMANCE.....	43
11.7 RIGHT TO DEMAND ASSURANCES OF PERFORMANCE.....	44
ARTICLE 12. OTHER AGREEMENTS OF THE PARTIES.....	45
12.1 RELATIONSHIP OF PARTIES.....	45
12.2 COMPLIANCE WITH LAW.....	69
12.3 GOVERNING LAW.....	45
12.4 JURISDICTION.....	45
12.5 GUARANTY OF CONTRACTOR'S PERFORMANCE.....	45
12.6 ASSIGNMENT.....	45
12.7 SUBCONTRACTING.....	46
12.8 BINDING ON SUCCESSORS.....	46
12.9 TRANSITION TO NEXT CONTRACTOR.....	46
12.10 PARTIES IN INTEREST.....	46
12.11 WAIVER.....	47
12.14 NOTICE.....	47
12.15 REPRESENTATIVES OF THE PARTIES.....	47

LIST OF EXHIBITS

- A City Service Locations
- B Battery Bucket Locations
- C City-Sponsored Events
- D Recyclable Materials
- E Contractor's Holiday List
- F Street Sweeping Maps
- G Refuse Rate Financial Statement Form
- H Rate Schedule
- I Bulky Item Rate Sheet
- J. VehicleInventory

1 **ARTICLE 1.**
2 **DEFINITIONS**

3
4 For purposes of this Agreement, unless a different meaning is clearly required, the
5 following terms shall have the following meanings and be capitalized throughout this
6 Agreement:

7 **1.1 AGREEMENT**

8 "Agreement" means this Collection Services Agreement between the City and
9 Contractor, for Collection and Transportation of Refuse and Compostable Materials to a
10 City designated Disposal Site or Composting Facility and Collection and Processing of
11 Recyclable Materials, including all exhibits, and any future amendments hereto.

12 **1.2 BILLING**

13 "Billing" means any and all statements of charges for services rendered,
14 howsoever made, described or designated by City or Contractor, to Owners or Occupants
15 of property, including residential property and commercial, Industrial, and institutional
16 property, serviced by Contractor for the Collection of Refuse, Recyclable Materials, and
17 Compostable Materials.

18 **1.3 BIN(S)**

19 "Bin(s)" means a metal container with hinged lids and wheels serviced by a front-
20 end loading truck with a capacity of 1 to 6 cubic yards.

21 **1.4 BIN SERVICE**

22 "Bin Service" means that service provided to Commercial Businesses, Multi-
23 Family Complexes, or Single-Family Residences generating large volumes of Refuse
24 and which place that Refuse in a Bin or Bins.

25 **1.5 BULKY ITEM**

26 "Bulky Item" means unwanted household appliances, furniture, tires, carpet,
27 mattresses, and similar large items, which require special Handling due to their size, but
28 can be collected without the assistance of special loading equipment (such as forklifts or
29 cranes) and without violating vehicle load limits. It does not include abandoned
30 automobiles.

31 **1.6 CART(S)**

32 "Cart(s)" means a City-approved plastic container with a hinged lid and wheels
33 serviced by an automated or semi-automated loading truck with varying capacities of
34 twenty (20), thirty (30), sixty (60), or ninety (90) gallons or their equivalents.

35 **1.7 CART SERVICE**

36 "Cart Service" means that service provided to Single-Family Residences, Multi-
37 Family Residential Complexes, and Commercial Businesses which places Refuse and/or
38 Recyclable Materials and/or Compostable Materials in Carts.

1 **1.8 CITY**

2 "City" means the City of Sebastopol, a municipal corporation, and all the territory
3 lying within the municipal boundaries of the City as presently existing or as such
4 boundaries may be modified during the Term.

5 **1.9 CLEAN UP BIN**

6 "Clean up Bin(s)" means a metal container with hinged lids and wheels serviced
7 by a front-end loading truck with a capacity of 1 to 6 cubic yards provided on a
8 temporary basis to any Generator requiring additional service on a temporary basis to
9 facilitate a clean up or special event.

10 **1.10 COLLECTION**

11 "Collection" means the removal and transportation of Refuse from the place
12 where it was generated to a Disposal Site and/or the removal and Transportation of
13 Recyclable or Compostable Materials from the place where they were generated to a
14 Processing Facility.

15 **1.11 COMMERCIAL BUSINESS**

16 "Commercial Business" means any business property upon which business
17 activity is conducted, including but not limited to retail sales, services, wholesale
18 operations, manufacturing and Industrial operations, but excluding businesses conducted
19 upon residential property which are permitted under applicable zoning regulations and
20 are not the primary use of the property.

21 **1.12 COMPACTOR**

22 "Compactor" means a mechanical apparatus that compresses materials.
23 Compactors include but are not limited to 2- to 4-yard Bin Compactors serviced by
24 front-end loader trucks and 6- to 40-yard Debris Boxes serviced by roll-off trucks.

25 **1.13 COMPLAINT**

26 "Complaint" means written or orally communicated statements made by
27 members of the public, customers of the Contractor, or officers, employees or agents of
28 City alleging non-performance or deficiencies in performance of Contractor's duties and
29 obligations under this Agreement, or otherwise alleging a violation by Contractor of the
30 provisions of this Agreement.

31 **1.14 COMPOSTABLE CONTAINER**

32 "Compostable Container" means a Cart or Bin used by a Generator to store and
33 contain Compostable Materials Collection from a designated location.

34 **1.15 COMPOSTABLE MATERIALS**

35 "Compostable Materials" means grass cuttings, weeds, leaves, prunings,
36 branches, dead plants, brush, tree trimmings, and dead trees that may not exceed six (6)
37 inches in diameter and four (4) feet in length.
38 means materials that will decompose and/or putrefy. Compostable Materials may
39 include vegetable waste, fruit waste, grain waste, non-recyclable paper waste and yard
40 waste. Additional materials may be included upon mutual agreement.

1 No discarded material shall be considered to be Compostable Materials,
2 however, unless it is separated from Refuse and Recyclable Materials.

3 **1.16 COMPOSTING FACILITY**

4 "Composting Facility" means a facility designated by the City, which processes
5 Compostable Materials.

6 **1.17 CONTRACTOR**

7 "Contractor" means Redwood Empire Disposal, Inc., a corporation organized and
8 operating under the laws of the State of California and its officers, directors, employees,
9 agents, companies and subcontractors.

10 **1.18 CONSTRUCTION AND DEMOLITION DEBRIS (C&D DEBRIS)**

11 "Construction and Demolition Debris" means used or discarded construction
12 materials removed from residential, commercial, or Industrial Premises during the
13 construction or renovation of a structure. "Construction and Demolition Debris" may
14 include mixed components such as dirt, concrete, asphalt, and rebar, wood, roofing tile,
15 and concrete, or other such C&D materials.

16 **1.19 CURBSIDE (CURB)**

17 "Curbside" means the location of a container for pickup, not more than five (5)
18 feet from the street curb. Where no street curb exists, the location shall be within five (5)
19 feet from the outside edge of the street nearest the property's entrance.

20 **1.20 DEBRIS BOX**

21 "Debris Box" means an open-top metal container serviced by a roll-off truck with
22 a capacity of 6 to 40 cubic yards.

23 **1.21 DELIVERY**

24 "Delivery" means placement of Refuse, Recyclable Materials, or Compostable
25 Materials by a Generator in a container and at a location that is designated for
26 Collection.

27 **1.22 DESIGNATED WASTE**

28 "Designated Waste" means non-Hazardous Waste which may pose special
29 Disposal problems because of its potential to contaminate the environment and which
30 may be disposed of only in Class II Disposal Sites, or Class III Disposal Sites pursuant to
31 a variance issued by the California Department of Health Services. Designated Waste
32 consists of those substances classified as Designated Waste by the State of California, in
33 23 California Code of Regulations Section 2522.

34 **1.23 DISPOSAL (OR DISPOSE)**

35 "Disposal (or Dispose)" means the final disposition of Refuse collected by the
36 Contractor at a Disposal Site designated by City.

37 **1.24 DISPOSAL SITE(S)**

38 "Disposal Site(s)" means the facility or facilities designated by the City for the
39 Disposal of Refuse collected by the Contractor.

1 **1.25 EXTRAS**

2 "Extras" means services provided to customers in addition to their regular
3 service. Such services and their costs shall be approved by City in advance. A
4 temporary bin provided to a residential customer and extra bags of Refuse placed beside
5 multi-family carts are examples of Extras.

6 **1.26 FRANCHISE FEE**

7 "Franchise Fee" means the fee paid by Contractor to City for the right to hold the
8 exclusive franchise and the use of the public rights of way granted by this Agreement.

9 **1.27 GENERATOR**

10 "Generator" means any Person whose act or process produced Refuse,
11 Recyclable, or Compostable Materials.

12 **1.28 GROSS REVENUES**

13 "Gross Revenues" means the total amount billed to customers by Contractor on
14 an accrual basis for a specified period of time for Refuse, Recyclable Materials, and
15 Compostable Materials services provided by Contractor. In this Agreement, Gross
16 Revenues are adjusted by subtracting bad debts for the specified period from Gross
17 Revenues to account for amounts included in Gross Revenues for a prior period, which
18 have been determined to be un-collectable in the specified period.

19 **1.29 HANDLING**

20 "Handling" means Collection and Transportation of Refuse and Compostable
21 Materials to a City designated Disposal Site or Composting Facility and Collection and
22 Processing of Recyclable Materials.

23 **1.30 HAZARDOUS SUBSTANCE**

24 "Hazardous Substance" means any of the following: (a) any substances defined,
25 regulated or listed (directly or by reference) as "Hazardous Substances," "hazardous
26 materials," "Hazardous Wastes," "toxic waste," "pollutant" or "toxic substances," or
27 similarly identified as hazardous to human health or the environment, in or pursuant to
28 (i) the Comprehensive Environmental Response, Compensation and Liability Act
29 (CERCLA) of 1980, 42 USC §9601 et seq. (CERCLA); (ii) the Hazardous Materials
30 Transportation Act, 49 USC §1802, et seq.; (iii) the Resource Conservation and
31 Recovery Act, 42 USC §6901 et seq.; (iv) the Clean Water Act, 33 USC §1251 et seq.;
32 (v) California Health and Safety Code §§25115-25117, 25249.8, 25281, and 25316; (vi)
33 the Clean Air Act, 42 USC §7901 et seq.; and (vii) California Water Code §13050; (b)
34 any amendments, rules or regulations promulgated thereunder to such enumerated
35 statutes or acts currently existing or hereafter enacted; and (c) any other hazardous or
36 toxic substance, material, chemical, waste or pollutant identified as hazardous or toxic or
37 regulated under any other applicable federal, state or local environmental laws currently
38 existing or hereinafter enacted, including, without limitation, friable asbestos,
39 polychlorinated biphenyl's ("PCBs"), petroleum, natural gas and synthetic fuel products,
40 and by-products.

1 **1.31 HAZARDOUS WASTE**

2 "Hazardous Waste" means all substances defined as Hazardous Waste, acutely
3 Hazardous Waste, or extremely Hazardous Waste by the State of California in Health
4 and Safety Code §25110.02, §25115, and §25117 or in the future amendments to or
5 recodifications of such statutes or identified and listed as Hazardous Waste by the U.S.
6 Environmental Protection Agency (EPA), pursuant to the Federal Resource Conservation
7 and Recovery Act (42 USC §6901 et seq.), all future amendments thereto, and all rules
8 and regulations promulgated thereunder.

9 **1.32 HOUSEHOLD HAZARDOUS WASTE**

10 "Household Hazardous Waste" means Hazardous Waste generated at residential
11 Premises within the City.

12 **1.33 INDUSTRIAL**

13 "Industrial" means manufacturing or technical productive enterprises.

14 **1.34 INFECTIOUS WASTE**

15 "Infectious Waste" means biomedical waste generated at hospitals, public or
16 private medical clinics, dental offices, research laboratories, pharmaceutical industries,
17 blood banks, mortuaries, veterinary facilities, and other similar establishments that are
18 identified in Health and Safety Code Section 25117.5.

19 **1.35 LEGISLATION**

20 "Legislation" means any code, ordinance, resolution, or any other formal
21 enactment of the governing body of the City, which now exists, or which may hereafter
22 be adopted which constitutes law or regulation governing the operation of the
23 Contractor.

24 **1.36 MULTI-FAMILY RESIDENTIAL COMPLEX**

25 "Multi-Family Residential Complex" means any residential complex, other than a
26 Single-Family Residence, used for residential purposes, including but not limited to two
27 to six (2-6) unit complexes, apartment buildings, mobile home parks, condominiums,
28 and other residential complexes over six (6) units.

29 **1.37 OCCUPANT**

30 "Occupant" means the person who occupies Premises.

31 **1.38 OWNER**

32 "Owner" means the person with the legal right to the possession of land or
33 building.

34 **1.39 PERSON**

35 "Person" means any individual, firm, association, organization, partnership,
36 corporation, business trust, joint venture, the United States, the State of California, the
37 County of Sonoma, and special purpose districts.

1 **1.40 PREMISES**

2 "Premises" means any land or building in the City where Refuse, Recyclable
3 Materials or Compostable Materials are generated or accumulated.

4 **1.41 PROCESSING**

5 "Processing" means to process, prepare, treat, or convert through some special
6 method.

7 **1.42 PROCESSING FACILITY**

8 "Processing Facility" means any plant or site used for the purpose of sorting,
9 cleansing, treating or reconstituting Recyclable Materials for the purpose of making such
10 material available for the market. Activities that may be undertaken at a Processing
11 Facility include but are not limited to Processing Recyclable Materials or Compostable
12 materials.

13 **1.43 RECYCLING CONTAINER**

14 "Recycling Container" means City-approved Cart or Bin used to place
15 Recyclable Materials at a designated Collection location for Collection for the purpose
16 of Recycling.

17 **1.44 RECYCLABLE MATERIALS (ALSO "RECYCLABLES")**

18 "Recyclable Materials" means those discarded materials that the City Code
19 permits, directs and/or requires Generators to set out in Recycling Containers for
20 Collection for the purpose of Recycling. No discarded material shall be considered to be
21 Recyclable Materials, however, unless it is separated from Refuse and Compostable
22 Materials. Recyclable Materials may include newspaper, mixed paper, glass bottles and
23 jars, metal and aluminum cans, plastic household containers, corrugated cardboard and
24 cardboard.

25 **1.45 RECYCLING**

26 "Recycling" means the process of sorting, cleansing, treating and reconstituting at
27 a Processing Facility those Recyclable Materials that would otherwise be disposed of at a
28 Disposal Site for the purpose of returning such materials to the economy in the form of
29 raw materials for new, re-used or reconstituted products.
30

31 **1.46 REFUSE**

32 "Refuse" means all putrescible and non-putrescible solid, semi-solid, and liquid
33 waste that the City Code requires Generators within the City to set out for Collection.
34 Refuse does not include:

- 35 (1) Hazardous Waste or Hazardous Substance;
 - 36 (2) Infectious Waste;
 - 37 (3) Abandoned automobiles;
 - 38 (4) Unacceptable waste; or
 - 39 (5) Radioactive waste.
- 40

1 Refuse includes Recyclable Materials only when such materials are commingled
2 with Refuse and included for Collection in a Refuse container. Only discarded materials
3 shall be considered Refuse.

4 **1.47 ROLL-OFF/COMPACTOR REFUSE SERVICE**

5 "Roll-Off/Compactor Refuse Service" means permanent or temporary service
6 provided by Contractor under this exclusive Agreement to any Generator requiring a
7 Debris Box or Compactor for the Collection of Refuse, Segregated or Mixed
8 Construction and Demolition Debris, Compostable Materials, Bulky Items or Recyclable
9 Materials.

10 **1.48 ROLL-OFF CONTAINER**

11 "Roll-Off Container" means permanent service provided to any Generator
12 requiring a Debris Box or Compactor for the Collection of Refuse. Segregated
13 Recyclable Material

14 **1.49 "SEGREGATED RECYCLABLE MATERIAL"**

15 "Segregated Recyclable Material" means those recyclable materials which have
16 been separated from all other Recyclable Materials to form one readily identifiable
17 category of materials by the person from whom they are being collected such as, but not
18 limited to cardboard, designated paper grades, steel cans and designated plastics.

19 **1.50 SINGLE-FAMILY RESIDENCE**

20 "Single-Family Residence" means a separate unit used for housing a single
21 family.

22 **1.51 SMALL COMMERCIAL GENERATOR**

23 "Small Commercial Generator" means any Commercial Business, which
24 generates less than 90 gallons of Refuse per week.

25 **1.52 SOURCE SEPARATED CONSTRUCTION AND DEMOLITION (C&D) MATERIALS**

26 "Source Separated C&D Materials" means C&D materials collected in individual
27 components such as but not limited to dirt, concrete, wood, asphalt, scrap metals, or
28 other such C&D materials.

29 **1.53 TEMPORARY DEBRIS BOX SERVICE**

30 "Temporary Debris Box Service" means temporary service provided at a job site
31 to any residential or commercial Generator requiring a Debris Box for the Collection of
32 Source Separated C&D Materials, Mixed C&D Materials, Compostable Materials, or
33 Segregated Recyclable Materials.

34 **1.54 TERM**

35 "Term" means the Term of this Agreement, as provided for in Article 3.

1 **1.55 TRANSPORTATION**

2 "Transportation" means the act of transporting or state of being transported to a
3 specific Disposal Site, Composting Facility or other location designated by City.

4 **1.56 WHITE GOODS**

5 "White Goods" means discarded enamel household appliances of any
6 color, such as refrigerators, stoves, washer/dryers, water heaters, dishwashers,
7 etc., and similar items.

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ARTICLE 3.
TERM OF AGREEMENT

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3.1 EFFECTIVE DATE

The effective date of this Agreement shall be January 1st, 2009 ("Effective Date").

3.2 CONDITIONS TO EFFECTIVENESS OF AGREEMENT

The obligation of City to permit this Agreement to become effective and to perform its undertakings provided for in this Agreement is subject to the satisfaction of each and all of the conditions set out below, each of which may be waived in whole or in part by City.

3.2.1 ACCURACY OF REPRESENTATIONS

The representations and warranties made in Article 2 of this Agreement are true and correct on and as of the Effective Date.

3.2.2 ABSENCE OF LITIGATION

There is no litigation pending on the Effective Date in any court challenging the award or execution of this Amendment or seeking to restrain or enjoin its performance.

3.2.3 EFFECTIVENESS OF CITY COUNCIL ACTION

The City's Resolution No. 5723, approving this Agreement, shall have become effective pursuant to California law prior to the Effective Date.

3.3 TERM

The Term of this Agreement shall begin January 1st, 2009, and end at midnight December 31, 2023, unless extended by City pursuant to Section 3.4. The term of this Agreement shall supercede all previous agreements made between Contractor and the City.

3.4 OPTION TO EXTEND TERM

The City shall have the option to extend this Agreement, in periods of at least twelve (12) months each, if the Contractor agrees to such an extension of the Agreement. If the City elects to exercise the option, it shall give written notice of its election, specifying the number of months by which it elects to extend the Term, to the Contractor, one hundred eighty (180) days prior to the initial or extended termination date. Contractor shall return a signed Letter Agreement to the City within 30 days of such written notice by City for the extension to become effective.

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ARTICLE 4.
SCOPE OF AGREEMENT

4.1 SCOPE OF AGREEMENT

Subject to Article 4.2, the franchise granted to Contractor shall be exclusive for Refuse, Recyclable Materials, Compostable Materials, including all Roll-Off Refuse Service and Temporary Debris Box Service, Cleanup Bins, and Bulky Items Collection in the City limits of the City of Sebastopol except where otherwise precluded by federal, state, and local laws and regulations.

4.2 LIMITATIONS TO SCOPE

The franchise for the Collection and Transportation of Refuse and Compostable Materials to a City designated Disposal Site or Composting Facility and Collection and Processing of Recyclable Materials granted to Contractor shall be exclusive except as to the following materials listed in this section. The City permits the operation of buy back Recycling and re-use centers, and this Agreement shall allow business and residential Generators to transport, donate and sell Recyclable Materials to such centers. The Franchise granted the Contractor shall not preclude the categories of Recyclable Materials or other materials listed below from being delivered to and collected and transported by others provided that nothing in this Agreement is intended to or shall be construed to excuse any Person from obtaining any authorization from City, which is otherwise required by law:

- A. Other recyclers shall maintain the right to collect Segregated Recyclable Materials, to accept donated Recyclable Materials, and to pay the Generator for Source Separated Recyclable Materials. Other recyclers shall not be permitted to charge for these services. Segregated Recyclable Materials set out for Collection by other recyclers shall contain no more than 10 percent by weight or volume (whichever is less) Refuse commingled in the materials to qualify for the exception under this section. If Contractor can document that other recyclers are servicing Collection containers that contain less than 90 percent source separated Segregated Recyclable Materials or Compostable Materials, it shall report the location and the name of the recycler to the City along with Contractor's evidence of the violation of the exclusiveness of this Agreement;
- B. Recyclable Materials which are removed from any Premises by the Generator and which are transported personally by the Owner or Occupant of such Premises (or by his or her employees or a contractor);
- C. Recyclable Materials, which are source separated at any Premises by the Generator and donated to youth, civic, or charitable organizations;
- D. Containers delivered for Recycling under the California Beverage Container Recycling Litter Reduction Act, Section 14500, et seq., California Public Resources Code;

- 1 **E.** Compostable Materials removed from a Premises by a gardening,
2 landscaping, or tree-trimming contractor as an incidental part of a total
3 service offered by that contractor rather than as a hauling service, and for
4 no additional or separate fee, and if such contractor delivers the
5 Compostable Materials to a Compostable Container or Composting
6 Facility and does not dispose of the material as Refuse;
- 7 **F.** Animal waste and remains from slaughterhouse or butcher shops for use
8 as tallow;
- 9 **G.** By-products of sewage treatment, including sludge, sludge ash, grit and
10 screenings; and
- 11 **H.** Hazardous Waste, Infectious Waste, and Designated Waste, regardless of
12 its source.

13
14 This grant to Contractor of an exclusive right and privilege to collect and
15 transport Refuse and Compostable Materials and collect and process Recyclable
16 Materials shall be interpreted to be consistent with state and federal laws, now
17 and during the Term of the Agreement, and the scope of this exclusive right shall
18 be limited by applicable state and federal laws with regard to the matters
19 contained in this Agreement. In the event that future interpretations of current
20 law or new laws, regulations, interpretations or trends limit the ability of the City
21 to lawfully provide for the scope of services as specifically set forth herein,
22 Contractor agrees that the scope of the Agreement will be limited to those
23 services and materials which may be lawfully provided and that the City shall not
24 be responsible for any lost profits or losses claimed by Contractor to arise out of
25 limitations of the scope of the Agreement set forth herein. In such an event, it
26 shall be the responsibility of Contractor to minimize the financial impact to other
27 services being provided as much as possible.

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ARTICLE 5.
COLLECTION SERVICES

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5.1 GENERAL

The work to be done by Contractor pursuant to this Agreement shall include the furnishing of all labor, supervision, equipment, materials, supplies, and all other items necessary to perform the services required. The enumeration and specification of requirements for particular items of labor or equipment shall not relieve Contractor of the duty to furnish all others, whether enumerated or not.

The work to be done by Contractor pursuant to this Agreement shall be accomplished in a thorough and professional manner so that the residents and businesses within the City are provided reliable, courteous and high-quality service at all times. The enumeration and specification of requirements for particular aspects of service quality shall not relieve Contractor of the duty of accomplishing all other aspects whether they are enumerated elsewhere in the Agreement or not.

5.2 REFUSE SERVICES

5.2.1 SINGLE-FAMILY RESIDENTIAL REFUSE SERVICE

Contractor shall collect and transport all Refuse from Carts placed at the Curb of Single-Family Residences once per week as scheduled.

5.2.2 MULTI-FAMILY COMPLEX REFUSE SERVICE

5.2.2.A MULTI-FAMILY REFUSE CART SERVICE

Contractor shall collect and transport to a Disposal Site, all Refuse from Carts placed at the Curb by each Generator within a Multi-Family Complex, not less than once per week as scheduled.

5.2.2.B MULTI-FAMILY REFUSE BIN SERVICE

Contractor shall collect and transport to a Disposal Site, all Refuse from Bins, not less than once per week. Bin enclosures and access should comply with Contractors guidelines.

5.2.3 COMMERCIAL REFUSE SERVICE

5.2.3.B COMMERCIAL REFUSE CART SERVICE

Contractor shall collect and transport to a Disposal Site all Refuse from Carts placed at the Curb by each Generator, not less than once per week.

5.2.3.A COMMERCIAL REFUSE BIN SERVICE

Contractor shall collect and transport to a Disposal Site all Refuse from Bins not less than once per week. Bin enclosures and access should comply with Contractors guidelines.

1 **5.3 RECYCLING SERVICES**

2 Contractor shall collect Recyclable Materials as described in Exhibit D for
3 Single-Family Residences, Multi-Family Complexes, and Commercial Businesses.

4 Contractor shall instruct Single-Family Residences, Multi-Family Complexes
5 (individual residents and/or complex managers as appropriate), and Commercial
6 Businesses as to preparation of materials; the proper placement of Recycling Carts or
7 Bins. Repeated contamination of Recyclable Materials may result in additional charges
8 or the removal of Carts and/or Bins from the premises.

9 Contractor shall transport Recyclable Materials to a Processing Facility, process
10 and market the Recyclable Materials. The Recyclable Materials may not be disposed of
11 at a Disposal Site, Transfer Station, or any other location in lieu of Recycling the
12 material without the expressed written approval of the City, as specified in Article 4.4.

13 **5.3.1 SINGLE-FAMILY RESIDENTIAL RECYCLING SERVICE**

14 The Contractor shall provide weekly Recycling Collection service, which shall
15 correspond with the Single-Family Residential Refuse Collection day for each resident.
16

17 **5.3.2 MULTI-FAMILY COMPLEX RECYCLING SERVICE**

18 Recycling Collection service shall be provided to Multi-Family Complexes.
19 Contractor shall assist each complex by recommending the number and type of
20 containers needed to service the Multi-Family Complex. Contractor shall recommend the
21 most effective locations on site for placement of containers. Contractor shall provide
22 educational materials and signage to reduce contamination and shall offer educational
23 presentation to tenants upon request. Property manager or owner shall be responsible for
24 the initial distribution of educational materials to tenants.

25 Recycling Service shall be suspended if Contractor determines that Recycling
26 Bin is contaminated with items other than Recyclable Materials. Contractor shall notify
27 City of the suspension of Recycling Services. Recycling Service shall resume when
28 Contractor is assured that contamination of Recycling Bins is eliminated.

29 **5.3.3 COMMERCIAL RECYCLING PROGRAM**

30 Recycling Collection service shall be provided to Commercial Businesses.
31 Contractor shall assist each Commercial Business by recommending the number and
32 type of containers needed to service the Commercial Business. Contractor shall
33 recommend the most effective locations on site for placement of containers. Contractor
34 shall provide educational materials and signage to reduce contamination and shall offer
35 educational presentation to tenants upon request.

36 Recycling Service shall be suspended if Contractor determines that Recycling
37 Bin is contaminated with items other than Recyclable Materials. Contractor shall notify
38 City of the suspension of Recycling Services. Recycling Service shall resume when
39 Contractor is assured that contamination of Recycling Bins is eliminated.

1 **5.4 COMPOSTABLE MATERIALS PROGRAM**

2 **5.4.1 SINGLE-FAMILY RESIDENTIAL COMPOSTABLE MATERIALS PROGRAM**

3 Contractor agrees to collect and deliver to a Composting Facility,
4 Compostable Materials collected from Compostable Containers placed at the
5 Curb by each Single-Family Residence. The Contractor shall provide scheduled
6 weekly Collection service, which shall correspond with the Single-Family
7 Residential Refuse Collection day.

8 The Compost Processing Facility may process the material as compost or
9 mix the material with bio-solids and process the material as compost.

10 Compostable Materials Service shall be suspended if Contractor determines that
11 Compostable Materials Containers is contaminated with items other than Compostable
12 Materials. Contractor. Compostable Materials Service shall resume when Contractor is
13 assured that contamination of Compostable Materials Containers is eliminated.

14 **5.5 USED MOTOR OIL COLLECTION**

15 **5.5.1 SINGLE FAMILY RESIDENCES**

16 The Contractor shall provide used motor oil collection for Single-Family
17 Residences as part of the Recyclable Materials Collection program. Residents
18 must call to sign up for this service and to obtain spill-safe containers from the
19 Contractor for the Collection of used motor oil and zip lock plastic bags for used
20 oil filters. Contractor shall collect used motor oil and used filters from Single-
21 Family Residences that are placed at the Curb. Residents must call to request
22 motor oil and filter collection pickup service to assure that drivers are alerted that
23 motor oil requires pick up. The Contractor shall provide replacement containers
24 and filter bags as requested to participants upon Collection of oil and/or filters.

25 **5.5.2 MULTI- FAMILY RESIDENCES**

26 The Contractor shall provide used oil collection to Multi-Family
27 Complexes as part of the Recyclable Materials Collection program. Upon request
28 by the property manager, property owner or HomeOwners Association, the
29 Contractor will distribute spill-safe containers for the Collection of used motor
30 oil and plastic bags for used oil filters. Contractor shall collect used motor oil and
31 used filters from Multi-Family Complexes at a location that is acceptable to the
32 Contractor, and Manager, Owner or Homeowner's Association. Contractor shall
33 provide replacement containers and filter bags to participants upon each
34 Collection of oil and/or filters. Residents of Multi-Family Complexes may not
35 order this service directly.

36 Contractor shall safely store oil and used filters collected at its facility, and
37 arrange for these materials to be properly recycled. Contractor shall provide used motor
38 oil and used filter recycling support through community outreach, educational materials,
39 and their web site.
40

1 **5.6 CHRISTMAS TREE DROPOFF**

2 Contractor shall supply a Roll-Off Container, to be placed at a location
3 determined by the City, to provide a drop-off service for Christmas trees. The Roll-Off
4 Container shall be serviced on a regular basis and the surrounding area kept free of any
5 debris. Christmas trees shall be recycled in a manner to count as diversion by the
6 California Integrated Waste Management Board. Trees that are flocked and contain
7 tinsel or other decorations shall be collected separately for Disposal. The Debris Box
8 shall be delivered the following business day after Christmas and serviced until mid-
9 January or in cooperation with the Sonoma County Waste Management Agency Drop-
10 Off program.

11 Contractor shall notify service recipients in writing of the dates, time, and places
12 of Christmas Tree Collections. Information shall be included in the informational
13 newsletters, in a bill insert, or other reasonable means.

14 **5.7 HOUSEHOLD ALKALINE BATTERY RECYCLING PROGRAM**

15 Contractor shall provide collection services for City-sponsored Household
16 Alkaline Battery Recycling Program. Contractor shall collect recycled Household
17 Batteries from City locations identified in Exhibit B. City staff shall notify Contractor
18 when battery containers require pickup. Upon such notification, Contractor shall collect
19 and deliver batteries to a battery recycler or permitted hazardous waste facility. If
20 requested to do so, Contractor shall accommodate requests from City staff for routine
21 and/or more frequent pickups.
22

23 **5.8 BULKY ITEM COLLECTION PROGRAM**

24 Contractor shall provide Collection of Bulky Items from Residential, Multi-
25 Family and Commercial Generators on a for-fee basis. Contractor shall charge
26 Generators the service rates established in the rate schedule and may be adjusted under
27 the terms of this Contract.
28

29 **5.9 CLEAN UP BIN SERVICE**

30 Contractor shall provide Clean Up Bin Service to any Generator on a for-fee
31 basis. Clean-Up Bins may be used for Generators requiring additional Collection service
32 on a temporary basis or for special events. Contractor shall charge Generators the service
33 rates established in the rate schedule and may be adjusted under the terms of this
34 Contract.

1 **5.10 CITY FACILITIES**

2 Contractor collection of Refuse and Recyclable Materials to all City facilities
3 identified in Exhibit A. Contractor shall provide collection of Refuse disposed of in
4 City-owned cans located in the City as identified in Exhibit A. The size of the bin or cart
5 and the frequency of Collection shall be determined between the City and Contractor.
6 The services required by this section shall be provided at no charge to the City, but the
7 cost of providing such service shall be an allowable expense under Article 8.

8 **5.11 COLLECTION FROM CITY-SPONSORED EVENTS**

9 Contractor shall collect Refuse and Recyclable Materials at City-sponsored
10 events identified in Exhibit C . The services required by this section shall be provided at
11 no charge to the City, but the cost of providing such service shall be an allowable
12 expense under Article 8.

13 **5.12 REMOVAL OF HAZARDOUS WASTE**

14 If Contractor determines that material placed in any container for Collection is
15 Hazardous Waste, Designated Waste, Infectious Waste, or other material that may not
16 legally be disposed of at the Disposal Site or Processing Facility or presents a hazard to the
17 Contractor's employees, the Contractor shall have the right to refuse to accept such material.
18 The Generator shall be contacted by the Contractor and requested to arrange proper
19 Disposal. The Contractor shall notify the City of any such material left at any Premises for
20 14 days or more. If the material is delivered to the Disposal Site or a Processing Facility
21 before its presence is detected and the Generator cannot be identified or fails to remove the
22 material after being requested to do so, the Contractor shall arrange for its proper Disposal.
23 The Contractor shall make a good faith effort to recover the cost of Disposal from the
24 Generator, and the cost of this effort, as well as the cost of Disposal shall be chargeable to
25 the Generator. Upon prior notification to the City, the Contractor shall be entitled to include
26 the reasonable costs incurred under this section as an operating expense for purposes of
27 compensation under Article 8 and shall include all sums recovered by it from Generators as
28 "Other Income."

29 **5.13 TRANSPORTATION OF REFUSE, RECYCLABLE MATERIALS AND**
30 **COMPOSTABLE MATERIALS**

31 Contractor shall provide for the transportation of all Refuse, Recyclable Materials
32 and Compostable Materials collected under this Agreement. Contractor shall maintain
33 accurate records of the quantities of Refuse, Recyclable Materials, and Compostable
34 Materials transported to the Disposal Site, Processing Facility, or Composting Facility of
35 customers within the City Limits of Sebastopol.

36 **5.14 PROCESSING OF REFUSE, RECYCLABLE MATERIALS, AND COMPOSTABLE**
37 **MATERIALS**

38 The City reserves the right to 1), approve the Disposal Site(s) and Processing
39 Facilities selected by the Contractor and 2), to direct the Contractor to use alternative
40 Disposal Site(s) or Processing Facilities for disposal, recycling or composting of all
41 materials collected pursuant to this Agreement. If City redirects Refuse to an alternate
42 Disposal Site or Processing Facility, Payment for Services to Contractor shall be

1 adjusted for differences in the cost of Transportation, Disposal, and Processing of the
2 material.

3 **5.15 COLLECTION STANDARDS**

4 **5.15.1 CARE OF PRIVATE PROPERTY**

5 Contractor shall use due care when collecting Refuse, Recyclable
6 Materials, and Compostable Materials Containers. Containers shall not be
7 thrown from trucks, roughly handled, damaged or broken. Containers shall be
8 returned to the Collection point in an upright position.

9 Contractor shall ensure that its employees close, and relock if applicable,
10 all gates opened by them in making Collections, unless otherwise directed by the
11 Generator.

12 Contractor will require a damage waiver to enter onto private property.
13 City shall refer Complaints about damage to private property to Contractor.
14 Contractor shall repair all damage to private property caused by its employees'
15 negligence or willful misconduct. Contractor may require residents on private
16 roads to place Carts at the public road or Curb for Collection.

17 **5.15.2 LITTER ABATEMENT**

18 **A. Minimization of Spills.** Contractor shall use due care to prevent Refuse,
19 Recyclable Materials, and Compostable Materials from being spilled or scattered
20 during the Collection or Transportation process. If any Refuse, Recyclable
21 Materials, or Compostable Materials are spilled during Collection, the Contractor
22 shall promptly clean up all spilled materials. Each Collection vehicle shall carry a
23 broom and shovel at all times for the purpose of cleaning litter.

24 **B. Covering of Loads.** Contractor shall cover all open Debris Boxes at pick-
25 up location prior to transport to the Disposal Site or Processing Facility.

26 **5.15.3 HOURS OF COLLECTION**

27 Scheduled Collection of Refuse, Recyclable Materials, and Compostable
28 Materials in residential areas may occur only between the hours of 6:00 a.m. and
29 6:00 p.m., and in commercial areas, only between the hours of 5:00 a.m. and 6:00
30 p.m. Commercial customers adjacent to residential structures or areas shall not
31 be serviced prior to 6:00 a.m.

32 **5.15.4 NOISE**

33 All Collection operations shall be conducted as quietly as possible and
34 shall conform to applicable federal, state, county and City noise level regulations.

35 **5.15.5 HOLIDAY COLLECTION SCHEDULE**

36 During the week of the holidays shown on Exhibit E, Collection shall be
37 delayed by one day following the holiday, except when the holiday falls on a
38 Saturday or Sunday. Contractor shall publish and distribute a holiday schedule in
39 an informational newsletter or billing insert to all Generators at least annually.

1 **5.16 VEHICLES**

2 **5.16.1 GENERAL**

3 Contractor shall provide a fleet of Collection vehicles sufficient in number
4 and capacity to efficiently perform the work required by the Agreement in strict
5 accordance with its terms. Contractor shall have available sufficient back-up
6 vehicles for each type of Collection vehicle used (i.e., side loader, front loader,
7 and roll-off) to respond to Complaints and emergencies.

8 **5.16.2 SPECIFICATIONS**

9 All vehicles used by Contractor in providing collection services shall be
10 registered with the California Department of Motor Vehicles. All such vehicles
11 shall have watertight bodies designed to prevent leakage, spillage, or overflow.
12 Vehicles shall also be equipped with safety features that enable drivers to avoid
13 making contact with other vehicles, their passengers and/or pedestrians.

14 **5.16.3 VEHICLE IDENTIFICATION**

15 Contractor's name, local telephone number, and a unique vehicle
16 identification number for each vehicle shall be displayed on all vehicles.

17 **5.16.4 INVENTORY**

18 Contractor shall furnish sufficient equipment to provide all service
19 required under this Agreement. Contractor shall furnish the City a written
20 inventory of all vehicles, including Collection vehicles, used in providing
21 service, as part of the Annual Report. The inventory shall list all vehicles by
22 manufacturer and model year; all equipment by ID number, date of acquisition
23 and vehicle type.

24 The initial inventory of vehicles to be used to provide services under this
25 Agreement is attached as Exhibit J.

26 **5.16.5 CLEANING AND MAINTENANCE**

27 **A. General.** Contractor shall maintain all of its properties, facilities, and
28 equipment used in providing service under this Agreement in a safe, neat, clean,
29 and operable condition at all times.

30 **B. Maintenance.** Contractor shall: (i) inspect each vehicle daily to ensure
31 that all equipment is operating properly and vehicles that are not operating
32 properly shall be taken out of service until they are repaired and do operate
33 properly; and (ii) perform all scheduled maintenance functions in accordance
34 with the manufacturer's specifications and schedule. Contractor shall keep
35 accurate records of all vehicle maintenance, recorded according to date and
36 mileage, and shall make such records available to the City upon request.

37 **C. Repairs.** Contractor shall repair, or arrange for the repair of, all of its
38 vehicles and equipment for which repairs are needed because of accident,
39 breakdown, or any other cause so as to maintain all equipment in a safe and
40 operable condition. If an item of repair is covered by a warranty, Contractor shall
41 obtain warranty performance. Contractor shall maintain accurate records of
42 repair, which shall include the date/mileage, nature of repair, and the signature of

1 a maintenance supervisor that the repair has been properly performed, and shall
2 make such records available to the City upon request.

3 **D. Storage.** Contractor shall arrange to store all vehicles and other
4 equipment in safe and secure location(s) in accordance with City's applicable
5 zoning regulations.

6 **5.16.6 OPERATION**

7 Vehicles shall be operated in compliance with the California Vehicle
8 Code, and all applicable safety and local ordinances. Contractor shall not load
9 vehicles in excess of the manufacturer's recommendations or limitations imposed
10 by state or local weight restrictions on vehicles. Contractor shall have the right
11 to refuse unsafe loads and/or loads containing illegal materials.

12 **5.17 CONTAINERS**

13 **5.17.1 GENERAL**

14 All Carts, Bins, Roll-Off Containers and Compactors shall be provided to
15 customers as part of services provided by Contractor.

16 Upon termination of the Agreement, the City reserves the right to take
17 ownership of all Carts, Bins, Roll-Off Containers and Compactors, or to request
18 Contractor to remove some or all containers.

19 Contractor shall provide containers for collection of Refuse, Recyclable
20 Materials, and Compostable Materials, which shall be designed and constructed
21 to be watertight and prevent the leakage of liquids. All containers with a
22 capacity of one cubic yard or more shall meet applicable federal regulations on
23 Refuse Bin safety and be covered with attached lids. All Bins, Roll-Off
24 Containers and Compactors shall be painted standard colors and shall
25 prominently display the name and telephone number of the Contractor.

26 **5.17.2 REFUSE CART CONTAINERS**

27 **5.17.2.A SINGLE FAMILY RESIDENTIAL REFUSE CART SERVICE**

28 Contractor shall supply each Single Family Residence with a choice of
29 one (1) 20-, 30-, 60-, or 90-gallon (or equivalent size) Cart for the Collection of
30 Refuse. Single-Family Residences may receive multiple Refuse Carts for an
31 additional fee.

32 Carts must be placed at the public Curbside for efficient Collection by driver.

33 **5.17.2.B MULTI-FAMILY COMPLEX REFUSE CART SERVICE**

34 Contractor shall supply each Multi-Family Residential Complex resident
35 with a choice of one (1) 20-, 30-, 60-, or 90-gallon (or equivalent size) Cart for
36 the Collection of Refuse. Multi-Family Residents may receive multiple Refuse
37 Carts for an additional fee. Multi-Family Residential Complex Generators using
38 Carts for collection of Refuse must place carts at the public Curbside or other
39 location convenient for efficient Collection by driver.

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5.17.2.C SMALL COMMERCIAL GENERATOR CART SERVICE

Contractor shall supply each Small Commercial Generator with one (1) 30- 60-, 90-gallon Cart (or equivalent size) for the Collection of Refuse, upon request. Small Commercial Generators may receive multiple Refuse Carts for an additional fee. Commercial Generators using Carts for collection of Refuse must place carts at the public Curbside or other location convenient for efficient Collection by driver.

5.17.3 REFUSE BIN CONTAINERS

Contractor shall supply each Bin Service Generator with a choice of size (1 to 6 cubic yard) and number of Bins for the Collection of Refuse. Large quantity Generators shall be offered the option of selecting a Roll-Off Container or Compactor for Collection of Refuse.

5.17.4 RECYCLING CONTAINERS

5.17.4.A SINGLE-FAMILY RESIDENTIAL RECYCLING CART SERVICE

Contractor shall supply each Single-Family Residence with a Cart for the Collection of Single Stream Recyclable Materials. Carts must be placed at the public Curbside for efficient Collection by driver.

5.17.4.B MULTI-FAMILY RESIDENTIAL COMPLEXES RECYCLING CONTAINERS

Contractor shall supply each Multi-Family Residential Complex with Recycling Service. Contractor shall work with the managers or owners to determine the appropriate container type and service level for each complex. Bin Service Generators shall have the option of size (1 to 6 yard Bins) and number of Bins for the Collection of Recyclable Materials.

Multi-Family Residential Complex Generators using Carts for collection of Recyclable Materials must place carts at the public Curbside for efficient Collection by driver.

5.17.4.C COMMERCIAL RECYCLING CONTAINERS

Contractor shall supply each Commercial Business with Recycling Service. Contractor shall work with the managers or owners to determine the appropriate container type and service level for each complex. Bin Service Generators shall have the option of size (1 to 6 yard Bins) and number of Bins for the Collection of Recyclable Materials.

Commercial Business Generators using Carts for collection of Recyclable Materials must place carts at the public Curbside for efficient Collection by driver.

5.17.5 COMPOSTABLE MATERIALS CART SERVICE CONTAINERS

5.17.5.A SINGLE-FAMILY RESIDENTIAL COMPOSTABLE MATERIALS CART SERVICE

1 Contractor shall supply each Single-Family Residence with a 90-
2 gallon Cart (or equivalent size) for the Collection of Compostable
3 Materials. Carts must be placed at the public Curbside for efficient
4 Collection by driver.

5 **5.17.6 CART REPAIR AND REPLACEMENT**

6 Contractor shall replace, not more than once per year without charge,
7 containers that have been stolen or lost. Additional Carts shall be charged to the
8 Single-Family Residences and Multi-Family Residential Complex residents at a
9 rate approved by the City in writing.

10
11 **5.18 PUBLIC EDUCATION**

12 **5.18.1 NEW CUSTOMER START-UP PACKET**

13 Contractor shall provide an information packet for new customers. Contractor
14 shall provide, at a minimum, the following items in the packet to new customers:

- 15 • A letter providing a summary of services and contact information
16 • A "how to" brochure explaining the overall Recyclable and Compostable
17 Materials programs and the materials to be collected.

18 **5.18.2 INFORMATIONAL NEWSLETTERS**

19 Contractor shall publish and mail informational newsletters twice per year to
20 be mailed to all Generators. Newsletters will include information intended to
21 encourage recycling, source reduction, participation in recycling and greenwaste
22 programs and composting. Newsletters shall address issues affecting residential,
23 multifamily and commercial service as well as general articles and information
24 appropriate to all generators including items such as a discussion of AB 939 policy,
25 updates on the County's diversion achievements, hazardous waste disposal options
26 and other general articles of interest. Additional notices, bill inserts and
27 informational pieces shall be distributed as necessary.

28
29 Newsletters shall promote and advertise other features of the Agreement
30 including Christmas Tree recycling information, Holiday Collection Schedule, and
31 Curbside Used Oil Collection.

32
33 Newsletters will be made available to the City for review prior to distribution.

34
35 **5.18.3 ONGOING EDUCATION AND OUTREACH**

36 **5.18.3A MULTI FAMILY COMPLEX EDUCATION**

37 Multi-Family Complex customers will receive an annual bill insert or
38 other mailers describing solid waste and Recycling Service options. Multi-Family
39 Complex managers or owners may request Contractor conduct an on-site
40 evaluation to enhance recycling at no cost to the Multi Family Complex.

41 Contractor shall provide recycling educational materials to property
42 owners or managers for Multi-Family Complex tenants upon request.

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5.18.3B COMMERCIAL BUSINESS EDUCATION

Commercial Business customers will receive an annual bill insert describing solid waste and Recycling service options. Commercial Business managers or owners may request Contractor conduct an on-site evaluation to enhance recycling at no cost to the Commercial Business.

Contractor shall provide recycling educational materials to Commercial Business owners or managers upon request.

5.18.3C PUBLIC SCHOOL EDUCATION

Contractor shall visit each public school inside the City limits at least one time per year and shall provide information to each school regarding the availability of recycling education presentations by Contractor for classrooms and school assemblies.

Upon request, Contractor shall work with students, teachers, administrators and custodial staff at each school to facilitate and implement effective collection and handling system to maximize recycling at each school facility.

5.18.3D PUBLIC FAIRS

Contractor shall periodically staff informational tables at public events within the City to stimulate and enhance recycling programs and provide waste reduction information to the public.

5.19 PERSONNEL

5.19.1 GENERAL

Contractor shall furnish such qualified drivers, mechanical, supervisory, customer service, clerical, and other personnel as may be necessary to provide the services required by this Agreement in a safe and efficient manner.

5.19.2 DRIVER QUALIFICATIONS

All drivers shall be trained and qualified in the operation of waste Collection vehicles and must have in effect a valid license, of the appropriate class, issued by the California Department of Motor Vehicles.

5.19.3 SAFETY TRAINING

Contractor shall provide suitable operational and safety training for all of its employees who utilize or operate vehicles or equipment for Collection of Refuse, Recyclable Materials, or Compostable Materials or who are otherwise directly involved in such Collection. Contractor shall train its employees involved in Collection to identify, and not to collect, Designated Waste, Hazardous Waste, or Infectious Waste.

5.19.4 NO GRATUITIES

Contractor shall not permit its employees to demand or solicit, directly or indirectly, any additional compensation or gratuity from members of the public

1 for the Collection of Refuse, Recyclable Materials, and Compostable Materials
2 under this Agreement.

3 **5.19.5 EMPLOYEE CONDUCT AND COURTESY**

4 Contractor shall use its best efforts to assure that all employees present a
5 neat appearance and conduct themselves in a courteous manner.

6 **5.19.6 PROVISION OF FIELD SUPERVISION**

7 Contractor shall designate at least one qualified employee as supervisor of
8 field operations.

9 **5.19.7 CUSTOMER SERVICE/BILLING LIAISON**

10 Contractor shall designate one (1) qualified employee to serve as
11 customer service/billing liaison to the City. The liaison will be available during
12 business hours to coordinate billing, customer service, and operational issues
13 with the City. The designated billing liaison shall be

14 |
15 Office Manager
16 PO Box 1916
17 Santa Rosa CA 95402
18 (707) 586-8266
19 (707) 586-5543
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ARTICLE 6.
STREET SWEEPING SERVICES

Contractor shall perform the following services for the City in an ongoing and timely manner as is necessary to complete the specified work

6.1 STREET SWEEPING METHODOLOGY

Street cleaning for all curb miles identified within the City Limits shall be performed consistent to industry standards as follows:

- A. Contractor shall operate at a speed that will result in adequate cleaning of the streets.
- B. The Contractor shall operate the equipment per factory specifications to clean a path consistent with the width of the sweeper, from the face of the curb towards the center of the street including the flow line of the gutter, that will result in adequate cleaning of the streets.
- C. The Contractor shall sweep the City’s commercial areas a minimum of twice weekly and include one of the four residential areas per sweeping day to be swept every other week.
- D. The commercial areas shall be swept beginning at 4 am and be completed by 7:30 am at which time residential sweeping shall begin, to be completed by 2 pm.
- E. All asphalt or concrete City streets, regardless of curb and gutter, shall be swept in the normal sweeping schedule as specified by the City.
- F. On streets without curb and gutter, contractor shall clean a path consistent with the width of the sweeper that starts 6 inches to 12 inches for the edge of the pavement and continues toward center of the street.
- G. The Contractor may utilize fire hydrants for the purpose of filling the sweeper with water, as specified by the City.
- H. The Contractor may dump the street sweepings in the City’s Public Works yard, to be disposed of by the City, and may wash the street sweeper in the Public Works yard.

6.2 STREET SWEEPING EQUIPMENT

- A. The Contractor shall provide street sweeping equipment comparable to, or better than, a TYMCO regenerative air sweeper, on a chassis, comparable to or better than a Ford LN 700 powered by a 6.6 liter Ford diesel.
- B. The Contractor shall maintain the vehicle in a sound and safe operating condition, per factory specifications, in order to provide optimal performance to the City.
- C. Any deviation from the above specifications must be authorized in writing from the City.

1 **6.3 OPERATOR RESPONSIBILITIES**

- 2 A. The Contractor is responsible for pre and post vehicle inspections in order
3 to provide a safe environment to the operators and to residents.
- 4 B. The Contractor shall operate the street sweeper per factory specifications in
5 order to provide optimal performance to the City.
- 6 C. The Contractor shall sweep all routes established by the City and maintain
7 the existing schedule, unless otherwise directed by the City.
- 8 D. The Contractor shall be responsible for all missed streets, or for streets that
9 are not cleaned adequately with one pass of the sweeper, at no extra cost to
10 the City.
- 11 E. Additional sweeping shall be available in a timely manner upon City
12 request.
- 13 F. The Contractor shall provide the name and telephone number for the
14 Supervisor and Manager responsible for sweeping operations within the
15 City. Contractor is responsible for customer relations, and any and all
16 concerns shall be referred to the Contractor for mitigation.
- 17 G. The Contractor is responsible for submitting quarterly reports to the City
18 documenting sweeping miles, hours worked, any correspondence with the
19 public.
- 20 H. The City may terminate the street sweeping agreement based on any
21 complaint, breach or failure to perform, after the Contractor has been given
22 reasonable opportunity to remedy same.
- 23 I. The Contractor shall post the Sweeping Schedule on the Contractors website and
24 will provide copies to residents by mail upon request.
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**ARTICLE 7.
OTHER RELATED SERVICES
AND STANDARDS**

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7.1 BILLING

CONTRACTOR shall be responsible for the billing and collection of payments from all Generators in the City. CONTRACTOR shall not bill for Collection services rendered to City service units identified in Exhibit A.

7.1.1 CHARGES AND RATES

The Contractor shall charge Service Recipients the service rates established in the Rate Schedule which is attached to and included in this Contract and as may be adjusted under the terms of this Contract.

7.1.2 PRODUCTION OF INVOICES. The CONTRACTOR shall produce an invoice, in a form and format that is approved by the City, for services received under this Contract no less than four times per year.

7.1.3 PARTIAL MONTH SERVICE. If, during a month, a Service Unit is added to or deleted from CONTRACTOR’S Service Area, the CONTRACTOR’S billing shall be pro-rated based on the weekly service rate, which is the service rate established in the Rate Schedule divided by four (4), times the number of actual weeks in the month that service was provided to the Service Unit.

7.1.4 PAST DUE ACCOUNTS

Contractor shall utilize the following Collections Procedure for Past Due Accounts

1. Each past due account will receive at least one phone attempt between 90 and 120 days past due.
2. Each account with a 120 day past due balance will be sent a letter advising they are past due and requiring payment within 30 days.
3. A second phone attempt will be made after mailing the 120 day notice.
4. 23 days later all accounts that still have a 120 day past due balance will be sent a letter advising they are past due and requiring payment within 7 days.
5. A final phone attempt will be made on each past due account.
6. At 150 days, past due accounts will have received a minimum of three (3) phone attempts and two (2) letters. At this time, service to these accounts shall be stopped and the City notified of all stopped accounts.
7. Prior to stopping service a manual check of each account will be performed to ensure there are no:
 - a. other active accounts at that address
 - b. active payment plans or arrangements
 - c. accounting or billing errors

1 This process shall be repeated monthly. If there has been no
2 successful contact or resolution the account may be flagged for
3 transfer to an outside collection agency.

4 7.1.3 ANNUAL PRE-PAYMENT DISCOUNT. CONTRACTOR shall provide a
5 reduction to the Service Rates as established in Exhibit H for voluntary
6 advance payment for one (1) year of service with the twelfth (12th) month
7 of service provided at no charge in exchange for such advance payment
8 by SFD Service recipients. CONTRACTOR shall advertise the
9 availability of this payment option at least once per year to all SFD
10 subscribers.

11
12 **7.2 SERVICE RATE ELEMENTS.**

13 Collection Service Rates shall consist of some combination of the following elements: a
14 Collection Element, a Disposal Element, a Franchise Fee Element, and such other
15 elements as may be added by the City during the term of this Agreement.

16
17 **7.3 ADJUSTMENTS TO MAXIMUM COLLECTION SERVICE RATES.**

18
19 **7.3.1 ADJUSTMENTS TO DISPOSAL COMPONENT.** Using the Refuse Rate
20 Index (RRI). Beginning on July 1, 2009, and annually thereafter,
21 CONTRACTOR shall, subject to compliance with all provisions of this
22 Article, receive an annual adjustment in the *Collection Components* of the
23 following maximum service rates as set forth in Exhibit H to this Agreement:

24 7.3.1.A SFD Collection Service. All Collection Component lines of the
25 *Collection Component* in Exhibit H.

26 7.3.1.B MFD Collection Service. All Collection Component lines of the
27 *Collection Component* in Exhibit H.

28 7.3.1.C Commercial Collection Service. All Collection Component lines
29 of the *Collection Component* in Exhibit H.

30 7.3.1.D Other Rates. All Collection Component lines of the *Collection*
31 *Component*, the Push Rates, and Other Rates listed in in Exhibit H.

32 7.3.1.E Large Item Collection Rates. All Collection Component lines of
33 the *Collection Component* in Exhibit I.

34
35 **7.3.2 RRI ADJUSTMENT.** Beginning on July 1, 2009, and annually thereafter
36 during the term of this Agreement, the *Collection Component* of the
37 maximum service rates set forth in Article 7.3.1 above shall be adjusted
38 by the RRI adjustment set forth below. In any year that the calculation of
39 the RRI results in a negative number, there shall be no adjustment of the
40 *Collection Component*. Instead the RRI number shall be the result of the
41 cumulative change in the RRI for the two year period prior and shall be
42 the RRI adjustment for that subsequent year.

43
44 7.3.2.A The RRI adjustment shall be the sum of the weighted percentage
45 change in the Annual Average of each RRI index number between the

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base fiscal year, which shall be the prior preceding calendar year ending December 31st and the preceding fiscal year ending December 31st as contained in the most recent release of the source documents listed in Exhibit G, (“REFUSE RATE INDEX”) which is attached to and included in this Agreement. Therefore, the first *Collection Component* rate adjustment will be based on the percentage changes between the Annual Average of the RRI indices for the calendar year ended December 31, 2007 and the Annual Average of the RRI indices for the calendar year ended December 31, 2008. The RRI shall be calculated using the RRI methodology included in Exhibit G.

7.3.3 ADJUSTMENTS TO DISPOSAL COMPONENT.

7.3.3.A SFD Collection Service. The maximum SFD Solid Waste Collection Service Rate is based on the tipping fee per ton and the Residential Disposal Generation Factor set forth in Exhibit H.

7.3.3.B Tip Fee Changes. Any approved change in the per ton tipping fees, as set forth below, will result in a corresponding change in the appropriate “Monthly Unit Disposal Rate” based on the following formula:

(The new tipping fee x the “Residential Disposal Generation Factor”/ one hundred percent (100%) minus the franchise fee percentage, (such amount at the inception of this Agreement to be ninety percent (90%)), to account for the change in the franchise fee applied to the disposal rate element.

Will equal: the SFD Solid Waste Collection Service, “Monthly Unit Disposal Rate”.

7.3.3.C Commercial Collection Service. The maximum Commercial Solid Waste Collection Service “Disposal Component Rate” is based on the tipping fee per ton and the appropriate Conversion Factor set forth on in Exhibit H. Any approved change in the per ton tipping fees will result in a corresponding change in the “Disposal Component Rate” for Commercial Collection Services as set forth in Exhibit H, based on the following formulas:

7.3.3.C.1 Commercial Bin Rates

((The appropriate “Conversion Factor”/2,000 pounds) x the new tipping fee x the Bin size x the frequency of Collection) / one hundred percent (100%) minus the franchise fee percentage, (such amount at the inception of this Agreement to be ninety percent (90%)), to account for the franchise fee applied to the disposal rate element.

Will equal: the Commercial Solid Waste Bin Collection Service “Disposal Component Rate” for the appropriate Bin size and Collection frequency.

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7.3.3.C.2 Commercial Cart Rates

The maximum Commercial Cart Solid Waste Collection Service Rate is based on the tipping fee per ton and the Commercial Cart Disposal Generation Factor set forth in Exhibit H.

7.3.3.D Tip Fee Changes. Any approved change in the per ton tipping fees, as set forth below, will result in a corresponding change in the appropriate “Monthly Unit Disposal Rate” based on the following formula:

(The new tipping fee x the “Commercial Cart Disposal Generation Factor”/ one hundred percent (100%) minus the franchise fee percentage, (such amount at the inception of this Agreement to be ninety percent (90%)), to account for the change in the franchise fee applied to the disposal rate element.

Will equal: the Commercial Cart Solid Waste Collection Service, “Monthly Unit Disposal Rate”.

7.3.4 DISPOSAL ELEMENT RATE ADJUSTMENTS. To be changed based on changes in the tip fee at the Disposal Facility.

7.4 RATE ADJUSTMENT PERIOD By July 1st, 2009, and annually thereafter during the remaining term of the contract, the Contractor shall notify City of the RRI and Tipping Fee adjustments to the affected service rates. Rate adjustments will be effective July 1st of each year and shall be reflected in the next billing cycle. Any increase to rates shall be prorated over the course of the billing year in such a manner to recover any incremental loss in revenue due to the billing cycle.

**ARTICLE 8.
RECORDS**

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4 **8.1 GENERAL**

5 Contractor shall maintain such accounting, statistical and other records related to
6 its performance under this Agreement as shall be necessary to develop the financial
7 statements and other reports required by this Agreement. Also, Contractor agrees to
8 conduct data collection, information and record keeping, and reporting activities needed
9 to comply with and to meet the reporting and program management needs of Contractor
10 and AB 939 and other federal and state and local laws and regulations and the
11 requirements of this Agreement. To the extent, such requirements are set out in this and
12 other articles of this Agreement, they shall not be considered limiting or necessarily
13 complete. In particular, this article is intended to only highlight the general nature of
14 records and reports and their minimum content and is not meant to comprehensively
15 define what the records and reports are to be and their content

16 Contractor shall maintain records required to conduct its operations, to support
17 requests it may make to City, and to respond to requests from City. Adequate record
18 security shall be maintained to preserve records from events that can be reasonably
19 anticipated such as a fire, theft, and earthquake. Electronically maintained data/records
20 shall be protected and backed up.

21 Contractor agrees that the accounting and other records of any and all companies
22 conducting operations addressed in the Agreement shall be provided or made available
23 to City and its agents and/or representatives during normal business hours. Contractor
24 shall allow and permit City or City representative to audit its accounting records and all
25 other records required by this Agreement, and to meet with Contractor personnel to
26 verify data. Contractor shall cooperate to the fullest extent with City during such an
27 audit process.

28 Unless otherwise herein required, Contractor shall retain all records and data
29 required to be maintained by this Agreement for at least five (5) years after the
30 expiration of this Agreement.

31 **8.1.1 REFUSE RECORDS**

32 Records shall be maintained by Contractor for City relating to:

- 33 A. Service recipient services.
- 34 B. Weight and volume by type (e.g., Refuse, Recyclable Materials, and
35 Compostable Materials). Where possible, information is to be separated among
36 Single-Family Residences, Multi-Family Complexes, and Commercial
37 Businesses
- 38 C. Routes.
- 39 D. Facilities, equipment and personnel used.
- 40 E. Facilities and equipment operations, maintenance and repair.

1 F. Disposal and Processing Facility weight tickets for Refuse, Recyclable
2 Materials, and Compostable Materials. Residue will be allocated as a percent of
3 all materials processed by Contractor.

4 Contractor shall maintain records of all Refuse, Recyclable Materials, and
5 Compostable Materials collected in the City for the period of this Agreement
6 plus five (5) years after its termination. Records shall be in chronological and
7 organized form, and readily and easily interpreted. In the event City requests,
8 Contractor shall provide all records of all Refuse, Recyclable Materials, and
9 Compostable Materials to City within sixty (60) days of discontinuing service.

10 **8.1.2 RECYCLABLE MATERIALS AND COMPOSTABLE MATERIALS**
11 **COLLECTION SERVICE RECORDS**

12 Records shall be maintained by Contractor that relate to:

13 A. Recyclable Materials and Compostable Materials sales value;

14 B. Weight of material by type

15 **8.1.3 TRANSFER AND DISPOSAL RECORDS**

16 Contractor shall maintain records of transfer, Disposal and Processing of
17 all Refuse, Recyclable Materials, and Compostable Materials collected by
18 Contractor for the period of this Agreement plus five (5) years after its
19 termination. Records shall be in chronological and organized form and readily
20 and easily interpreted. In the event City requests, Contractor shall provide all
21 records of transfer and Disposal or Processing of all Refuse, Recyclable
22 Materials, and Compostable Materials collected by Contractor within thirty (30)
23 days of discontinuing service.

24 **8.2 REPORTS**

25 **8.2.1 GENERAL**

26 Report Formats and Schedule. Records shall be maintained by Contractor
27 in forms and by methods that facilitate flexible use of data contained in them to
28 structure reports, as needed.

29 Contractor may propose report formats that are responsive to the
30 objectives and audiences for each report. The City shall approve the format of
31 each report. Contractor agrees to submit all reports in a format acceptable to the
32 City.

33 Annual reports shall be submitted no later than April 1st, after the close
34 of each fiscal year ending December 31st.

35 All reports shall be submitted to:

36
37 City of Sebastopol
38 Attention: City Manager
39 7120 Bodega Ave
40 Sebastopol, CA 95472
41

1 **8.3 ANNUAL REPORTS**

2 **8.3.1 ANNUAL REPORT REQUIREMENTS**

3 Annual Reports are due on or before June 1st each year and shall be
4 **presented by Contractor to show the following information:**

5 **A. Refuse Services.** Provide total tonnage by Single-Family Residences
6 and Commercial Businesses. Where possible, tonnages for Multi-Family
7 Residential Complexes will be provided.

8 **B. Recyclable Materials Services.** Provide tonnage by Single-Family
9 Residences and Commercial Businesses. Where possible, tonnages for Multi-
10 Family Residential Complexes will be provided.

11 **C. Recyclable Totals.** Indicate by material type the total of recyclable
12 materials processed and sold.

13 **D. Compostable Materials Service.** Provide tonnage by Single-Family
14 Residences and Commercial Businesses. Where possible, tonnages for Multi-
15 Family Residential Complexes will be provided.

16 **E. Christmas Tree Collection.** Provide total tons diverted.

17 **F. Summarize Annual Outreach Efforts**

18 1) Describe materials distributed

19 2) Provide summary of Commercial Business and Multi-Family
20 Complexes contacted.

21 **G. Pilot and New Programs.** Describe any new or pilot programs initiated
22 during report year.

23 **H. Summary Assessment.** Provide a summary assessment of the overall
24 Refuse, Recyclable Materials, and Compostable Materials program from
25 Contractor's perspective relative to financial and physical status of program.
26 Highlight significant accomplishments and problems.

27 **I. Equipment Inventory.** The annual report shall include a complete
28 inventory of equipment used to provide all services. The inventory shall list all
29 vehicles by manufacturer and model year; all equipment by ID number, date of
30 acquisition and vehicle type.

31 Upon request, Contractor shall provide reports to the City Manager on program status.
32 As requested, biannual presentation shall be made to the City Council updating the City
33 on program status.

34 **8.4 FINANCIAL INFORMATION**

35 On or before June 1st after the close of each fiscal year ending December 31,
36 Contractor shall provide the City with an independent CPA statement of applicable cash
37 receipts for the purpose of verifying and reconciling the franchise fee paid to the City.

38 The financial statements and footnotes shall be prepared in accordance with
39 Generally Accepted Accounting Principles (GAAP) consistently applied and fairly
40 reflecting the results of operation and Contractor's financial condition.

1 **8.5 DIVERSION PROGRAMS**

2 Contractor shall build on the diversion, education and other required programs or
3 actions required by this Agreement, in order to meet the diversion requirements of the
4 California Integrated Waste Management Act of 1989 (Act) (California Public
5 Resources Code Section 40000 et seq.).

6 **8.6 RIGHT TO INSPECT RECORDS**

7 The City shall have the right to inspect or review the income tax returns, payroll
8 tax reports, specific documents or records required pursuant to this Agreement, or any
9 other similar records or reports of the Contractor that City Manager or City Council shall
10 deem, in their sole discretion, necessary to evaluate annual reports, rate review
11 applications provided for in this Agreement, and the Contractor's performance provided
12 for in this Agreement. City shall attempt to maintain the confidentiality of the records
13 and information provided in this paragraph, consistent with the necessity of supporting
14 any recommendations to the City Council. Should City receive a Public Records Act
15 request for this information, it shall notify Contractor and Contractor may take whatever
16 legal action may be available to it to prevent these documents and this information from
17 becoming public.

18 **8.7 INSPECTION BY CITY**

19 The designated representatives of the City shall have the right to observe and
20 review Contractor operations and enter its place(s) of business for the purposes of such
21 observation and review at all reasonable hours with reasonable notice.
22

23 **8.8 PUBLIC/CUSTOMER SERVICE AND ACCESSIBILITY**

24 **8.8.1 OFFICE LOCATION**

25 The Contractor shall maintain an office at 3400 Standish Avenue, Santa
26 Rosa, CA 95407 or such other location that is within the municipal limits of the
27 City as they may choose where payments may be made and shall be open during
28 normal business hours.

29 If the office is located outside of the City of Sebastopol, Contractor must
30 ensure that telephone calls to it from locations within the City are billed as "local
31 calls".

32 **8.8.2 OFFICE HOURS**

33 A representative of the Contractor shall be available from 8 a.m. to 5:30
34 p.m. Monday through Friday and from 8:00 a.m. to 3 p.m. on Saturdays to
35 communicate with the public in person and by telephone. A message machine
36 shall be available for residents to leave a message during non-business hours.
37 Calls shall be returned within twenty-four (24) hours, and messages left on
38 Saturday or Sunday shall be returned no later than the end of the next business
39 day. The office may be closed on Sundays, and designated holidays as described
40 in Exhibit E.

1 **8.8.3 TELEPHONE**

2 Contractor shall install telephone equipment sufficient to handle the
3 volume of calls typically experienced on the busiest days

4 The Contractor shall handle all calls regarding services including, but not
5 limited to, billing, account set-up, missed pickups, Complaints, changes in
6 services, Bin repair, and other such service-related issues.

7
8 **8.9 TITLE TO REFUSE**

9 Once Refuse, Recyclable Materials, and/or Compostable Materials are placed in
10 containers and properly placed at the Collection location, ownership and the right to
11 possession shall transfer directly from the Generator to Contractor by operation of this
12 Agreement. Subject to Contractor's objective to meet the AB 939 diversion goals and
13 City's right to direct Contractor to process and dispose of Refuse at a particular licensed
14 site or to dispose of Refuse at a particular licensed Disposal Site, Contractor is hereby
15 granted the right to retain, recycle, process, dispose of, and otherwise use such Refuse, or
16 any part thereof, in any lawful fashion or for any lawful purpose desired by Contractor.
17 Subject to the provisions of this Agreement, Contractor shall have the right to retain any
18 benefit resulting from its right to retain, recycle, process, dispose of, or re-use the
19 Refuse, which it collects. Refuse, or any part thereof, which is deposited at a Disposal
20 Site, transformation site, Transfer Station, or Processing Facility shall become the
21 property of the Owner or operator of the facility, once deposited there by Contractor.
22 City may obtain ownership or possession of Refuse placed for Collection upon written
23 notice of its intent to do so; however, nothing in this Agreement shall be construed as
24 giving rise to any inference that City has such ownership or possession unless such
25 written notice has been given by City to Contractor.

26 **8.10 NON-DISCRIMINATION**

27 Contractor shall not discriminate in the provision of service or the employment
28 of persons engaged in performance of this Agreement on account of race, color, religion,
29 sex, age, physical handicap, or medical condition in violation of any applicable federal
30 or state law.

31 **8.11 REPORT OF ACCUMULATION OF REFUSE; UNAUTHORIZED DUMPING**

32 Contractor shall direct its drivers to note (1) the addresses of any Premises at
33 which they observe that Refuse, Recyclable Materials, and Compostable Materials is
34 accumulating and is not being delivered for Collection; and (2) the address, or other
35 location description, at which Refuse has been dumped in an apparently unauthorized
36 manner. Contractor shall deliver the address or description to City within five (5)
37 working days of such observation.

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ARTICLE 9 .
FRANCHISE FEE & OTHER FEES

9.1 FRANCHISE FEE

In consideration of the rights provided Contractor herein, Contractor shall pay to City ten (10) percent of Gross Revenues derived by Contractor from all services provided in City under this Agreement. This fee may be adjusted by City by resolution. Such adjustment shall be reflected in the rates that the Contractor charges and collects from Generators.

9.2 OTHER FEES

The City shall reserve the right to set "other" fees, as it deems necessary. The amount, time and method of payment, and adjustment process will be set similar to Section 7.1 above. This may include a pass-through to pay the City's share of the Sonoma County Waste Management Agency Joint Powers Authority program fees should they no longer be included in landfill tipping fees.

9.3 ADJUSTMENT TO FEES

City may adjust the amount of the fees annually, if necessary, to recover its costs for Refuse-related services and programs. Such adjustment shall be reflected in the rates that the Contractor charges and collects from Generators.

ARTICLE 10
INDEMNITY, INSURANCE,
FAITHFUL PERFORMANCE

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10.1 AB 939 INDEMNIFICATION

Contractor shall, by implementing in a timely and effective manner, the diversion, education and other required programs or actions required by this Agreement, comply with the diversion requirements for Sebastopol of the California Integrated Waste Management Act of 1989 (Act) (California Public Resources Code Section 40000 et seq.) to attain 50 percent diversion of Refuse from disposal into landfills by the end of the year 2003. In addition to all other relief provided Contractor and City under this Agreement, Contractor agrees to defend, indemnify, and hold harmless, the City Parties from and against all fines and/or penalties imposed by the California Integrated Waste Management Board for operations during the Term of this Agreement in the event the source reduction and Recycling goals or any other requirement of the Act are not met by the Contractor with respect to the waste stream collected under this Agreement and such failure is due to the failure of Contractor to meet its obligations under this Agreement and/or for delays in providing information that prevents Contractor or City from submitting reports required by AB 939 in a timely manner.

10.2 INSURANCE

10.2.1 MINIMUM SCOPE OF INSURANCE

- Coverage shall be at least as broad as:
- A. Insurance Services Office form number CG 0001 covering Commercial General Liability or Comprehensive General Liability Insurance.
 - B. Insurance Services Office form number CA 0001 covering Automobile Liability, code 1 "any auto" and endorsement form if applicable.
 - C. Workers' Compensation insurance as required by the Labor Code of the State of California and Employer's Liability insurance.

10.2.2 MINIMUM LIMITS OF INSURANCE

- Contractor shall maintain limits no less than:
- A. Comprehensive General Liability: \$5,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage.
 - B. Automobile Liability: \$5,000,000 combined single limit per accident for bodily injury and property damage.
 - C. Workers' Compensation and Employer's Liability: Workers' Compensation limits of the statutory level required by the Labor Code of the State of California and Employer's Liability limits of \$1,000,000 per accident.

10.2.3 DEDUCTIBLES AND SELF-INSURED RETENTIONS

Any deductibles or self-insured retentions must be declared to and approved by the City. At the option of the City, either (1) the insurer shall reduce or eliminate

1 such deductibles or self-insured retentions as respects the City, its officials, and
2 employees; or (2) the Contractor shall procure a bond guaranteeing payment of
3 losses and related investigations, claim administration, and defense expenses.

4 **10.2.4 OTHER INSURANCE PROVISIONS**

5 The policies are to contain, or be endorsed to contain, the following provisions:

6 **A. General Liability and Automobile Liability Coverage**

7 1) The City, its officials, employees, and volunteers are to be
8 covered as additional insureds as respects (1) liability arising out of
9 activities performed by or on behalf of the Contractor; (2) products and
10 completed operations of the Contractor; (3) Premises owned, leased or
11 used by the Contractor; or (4) automobiles owned, leased, hired or
12 borrowed by the Contractor. The coverage shall contain no special
13 limitations on the scope of protection afforded to the City, its officials,
14 employees, or volunteers.

15 2) The Contractor's insurance coverage shall be primary insurance as
16 respects the City, its officials, employees, and volunteers. Any insurance
17 or self-insurance maintained by the City, its officials, employees, or
18 volunteers shall be excess of the Contractor's insurance and shall not
19 contribute with it.

20 3) Any failure to comply with reporting provisions of the policies
21 shall not affect coverage provided to the City, its officials, employees, or
22 volunteers.

23 4) Coverage shall state that the Contractor's insurance shall apply
24 separately to each insured against whom claim is made or suit is brought,
25 except with respect to the limits of the insurer's liability.

26 **B. All Coverages.** Each insurance policy required by this clause shall be
27 endorsed to state that coverage shall not be suspended, voided, canceled
28 by either party, reduced in coverage or in limits, except after thirty (30)
29 days' prior written notice by certified mail, return receipt requested, has
30 been given to the City.

31 **10.2.5 ACCEPTABILITY OF INSURERS**

32 With the exception of Workers' Compensation Insurance covered by State Fund,
33 the insurance policies required by this section shall be issued by an insurance
34 company or companies authorized to do business in the State of California and
35 with a rating in the most recent edition of Best's Insurance Reports of size
36 category VII or larger and a rating classification of "A" or better.

37 **10.2.6 VERIFICATION OF COVERAGE**

38 Contractor shall furnish Contractor's insurance agent a copy of these
39 specifications and City approved endorsement, and direct the agent to provide the
40 City with certificates of insurance and with original endorsements affecting
41 coverage required by this clause. The endorsements shall be submitted to City on
42 forms provided by the City or on other forms that conform to the City's
43 requirements and are approved the City. Issuance of documentation indicates the

1 Contractor's insurance complies with these provisions. The certificates and
2 endorsements for each insurance policy are to be signed by a Person authorized
3 by that insurer to bind coverage on its behalf. The City reserves the right to
4 require complete, certified copies of all required insurance policies and
5 endorsements at any time.

6 **10.2.7 REQUIRED ENDORSEMENTS**

7 A. The Workers' Compensation policy shall contain an endorsement in
8 substantially the following form:

9
10 1) "Thirty (30) days' prior written notice shall be given to the City of
11 Sebastopol in the event of cancellation, reduction in coverage, or non-
12 renewal of this policy. Such notice shall be sent to:

13 City Manager
14 City of Sebastopol
15 7120 Bodega Ave
16 Sebastopol, CA 95472
17

18 B. The Commercial General Liability Business and Automobile Liability
19 policies shall contain endorsements in substantially the following form:

20 1) "Thirty (30) days' prior written notice shall be given to the City of
21 Sebastopol in the event of cancellation, reduction in coverage, or non-
22 renewal of this policy. Such notice shall be sent to:

23 City Manager
24 City of Sebastopol
25 7120 Bodega Ave
26 Sebastopol, CA 95472
27

28 2) "This policy shall be considered primary insurance as respects any
29 other valid and collectible insurance maintained by the City of
30 Sebastopol, including any self-insured retention or program of self-
31 insurance, and any other such insurance shall be considered excess
32 insurance only."

33 3) "Inclusion of the City of Sebastopol as an insured shall not affect
34 the City's rights as respects any claim, demand, suit or judgment brought
35 or recovered against the Contractor. This policy shall protect Contractor
36 and the City in the same manner as though a separate policy had been
37 issued to each, but this shall not operate to increase the Contractor's
38 liability as set forth in the policy beyond the amount shown or to which
39 the Contractor would have been liable if only one party had been named
40 as an insured.

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ARTICLE 11.
DEFAULT AND REMEDIES

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11.1 EVENTS OF DEFAULT

Each of the following shall constitute an event of default ("Event of Default") hereunder:

A. Contractor fails to perform its obligations under this Agreement, or future amendment to this Agreement, and (1) if the failure or refusal of Contractor to perform services as described in Section 5.2, Refuse Service; Section 5.3, Recycling Services; Section 5.4, Compostable Materials Program; or Section 5.5, City Facilities and Event Collection, as required by this Agreement, is not cured within two (2) business days after receiving notice from the City specifying the breach; or (2) in the case of any other breach of the Agreement, the breach continues for more than thirty (30) calendar days after written notice from the City for the correction thereof, provided that where such breach cannot be cured within such thirty- (30) day period, Contractor shall not be in default of this Agreement if Contractor shall have commenced such action required to cure the particular breach within ten (10) calendar days after such notice, and it continues such performance diligently until completed.

B. Any representation or disclosure made to City by Contractor in connection with or as an inducement to entering into this Agreement or any future amendment to this Agreement, which proves to be false or misleading in any material respect as of the time such representation or disclosure is made, whether or not any such representation or disclosure appears as part of this Agreement.

C. There is a seizure or attachment (other than a pre-judgment attachment) of, or levy affecting possession on, the operating equipment of Contractor, including without limit its vehicles, maintenance, or office facilities, or any part thereof of such proportion as to substantially impair Contractor's ability to perform under this Agreement and which cannot be released, bonded, or otherwise lifted within forty-eight (48) hours excluding weekends and holidays.

D. Contractor files a voluntary petition for debt relief under any applicable bankruptcy, insolvency, debtor relief, or other similar law now or hereafter in effect, or shall consent to the appointment of or taking of possession by a receiver, liquidator, assignee (other than as a part of a transfer of equipment no longer useful to Contractor or necessary for this Agreement), trustee (other than as security for an obligation under a deed of trust), custodian, sequestrator (or similar official) of the Contractor for any part of Contractor's operating assets or any substantial part of Contractor's property, or shall make any general assignment for the benefit of Contractor's creditors, or shall fail generally to pay Contractor's debts as they become due or shall take any action in furtherance of any of the foregoing.

E. A court having jurisdiction shall enter a decree or order for relief in respect of the Contractor, in any involuntary case brought under any bankruptcy,

1 insolvency, debtor relief, or similar law now or hereafter in effect, or Contractor
2 shall consent to or shall fail to oppose any such proceeding, or any such court
3 shall enter a decree or order appointing a receiver, liquidator, assignee, custodian,
4 trustee, sequestrator (or similar official) of the Contractor or for any part of the
5 Contractor's operating equipment or assets, or orders the winding up or
6 liquidation of the affairs of Contractor.

7 F. Contractor fails to provide reasonable assurances of performance as
8 required under Section 11.7.

9 G. Contractor delivers Refuse to a Disposal Site or Compostable Materials
10 to a Composting Facility other than the specific facilities designated by City,
11 unless Contractor receives written notice from City of a permanent change in
12 designated facility, or City has expressly directed Contractor in writing to
13 temporarily transport Refuse or Compostable Materials to an alternate site due to
14 an inability of City designated facility to accept materials.

15 **11.2 RIGHT TO TERMINATE UPON DEFAULT**

16 Upon the occurrence of a Default by Contractor, the City shall have the right to
17 unilaterally terminate this Agreement upon further ten (10) days' prior notice to
18 Contractor without the need for any hearing, suit or legal action.

19 **11.3 POSSESSION OF PROPERTY UPON TERMINATION**

20 In the event of termination following a Default, the City shall have the right to
21 the use of the Contractors land, to take possession of any and all of Contractor's
22 equipment, and other materials used or useful in the Collection and Transportation of
23 Refuse, Recyclable Materials, or Compostable Materials and the billing and collection of
24 fees for these services and to use such property. The City shall have the right to retain
25 the possession and/or use of such property until other suitable arrangements can be made
26 for the provision of Refuse, Recyclable Materials, or Compostable Materials Collection
27 services, which may include the award of an Agreement to another company. Advance
28 billing revenues collected by Contractor for period of default shall be transferred to City
29 for use in operating collection services until normal operations resume.
30

31 **11.4 CITY'S REMEDIES CUMULATIVE; SPECIFIC PERFORMANCE**

32 The City's right to terminate the Agreement under Section 11.2 and to take
33 possession of the Contractor's properties under Section 11.3 are not exclusive, and the City's
34 termination of the Agreement shall not constitute an election of remedies. Instead, they shall
35 be in addition to any and all other legal and equitable rights and remedies, which the City
36 may have, including the City's right to recovery on the faithful performance bond (described
37 in Section 9.5 of this Agreement) in the Event of Default.

38 By virtue of the nature of this Agreement, the urgency of timely, continuous, and
39 high quality service, the lead time required to effect alternative service, and the rights
40 granted by City to the Contractor, the remedy of damages for a breach hereof by
41 Contractor is inadequate and City shall be entitled to injunctive relief.

1 **11.5 LIQUIDATED DAMAGES**

2 **11.5.1 GENERAL**

3 The City finds, and Contractor agrees, that as of the time of the execution
 4 of this Agreement, it is impractical, if not impossible, to reasonably ascertain the
 5 extent of damages which shall be incurred by City as a result of a breach by
 6 Contractor of its obligations under this Agreement. The factors relating to the
 7 impracticability of ascertaining damages include, but are not limited to, the fact
 8 that (i) substantial damage results to members of the public who are denied
 9 services or denied quality or reliable service; (ii) such breaches cause
 10 inconvenience, anxiety, frustration, and deprivation of the benefits of the
 11 Agreement to individual members of the general public for whose benefit this
 12 Agreement exists, in subjective ways and in varying degrees of intensity which
 13 are incapable of measurement in precise monetary terms; that (iii) exclusive
 14 services might be available at substantially lower costs than alternative services
 15 and the monetary loss resulting from denial of services or denial of quality or
 16 reliable services is impossible to calculate in precise monetary terms; and (iv) the
 17 termination of this Agreement for such breaches, and other remedies are, at best,
 18 a means of future correction and not remedies which make the public whole for
 19 past breaches.

20 City may reasonably determine the occurrence of events giving rise to
 21 liquidated damages through (1) the observation of its own employees or
 22 representative, or (2) investigation of customer Complaints.

23 Liquidated damages will only be assessed after Contractor has been given
 24 the opportunity but failed to rectify the damages as described in this Agreement.
 25 Prior to assessing liquidated damages, City shall give Contractor notice of its
 26 intention to do so. The notice will include a brief description of the
 27 incident(s)/non-performance. City may review (and receive copies at
 28 Contractor's expense) all information in the possession of Contractor relating to
 29 incident(s)/non-performance. Contractor may, within ten (10) days after
 30 receiving the notice, request a meeting with City. Contractor may present
 31 evidence in writing and through testimony of its employees and others relevant to
 32 the incident(s)/non-performance. City will provide Contractor with a written
 33 explanation of its determination on each incident(s)/non-performance prior to
 34 authorizing the assessment of liquidated damages. The decision of whether to
 35 assess liquidated damages shall be made by the City Council and shall be final.

36 The Decision to assess liquidated damages and the amount of such
 37 assessment shall be made by the City Council and shall be final. Said assessment
 38 of liquidated damages shall be reasonably related proportional to the scale of the
 39 incident/non-performance

40 **11.6 EXCUSE FROM PERFORMANCE**

41 The parties shall be excused from performing their respective obligations
 42 hereunder in the event they are prevented from so performing by reason of floods,
 43 earthquakes, other "acts of God," war, civil insurrection, riots, acts of any government
 44 (including judicial action), and other similar catastrophic events which are beyond the

1 control of and not the fault of the party claiming excuse from performance hereunder.
2 Labor unrest, including but not limited to strike, work stoppage or slowdown, sick-out,
3 picketing, or other concerted job action conducted by Contractor's employees or directed
4 at Contractor is not an excuse from performance and Contractor shall be obligated to
5 continue to provide service notwithstanding the occurrence of any or all of such events.
6 In the case of labor unrest or job action directed at a third party over whom Contractor
7 has no control, the inability of Contractor to make Collections due to the unwillingness
8 or failure of the third party to provide reasonable assurance of the safety of Contractor's
9 employees while making Collections or to make reasonable accommodations with
10 respect to container placement and point of delivery, time of Collection, or other
11 operating circumstances to minimize any confrontation with pickets or the number of
12 Persons necessary to make Collections shall, to that limited extent, excuse performance
13 and provided further that the foregoing excuse shall be conditioned on Contractor's
14 cooperation in making Collection at different times and in different locations.

15 The party claiming excuse from performance shall, within two (2) days after such
16 party has notice of such cause, give the other party notice of the facts constituting such
17 cause and asserting its claim to excuse under this section.

18 In the event that either party validly exercises its rights under this section, the
19 parties hereby waive any claim against each other for any damages sustained thereby.

20 The partial or complete interruption or discontinuance of Contractor's services
21 caused by one or more of the events described in this article shall not constitute a default
22 by Contractor under this Agreement. Notwithstanding the foregoing, however, (1) the
23 existence of an excuse from performance will not affect the City's rights under Section
24 10.1; and (2) if Contractor is excused from performing its obligations hereunder for any
25 of the causes listed in this section for a period of thirty (30) days or more, other than as
26 the result of third party labor disputes where service cannot be provided for reasons
27 described earlier in this section, the City shall nevertheless have the right, in its sole
28 discretion, to terminate this Agreement by giving ten (10) days' prior notice to
29 Contractor, in which case the provisions of Section 11.3 will apply.

30 **11.7 RIGHT TO DEMAND ASSURANCES OF PERFORMANCE**

31 If Contractor (1) is the subject of any labor unrest including work stoppage or
32 slowdown, sick-out, picketing, or other concerted job action; (2) appears in the
33 reasonable judgment of City to be unable to regularly pay its bills as they become due; or
34 (3) is the subject of a civil or criminal judgment or order for violation of an
35 environmental law, and the City Manager determines in good faith that Contractor's
36 ability to perform under the Agreement has thereby been placed in substantial jeopardy,
37 the City may, at its option and in addition to all other remedies it may have, demand
38 from Contractor reasonable assurances of timely and proper performance of this
39 Agreement, in such form and substance as the City Manager determines in good faith is
40 reasonably necessary in the circumstances to evidence continued ability to perform under
41 the Agreement. If Contractor fails or refuses to provide satisfactory assurances of timely
42 and proper performance in the form and by the date required by City, such failure or
43 refusal shall be an Event of Default for purposes of Section 11.1.

1 shall be void and the attempted assignment shall constitute a material breach of this
2 Agreement. Consent shall not be unreasonably withheld.

3
4 For purposes of this section, "assignment" shall include but not be limited to (i) a
5 sale, exchange, or other transfer of substantially all of Contractor's assets dedicated to
6 service under this Agreement to a third party; (ii) a sale, exchange, or other transfer of 10
7 percent (10%) or more of the outstanding common stock of Contractor or parent
8 company or holding company to a Person other than a direct family member or trust that
9 exclusively benefits family members; (iii) any reorganization, consolidation, merger,
10 recapitalization, stock issuance or re-issuance, voting trust, pooling agreement, escrow
11 arrangement, liquidation or other transaction to which Contractor, parent company, or
12 holding company or any of its shareholders is a party which results in a change of
13 ownership or control of 10 percent (10%) or more of the value or voting rights in the
14 stock of Contractor or a parent company, or holding company; and (iv) any combination
15 of the foregoing (whether or not in related or contemporaneous transactions) which has
16 the effect of any such transfer or change of ownership. For purposes of this section, the
17 term "proposed assignee" shall refer to the proposed transferee(s) or other successor(s) in
18 interest pursuant to the assignment.

19
20 All costs incurred by the City related to Assignment, shall be reimbursed by the
21 Contractor or Assignee prior to final approval of Assignment by the City.

22 **12.7 SUBCONTRACTING**

23 Contractor shall not engage any subcontractors for Collection, Processing, or
24 Disposal of Refuse, Recyclable Materials, and Compostable Materials without the prior
25 written consent of the City.

26 **12.8 BINDING ON SUCCESSORS**

27 The provisions of this Agreement shall inure to the benefit to and be binding on
28 the successors and permitted assigns of the parties.

29 **12.9 TRANSITION TO NEXT CONTRACTOR**

30 At the point of transition, Contractor will take direction from the City and
31 subsequent Contractor(s) to assist in an orderly transition, which will include Contractor
32 providing route lists and billing information. Contractor will not be obliged to sell
33 Collection vehicles to the next Contractor. Depending on Contractor's circumstances at
34 the point of transition, the Contractor at its option may enter into negotiations with the
35 next Contractor to sell (in part or all) Collection vehicles.

36 In connection therewith, Contractor acknowledges that the provisions of Public
37 Resources Code Sections 49520-49523 have no application to this Agreement and
38 agrees, to the extent such sections may have application, to waive whatever rights they
39 may afford.

40 **12.10 PARTIES IN INTEREST**

41 Nothing in this Agreement, whether express or implied, is intended to confer any
42 rights on any Persons other than the parties to it and their representatives, successors,
43 and permitted assigns.

1 **12.11 WAIVER**

2 The waiver by either party of any breach or violation of any provisions of this
3 Agreement shall not be deemed to be a waiver of any breach or violation of any other
4 provision nor of any subsequent breach or violation of the same or any other provision.
5 The subsequent acceptance by either party of any monies which become due hereunder
6 shall not be deemed to be a waiver of any pre-existing or concurrent breach or violation
7 by the other party of any provision of this Agreement.

8 **12.12 NOTICE**

9 All notices, demands, requests, proposals, approvals, consents, and other
10 communications which this Agreement requires, authorizes, or contemplates all, except
11 as provided in Section 10.1, be in writing and shall either be personally delivered to a
12 representative of the parties at the address below or be deposited in the United States
13 mail, first class postage prepaid, addressed as follows:

14 If to City:

15 City of Sebastopol
16 Attention: City Manager
17 7120 Bodega Ave
18 Sebastopol, CA 95472

19
20 If to Contractor: James Salyers, Vice President
21 Redwood Empire Disposal
22 P.O. Box 1916
23 Santa Rosa, CA 95402
24

25 The address to which communications may be delivered may be changed from
26 time to time by a notice given in accordance with this section.

27 Notice shall be deemed given on the day it is personally delivered or, if mailed,
28 three days from the date it is deposited in the mail.

29 **12.13 REPRESENTATIVES OF THE PARTIES**

30 References in this Agreement to the "City" shall mean the City Council and all
31 actions to be taken by the City shall be taken by the City Council except as provided
32 below. The City Council may delegate authority to the City Manager, or their designee.
33 The Contractor may rely upon actions taken by such delegates if they are within the
34 scope of the authority properly delegated to them.

35 The Contractor shall, by the Effective Date, designate in writing a responsible
36 officer who shall serve as the representative of the Contractor in all matters related to the
37 Agreement and shall inform the City in writing of such designation and of any
38 limitations upon his or her authority to bind the Contractor. The City may rely upon
39 action taken by such designated representative as actions of the Contractor unless they
40 are outside the scope of the authority delegated to him/her by the Contractor as
41 communicated to City.

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IN WITNESS WHEREOF, City and Contractor have executed this Agreement as of the day and year first above written.

ATTEST: CITY OF SEBASTOPOL ("City")

By Mary C. Gaudy
City Clerk

By Sarah Glade Gurney
Mayor

APPROVED AS TO FORM:

[Signature]
City Attorney
California

REDWOOD EMPIRE DISPOSAL, INC., a corporation ("Contractor")

By: James R. Salyers
Name: JAMES R. SALYERS
Title: Vice President 12/29/08

By: James R. Salyers
Name: JAMES R. SALYERS
Title: Secretary

**EXHIBIT A
CITY SERVICE LOCATIONS**

Contractor shall provide containers and collection of Refuse, Recyclable Materials and Compostable Materials to all City facilities identified herein. Contractor shall also provide collection of Refuse contained in City-owned cans located throughout the City. Servicing of all City facilities and cans shall be provided at no additional charge to the City.

Corporation Yard	714 Johnson Street
City Hall	7120 Bodega Hwy
Fire Station	7425 Bodega Hwy
Police Station	370 Johnson Street
Senior Center	167 High Street
Ives Park/Pool	7400 Willow
Libby Park	7985 Valentine Ave
Sebastopol Community Center	390 Morris Street
Laguna Park	390 Morris Street
High School District Office	462 Johnson Street
Luther Burbank Farm	7781 Bodega Ave
Sebastopol Regional Library	7140 Bodega Ave
City Cans in downtown area and bus stops	

**EXHIBIT B
BATTERY BUCKET LOCATIONS**

Location of Participant	Address	Phone	Location
Fire Station	Bodega Ave		In lobby
City Hall	7120 Bodega Avenue	(707) 823-7863	In lobby
Sebastopol Regional Library	7140 Bodega Ave.	(707) 823-7691	In lobby

City may add up to two additional locations. Contractor shall collect batteries from all locations unless directed by City to collect at one or more centralized locations.

**EXHIBIT C
CITY-SPONSORED EVENTS**

Contractor shall provide solid waste and recycling containers and services to the following events:

- Apple Blossom Festival
- Art/Music Series in the Plaza during the Summer
- Roma Festival
- Sustainability /Solar Fairs sponsored by the City

The City may designate up to six additional City-Sponsored Events per year to receive solid waste and recycling services.

**EXHIBIT D
RECYCLABLE MATERIALS**

The Single Recyclable Materials Stream shall include:

Paper:

- Newspaper
- Corrugated cardboard
- Mixed paper
- Junk mail
- Phone books
- Magazines
- Office Paper
- Computer paper
- Envelopes
- Post-it Notes
- Catalogs
- Manuals
- Colored Paper
- Stationary
- Shredded Paper
- NCR Paper

Glass

- Glass - household food and beverage bottles and jars

Metal

- Aluminum cans
- Metal cans – household food and beverage containers
- Empty aerosol cans
- Lids from Jars

Plastic Containers

- Milk containers
- Soda and water bottles
- Plastic containers – household food and beverage containers
- Yogurt and margarine tubs
- Deli containers

Rigid Plastics Containers

- Recycle Crates
- Laundry baskets
- Five Gallon Buckets
- Plastic lawn furniture

Cartons/Boxes/Bags

- Paper Egg Cartons /Brown paper cartons
- Milk cartons
- Cereal boxes
- Shoe Boxes
- Plastic bags or film (LDPE/HDPE)
- Cracker boxes
- Tissue Boxes
- Frozen Food boxes
- Juice Cartons

**EXHIBIT E
CONTRACTOR HOLIDAY LIST**

Holidays Contractor's Office May Be Closed:

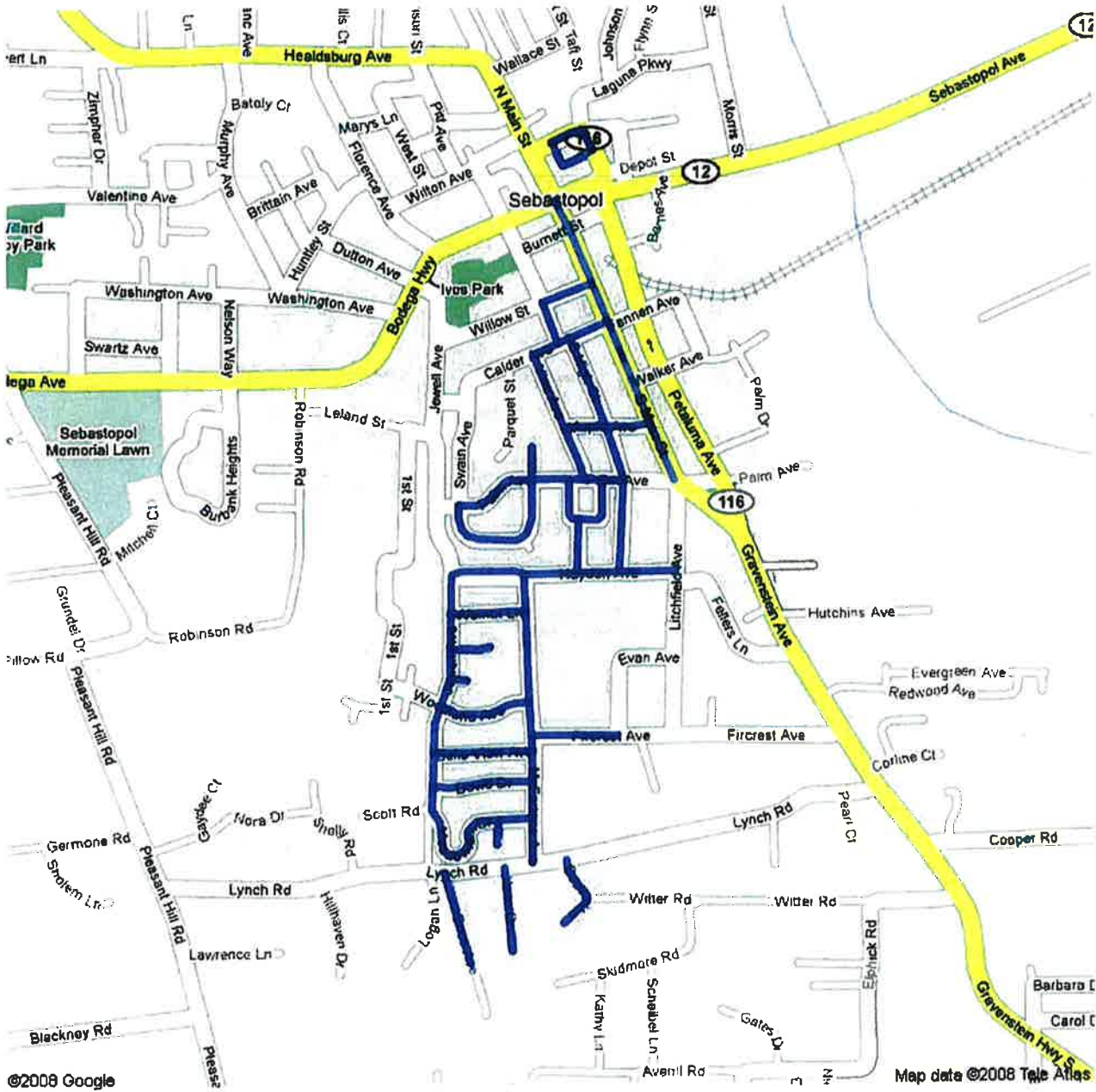
- New Year's Day
- Presidents Day
- Memorial Day
- Fourth of July
- Labor Day
- Thanksgiving Day
- Christmas Day

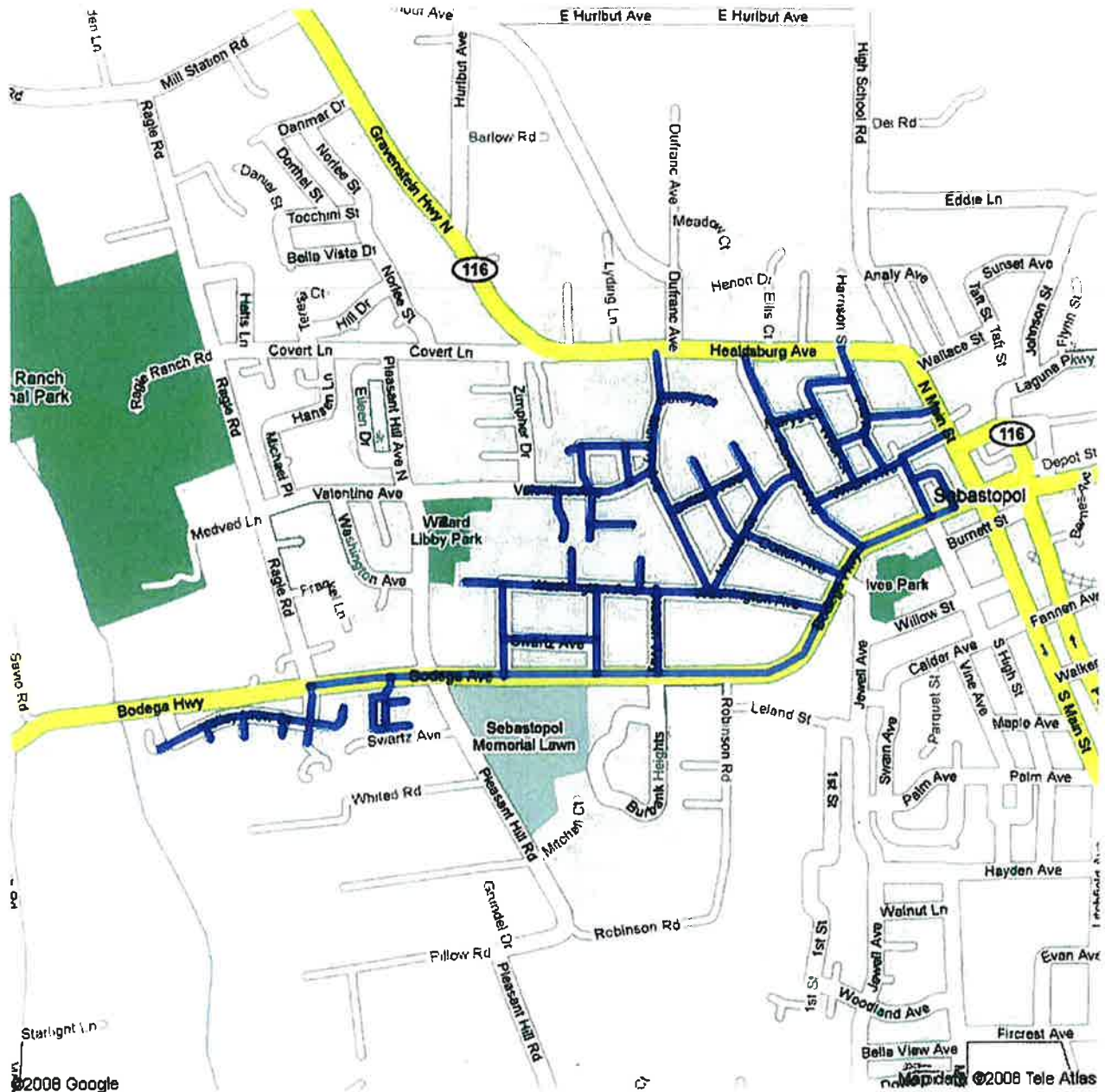
Collection Service Holidays May Be Observed:

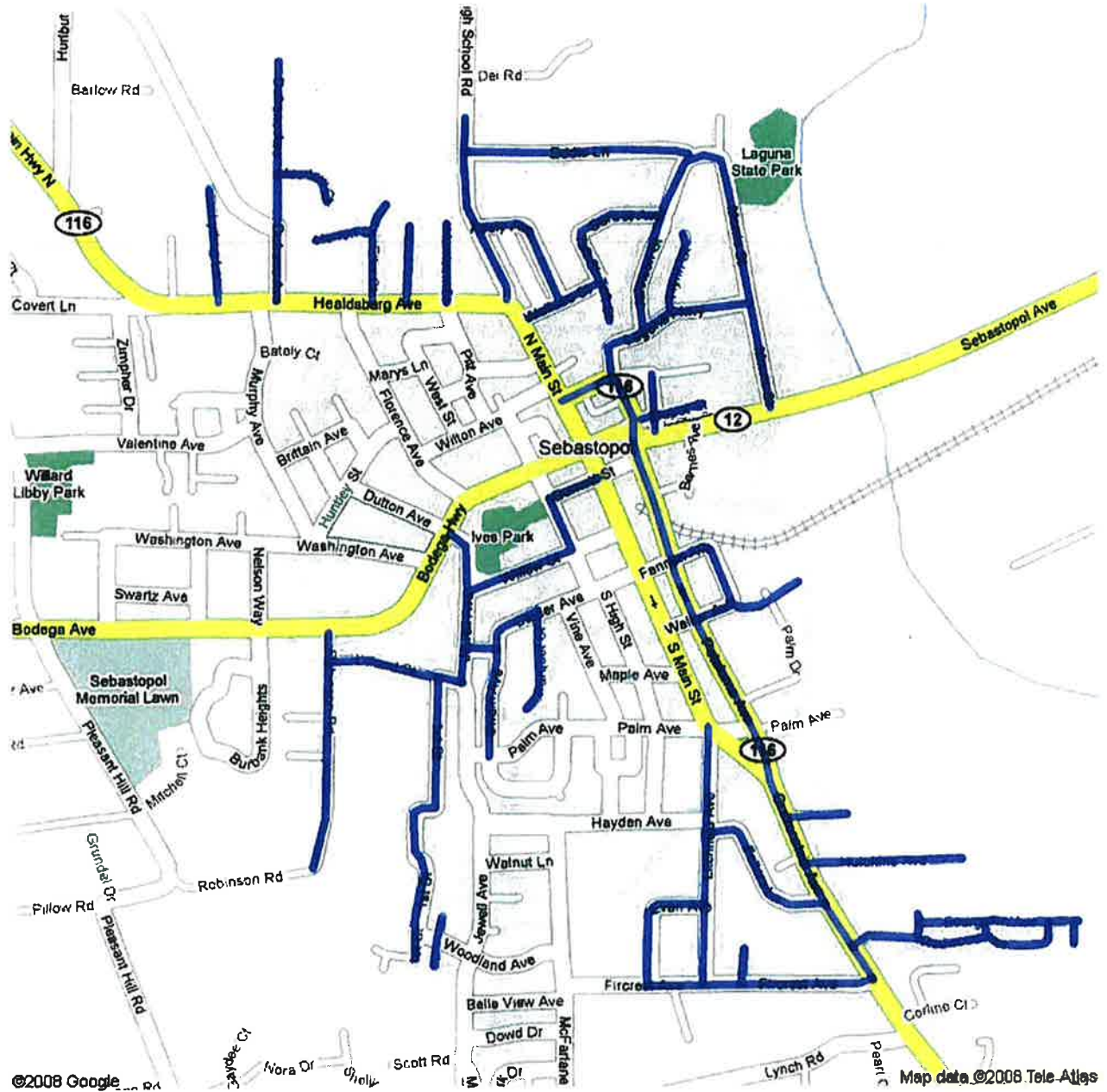
(Some commercial accounts may require Collection on the observed holidays)

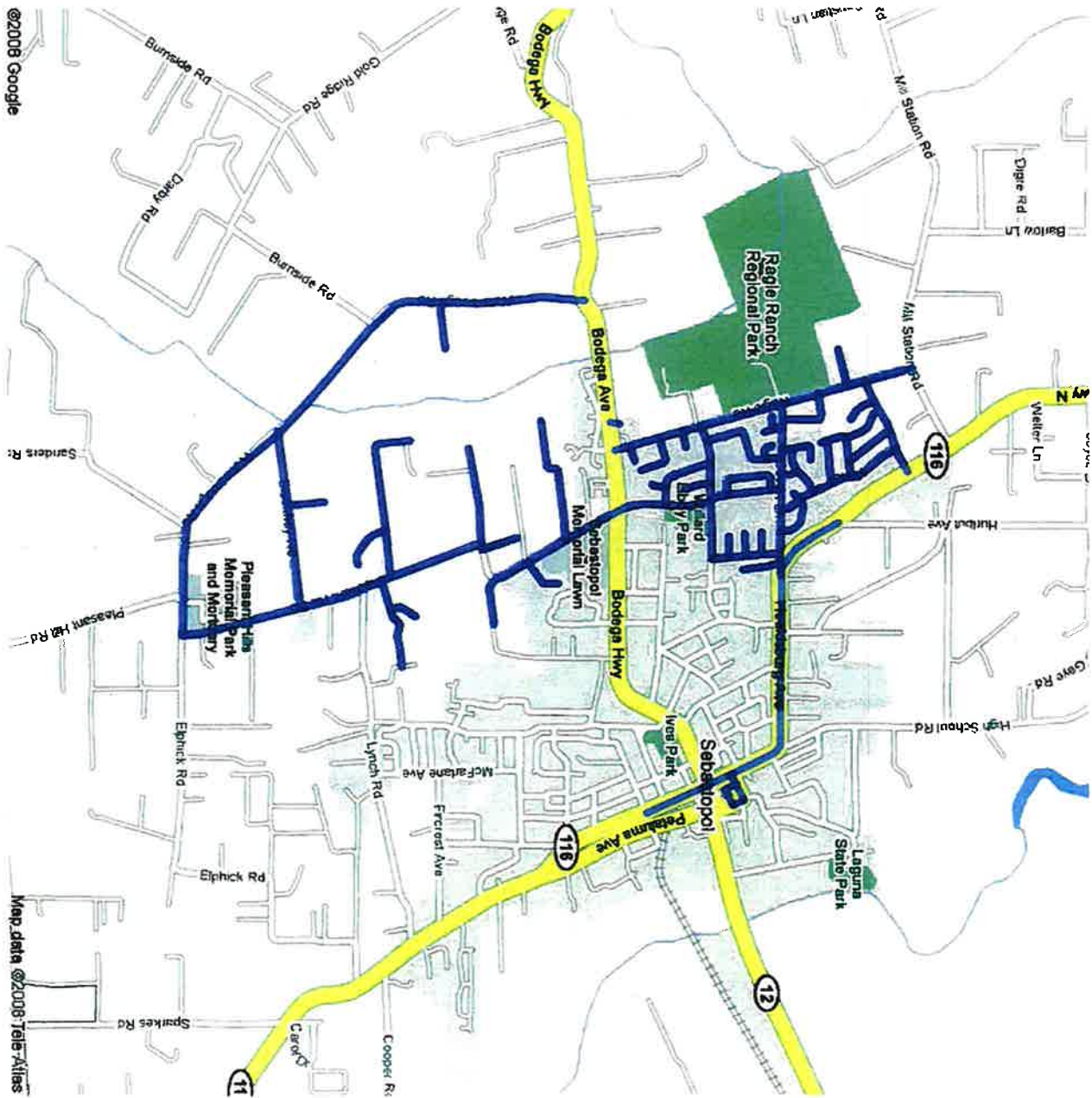
- New Year's Day
- Fourth of July
- Labor Day
- Thanksgiving Day
- ChristmasDay

EXHIBIT F STREET SWEEPING MAPS









**EXHIBIT G
REFUSE RATE FINANCIAL STATEMENT FORM**

Operating Costs

Labor: List all administrative, officer, operation and maintenance salary accounts.

List payroll tax accounts directly related to the above salary accounts.

Fuel List all fuel costs.

Vehicle Replacement: List all Collection and Collection related vehicle depreciation accounts.

List all vehicle lease or rental accounts related to Collection or Collection related vehicles.

Vehicle Maintenance: List all Collection or Collection related vehicle parts accounts.

All Other: List all other expense accounts related to the services provided under this Agreement. This category includes all insurance including general liability, fire, truck damage, extended coverage and employee group medical and life; rent on property, truck licenses and permits; real and personal property taxes; telephone and other utilities; employee uniforms; safety equipment; general yard repairs and maintenance; office supplies; postage; trade association dues and subscription; advertising; employee retirement or profit sharing contributions; and miscellaneous other expenses.

The "Refuse Rate Index" adjustment shall be calculated in the following manner:

1. The expenses of providing Collection Services in the Service Area for the designated fiscal period shall be prepared in the format set forth in the Operating Cost Statement - Description on the following page of this Exhibit.
2. The expenses of providing Collection Services in the Service Area shall be broken down into one of the following five cost categories: Labor; Fuel; Vehicle Replacement; Maintenance and All Other. Each cost category is assigned a weighted percentage factor on that cost category's proportionate share of the total of the costs shown for all cost categories.
3. The following indices are used to calculate the adjustment for each cost category. The change in each index is calculated on a twelve-month fiscal period in accordance with the terms of the Agreement.

<u>Cost Category</u>	<u>Index</u>
----------------------	--------------

Labor: Series ID: cis201s000000000i Service-Producing Industries

Fuel: Series ID: wpu057303; Commodity Code 0573-03 #2 Diesel Fuel

Vehicle Replacement: Series ID: pcu3362113362111 Truck, bus, car and other vehicles bodies, for sale separately

Vehicle Maintenance: Series ID: pcu3339243339243 Parts and attachments for Industrial work trucks

All Other: Series ID: cuur0000sa0 seventy-five percent (75%) of Consumer Price Index, All Urban Consumers, All Items

The percentage weight for each cost category is multiplied by the change in each appropriate index to calculate a weighted percentage for each cost category. The weighted percentage changes for each cost category are added together to calculate the Refuse Rate Index.

CITY OF SEBASTOPOL
 PROPOSED RATES
 EFFECTIVE JANUARY 1, 2009

EXHIBIT H

DESCRIPTION	NEW MONTHLY RATE	Residential Disposal Generation Factor	Solid Waste Disposal Component \$82.00	Collection Component	Franchise Fee Component 10.00%
RESIDENTIAL					
20 GAL CAN 1XWK	\$7.00	0.0175	\$1.44	\$4.86	\$0.70
32 GAL CAN 1XWK	\$12.25	0.0290	\$2.38	\$8.65	\$1.22
64 GAL CAN 1XWK	\$22.50	0.0420	\$3.44	\$16.81	\$2.25
96 GAL CAN 1XWK	\$37.50	0.0740	\$6.07	\$27.68	\$3.75
2 32 GAL CAN 1XWK	\$24.50	0.0580	\$4.76	\$17.30	\$2.44
3 32 GAL CAN 1XWK	\$36.75	0.0870	\$7.13	\$25.95	\$3.67
4 32 GAL CAN 1XWK	\$49.00	0.1160	\$9.51	\$34.60	\$4.89
5 32 GAL CAN 1XWK	\$61.25	0.1450	\$11.89	\$43.25	\$6.11
64 GAL CAN 1XWK	\$22.50	0.0420	\$3.44	\$16.81	\$2.25
2 64 GAL CAN 1XWK	\$45.00	0.0840	\$6.89	\$33.62	\$4.49
3 64 GAL CAN 1XWK	\$67.50	0.1260	\$10.33	\$50.43	\$6.74
2 96 GAL CAN 1XWK	\$75.00	0.1480	\$12.14	\$55.36	\$7.50
TOTAL RESIDENTIAL					
COMMERCIAL					
1.5 YD 1XWK	\$171.19	*	\$53.30	\$100.77	\$17.12
1.5 YD 2XWK	\$298.73	*	\$106.60	\$162.26	\$29.87
2 YD 1XWK	\$202.59	*	\$71.34	\$110.99	\$20.26
2 YD 2XWK	\$353.14	*	\$142.68	\$175.15	\$35.31
3 YD 1XWK	\$281.07	*	\$106.60	\$146.37	\$28.10
3 YD 2XWK	\$491.54	*	\$213.20	\$229.19	\$49.15
3 YD 5XWK	\$1,121.61	*	\$533.00	\$476.46	\$112.15
4 YD 1XWK	\$315.03	*	\$141.86	\$141.67	\$31.50
4 YD 2XWK	\$605.11	*	\$283.72	\$260.88	\$60.51
4 YD 3XWK	\$865.49	*	\$425.58	\$353.37	\$86.54
4 YD 4XWK	\$1,125.82	*	\$567.44	\$445.81	\$112.57
4 YD 5XWK	\$1,386.18	*	\$709.30	\$538.27	\$138.61
6 YD 1XWK	\$395.07	*	\$213.20	\$142.37	\$39.50
6 YD 2XWK	\$734.54	*	\$426.40	\$234.69	\$73.45
6 YD 3XWK	\$1,078.04	*	\$639.60	\$330.65	\$107.79
32 GAL CAN 1XWK	\$24.30	0.0600	\$4.92	\$16.95	\$2.43
64 GAL CAN 1XWK	\$31.71	0.1300	\$10.66	\$17.88	\$3.17
96 GAL CAN 1XWK	\$38.98	0.1900	\$15.58	\$19.50	\$3.90
2 2 YD 1XWK	\$405.18	*	\$142.68	\$221.98	\$40.52
2 3 YD 1XWK	\$562.14	*	\$213.20	\$292.74	\$56.20
2 3 YD 2XWK	\$983.08	*	\$426.40	\$458.38	\$98.30
2 4 YD 1XWK	\$630.06	*	\$283.72	\$283.34	\$63.00
2 4 YD 2XWK	\$1,210.22	*	\$567.44	\$521.76	\$121.02
2 4 YD 3XWK	\$1,730.98	*	\$851.16	\$706.74	\$173.08
2 1.5 YD 1XWK	\$342.38	*	\$106.60	\$201.54	\$34.24
3 2 YD 1XWK	\$607.77	*	\$214.02	\$332.97	\$60.78
3 3 YD 1XWK	\$843.21	*	\$319.80	\$439.11	\$84.30
3 4 YD 2XWK	\$1,890.18	*	\$851.16	\$850.02	\$189.00
2 32 GAL 1XWK	\$48.60	*	\$9.84	\$33.90	\$4.86
2 64 GAL 1XWK	\$63.42	*	\$21.32	\$35.76	\$6.34
2 96 GAL 1XWK	\$77.96	*	\$31.16	\$39.00	\$7.80
3 32 GAL CAN 1XWK	\$72.90	*	\$14.76	\$50.85	\$7.29

CITY OF SEBASTOPOL
 PROPOSED RATES
 EFFECTIVE JANUARY 1, 2009

EXHIBIT H

DESCRIPTION	NEW MONTHLY RATE	Residential Disposal Generation Factor	Solid Waste Disposal Component	Collection Component	Franchise Fee Component
3 96 GAL CAN 1XWK	\$116.94	*	\$82.00	\$58.50	10.00%
4 32 GAL CAN 1XWK	\$97.20	*	\$46.74	\$67.80	\$9.72
4 64 GAL CAN 1XWK	\$126.84	*	\$19.68	\$71.52	\$12.68
4 96 GAL CAN 1XWK	\$155.92	*	\$42.64	\$78.00	\$15.60
4 96 GAL CAN 2XWK	\$311.84	*	\$62.32	\$156.00	\$31.20
5 96 GAL CAN 1XWK	\$194.90	*	\$124.64	\$97.50	\$19.50
7 32 GAL CAN 1XWK	\$170.10	*	\$77.90	\$118.65	\$17.01
8 32 GAL CAN 1XWK	\$194.40	*	\$34.44	\$135.60	\$19.44
9 96 GAL CAN 1XWK	\$350.82	*	\$39.36	\$175.50	\$35.10
3 YD COMPACTOR 2XWK	\$917.94	*	\$140.22	\$186.55	\$91.79
OTHER RATES					
Cleanup Bin (3 days)	\$175.00	*	\$24.60	\$132.90	\$17.50
Extra Yard Waste Cart (per month)	\$11.80				
Replacement Cart (after 1x per year)	\$75.00				
Return Trip Charge	\$15.00				
Cotaminated YW/RRY Cart	\$20.00				
Contaminated RRY Bin (per yard plus \$20.00)	\$54.19				
Push Rate (per trip per 25 feet - bin)	\$44.96				
Walk-in Charge (per trip per 25 feet - cart)	\$7.11				
*Commercial Conversion Factor	200.00	lbs/yd			

**EXHIBIT H
RATE SCHEDULE**

RESOLUTION NO. 5724

RESOLUTION ESTABLISHING GARBAGE COLLECTION
RATES PURSUANT TO ORDINANCE NO. 519 OF THE CITY
OF SEBASTOPOL AND REPEALING RESOLUTION NO. 5574

WHEREAS, the City Council of the City of Sebastopol did on January 16, 1967 adopt Ordinance No. 519, providing, among other things, for the establishment of rates for the collection of garbage by resolution.,

NOW, THEREFORE, BE IT RESOLVED that effective on January 1, 2009 the "Proposed Rate/Month" column on the rate schedule attached as "exhibit "A" shall be the approved rates for collection in accordance with the above referred to Ordinance;

BE IT ALSO RESOLVED that resolution No. 5574 is hereby repealed.

IN COUNCIL DULY PASSED this 16th day of December, 2008.

Approved: 
Mayor Sarah Gurney

AYES: Councilmembers Robinson, Wilson, Shaffer, Kelley and Mayor Gurney

NOES: None

ABSTAIN: None

ABSENT: None

Attest: 
City Clerk Mary Gourley

CITY OF SEBASTOPOL
 RATES
 EFFECTIVE JANUARY 1, 2009

DESCRIPTION	CURRENT MONTHLY RATE	NEW MONTHLY RATE
RESIDENTIAL		
20 GAL CAN 1XWK	\$9.85	\$7.00
32 GAL CAN 1XWK	\$14.00	\$12.25
64 GAL CAN 1XWK	\$30.41	\$22.50
96 GAL CAN 1XWK	\$46.91	\$37.50
2 32 GAL CAN 1XWK	\$28.00	\$24.50
3 32 GAL CAN 1XWK	\$42.00	\$36.75
4 32 GAL CAN 1XWK	\$56.00	\$49.00
5 32 GAL CAN 1XWK	\$70.00	\$61.25
64 GAL CAN 1XWK	\$30.41	\$22.50
2 64 GAL CAN 1XWK	\$60.82	\$45.00
3 64 GAL CAN 1XWK	\$91.23	\$67.50
2 96 GAL CAN 1XWK	\$93.82	\$75.00
COMMERCIAL		
1.5 YD 1XWK	\$147.75	\$171.19
1.5 YD 2XWK	\$288.06	\$298.73
2 YD 1XWK	\$179.32	\$202.59
2 YD 2XWK	\$350.96	\$353.14
3 YD 1XWK	\$242.92	\$281.07
3 YD 2XWK	\$475.27	\$491.54
3 YD 5XWK	\$1,172.20	\$1,121.61
4 YD 1XWK	\$306.15	\$315.03
4 YD 2XWK	\$596.67	\$605.11
4 YD 3XWK	\$887.08	\$865.49
4 YD 4XWK	\$1,177.39	\$1,125.82
4 YD 5XWK	\$1,468.08	\$1,386.18
6 YD 1XWK	\$485.88	\$395.07
6 YD 2XWK	\$947.84	\$734.54
6 YD 3XWK	\$1,409.78	\$1,078.04
32 GAL CAN 1XWK	\$15.42	\$24.30
64 GAL CAN 1XWK	\$33.92	\$31.71
96 GAL CAN 1XWK	\$49.34	\$38.98
2 2 YD 1XWK	\$358.64	\$405.18
2 3 YD 1XWK	\$485.84	\$562.14
2 3 YD 2XWK	\$950.54	\$983.08
2 4 YD 1XWK	\$612.30	\$630.05

CITY OF SEBASTOPOL
 RATES
 EFFECTIVE JANUARY 1, 2009

DESCRIPTION	CURRENT MONTHLY RATE	NEW MONTHLY RATE
2 4 YD 2XWK	\$1,193.34	\$1,210.22
2 4 YD 3XWK	\$1,774.16	\$1,730.98
2 1.5 YD 1XWK	\$295.50	\$342.38
3 2 YD 1XWK	\$537.96	\$607.77
3 3 YD 1XWK	\$728.76	\$843.21
3 4 YD 2XWK	\$1,790.01	\$1,890.18
2 32 GAL 1XWK	\$30.84	\$48.60
2 64 GAL 1XWK	\$67.84	\$63.42
2 96 GAL 1XWK	\$98.68	\$77.96
3 32 GAL CAN 1XWK	\$46.26	\$72.90
3 96 GAL CAN 1XWK	\$148.02	\$116.94
4 32 GAL CAN 1XWK	\$61.68	\$97.20
4 64 GAL CAN 1XWK	\$135.68	\$126.84
4 96 GAL CAN 1XWK	\$197.36	\$155.92
4 96 GAL CAN 2XWK	\$394.72	\$311.84
5 96 GAL CAN 1XWK	\$246.70	\$194.90
7 32 GAL CAN 1XWK	\$107.94	\$170.10
8 32 GAL CAN 1XWK	\$123.36	\$194.40
9 96 GAL CAN 1XWK	\$444.06	\$350.82
3 YD COMPACTOR 2XWK	\$475.27	\$917.94

OTHER RATES

Cleanup Bin (3 days)	\$175.00
Extra Yard Waste Cart (per month)	\$11.80
Replacement Cart (after 1x per year)	\$75.00
Return Trip Charge	\$15.00
Cotaminated YW/RRY Cart	\$20.00
Contaminated RRY Bin (per yard plus \$20.00)	\$54.19
Push Rate (per trip per 25 feet - bin)	\$44.96
Walk-in Charge (per trip per 25 feet - cart)	\$7.11
*Commercial Conversion Factor	200.00

EXHIBIT I BULKY ITEM RATE SCHEDULE

For each item after one, subtract \$20 from total cost

<u>ITEM</u>	Collection Component	Disposal Element		TOTAL FEE	
<u>Furniture</u>					
Twin	\$40	\$25	per set	\$65	per set
Double/ Full	\$40	\$25	per set	\$65	per set
Queen	\$40	\$25	per set	\$65	per set
King	\$40	\$25	per set	\$65	per set
Bed Frame	\$40	\$10		\$50	
Couch (under 6 ft.)	\$40	\$10		\$50	
Upholstered Chairs	\$40	\$10		\$50	
Wooden Chairs	\$40	\$10		\$50	
Dinette Tables	\$40	\$10		\$50	
<u>Household Items</u>					
Rug (9x12)	\$40	\$10		\$50	
Vacuum	\$40	\$10		\$50	
<u>Appliances</u>					
Water Heater 35 Gal	\$40	\$10		\$50	
Water Heater 40-50 Gal	\$40	\$10		\$50	
Water Heater 100 Gal	\$40	\$10		\$50	
Oven	\$40	\$15		\$55	
Oven (Stove top)	\$40	\$15		\$55	
Oven-Stove Unit	\$40	\$15		\$55	
Microwave	\$40	\$10		\$50	
Garbage Compactor	\$40	\$10		\$50	
Dishwasher	\$40	\$10		\$50	
Fridge	\$40	\$25		\$65	
Freezer	\$40	\$25		\$65	
Air Conditioner	\$40	\$25		\$65	
Washing Machine	\$40	\$15		\$55	
Dryer	\$40	\$15		\$55	
<u>Building Materials</u>					
Household Doors	\$40	\$10		\$50	
Sink	\$40	\$10		\$50	
Toilets	\$40	\$10		\$50	
Windows (less than 3' by 4' only)	\$40	\$10		\$50	
<u>Yard & Garden</u>					
Gas Mower (must be drained of gas & oil)	\$40	\$10		\$50	
BBQ	\$40	\$10		\$50	
Ping Pong Table	\$40	\$10		\$50	
Exercise Bike	\$40	\$10		\$50	
Swing Sets	\$40	\$10		\$50	
Bike	\$40	\$10		\$50	
<u>Electronics</u>					
Computer Monitor	\$40	\$10		\$50	
Television	\$40	\$10		\$50	
Large screen Television	\$50	\$10		\$60	

Console Television	\$50	\$10	\$60	
Stereo Equipment	\$40	\$10	\$50	
VCR/Home Entertainment	\$40	\$10	\$50	
Printer/Fax	\$40	\$10	\$50	
Copier (table top)	\$40	\$10	\$50	
			\$100	
Copier (stand alone)	\$40	\$75	min	
		price	price	
Oversize office equipment	\$50	varies	varies	
<u>Car Parts</u>				
Engine Block (completely drained of fluids)	\$40	\$10	\$50	
Car Seat	\$40	\$10	\$50	
Bumper/Grill etc	\$40	\$10	\$50	
Passenger vehicle tire	\$40	\$10	\$50	
			special	pricing
Truck or tractor tire			applies	
<u>Additional Items</u>				
Items under 60#	\$40	\$10	\$50	
		price	price	
Items over 60#	\$50	varies	varies	
		price	price	
Items requiring special handling or disposal	\$50	varies	varies	

**EXHIBIT J
EQUIPMENT INVENTORY (as of January 1, 2009)**

VEH #	YEAR	MAKE	TYPE	VIN	LIC #
906R	1998	VOLVO	AUTOMATED	4VMDCMHE0WN747517	7J89320
900R	1999	VOLVO	AUTOMATED	4VMDCMHE0XN765369	5W1703 4
205R	1999	VOLVO	FRONTLOADER	4VMDCMHE0XN768188	7P68315
104R	1988	FORD	SWEEPER	1FDWR72P6JVA56608	2NQJ178
702R	1999	VOLVO	ROLL-OFF	4VHJCMGF3XN867678	7P68060

9001	2006	STERLING	SPLITBODY	49HHBVCY06RW11404	8D20761
9002	2006	STERLING	SPLITBODY	49HHBVCY66RW11407	8E51428



October 18, 2023
City of Sebastopol
7120 Bodega Ave.
Sebastopol, CA 95472

Re: Sebastopol Solid Waste Franchise Agreement One Year Extension

Dear Sebastopol City Staff and Council Members:

This letter serves to document the City and RSM's mutual understanding that the Sebastopol solid waste franchise agreement has been extended up to one year past the original expiration date. The new franchise agreement expiration date is December 31, 2024.

This was confirmed at the April 18, 2023 Sebastopol Council meeting, where Council approved an extension of up to one year, in order to utilize that time to negotiate directly with RSM on a new franchise agreement. As well, on June 7, 2023, Sebastopol City Council authorized an Ad-hoc Committee comprised of Council Members Jill McLewis and Sandra Maurer to negotiate a new franchise agreement with RSM.

The employee owners of Recology Sonoma Marin (RSM) are grateful to have served the City of Sebastopol (City) since 2017, and appreciate the long-term partnership we have established. We look forward to continuing to provide high quality collection and landfill diversion services to residents and businesses.

Sincerely,

A handwritten signature in blue ink that reads 'Ed Farewell'.

Ed Farewell
Vice President & Regional Manager
Recology Sonoma Marin

Recology Sebastopol Detailed Rate Review New Contract - Beginning 7/1/24 January 2024 Proposal

The following pages present the financials for Recology operations in Sebastopol and the required rate increase. Financials include:

- All operating costs
- All required franchise fees and taxes
- Current level of included City services (\$330,000 annually)

Includes the following Service and Rate Change

- Bulky Item Collection - 1 per Residential account per year
- Curbside Christmas Tree Collection
- Curbside Battery Collection
- Option to phase in the rate increase over 4 years with a 15 year contract

Stepped Rate Increase over 4 Years with 15-year Contract

	Rate Years			
	<u>7/1/2024</u>	<u>7/1/2025</u>	<u>7/1/2026</u>	<u>7/1/2027</u>
	<u>6/30/2025</u>	<u>6/30/2026</u>	<u>6/30/2027</u>	<u>6/30/2028</u>
Average Rate Increase Applied	14.0%	10.0%	10.0%	4.0%
Estimated RRI Increase	<i>included</i>	<i>4.0%</i>	<i>3.0%</i>	<i>3.0%</i>
Total Rate Increase	14.0%	14.0%	13.0%	7.0%
Projected Period Revenue	\$ 3,264,578	\$ 3,721,618	\$ 4,205,429	\$ 4,500,666
Revenue Increase	14.0%	14.0%	13.0%	7.0%
City Fees	(436,637)	(497,766)	(562,476)	(601,964)
RSM Expenses (excluding City Fees; including Profit)	(3,533,558)	(3,674,900)	(3,785,147)	(3,898,702)
Recology Additional Profit/(Loss)	\$ (705,617)	\$ (451,048)	\$ (142,194)	\$ -
RSM Net Margin	-15.1%	-5.6%	3.2%	6.5%

Residential Rates

	20 G	\$ 19.19	\$ 21.87	\$ 24.72	\$ 26.45
	32 G	33.55	38.25	43.22	46.25
	64 G	61.32	69.91	78.99	84.54
	96 G	102.30	116.63	131.79	141.04

Commercial

	1.5 Yard	\$ 401.87	\$ 458.13	\$ 517.69	\$ 554.04
	2 Yard	476.59	543.31	613.94	657.04
	4 Yard	749.25	854.15	965.19	1,032.95

Recology Sebastopol Detailed Rate Review
New Contract - Beginning 7/1/24
Sebastopol Proposed Rates Rate Comparison

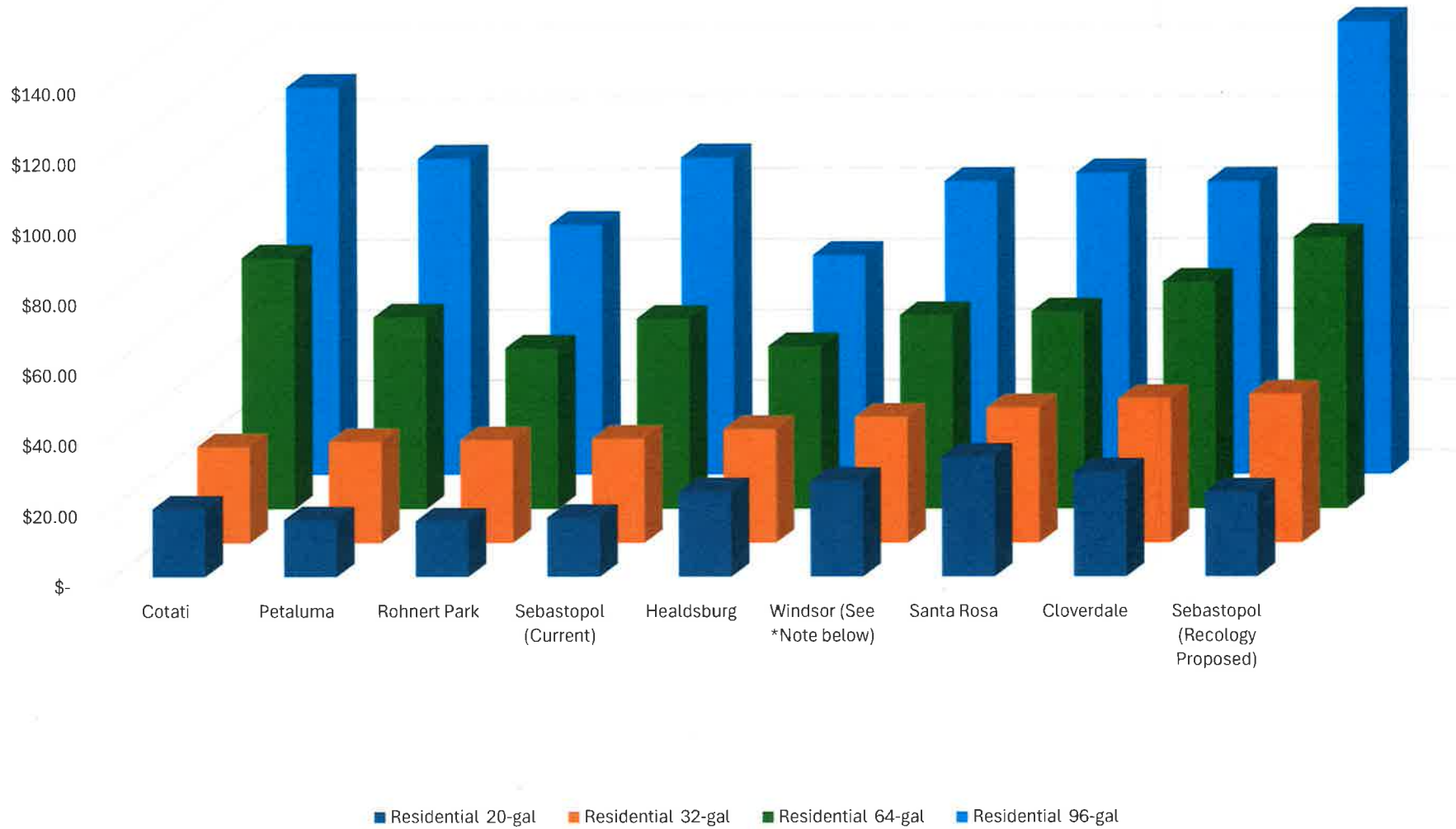
	Primary		Comparative									Current Sebastopol			
	Sebastopol Proposed Rates		Cloverdale	% Incr over Primary	Santa Rosa	% Incr over Primary	Cotati	% Incr over Primary	Healdsburg	% Incr over Primary	Windsor (Comm. MSW, RCY & FW)		% Incr over Primary		
Date Rates Effective:	7/1/2024	9/1/2023			1/1/2024		1/1/2024		1/1/2024		4/1/2023		7/1/2023		
Franchise Fee %:	13.4%	12.0%			14.0%		23.0%		10.0%		10.0%		13.4%		
	So. Co. LF	So. Co. LF			So. Co. LF		So. Co. LF		So. Co. LF		So. Co. LF		So. Co. LF		
MSW Disposal Rate/Ton:	\$155.47	\$155.47			\$155.47		\$155.47		\$155.47		\$155.47		\$155.47		
Residential															
20 gallon	\$ 19.19	\$ 29.63		54.5%	\$ 33.93		76.8%	\$ 19.33	0.7%	\$ 24.23		26.3%	\$ 27.09	41.2%	\$ 16.83
32 gallon	33.55	40.75		21.5%	38.15		13.7%	27.18	-19.0%	32.08		-4.4%	35.56	6.0%	29.43
64 gallon	61.32	64.13		4.6%	55.71		-9.1%	71.24	16.2%	45.96		-25.0%	54.75	-10.7%	53.79
96 gallon	102.30	82.86		-19.0%	85.33		-16.6%	109.79	7.3%	62.21		-39.2%	82.95	-18.9%	89.74
Commercial															
32 gallon	53.37	59.15		10.8%	53.09		-0.5%	39.37	-26.2%	46.16		-13.5%	272.98	411.4%	46.82
64 gallon	71.28	115.07		61.4%	106.21		49.0%	78.71	10.4%	71.52		0.3%	286.60	302.1%	62.53
96 gallon	104.16	171.19		64.3%	159.46		53.1%	118.07	13.4%	87.66		-15.8%	325.95	212.9%	91.37
1.5 yard	401.87	336.53		-16.3%	437.83		8.9%	311.90	-22.4%	407.03		1.3%	824.42	105.1%	352.52
2 yard	476.59	420.21		-11.8%	534.28		12.1%	412.57	-13.4%	510.28		7.1%	958.74	101.2%	418.06
3 yard	663.72	520.08		-21.6%	653.12		-1.6%	516.13	-22.2%	700.50		5.5%	1,297.88	95.5%	582.21
4 yard	749.25	612.52		-18.2%	817.44		9.1%	614.69	-18.0%	873.53		16.6%	1,566.83	109.1%	657.24
6 yard	919.32	886.16		-3.6%	1,108.51		20.6%	975.73	6.1%	1,114.90		21.3%	1,925.73	109.5%	806.42
Average % of Primary:			10.5%		18.0%		-5.6%		-1.6%		122.0%				
Residential Average % of Primary:			15.4%		16.2%		1.3%		-10.6%		4.4%				
Commercial Average % of Primary:			8.1%		18.8%		-9.0%		2.8%		180.9%				

Sonoma County Monthly Solid Waste Rates - All include Recycling and Organics Except Windsor Commercial and Sonoma

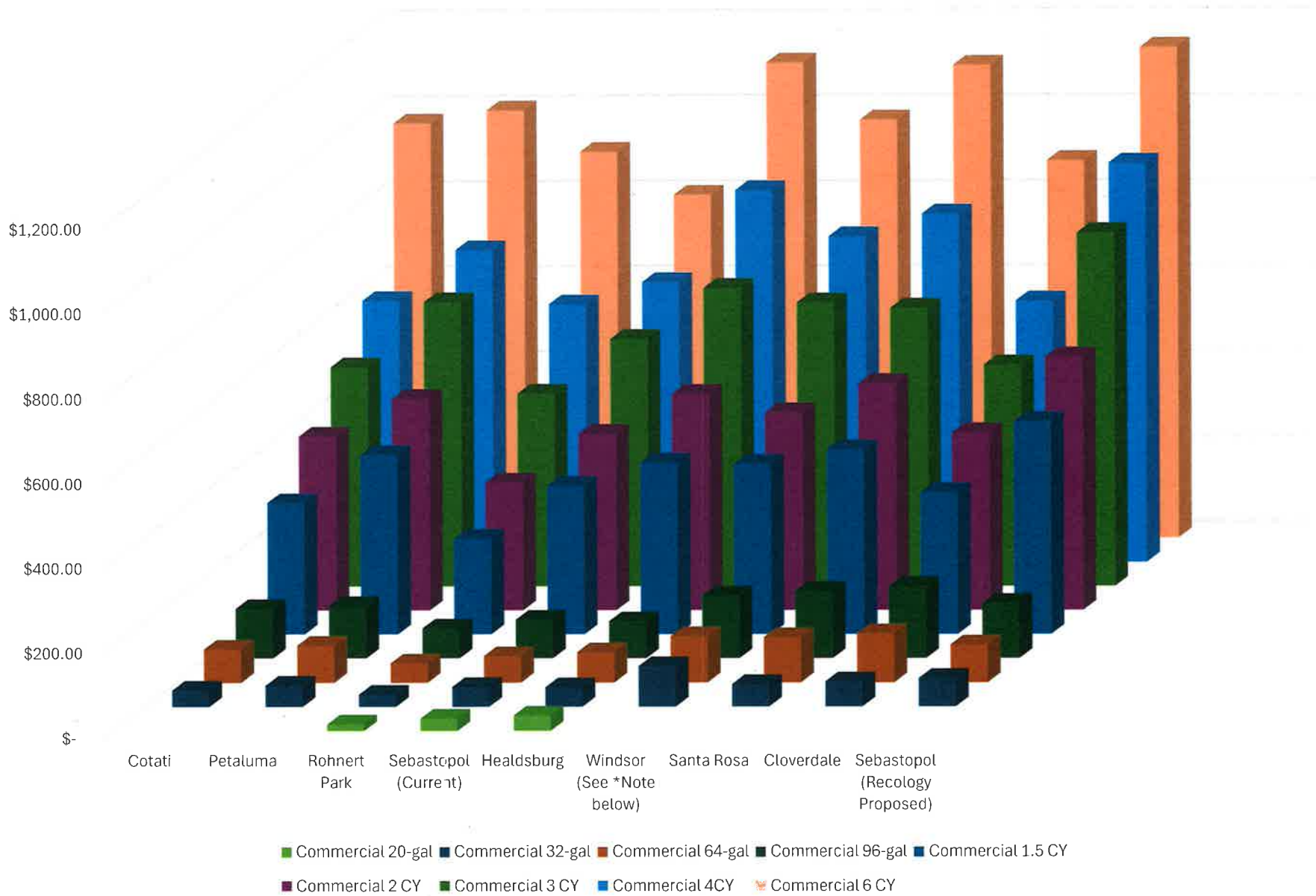
Agenda Item Number: 7

Agency	Date	Residential				CARES	Commercial						CARES			
		20-gal	32-gal	64-gal	96-gal	DISCOUNT	20-gal	32-gal	64-gal	96-gal	1.5 CY	2 CY	3 CY	4CY	6 CY	DISCOUNT
Cotati	1/1/2024	\$ 19.33	\$ 27.18	\$ 71.24	\$ 109.79	20%		\$ 39.37	\$ 78.71	\$ 118.07	\$ 311.90	\$ 412.57	\$ 516.13	\$ 614.69	\$ 975.73	20%
Petaluma	7/1/2023	\$ 16.18	\$ 28.64	\$ 54.32	\$ 89.60	25%		\$ 50.25	\$ 87.36	\$ 124.56	\$ 425.43	\$ 499.77	\$ 668.70	\$ 734.69	\$ 1,005.49	25%
Rohnert Park	7/1/2023	\$ 15.84	\$ 29.05	\$ 45.38	\$ 70.83	15%	\$ 15.84	\$ 29.05	\$ 45.38	\$ 70.83	\$ 227.08	\$ 302.90	\$ 454.23	\$ 605.68	\$ 908.58	15%
Sebastopol (Current)	7/1/2023	\$ 16.83	\$ 29.43	\$ 53.79	\$ 89.74	15%	\$ 29.26	\$ 46.82	\$ 62.53	\$ 91.37	\$ 352.52	\$ 418.06	\$ 582.21	\$ 657.24	\$ 806.42	15%
Healdsburg	1/1/2024	\$ 24.23	\$ 32.08	\$ 45.96	\$ 62.21	20%	\$ 36.44	\$ 46.16	\$ 71.52	\$ 87.66	\$ 407.03	\$ 510.28	\$ 700.50	\$ 873.53	\$ 1,114.90	20%
Windsor (See *Note below)	4/1/2023	\$ 27.09	\$ 35.56	\$ 54.75	\$ 82.95	10%		\$ 95.48	\$ 109.10	\$ 148.45	\$ 403.27	\$ 467.42	\$ 666.17	\$ 764.76	\$ 981.48	10%
Santa Rosa	1/1/2024	\$ 33.93	\$ 38.15	\$ 55.71	\$ 85.33	15%		\$ 53.09	\$ 106.21	\$ 159.46	\$ 437.83	\$ 534.28	\$ 653.12	\$ 817.44	\$ 1,108.51	15%
Cloverdale	9/1/2023	\$ 29.63	\$ 40.75	\$ 64.13	\$ 82.86	20%		\$ 59.15	\$ 115.07	\$ 171.19	\$ 336.53	\$ 420.21	\$ 520.08	\$ 612.52	\$ 886.16	20%
Sebastopol (Recology Proposed)	7/1/2024	\$ 23.99	\$ 41.94	\$ 76.66	\$ 127.90	15%		\$ 66.73	\$ 89.12	\$ 130.22	\$ 502.41	\$ 595.82	\$ 829.76	\$ 936.70	\$ 1,149.31	15%
City Average (Without Sebastopol)		\$ 23.75	\$ 33.06	\$ 55.93	\$ 83.37			\$ 26.14	\$ 53.22	\$ 87.62	\$ 125.75	\$ 364.15	\$ 449.63	\$ 596.99	\$ 717.62	\$ 997.26
Sebastopol (Current) Over (Under) City Average		\$ (6.92)	\$ (3.63)	\$ (2.14)	\$ 6.37			\$ 3.12	\$ (6.40)	\$ (25.09)	\$ (34.38)	\$ (11.63)	\$ (31.57)	\$ (14.78)	\$ (60.38)	\$ (190.84)
		-29%	-11%	-4%	8%			12%	-12%	-29%	-27%	-3%	-7%	-2%	-8%	-19%
Sebastopol (Recology Proposed) Over (Under) City Average		\$ 0.24	\$ 8.88	\$ 20.73	\$ 44.53			N/A	\$ 13.51	\$ 1.50	\$ 4.47	\$ 138.26	\$ 146.19	\$ 232.77	\$ 219.08	\$ 152.05
		1%	27%	37%	53%			N/A	25%	2%	4%	38%	33%	39%	31%	15%
*Note - Windsor CARES discount is a senior discount and Commercial rates do not include recycling and organics service.																

Comparison of Monthly Residential Rates - Ranked by Common 32-gal Service Rate



Comparison of Monthly Commercial Rates - Same Ordering as Residential Chart





January 3, 2024

Ms. Mary Gourley, Assistant City Manager/City Clerk
City of Sebastopol
7120 Bodega Avenue, Sebastopol, CA, 95472
submitted via email: mgourley@cityofsebastopol.gov

SUBJECT: Solid Waste Consulting Services – R3 Statement of Qualifications (SOQ)

Dear Ms. Gourley,

R3 Consulting Group, Inc. (R3) is pleased to submit the attached SOQ to the City of Sebastopol (City) regarding Solid Waste Consulting Services. R3 understands the City is seeking consulting support regarding its agreement and customer rates with Recology Sonoma Marin (Recology) and we are excellently-positioned to be of service.

R3 specializes in providing solid waste management consulting services to local governments throughout California, including:

- » Planning, implementation, and monitoring in support of legislative compliance with Senate Bills 1383 and 1016 and Assembly Bills 939, 341, 1826, 1594, 1669, 901, and 876.
- » Public education and outreach support, including conducting staff trainings and in-person workshops, creating resource guides, and developing print and online material to specifically address new/ongoing solid waste legislation and best practices for solid waste management.
- » Rate and financial reviews and analyses of fees, rates, and rate structure options.
- » Competitive procurements and negotiations of collection, processing, and disposal services, including transition assistance to new hauler(s).
- » Reviewing municipal operations and performance and providing findings and recommendations.

R3 is intimately and uniquely familiar with the solid waste agreements, rates and services provided by Recology and other solid waste service providers in Sonoma County. R3 provides, or has recently provided, solid waste consulting services to all other Sonoma County agencies (excepting the City) – as a result, we have an unparalleled understanding of the Sonoma County waste management marketplace.

* * * * *

R3's mission is to serve communities by providing unbiased, expert analysis that sustainably advances environmental policies, finances, and operations. We look forward to interviewing on January 8th and we hope to be the City's consulting partner as you navigate these important solid waste concerns.

Sincerely,

Garth Schultz | *Principal*
R3 Consulting Group, Inc.
510.292.0853 | gschultz@r3cgi.com

1. ABOUT R3

Solid Waste Planning and Program Development

R3 has designed and implemented numerous solid waste implementation plans and programs for jurisdictions throughout California and the United States. Our extensive experience gives us the ability to address a variety of issues that typically confront our municipal clients during the implementation of programs and facilities, including inter-jurisdictional coordination, planning requirements and diversion mandates, regulatory compliance, and community outreach and public education.

Our solid waste management planning and program development services include the following:

- » Developing strategic and long-range plans for high diversion, and sustainability.
- » Evaluating existing programs and selecting and investigating options for program improvement.
- » Facilitating inter-jurisdictional coordination with respect to planning requirements, diversion mandates, and regulatory compliance.
- » Developing measurement and monitoring of progress indicators.
- » Modeling planning costs for solid waste and recycling systems.
- » Actively providing opportunities for and facilitating community engagement with the high diversion waste development process, including public education and outreach programs, community workshops, public opinion surveys, focus groups and broad community print and digital outreach.
- » Performing on-site waste audits at facilities and major commercial generators to identify materials and provide source-reduction strategies to increase diversion.
- » Developing public policies and local ordinances to support contract requirements and new programs, including construction and demolition (C&D) ordinances.
- » Assisting with grant applications, program development and administration.

Financial and Rate Services

R3 staff members have broad experience conducting solid waste rate reviews and performing financial and rate structure analyses for municipalities, public utilities, and regional authorities. R3's understanding of the perennial challenge of local governments to balance complex services and programs with the realities of budget constraints allows us to provide effective and meaningful financial consulting services to our clients. Our rate review projects provide comprehensive review and analysis of contractor rate applications, resulting in documented adjustments to projected revenues and expenses plus specific recommended rate adjustments. The results from our financial and rate analysis projects furnish the financial information and comparative analysis our clients require to make sound, informed decisions.

Our solid waste financial and rate analysis services include the following:

- » Financial and operational strategic planning.
- » Conducting detailed rate reviews and indexed rate adjustments.
- » Conducting cost of service and revenue requirement studies.
- » Assisting municipal agencies with budgeting and long-term financial planning, and developing rate models and multi-year rate financial projections.
- » Evaluating alternative funding mechanisms and conducting Nexus Studies to support those mechanisms.
- » Analyzing and revising rate structures to support objectives to comply with Proposition 218, as well as designing Public Notices and supporting Proposition 218 public hearings.
- » Performing rate and service surveys.
- » Customer rate setting and adjusting.
- » Audits of solid waste billing systems and franchise fee payments.
- » Development of refuse vehicle impact fees and solid waste development fees.

Proposition 218 Public Noticing

Proposition 218 is an amendment to California's Constitution that requires government agencies and utilities to notify property owners of proposed changes to rates for services. A written notice must be sent to property owners 45 days prior to a scheduled public hearing regarding proposed changes. R3 is well practiced in supporting our clients in a simple, straightforward noticing process and is well prepared to provide guidance, support, and recommendations for best practices to the City as it proceeds with Proposition 218 noticing process for its solid waste rates.

Specifically, the customized notice will include:

- » A clear statement about the solid waste rates and reasoning for adjustments.
- » A brief description of the rate adjustment process.
- » A table illustrating the proposed rates - either for most common service or a fully detailed rates table(s), as directed by the City.

Printing and mailing of Proposition 218 notices is not included in our services. R3 provides draft and final Proposition 218 notices, in PDF format, with one round of revisions in response to comments and attendance at one Proposition 218 public hearing.

Negotiation & Procurement Services

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. 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.
- » 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.
- » Preparation and distribution of RFP packages, including the Agreement and operating contracts.

Zero Waste Planning

R3 has designed, evaluated, implemented, and updated Zero Waste strategic plans for multiple jurisdictions throughout California. Our extensive experience has allowed R3 to address a variety of issues that typically confront our municipal clients during the implementation of programs and facilities, including inter-jurisdictional coordination, planning requirements and diversion mandates, regulatory compliance and community outreach and public education.

Our Zero Waste planning and implementation services include:

- » Evaluating existing programs.
- » Selecting and investigating options for program improvement and potential new programs to implement.

- » Preparing Zero Waste strategic plans.
- » Holding stakeholder meetings.
- » Holding project management and project progress meetings.
- » Establishing Zero Waste implementation strategies and creating implementation plans, including the development of waste reduction policies and programs.
- » Actively providing opportunities for public engagement and facilitate of stakeholder engagement of the Zero Waste implementation development process.
- » Modeling system planning costs.
- » Developing public policies and local Ordinances to support contract requirements and new programs.
- » Creating sustainability plans, including development and monitoring of progress indicators.
- » Performing on-site waste audits at facilities and all major commercial generators to identify materials specific to the jurisdiction's waste stream and source-reduction strategies to increase diversion.

Legislative Compliance Planning

R3 provides a full range of planning, design, implementation, monitoring, and administrative services in support of regulatory compliance with state legislation. As a member of regional planning groups in California, R3 facilitates discussions with municipalities about the potential implications of AB 1826 and SB 1383 on programs and helps develop plans to prepare for the policies and statewide mandates. Our clients frequently recommend us for legislative compliance support services because of our ability to right-size implementation strategies, our timeliness, and our ability to distill what might otherwise be an intimidatingly complex set of legislative requirements into clear steps. We have developed an extensive toolbox of resources that we provide to our clients and customize according to their needs – everything from website language to complaint forms, to setting up meetings with potential product procurement partners. We pride ourselves in practical application of programs, and our many clients can attest to the usefulness of our hands-on approach – there is nothing worse than a long-range plan used as a paperweight!

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.
- » Facilitating private sector diversion opportunities, including food donations and recycle/reuse vendors.

2. PROJECT EXPERIENCE

We understand that the City is facing a decision about whether to extend its current agreement with Recology – and at what customer rates – or seek proposals from qualified solid waste service providers in a competitive Request for Proposals (RFP) process. R3 has a well of experience in all the consulting aspects necessary to assist the City in navigating and ultimately making its decision about its future contracts and rates, including but not limited to detailed knowledge of the finances for Recology and other solid waste companies in Sonoma County and the greater Bay Area.

R3 recently completed detailed reviews of Recology’s cost-based rate proposals to the Cities of Cloverdale and Santa Rosa, and formerly did the same for Cotati, Healdsburg, Petaluma, Rohnert Park, Sonoma County and Marin County. From those experiences we have established a robust understanding of Recology’s operating costs, allocation methodologies, and forecasting approaches, which will be brought to bear for the City of Sebastopol. R3 also conducted the two most recent competitive RFP procurements in Sonoma County (for Santa Rosa and Windsor) and thus we are very familiar with the potential results that could be anticipated via such a process in Sebastopol. Finally, we have assisted (and are assisting) Sonoma County agencies in negotiating extensions to existing solid waste agreements with their providers, as an alternative to RFPs, and are keenly aware of the political considerations associated with extending such agreements while also facing potential increases in rates.

Project Experience

Since 2002, R3’s project team has developed a unique level of relevant experience and knowledge of solid waste solutions that can help you deliver the programs and policies that your community needs. R3 has served 120+ clients in CA with various solid waste consulting projects in the past 5 years. Our work, with a Sonoma County sampling shown below, covers agreement negotiations, competitive procurements, detailed rate reviews, and on-call services.

CLIENT	SERVICES PROVIDED			
	Contract Negotiations	Competitive Procurement	Detailed Rate Review	Contract Management / On-Call Services / Other
City of Cloverdale	X		X	X
City of Cotati			X	X
City of Healdsburg	X		X	X
City of Petaluma	X		X	
City of Rohnert Park	X		X	X
City of Santa Rosa		X	X	X
City of Sonoma	X		X	
County of Sonoma			X	X
Town of Windsor	X	X	X	X
Zero Waste Sonoma				X

Project References

CLIENT CONTACT	CONTACT INFORMATION			
	Name	Title	Phone	Email
City of Cloverdale	Mr. David Kelley	City Manager	707.894.1710	dkelley@ci.cloverdale.ca.us
City of Cotati	Mr. Damien O-Bid	City Manager	707.665.3622	dobid@cotaticity.org
City of Healdsburg	Mr. Larry Zimmer	Public Works Director	707.431.3333	lzimmer@healdsburg.gov
City of Petaluma	Mr. Patrick Carter	Assistant to the City Manager	707.778.4560	pcarter@cityofpetaluma.org
City of Rohnert Park	Ms. Vanessa Garrett	Public Works Director	707.588.2251	vgarrett@rpcity.org
City of Santa Rosa	Mr. Jason Nutt	Assistant City Manager	707.543.3810	jnutt@srcity.org
City of Sonoma	Mr. David Guhin	City Manager	707.933.2213	dguhin@sonomacity.org
County of Sonoma	Ms. Kristina Owens	Government Operations Manager	707.838.1100	kmowens@townofwindsor.com
Town of Windsor	Ms. Trish Pisenti	Deputy Director Transportation & Operations	707.565.7958	trish.pisenti@sonoma-county.org
Zero Waste Sonoma	Ms. Leslie Lukacs	Executive Director	707.565.3687	leslie.lukacs@sonoma-county.org

3. PROJECT TEAM

The City's core project team will be the primary, day-to-day staff responsible for this engagement. Our team also has the ability to draw upon additional, on-call staff members on an as-needed basis. Resumes of each listed team member can be found in the following pages.

Core Project Team Biographies

Garth Schultz, Principal, is the President of R3 and has 20 years of solid waste management experience in both the public and private sectors. He is an expert in solid waste and recycling public administration including operations, finances, policy, community outreach, sustainable materials management programs, achievement of local, regional and statewide objectives, and engagement with elected officials.

Carrie Baxter, Sr. Managing Consultant, has over a decade of experience in solid waste consulting, in a broad range of operational, planning, and financial projects. She specializes in providing legislative compliance assistance and assisting local jurisdictions in negotiating improvements and incorporating best practices and new state legislation in their municipal codes and collection agreements.

Jim Howison, Sr. Managing Consultant, brings comprehensive experience in planning and managing all financial aspects and services, complex projects, and operations for solid waste companies. He is well-versed in devising and executing strategies, overseeing accounting operations, producing reports, increasing efficiency, assessing financial performance and risk, managing audits and internal control processes.

Peggy Paulsen, Managing Consultant, regularly collaborates to develop visually appealing, easy-to-understand graphics and outreach materials to help engage and educate communities about new legislation such as AB 1826 and SB 1383. She is R3's lead designer on all Proposition 218 Public Notices engagements. She designs custom notices, ranging from postcards to multilingual, multi-page booklets. Peggy also designs customizable forms, brochures, newsletters, and presentations, as well as personalized maps, infographics and logos, and event posters and flyers.

The team will be rounded out by **Alex Soulard**, Sr. Consultant, **Maryann Hulsman**, Consultant, and **Angela Micheletti**, Associate Consultant, bringing their backgrounds in a variety of solid waste management, including policy development, planning, and implementation, negotiation and procurement support, zero waste planning, education and outreach, and financial and rate reviews.



Garth Schultz

Principal, Project Lead

About

Garth Schultz is the President of R3 and has 20 years of solid waste management experience in both the public and private sectors. He is an expert in solid waste and recycling public administration including operations, finances, policy, community outreach, sustainable materials management programs, achievement of local, regional and statewide objectives, and engagement with elected officials. His values are strongly rooted in the ethics of public service, and he is deeply committed to advancing community, environment, and climate change mitigation and adaptation interests.

Garth is skilled in identifying and communicating simple solutions to complex problems and shepherding adoption of public policy outcomes that benefit the community and the environment. As managing partner of R3, he oversees R3' engagement with 100+ active clients. This provides a clear view of the wide range of approaches that government agencies employ to further their solid waste and recycling goals and objectives. All of this experience and commitment will be leveraged in this engagement with the City.

Education & Certifications

- » Master of Public Administration and Public Policy Development, Cal State East Bay
- » Bachelor of Science in Environmental Science, Minor in Public Policy, University of California, Berkeley

Relevant Experience

- » **Solid Waste Agreement Procurements and Negotiations Overall** | Cities of Concord, Fairfax, Half Moon Bay, Hermosa Beach, Marin County, Pleasant Hill, San Anselmo, San Rafael, Santa Clarita, and Santa Rosa
Led sole-source negotiations and/or competitive procurements resulting in contract negotiations for many clients throughout California. With over 20 contract negotiations completed in recent years, Garth has a track record of successfully negotiating new or extended solid waste services agreements that provide benefits to solid waste customers and their communities via new services, sustainability programs, and fair and reasonable rates. Garth's objectives during negotiations are to: state clear needs and positions up front; focus on the outcomes that need to be met for client's elected leaders to approve the agreement; find creative yet simple solutions to issues requiring resolution; and, bring our clients and their solid waste services provider counterparts to a central place of agreement and understanding. In practice, Garth exemplifies R3's approach to negotiations, which is grounded in our mission of public service for our clients and their communities while also being rooted in respect for the important service provided by solid waste contractors.
- » **5-Year Rate Study** | City of Santa Monica
Served as project manager and primary analysis for R3's engagement with the City completing a 10-year financial forecast and 5-year rate study for the City's Resource Recovery and Recycling Division. The original engagement started in 2019 and was nearly completed in March of 2020 just prior to the onset of the COVID-19 pandemic. Considering the economic uncertainty associated with the pandemic the City opted to hold off on completing the rate study, which also meant no adjustments to customer rates for three years, from 2020 through 2022. Consequently, the City's Resource Recovery and Recycling (RRR) Fund incurred a structural budget deficit of over \$10 million per year, which was offset using emergency reserves in the Fund. Additionally, the City's rate structure included charges that were out of the norm for industry standards, the resolution of which required substantial revisions to the City's rate structure for commercial and multi-family solid waste customers. Through completion of the 10-year financial forecast and 5-year rate study - which included detailed modeling of the RRR Funds projected revenues, expenses, and rebuilding of emergency reserves - R3 found that rates needed to be immediately increased to keep the RRR Fund from becoming insolvent. R3's work also identified the key benefits to the City and its ratepayers in the form of new and enhanced programs and services that were desired by the community. After many years of work and positive collaboration with City staff, the 5-year rates were unanimously approved the City Council in June of 2023, ensuring the ongoing viability of the City's municipally operated and much-valued resource recovery and recycling operations.
- » **Rate Study & Structure and Franchise Agreement Negotiations** | City of Santa Clara
R3 has worked with the City of Santa Clara, providing many solid waste consulting services since 2019. R3 negotiations for the City's new exclusive agreements with Recology South Bay and Mission Trail Waste Systems. The new agreements were designed to achieve the City's objectives, including compliance with SB 1383, and the City's long-term financial and diversion goals. R3 also completes annual cost-of-service rate study calculations for the City, which includes reviewing and projecting expenses for refuse collection, tipping fees, and other refuse expenses, projecting the cost of operations for the coming five years, including consideration of future changes in tonnages, agreements, operational and regulatory requirements, inflationary factors, community growth, and the City's refuse related expenses. The result has been several years of rate adjustments to meet the cost of providing service. R3 has also provided the City with annual franchise fee auditing services, SB 1383 contamination lid flip auditing, bi-annual waste characterization oversight, and periodic review of special programs.



Carrie Baxter

Sr. Managing Consultant, Procurement Specialist

About

Carrie Baxter has over a decade of experience in solid waste consulting, in a broad range of operational, planning, and financial projects. She specializes in providing legislative compliance assistance to local jurisdictions for implementing or expanding programs to maximize recovery efforts, tracking, and infrastructure development, as well as assisting in negotiating improvements and best practices into municipal codes and collection agreements.

She also has significant experience with competitive procurement projects for solid waste management services, including providing financial analysis services, such as studying rates and how to incentivize diversion, and engaging the community and stakeholders. In addition, Carrie routinely supports operations and performance reviews, evaluating billing and reporting systems and conducting on-site route audits, and conducting comprehensive rate surveys.

Education & Certifications

- » Bachelor of Science in Organization, Leadership & Management, University of San Francisco
- » Authored an article in the BioCycle Magazine; Presented at the BioCycle West Coast Conference and at the CRRA Conference on Rate Setting for Organics Diversion.

Relevant Experience

- » **Procurement and Negotiation Assistance | City of Rohnert Park**
Drafted the RFP documents and non-exclusive agreement for the City to procure multiple haulers for temporary debris box collection and processing services. Drafted revisions and assisted in negotiations for the City's exclusive collection service agreement. Presented the agreement revisions and recommendation of Recology Sonoma Marin Assignment to City Council. She provided training for City staff on contract oversight and management and assisted with review of quarterly reports and annual rate adjustments. She drafted revisions to the City's solid waste management ordinance to comply with SB 1383.
- » **Assignment Review | Recology Sonoma Marin**
Reviewed the proposed assignment of solid waste franchise and other Agreements held by The Ratto Group (TRG) to Recology Sonoma Marin (Recology) for the cities of Cloverdale, Cotati, Healdsburg, Petaluma, Rohnert Park, Santa Rosa, Sebastopol, Sonoma County, Marin County, Novato Sanitary District, and Zero Waste Sonoma (Agencies). Specifically, she led the review of services and other requirements in the Agreements to assist the agencies in determining Recology's operational and financial ability to perform the activities covered under the Agreements. She presented the findings in a final report to the affected Agencies and at several City Council meetings.
- » **Various Solid Waste Services | Town of Windsor**
Currently providing ongoing on-call assistance for solid waste related matters in the Town. Over the past five years, Carrie has assisted the Town with various solid waste matters. She drafted the RFP documents and non-exclusive agreement for the Town to procuring multiple haulers for temporary debris box collection and processing services. Carrie developed a Refuse Rate Index (RRI) Adjustment Workbook to streamline the annual rate adjustment process for the exclusive Collection Service Agreement (Agreement). She drafted language for amendments to the Agreement with SCRR in conjunction with the annual rate adjustment, and reviewed SCRR's Annual Rate-Adjustment Request. Additionally, she drafted revisions to the Town's solid waste management ordinance to comply with SB 1383.
- » **Various Solid Waste Services | City of Santa Rosa**
The City adopted its Zero Waste Plan in January 2020, with five key strategies for the City to implement on its path to Zero Waste. Currently overseeing the project team and providing analytical review of actions taken to-date by the City, along with future implementation steps using both standard and visionary approaches. Also providing updates related to staff resources necessary and funding strategies to fully implement and manage each strategy. Over the past five years, Carrie has worked with City staff and Recology during the transition to the new collection service agreement. She provided contract management staff training and support of new agreement including reviewing quarterly reports and annual rate adjustment requests. She also drafted revisions to the City's solid waste management ordinance and its exclusive agreement with Recology to comply with SB 1383.
- » **Detailed Rate Review | City of Petaluma, Rohnert Park, and Santa Rosa**
Led the review and assessment of the reasonableness of Recology's identified non-allowable expenses, revenues, and expense allocations to the City's franchise. She also reviewed the reasonableness of the forecasted costs for the upcoming year, and the accuracy of the Recology's calculated rate adjustment, including the proper application of Recology's operating ratio. She recommended franchise agreement amendments to comply with legislative requirements related to organic waste collection for all customers, contamination auditing, and educational outreach. The approved rate adjustment included the recommended franchise agreement amendments and was decreased by between 3% - 15% from Recology's original revised request based on the findings from the detailed rate review.



Jim Howison

Sr. Managing Consultant, Financial Specialist

About

Jim Howison brings comprehensive experience in planning and managing all financial aspects and services, complex projects, and operations for solid waste companies. He is well-versed in devising and executing strategies, overseeing accounting operations, producing reports, increasing efficiency, assessing financial performance and risk, managing audits and internal control processes. Jim provides advice and guidance to management on future financial plans, as well as reviews of financial reports, monitor accounts, and prepare financial forecasts.

Jim demonstrated his abilities at Mt. Diablo Resource Recovery to such an extent that R3 ultimately brought him on board. Jim is recognized for leading and monitoring multi-functional teams and multitasks to achieve desired goals. Skilled at fostering and maintaining professional relationships with clients and enhancing process, performance, productivity, efficiency, and organizational growth. He is an out-of-the-box thinker and creative problem-solver with exceptional interpersonal, leadership, communication, and analytical skills.

Education & Certifications

- » Master's in Business Administration in Finance, Saint Mary's College
- » Bachelor of Science in Accounting, Loyola Marymount University

Relevant Experience

» Franchise Fee Revenue Justification | Various Jurisdictions

Jim is heavily engaged in our team's efforts related to providing franchise fee justification studies for 20+ public sector clients. He is responsible for conducting cost-recovery analyses, vehicle impact analyses, property value analyses. He is conducting research, analyzing, and estimating the value of each jurisdiction's solid waste management, administration, oversight, compliance, and other expenditures that may be eligible for recovery from solid waste rates via franchise fees. He also looking at: (1) the value of the impact that solid waste collection vehicles have on their streets and (2) estimate the value of the City-government property rights conveyed to the City's contracted solid waste provider(s) that may be eligible for recovery via franchise fees.

» Extensive Financial Analysis on Hauling Companies Audited Financial Statements | City of Santa Barbara

Analyzed and performed a financial analysis on the hauling company's auditing financial states. The objectives included: (1) Determine financial soundness of the of company; (2) To note any unusual activity; (3) Determine the liquidity or cash-flow health of the organization; (4) draw a conclusion, based on a financial, economic, and accounting interpretation as to changes in the year-over-year audited financial statement.

» Performance Review and Special Rate Review | City of Cloverdale

Currently conducting a special rate review of Recology's rate adjustment application and a performance review of the franchise agreement for regulatory compliance and operational performance. R3's approach to reviewing the special rate application from Recology consists of reviewing and assessing the reasonableness of the rate application, as per the terms and conditions of the franchise agreement.

» Annual Rate Review | City of San Pablo

Conducted a financial analysis on the annual rate request noting material overstatement in costs resulting in a 76% decrease in the rate ask. Noted an overstatement of franchise fees and the failure to property capture appropriately allowable costs.

» 2023 5-Year Rate Projections | City of Burlingame

Developed a 5-year rate forecast including estimations on migration due to the introduction of a 20-gallon cart. Forecasted the tip fees and streamlined multi-digit rate increases to minimize the annual increase on ratepayers, in addition to forecasting agency fees so City Staff could plan accordingly. Ensured a sufficient reserve in the City's subscription rates to offset extensive increases due to capital expenditures to meet state mandates in future years.

» Develop Cost-Based Rate Applications | Cities of Concord, Oakley, and Pittsburg*

The recycling crises brought on by changes in international markets led to the initiation of a cost reduction strategy that lowered the economic impact for the cities of Concord, Oakley, and Pittsburg by \$2.4 million annually. The total cost of recycling was updated, re-allocated using Municipal Solid Waste, Organics, and Construction & Debris tonnage to soften the cost per ton, rather than just recycling tonnage. The prior recovery method penalized jurisdictions with historically higher conservation participation as commodity prices declined, thus requiring a more equitable approach.

**denotes completion while at previous firm*



Peggy Paulsen

Managing Consultant, Communications Specialist

About

Peggy Paulsen is R3's Marketing & Communications Director, and brings 13+ years of experience in organizing data, brand management, social media engagement, designing and maintaining company websites, and producing professional services proposals. She is a very energetic and creative person with a keen eye for detail and organization, and leads all marketing and communications efforts for R3 and contributes to the growth, leadership, and overall strategic direction of the organization.

With her expertise in fine-tuned information design, Peggy regularly collaborates to develop visually appealing, easy-to-understand graphics and outreach materials to help engage and educate communities about new legislation such as AB 1826 and SB 1383. She designs customizable forms, brochures, newsletters, and presentations, as well as personalized maps, infographics and logos, and event posters and flyers. Additional areas of expertise includes report and presentation organization, creation, preparation, and execution, quality assurance, and social media marketing.

Education & Certifications

- » Bachelor of Business Administration, Emphasis on Communications, National University
- » Certified Professional Services Marketer, Society for Marketing Professional Services

Relevant Experience

- » **Proposition 218 Public Noticing | City of Rosemead**
Recently finalized the City's Proposition 218 notice in four languages - English, Spanish, Chinese, and Vietnamese - regarding SB 1383 requirements and associated rate adjustments. She worked directly with the City to fine tune the messaging, ensure consistency and inclusivity across all languages, and format into an 8-page, 11x17" booklet to be printed in full color and double-sided for the City to mail out to its 50,000+ customers.
- » **Solid Waste Coordination Services and Proposition 218 Public Noticing | Town of Loomis**
The R3 team is currently supporting the Town with solid waste coordination services, including review of compliance, reporting, and administration of their solid waste programs for a three-year term. As a part of this engagement, Peggy provided outreach support to the Town for their mandatory Proposition 218 Noticing process. She also developed a customized Food Waste Prevention At Home flyer and Edible Food Generator FAQ flyer for display in Town Hall and for distribution to the community.
- » **SB 1383 Compliance Program and Proposition 218 Public Noticing | City of Citrus Heights**
Collaborated on the development of SB 1383 outreach and educational material, and recently designed and created the City's public Proposition 218 notice. This resulted in a full bleed, full color 5.8x11" postcard, and was delivered to 25,000 residential accounts. The public hearing for the solid waste rate increase was held on January 27, 2022, and was approved with less than 50 protests. In addition, she updated the City's website, to educate and engage the target audience to sign up for organic collection, as well as bring the City into compliance with Article 4 of SB 1383.
- » **Detailed Rate Review and Public Outreach Assistance | Sonoma County**
Developed a bilingual (50% English and 50% Spanish) 11x17", double-sided, full color brochure for the County to mail out to 70,000+ customers, regarding SB 1383 requirements and rate changes. She developed the messaging and graphics from scratch and worked directly with County staff to fine-tune the appropriate messaging. From there, she created seven similar, but different, versions for the six separate Recology zones and one for the rural customers.
- » **On-Call Solid Waste Consulting Services | City of Rancho Cordova**
Currently supporting the implementation of outreach and education efforts for ABs 341, 1826, and SB 1383 to all covered generators and residents. Peggy designed the Alternative Service Compliance and Exemption Waiver, crafted new SB 1383-compliant website language, and reviewed the City's Annual Outreach Plan for clarity and conciseness.
- » **Proposition 218 Public Noticing | City of Pomona**
Provided guidance, support, and recommendations for best practices for the City with its Proposition 218 Noticing process for its solid waste rate increases. She developed a customized, bilingual - English and Spanish - booklet for the City, including a clear statement about the solid waste rates and reasoning for adjustments, a brief description of the rate adjustment process, and fully detailed rate tables illustrating the proposed rates.
- » **SB 1383 Program Development and Public Outreach | Nevada County & City of Grass Valley**
Assisted in distinguishing the similarities and differences between the responsibilities of County and City, and combining into an easy-to-read, comprehensive report, as they relate to an SB 1383 program and implementation plan that will fulfill legislative compliance. She also updated website language and aimed to educate and engage the community.
- » **Solid Waste Facility Outreach Assistance | County of Santa Clara**
She recently developed multiple flyers for custodial and maintenance staff, health and environmental services staff, and parks and recreation staff. She also provided revisions and recommended updates to staff presentations for the County.



Alex Soulard

Sr. Consultant, Local Resource

About

Alex Soulard brings 12 years of solid waste experience in the public sector working for the Marin County Department of Public Works, where he implemented recycling, composting and other waste diversion and AB 939 compliance programs. As staff to the Marin County Hazardous and Solid Waste Management Joint Powers Authority (JPA), he implemented the JPA's Zero Waste Plan, deployed the initial food scrap composting program, single-use plastic bag bans, pharmaceutical disposal, fulfilled CalRecycle reporting requirements, developed public outreach, and fostered community engagement.

As a Sr. Consultant for R3, Alex provides important support on a variety of solid waste management projects, including policy development, planning, and implementation; negotiations and procurement; and financial and rate reviews. His efforts are focused on guiding clients to compliance with state and local legislation and implementing new or expanded policies and programs around zero waste and organic material collection, tracking, and infrastructure development.

Education & Certifications

- » Bachelor of Science in Environmental Studies, Sonoma State University

Relevant Experience

- » **Zero Waste Strategic Planning | Zero Waste Marin**
Currently working with Zero Waste Marin (ZWM) staff to coordinate development of a Memorandum of Understanding (MOU) that will be approved by all JPA member agencies. Alex has conducted meetings with ZWM's member agencies, incorporating feedback into the MOU, annual workplan and budgetary needs. He has attended regional agency meeting to present initial drafts and will coordinate with member agencies for letter agreement adoption and streamlining of the enforcement process. Additionally, Alex is assisting ZWM, Marin County, and the Special districts in developing a regional Special District Program to implement SB 1383 Local Assistance Grants from CalRecycle. He is developing an agreement to define the Special Districts participation, requirements, and responsibilities in Regional SB1383 compliance programs.
- » **On-Call Consulting Services FY 22-23 | City of Duarte**
Recently assisted the City in a roll-out of SB 1383 programs by suggesting website edits preparation of the Electronic Annual Report and Organics Capacity Calculator. He also provided guidance to the City's Departments on SB 1383 enforcement, CALGreen Requirements, and Model Water Efficient Landscaping Ordinance. Additionally, Alex has surveyed local Construction and Demolition (C&D) processing facilities to update the City's list of approved C&D Facilities. Additionally, Alex has provided assistance during staff transitions and recruitments. Alex has assisted in updating and training the incoming Assistant to the City Manager to ensure SB 1383 complaint programs continue implementation.
- » **FY 22-23 Diversion Support Services | City of Concord**
Recently assisted with the review of the haulers 2023/24 special extraordinary rate adjustment. He has prepared and submitted the City's EAR to CalRecycle for the past two years, advised the City on legislative compliance on SB 1383 and AB 1826 and drafted the AB 1276 ordinance and staff report for the reduction of single use foodware and condiments. He is also revised the City's Environmental Purchasing Policy by preparing updates to include environmentally preferable purchasing for compliance with SB 1383, including incorporating procurement requirements for recycled content paper products, recovering organic waste materials, developing record-keeping systems, and identifying needs for SB 1383 Local Assistance Grant Funding.
- » **On-Call and SB 1383 Assistance | City of Los Altos**
Previously assisted with their development of SB 1383 Compliant programs. Alex has prepared and submitted the City's Electronic Annual Report to CalRecycle for the past two years. He conducted an audit of MTWS vehicle weights, identified the degree of overweight vehicle occurrences, and provided recommendations to reduce the number of vehicles operating with overweight loads. Alex is currently providing on-call consulting assistance to the City, including staff supplement support by attending regional meetings, facilitating meetings with the City's haulers, reviewing educational materials, assisting with SB1383 Local Assistance Grant Implementation and coordinating service-level dispute resolution.
- » **SB 1383 Procurement Compliance | City of San José**
Previously assisted in assessing the City's procurement of SB 1383 qualified compost, and mulch. This involved developing a tracking and implementation tool for the City and continued to provide for future opportunities to meet the SB 1383 Organics Procurement Target.
- » **SB 1383 Ordinance, Gap Analysis and Rate Review | City of Rio Vista**
Currently assisting the City with SB 1383 Compliance, that included inspection of the Edible Food Recovery Organization. He also revised Environmental Purchasing Policy updates to include environmentally preferable purchasing for compliance with SB 1383, which incorporated procurement requirements for recycled content paper products and recovered organic waste materials, as well as record-keeping systems. Alex is the primary point-of-contact with CalRecycle for Rio Vista, and provides a wide range of SB 1383 implementation assistance.



Maryann Hulsman

Consultant, Project Support

About

Maryann Hulsman recently joined R3, bringing two decades of project management experience in a wide range of mission-driven projects, including environmental planning, non-profit fundraising, and event production. She provides effective, thoughtful communication, and is able to solve problems and lead teams through complex situations. She has a long-held and ardent relationship with waste diversion and environmental consulting. Maryann first began engaging with California waste management policy and operations while in college, then worked for eight years compiling CEQA, NEPA, and water permitting documentation for a broad assortment of clients in the Central Valley and Bay Area.

She has written, edited, and compiled large EIRs and EISs for water, transportation, mining, and general plan projects for public agencies and utility districts. She has managed financials, libraries, deadlines, data flow, and communications for teams large and small, with a specialty in consensus-based and decentralized hierarchies.

Education & Certifications

- » Master of City Planning, Emphasis in Community Development, Massachusetts Institute of Technology
- » Bachelor of Science, Environmental Policy Analysis and Planning, University of California Davis

Relevant Experience

- » **Zero Waste Management Strategic Plan | City of Berkeley**
R3 is assisting with preparation of the City of Berkeley's Zero Waste Management Strategic Plan. Maryann is researching and writing an analysis of a dozen potential solid waste rate structures for inclusion in the Plan, including several innovative and untested approaches, in response to the City's direction to provide them with a range of envelope-pushing options.
- » **Marin Biomass Utilization Study | TSS Consultants for Marin Resource Conservation District**
R3 is assisting TSS Consultants with portions of Marin Resource Conservation District's Biomass Utilization Study. Maryann helped design a visual representation of how biomass feedstocks move through processing and facilities in Marin County.
- » **On-Call Consulting Services | City of Concord**
Helped prepare the City's 2022 Electronic Annual Report (EAR), as well as the City's mid-2022 Implementation Record, for submittal to CalRecycle. Maryann also led outreach, including in-person visits, to the City's Tier 1 Edible Food Generators to prepare them for upcoming SB 1383 enforcement.
- » **On-Call Consulting Services | City of Martinez**
Since 2017, R3 has worked as the City staff supplement for the City of Martinez, providing comprehensive on-call solid waste consulting services including assistance with AB 939 compliance and management of the City's Sustainability Programs. R3 has worked with the City and its hauler to conduct a wide variety of on-call tasks related to improving the City's solid waste, diversion and sustainability programs, including SB 1383 compliance planning and negotiations for an amendment to incorporate SB 1383 compliance into the City's two contracts with Republic. Maryann recently prepared the City's Electronic Annual Report. She has also performed on-site audits of the City's 5 Certified Used Oil Collection Centers and is visiting local businesses to do outreach regarding SB 1383.
- » **RFP for Solid Waste Collection Agreements | Cities of Richmond and San Pablo**
R3 is providing the Cities of Richmond and San Pablo with consulting services for a competitive RFP to secure new solid waste collection agreements. Maryann is preparing a model Franchise Agreement template to use in the upcoming RFP.
- » **SB 1383 Implementation Services | City of Albany**
Planned, conducted, and wrote up the results for contamination route reviews for the City, reviewing ten routes that included three-bin collection systems for single-family, multi-family, and commercial generators.
- » **Waste and Recycling Consulting Services | County of Santa Clara**
R3 has been assisting the County's Facilities and Fleet (FAF) Department through its procurement for a new waste hauler for County-owned facilities. With a new hauler selected and contracts being finalized, our team is currently assisting the County with transition, rollout support, and education and outreach services. To support the education and outreach task, Maryann is currently contributing to the development of educational and outreach collateral about best practices in waste reduction. She also prepared a cost analysis of the County's current and prospective waste programs.
- » **On-Call Negotiations Support | City of West Sacramento**
R3 is currently providing comprehensive SB 1383 implementation planning for all aspects of the law, culminating in an implementation plan and municipal code update. This plan includes outreach and education, route audits for contamination, enforcement schedules and activities, edible food recovery planning in coordination with the County, assistance in adjusting the City's purchasing policy, and assistance in negotiations with the City's hauler. For this engagement, Maryann prepared and analyzed data for the City's diversion performance analysis.



Angela Micheletti

Associate Consultant, Project Support

About

Angela Micheletti combines her background in geology with her passion for research and data analysis to work with local governments in reducing and better managing their waste streams. She has a strong background in assessing environmental impacts, engaging others in action - without hindering performance - to obtain measurable results. She is research-oriented and focused on providing client-centered service, accurate collection of data, and high-quality report writing.

As an Associate Consultant for R3, Angela provides important support on a variety of solid waste management projects, including policy planning and implementation, negotiations and procurement, financial and rate reviews, as well as assisting jurisdictions with incorporating state regulations into their solid waste contracts. Additionally, she has conducted surveys, performed online and in-the-field data research, and has compiled and critically analyzed the resulting data and findings for our clients and their communities.

Education & Certifications

- » Bachelor of Science in Geology, University of California, Davis

Relevant Experience

- » **SB 1383 Compliance Plan & Negotiation Assistance** | City of Citrus Heights
Has contacted edible food recovery organizations and making tier 1 edible food generator calls to the community, as well as providing site visits to confirm compliance with SB1383 requirements. She was in charge of contacting multi-family complexes to confirm alternative compliance with the City's municipal code, which included making sure landscaping companies were recycling of their yard waste correctly. She is currently organizing a Sacramento county-wide survey to provide up-to-date information for all food recovery organizations within the area, while collaborating with Sacramento Food Bank & Family Services. She has also maintained the franchise agreement to be current with SB1383 regulations
- » **On-Call Solid Waste Consulting Services** | City of Rancho Cordova
Supporting the City with commercial agreement administration, which includes reviewing monthly reports and quarterly reports, attending meetings, and answering emails and is in charge of commercial agreements being sent out on time and to make sure the agreements have correct information. She has helped with drafting the new residential agreement and request for proposals to make sure information is consistent and accurate. She also plays a role in planning edible food recovery site visits to inspect Tier 1 and Tier 2 business operations and to verify whether businesses are donating.
- » **Negotiation Support and Options** | City of Santa Clara
Assisted the County with an extensive review of the proposals submitted for the County's facilities and was involved with the interview process. She also conducted a rate survey by researching surrounding jurisdictions garbage collection rates and helped determine recommendations for the next steps. While negotiations for the new hauler are underway, she has begun work on an Outreach project that will educate the facilities' staff on the three-container system and the importance of recycling.
- » **Consulting Services for Solid Waste Contract** | City of Santa Barbara
Recently she was involved with the process of creating and editing the new franchise agreement, and in negotiations between the City and hauler to negotiate deal points. She also assisted with edits to the new franchise agreement, attending meetings with the City and the haulers, and reviewing current franchise agreements to compare and revise draft agreement, while also checking the city code to confirm aspects of the draft agreement are correct.
- » **Negotiation Assistance** | City of Westlake Village
Currently assisting the City by creating their administrative checklist by reviewing their franchise agreement. Maintains the records of monthly and quarterly reports that are received by haulers, verifies the information is compliant with state law, and assists with questions related to SB 1383, edible food recovery, and diversion requirements. Recently, she also provided grant assistance in order to secure funding for education and outreach regarding SB 1383.
- » **Procurement Assistance** | City of Rosemead
Recently assisted with the RFP process and creation of the City's new Franchise Agreement after several revisions. She created a list of services provided by the City, after reviewing current franchise agreement to ensure those services were being transferred over to the new franchise agreement. She was involved in the interview process with the proposed haulers and attended City Council meetings.

Standard Billing Rates

In the table below, we have provided the hourly billing rate schedule for the R3 Project Team that may be involved in providing solid waste consultant services. These rates are effective January 1, 2024 and are subject to periodic adjustments based on CPI. Unless otherwise agreed in writing, fees for work completed will be billed monthly at the first of each month for the preceding month and will be payable within 30 days of the invoice date.

CLASSIFICATION	HOURLY RATE
Principal	\$ 300 per hour
Sr. Director	\$ 300 per hour
Director	\$ 255 per hour
Sr. Managing Consultant	\$ 235 per hour
Managing Consultant	\$ 210 per hour
Sr. Consultant	\$ 200 per hour
Consultant	\$ 180 per hour
Associate Consultant	\$ 165 per hour
Expert Witness	1.5x Rates Listed Above
REIMBURSABLE COSTS	
Consultants/Subcontractors	Cost plus 10%
Lodging and meals	Direct cost
Travel - Private or company car	At Current Federal Rate
Travel - Other	Direct cost
Delivery and other expenses	Direct cost



February 13, 2024

Mr. Don Schwartz
City Manager
City of Sebastopol
7120 Bodega Avenue
Sebastopol, CA, 95472
submitted via email: dschwartz@cityofsebastopol.gov

SUBJECT: Competitive RFP for Solid Waste Collection Agreement – R3 Proposal

Dear Mr. Schwartz,

R3 Consulting Group, Inc. (R3) is pleased to submit the attached proposal to express our interest in providing the City of Sebastopol (City) with consulting services for a competitive RFP to secure a new solid waste collection agreement.

Introduction

Our team is uniquely qualified to provide the requested services to the City, in that we will leverage our current work efforts with multiple jurisdictions throughout the State. Most recently, for the City of Rosemead, R3 led the team in procuring new solid waste collection services through a competitive process - yielding unanimous City Council approval of the new Agreement, which has a focus on compliant organic collection programs.

Project Team

Garth Schultz, Nate Forst, or Scott Hanin will serve as the City's Project Lead. They will be supported by **Jim Howison, Maryann Hulsman**, and/or other qualified R3 staff as needed. Throughout this engagement, we will work with the City to establish a coordinated approach, thus facilitating a cost-effective and smooth transition into implementation for the City, the selected hauler(s), and, of course, for your solid waste customers.

* * * * *

We are excited about this opportunity to work with the City in this engagement. Should you have questions regarding our proposal or need additional information, please reach out to me directly.

Sincerely,

Garth Schultz | *Principal*
R3 Consulting Group, Inc.
510.292.0853 | gschultz@r3cgi.com

1. SCOPE OF WORK

Because R3 primarily provides services to public agencies, our clients receive unbiased opinions and recommendations throughout the negotiation and/or procurement process. We maintain excellent professional working relationships and have no conflicts of interest with landfill and facility operators or haulers. R3 staff have heard directly from many of the companies that they appreciate our knowledge and non-confrontational style in achieving successful outcomes for all parties.

More specifically, we understand what information these solid waste, recycling and organics collection companies will need to provide, how they can best provide that information, and can further anticipate and address business interest concerns that may arise during the procurement process. Our approach to working with solid waste, recycling and organics collection companies is to be direct, respectful of their time and effort, and help them prepare the best possible proposal for consideration by the City.

This approach helps remove barriers to hauler cooperation with negotiating final terms of a new agreement, minimizes the number of information requests to haulers, and provide for cost-effective completion of the project without the need for intensive City staff involvement. Our focus on providing services exclusively to public agencies helps ensure that the City' best interests are represented.

Solid waste consulting firms who provide services to haulers/solid waste operators cannot provide this same level of protection. This vulnerability can result in an apparent – if not actual – conflict of interest, and in turn, limits the success of the project. Unlike our competitors, R3 has the staffing backgrounds from public agencies, solid waste firms, policy, and financial companies, all of whom can aid the engagement as needed.

Project Approach

Our approach to conducting procurement projects is structured and orderly and follows a well-tested methodology. R3 will prepare a draft franchise agreement for the City. The draft agreement will be included as part of the RFP packet that R3 develops. Proposers will be required to identify exceptions they take to the draft language and offer acceptable alternative language for the City' consideration. The City will not however be required to accept any proposed exception.

R3 will also provide the following services as part of the procurement process:

- » Develop a list of haulers to receive the RFP.
- » Conduct a pre-proposal Zoom meeting with potential proposers.
- » Prepare written responses to questions submitted regarding the RFP and preparing addenda as necessary.
- » Evaluate proposals and work with but not necessarily be part of the Evaluation Team.
- » Manage and facilitate interviews with proposers, if needed.
- » Conduct negotiation sessions.
- » Prepare staff reports and presentations.
- » Finalize the franchise agreement(s).
- » Present recommendations to the City Council.

Scope of Work

Task 1 Kick-Off Meeting

Upon authorization to proceed, R3 will facilitate a kick-off meeting with staff from the City. The meeting will provide an opportunity to review the project objectives, R3's project approach, schedule, and data availability. The kick-off meeting will serve to set the expectations, project responsibilities, milestones and timeline for the Scope of Work and establish the best means for ongoing communication and collaboration between R3 and the City for the duration of this engagement.

One item of importance for discussion during the kick-off meeting will be how R3 and the City' staff will work collaboratively to ensure that this project provides the best possible outcomes for customers and ratepayers, while still achieving meaningful compliance with the law. Also, at this meeting or sooner, R3 will develop an information request from the City to ensure as much accurate and current information is shared with prospective proposers. After the kick-off meeting, R3 will provide meeting minutes including notes, schedule, and milestones. Ongoing coordination will continue throughout the project through virtual meetings, schedule updates and/or status updates.

Note: To provide the most cost-effective services, we have budgeted for many meetings to be virtual, including regular check-in meetings with the City' staff. This approach has proven to be very successful in other similar engagements. In person meetings are still beneficial for completing major milestones of the project. As such, our proposal includes up to 2 in person meetings, which may include interviews with the proposers, final negotiations, sub-committee meetings and City Council presentations. Additional costs will be incurred for required attendance at in-person meetings in excess of two meetings. R3 will seek staff approval of additional costs before they are incurred.

Task 2 Technical Document Development and Presentations

Task 2.1 Develop a New Solid Waste Franchise Agreement

Using our experience bringing California municipalities into compliance with CalRecycle requirements, and with our understanding of recent state legislation, we will advise the City on the latest solid waste trends as it pertains to both franchised services and the Agreement development. This information will be discussed during our kick-off meeting, as well as in follow-up correspondence with the City. R3 will draft the new Agreement incorporating the information gathered in prior tasks. Because we are currently developing similar agreements for several clients, we can include the current industry standards and best practices for items such as performance bonds, indemnification, insurance, liquidated damages and reporting and record keeping requirements. The new Agreement will also include detailed performance requirements that establish minimum service standards for inclusion in the Agreement that are both quantifiable and easily measured to verify compliance.

Performance requirements may include, but are not necessarily limited to, the following:

- » Disposal and processing facility requirements.
- » Minimum waste diversion requirements.
- » Collection vehicle emissions standards and requirements.
- » Collection vehicle weight, size, and noise limitations.
- » Specifications for container size, color, and labeling.
- » Public education program requirements (e.g., quarterly newsletter, annual campaigns, classroom presentations, etc.).
- » Collection and recycling services to the City' offices, facilities, and events.
- » Collection service hours.
- » Collection service quality standards.
- » Collection driver uniforms and identification badges.
- » Customer service standards.

Task 2.2 Prepare Qualifications and Recommended Eligible Service Providers

As part of the RFP Package, R3 will prepare minimum qualifications regarding each potential service provider's capacity and capability to perform the requisite services during the contract term and any extension. These qualifications will be required to be submitted with the submittal of proposals from qualified collection contractors. R3 has an extensive list of solid waste companies operating in California and nationally and will provide a mailing list to the City for consideration when sending out the RFP

package. R3 will work with the City to publicize the availability of the RFP package and work with staff to post the RFP on the City' websites.

As part of this task, we will provide an electronic version of the draft minimum qualifications to the City for comments. At staff's preference and in conjunction with our bi-weekly virtual check in meetings, we will be available to meet with staff to address comments. Following discussion with the City and using a single compiled document with comments from the City, R3 will compile our final minimum qualifications for incorporation into the RFP Package.

Task 2.3 Prepare Criteria and Methodology to Evaluate Proposals

R3 will prepare a written set of recommended evaluation criteria and a methodology for review and discussion with staff. In R3's experience, the evaluation will include, but not be limited to, conducting an initial "pass-fail" review. We will provide an electronic version of the draft criteria and methodology to evaluate proposals to the City for comments. At staff's preference and in conjunction with our regular virtual check in meetings, we will be available to meet with staff to address comments. Following discussion with the City and using a single compiled document with comments from the City, R3 will compile our final criteria and methodology to evaluate proposals for incorporation into the RFP Package.

Task 2.4 Prepare RFP Package

Task 2.4.1 Prepare Request for Proposal (RFP) Package

R3 will develop an RFP package – this includes a draft RFP, a draft Solid Waste Agreement and cost forms for proposers to complete, and the evaluation criteria and methodology. The draft RFP will specify minimum requirements and qualifications and will require proposers to submit work plans that specify how they will transition to new services, achieve diversion requirements, implement customer service programs, and promote public education activities. The RFP package will include waste data (tonnage and current account data) previously collected in Task 1.

Separate sections of the RFP may include, for example:

- » **Section A:** Introduction to the RFP, Instructions, Schedule, Procurement Goals and Objectives
- » **Section B:** Available Background Information, Demographic, Service Account Data
 - (i.e., tonnage, number of accounts, historical operating information, and current services)
- » **Section C:** Overview of Requested Service Requirements
- » **Section D:** Response Format and Submittal Process, Qualification Requirements, Required Work Plans, and Proposed Rates
 - Transition Plan, detailing the plans and schedule of events leading up to the provision of new services.
 - Operations Plan, presenting specific collection and processing programs to be implemented in the City including vehicles, containers, route operations, facilities, safety, and reporting.
 - Customer Service Plan, detailing specifically customer service operations.
 - Diversion Plan, describing the diversion and sustainability programs associated with providing the requested services.
 - Education and Outreach Plan, specifying methods and public education materials that will be used at program start-up and throughout the agreement term and any extensions.
 - Financial Services Plan, access to capital, current financial statements, balance sheet, profit and loss statement and debt.
 - Proposal Cost and Service Forms, excel worksheets for proposers to provide their proposed customer rates and supporting cost data.
- » **Section E:** Evaluation Selection Criteria and Evaluation Process

- » **Section F:** RFP Conditions, Communication Protocol for Contractors and the City, and Proposal Cost and Service Forms.
- » **Attachment 1:** Draft Solid Waste Agreement.

Task 2.4.2 Finalize and Issue RFP and Agreement

Following staff review, R3 will be available to meet with staff and the City' legal counsels to address comments. Based on City direction, R3 will finalize the RFP package and provide the City with an electronic copy which can be used to present to City Council for review, if desired.

Task 2.4.3 Conduct a Mandatory Pre-Proposal Meeting and Prepare the RFP

R3 will conduct a mandatory pre-proposal meeting with prospective proposers. The pre-proposal meeting will provide the opportunity for the City to review the RFP with prospective proposers and answer questions as appropriate. We will prepare written responses to questions raised before and during the pre-proposal meeting for submittal to all parties that attended the meeting. In addition, R3 will prepare addenda to the RFP as necessary.

Task 2.5 Evaluate Proposals

R3 will assist the City with the evaluation of up to four proposals received in response to the RFP. The evaluation will include, but not be limited to, conducting an initial "pass-fail" checklist against RFP minimum requirements, and evaluating the proposers' qualifications, references, processing and disposal facilities, approach to meeting diversion requirements, customer rates (prices), collection methods, customer service programs, financial statements, transition experience and work plans. After the initial evaluation is completed, we will prepare any written requests for clarification to the haulers, as necessary. In the event a proposal does not meet the minimum requirements of the RFP, we will recommend that the proposal be disqualified as "non-compliant".

R3's role in the evaluation process will also include facilitating the evaluation meetings and developing proposal summaries and rankings as appropriate. This will include providing staff with questions in advance to be asked to evaluate the information provided during interviews.

Separate sections of the evaluation analysis may include, for example:

- » Executive Summary: Introducing and summarizing the evaluation analysis and the recommendation.
- » Summary of RFP Responses.
- » Financial Capability.
- » Technical Proposal: Work plans including route design, public safety plan, sustainability programs, and education and outreach plan.
- » Customer Rate and Cost Proposals: Consistent with the proposed activities, proposed equipment, requested services, and work plans.
- » Enhanced Proposal Terms.
- » Rate revenues to the hauler and City.
- » Start-up capital costs.

Following drafting the evaluation analysis, R3 will facilitate several meetings with City staff, as directed. Meetings will include (1) a summary of the proposals received, including any proposed enhancements, and (2) the results of the evaluation process.

Additional aspects of the evaluation process will include:

- » Meeting with City staff to discuss evaluation criteria and select proposers to be selected for interviews.
- » Coordinating interviews with up to four (4) proposers, including scheduling and development of questions in consultation with City staff.
- » Leading up to two (2) meetings to provide (1) a summary of the proposals received, including any proposed enhancements; and (2) the results of the evaluation process.

Task 3 Negotiate with Top Ranked Proposer(s) and Present Results

Task 3.1 Agreement Negotiations

Based on direction from the City, R3 will confirm deal points, and lead Agreement negotiations with the top ranked proposer(s). Negotiations will focus on clarifying the proposer's services and cost proposal and incorporating optional services as may be selected by City staff. This Task will include meetings with the City beforehand to confirm our approach for the negotiations. Our proposal assumes up to two (2) negotiation meetings with top ranked proposers, including pre- and post-discussions with City staff to confirm approach and recap as necessary.

Task 3.2 Finalize New Agreement and Present Recommendations to City Council

R3 will present the results of the evaluation process to City Council tentatively set for February 2024, including recommendations made by the evaluation team. This will include a summary of the proposal process, proposals received, the evaluation process, and the results and recommendations for award of the Agreement. Based on direction from City Council, we will incorporate program changes or options selected by City Council and finalize the Agreement for the finalist proposer to sign. This will include incorporating changes to the draft agreement through the issuance of addenda by the County, final program options selected during the selection process, proposed rates, final work plans, exhibits, etc.

R3 will prepare a second presentation to City Council summarizing the evaluation process and recommendations for award based on program changes or options selected by City Council during the first presentation.

2. FIRM QUALIFICATIONS

About R3

Incorporated in California in 2002, R3 is a California Certified Small Business with offices in Oakland and Roseville. For the past two decades, we have specialized in providing a diverse range of solid waste management consulting services to public agencies, including rate and financial reviews, competitive procurement and/or extension negotiations of collection, processing, and disposal services; development, implementation and monitoring of service contracts and franchise agreements; and legislative compliance.

For the past two decades, we have specialized in providing a diverse range of solid waste management consulting services to public agencies, including:

- » Planning, implementation and monitoring, and administrative services in support of legislative compliance with SB 1383 and SB 1016 and Assembly Bill (AB) 939, AB 341, AB 1826, AB 1594, AB 1669, AB 901, and AB 876.
- » Rate and financial reviews and analyses of fees, rates, and rate structure options.
- » Competitive procurements and/or extension negotiations of collection, processing, and disposal.
- » Developing, implementing, and monitoring hauler performance of service contracts and agreements.

Our team has dedicated their careers to the field of solid waste management and sustainability, and skillfully deliver expert industry analysis and recommendations to our clients, who consist of municipalities, jurisdictions, public agencies, and joint power authorities - but never the solid waste companies we may be reviewing someday.

Procurement & Negotiation Services

Our team provides a variety of negotiation and procurement assistance services for our clients, ranging from assisting jurisdictions with sole source negotiations with an existing service provider, to managing all aspects of a competitive procurement process for solid waste and recycling collection, recycling, organics, processing, and disposal services. We typically provide "full-service" procurement assistance, meaning that we work closely with our clients on all aspects of a competitive procurement project.

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 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 contractor compensation and user rates and fees.
- » Leadership in community and stakeholder engagement processes, including workshops, focus groups, surveys, interviews, and presentations.
- » Preparation and distribution of Request for Proposals packages, including the Agreement and operating contracts.

Relevant Experience

Since 2002, R3's project team has developed a unique level of relevant experience and knowledge of solid waste solutions that can help you deliver the programs and policies that your community needs. Our work, with a sampling shown below, covers everything from agreement negotiations to policy and ordinances development, legislative compliance, and education and outreach.

Our team is proud to have served 120+ clients over the past three years, and below, we have compiled a sample list of projects relevant to the County's scope of work.

CLIENT	SERVICES PROVIDED				
	Operations & Performance Review	Rate Study / Financial Review	SB 1383 Compliance	Negotiation Assistance	Procurement Assistance
City of Banning			X	X	
City of Beaumont			X		X
City of Burbank	X	X	X		
City of Cloverdale	X	X	X	X	
City of Eastvale					X
City of El Cajon			X		X
City of Fairfield	X		X	X	X
City of Folsom	X	X	X	X	
City of Petaluma	X	X	X	X	X
City of Piedmont	X		X	X	X
City of Pomona	X	X	X	X	X
City of Rancho Cordova	X	X	X	X	X
City of Rohnert Park		X	X		X
City of Rosemead			X		X
City of Salinas	X	X	X	X	
City of San Bruno	X	X		X	
City of San Luis Obispo		X			
City of Santa Barbara				X	
City of Santa Clara	X	X	X	X	
City of Santa Clarita			X	X	X
City of Santa Monica	X	X	X		
City of Santa Rosa	X	X	X		X
City of Turlock		X	X		
County of Sacramento	X			X	
Sonoma County		X	X	X	
Town of Windsor		X	X		X

3. COST PROPOSAL

R3 proposes to complete a joint procurement for the City for a not-to-exceed cost of \$150,000. Additional consulting services beyond those proposed will be charged at the hourly billing rates shown in Table 1, below. Fees for work completed will be billed monthly at the first of each month, for the preceding month, and are due within 30 days of the invoice date. It is common in both exclusive negotiations and competitive procurements to have the selected proposer reimburse the procuring jurisdictions for the costs of the effort, and it is our intention to support the City in doing so via this engagement.

Table 1: Standard Hourly Rates

CLASSIFICATION	HOURLY RATE
Principal	\$ 300 per hour
Sr. Director	\$ 300 per hour
Director	\$ 255 per hour
Sr. Managing Consultant	\$ 235 per hour
Managing Consultant	\$ 210 per hour
Sr. Consultant	\$ 200 per hour
Consultant	\$ 180 per hour
Associate Consultant	\$ 165 per hour
Expert Witness	1.5x Rates Listed Above
REIMBURSABLE COSTS	
Consultants/Subcontractors	Cost plus 10%
Lodging and meals	Direct cost
Travel - Private or company car	At Current Federal Rate
Travel - Other	Direct cost
Delivery and other expenses	Direct cost

RESOLUTION NUMBER: XXXX-2024

CITY OF SEBASTOPOL

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEBASTOPOL AUTHORIZING A BUDGET AMENDMENT FOR R3 CONSULTING SERVICES (HAULING SERVICES RFP)

WHEREAS, On April 18, 2023, City Council established an ad hoc committee to review a proposal from Recology for a new Franchise Agreement to extend garbage hauling and recycling services and to negotiate terms and service rates for the City; and

WHEREAS, After multiple discussions and input and participation from all committee members as well as Recology representatives, It became apparent that Recology and the committee could not come to agreement on fair and reasonable rates and services that the committee could recommend to the City Council and community and recommended a RFP process for hauling services; and

WHEREAS, on February 20, 2024, City Council authorized City staff to prepare and execute Award of Contract to R3 Consulting Group, a solid waste management consultant, to manage procurement for hauler; and

WHEREAS, a budget amendment to the adopted Fiscal Year 2023-24 Budget to proposed expenditures and funding sources is necessary for incorporating this consulting agreement for hauling services; and

WHEREAS, the adopted and proposed amended budget to incorporate new budgeted item to the FY 23-24 budget is a not to exceed amount of \$200,000; and

WHEREAS, the \$200,000 is to be funded from the City’s unassigned fund balance; and account code 100-11-01-4210

WHEREAS, the RFP for solid waste Franchise Agreement would include a requirement that the selected provider pay the City a one-time procurement reimbursement payment due to the City within 30-days of Franchise Agreement award. The reimbursement payment would cover the cost of R3’s services plus City staff and City attorney time; and

WHEREAS, the City would front the consultants costs, and those costs would be recouped through the one time procurement reimbursement payment.

The above and foregoing Resolution was duly passed, approved, and adopted at a meeting by the City Council on the 20th day of February 2024 by the following vote:

VOTE:

Ayes:

Noes:

Absent:

Abstain:

APPROVED: _____
Mayor Diana Gardner Rich

ATTEST: _____
Mary Gourley, Assistant City Manager/City Clerk, MMC

APPROVED AS TO FORM: _____

Larry McLaughlin, City Attorney