From: <u>Logan Harvey</u>

To: <u>Don Schwartz</u>; <u>Garth Schultz</u>; <u>Mary Gourley</u>

**Subject:** Important Information Regarding Solid Waste RFP Financial Analysis

**Date:** Friday, January 3, 2025 12:43:26 PM

Attachments: Recology Letter to Sebastopol City Council - 1-3-25.pdf

Good Afternoon Don, Mary, and Garth,

On behalf of the employee-owners at Recology Sonoma Marin, I am writing to alert the City Council of significant issues in the December 31st staff report recommending SCRR's solid waste collection services for the City. While the staff report suggests that SCRR is the lower priced hauler, the analysis is incomplete and results in a recommendation to award the contract to the higher priced proposal.

Unfortunately, the City's analysis takes into account only minor differences in garbage collection costs between Recology and SCRR's proposals. It ignores the **vast** difference in costs between state-mandated diversion services for recycling and compost. These rates can be found on page 127 of the agenda item, but are never compared to the rates Recology proposed.

Furthermore, the majority of residential customers would in fact have **higher** monthly bills for baseline service under SCRR compared to Recology, based on the most common service subscription levels.

When a more holistic rate analysis is conducted, we estimate that SCRR's proposal will actually cost at least \$786,000 more a year when compared to Recology's proposal. We used a very conservative approach when developing these numbers and firmly believe that the price analysis must be redone to include a cost comparison between Recology and SCRR when it comes to rates for Recycling and Compost as well as Garbage. Given this information, we believe the Council should delay Tuesday's vote so that this issue can be better explored and an informed decision made.

Attached is a letter that explains this issue in more detail. We deeply value our partnership with the City of Sebastopol and have appreciated the opportunity to serve your residents for the past 7 year and were grateful to participate in this RFP process. I hope you will consider this information carefully and reach to me if you have any follow up questions.

Regards,

Logan Harvey (he, 他, él)

Senior General Manager

Recology Sonoma Marin | Proudly Employee Owned
3400 Standish Avenue Santa Rosa, CA 95407
707.347.6496 LHarvey@recology.com