



# ADMINISTRATION AND FINANCE



## STAFF REPORT

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To: SBWMA Board Members  
From: Joe La Mariana, Executive Director  
Date: February 23, 2017 Board of Directors Meeting  
Subject: Resolution Approving Change Order number 1 to the Contract with HF&H Consulting for Financial Review Support and Negotiation Services to support Franchise Agreement Extensions with Recology San Mateo County

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### Recommendation

It is recommended that the SBWMA Board of Directors approve Resolution No. 2017- 11 attached hereto authorizing the Executive Director to Execute Change Order Number 1 to the Contract with HF&H Consulting (HFH) for Financial Review Support and Negotiation Services to support Franchise Agreement Extensions Negotiations Process, for the additional not to exceed amount of \$76,588 as described in **Exhibit A**.

### Summary

At the November 17, 2016 Board of Directors meeting the Board approved a contract for \$138,126 with HFH for the financial review support and negotiation services to support Franchise Agreement extensions negotiations process. The additional work of the Finance Committee Review, the 12 Member Agency Council Meetings, and a City Manager meeting in May, and the possibility of providing technical support at a 3<sup>rd</sup> Board meeting (June) were not included in the original RFQ, and, therefore, were not considered in the original proposal by HFH. HFH has submitted a proposal for this additional work at the cost of \$51,298. There is an additional \$25,290 in the proposed scope of work to analyze, and help to resolve issues related to the Model Agreement that are of concern to a Member Agency and/or groups of Member Agencies that share a common concern (e.g., abandoned waste, illegal dumping, mixed use complexes, cost attribution for residential, commercial and other franchise services. This additional work is subject to FAX committee recommendation to proceed up to the limits of the budget. With the approval of change order number one total contract amount is \$214,714

### Analysis

HFH Consultants was recommended for this project based on their extensive multi-jurisdictional experience, and their highly structured and quantitative approach. Their expertise in the negotiations process and the financial review process will be critical as the Model Franchise Agreement is presented to the Finance Committee, TAC Committee, Board, and then Member Agency's City Councils and Boards.

### Fiscal Impact

The adopted FY16/17 budget has \$100,000 reserved for contract negotiations and \$70,000 in Financial Consulting, as well as \$50,000 in Rate Review for this work.

### Attachments:

Resolution 2017-11

**Exhibit A** - HF&H Proposed budget for the additional scope of work

**Attachment A** –Resolution 2016-44 Approving Contract with HF&H Consulting for \$138,126 that was approved by the SBWMA Board of Directors on November 17, 2016



## RESOLUTION NO. 2017- 11

### RESOLUTION OF THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY BOARD OF DIRECTORS AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE CHANGE ORDER NUMBER 1 TO THE HF&H CONSULTING CONTRACT FOR FINANCIAL REVIEW SUPPORT AND NEGOTIATION SERVICES TO SUPPORT FRANCHISE AGREEMENT EXTENSIONS WITH RECOLOGY SAN MATEO COUNTY IN A NOT TO EXCEED AMOUNT OF \$76,588

**WHEREAS**, The SBWMA Board of Directors approved a contract with HF&H Consultants on November 17, 2016 for a not to exceed amount of \$138,126.

**AND WHEREAS**, The original contact did not include a scope for additional analysis, presentations and meeting participation that HF&H is being requested to prepare for and participate in.

**AND WHEREAS**, that additional requested work is proposed at a cost of \$76,588

**NOW, THEREFORE BE IT RESOLVED** that the South Bayside Waste Management Authority hereby authorizes the Executive Director to execute Change Order Number 1 with HF&H Consultants for Financial Review Support and Negotiation Services to support Franchise Agreement Extensions Negotiations Process, for the additional not to exceed amount of \$76,588 and a total contract not to exceed amount of \$214,714.

**PASSED AND ADOPTED** by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on the 23<sup>rd</sup> day of February, 2017, by the following vote:

Agency	Yes	No	Abstain	Absent	Agency	Yes	No	Abstain	Absent
Atherton					Menlo Park				
Belmont					Redwood City				
Burlingame					San Carlos				
East Palo Alto					San Mateo				
Foster City					County of San Mateo				
Hillsborough					West Bay Sanitary Dist				

I HEREBY CERTIFY that the foregoing Resolution No. 2017-11 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on February 23, 2017.

ATTEST:

\_\_\_\_\_  
Bob Grassilli, Chairperson of SBWMA

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Cyndi Urman, Board Secretary

South Bayside Waste Management Authority - Rethinkwaste  
Board of Directors, Finance Committee, and Member Agency Meetings  
Fee Estimate

		R. D. Hilton	T. Swanborn	M. Sheehan	B. Collins	Administrative	Total Hours	Proposed Cost	Meetings	Work Products
		\$275	\$240	\$145	\$140	\$110				
<b>Task 1 Additional Board Meeting</b>										
1a	Travel to and presentation at One Additional Board of Director's Meeting (June)	7	8	2	0	0	17	\$4,135	1 meeting	Includes pre-meeting prep, travel hours (50%), mtg attendance, and follow-up.
<b>Task 1</b>		<b>7</b>	<b>8</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>17</b>	<b>\$4,135</b>		
<b>Task 2 Finance Committee Meeting</b>										
2a	One discussion with SBWMA staff regarding presentation	1	1	1	0	0	3	\$660	Telephone conference	
2b	Preparation of one draft Finance Committee presentation	6	4	2	0	1	13	\$3,010		High level brief PwrPnt presentation (draft)
2c	One review of Finance Committee presentation with SBWMA staff and one revision to draft presentation	3	0	0	0	0.5	3.5	\$880	Telephone conference	High level brief PwrPnt presentation (final)
2d	Travel to and presentation at One Finance Committee Meeting	6	0	6	0	0	12	\$2,520	1 meeting	Includes pre-meeting prep, travel hours (100%), mtg attendance, but no follow-up.
<b>Task 2</b>		<b>16</b>	<b>5</b>	<b>9</b>	<b>0</b>	<b>1.5</b>	<b>31.5</b>	<b>\$7,070</b>		
<b>Task 3 Member Agency Meetings</b>										
3a	One discussion with SBWMA staff regarding presentation	2	2	0	0	0	4	\$1,030	Telephone conference	
3b	Preparation of one draft Member Agency presentation	8	16	8	0	4	36	\$7,640		Summary PwrPnt presentation (draft)
3c	One review of Member Agency presentation with SBWMA staff and one revision to draft presentation	4	8	4	0	2	18	\$3,820	Telephone conference	Summary PwrPnt presentation (final)
3d	Travel to and meetings with Member Agencies and City Managers Group	72	0	0	0	0	72	\$19,800	12 meetings. If meetings can be combined there may be some time partially offset by time between meetings. If so, we will bill you a lesser amount.	Includes pre-meeting prep, travel hours (100%), mtg attendance, but no follow-up.
<b>Task 3</b>		<b>86</b>	<b>26</b>	<b>12</b>	<b>0</b>	<b>6</b>	<b>130</b>	<b>\$32,290</b>		

South Bayside Waste Management Authority - Rethinkwaste  
Board of Directors, Finance Committee, and Member Agency Meetings  
Fee Estimate

		R. D. Hilton	T. Swanborn	M. Sheehan	B. Collins	Administrative	Total Hours	Proposed Cost	Meetings	Work Products
		\$275	\$240	\$145	\$140	\$110				
<b>Task 4 Member Agency (Agencies) Issue-Specific Analysis and Negotiation</b>										
4a	Identify, analyze, and help to resolve issues related to the Model Agreement that are of concern to a Member Agency and/or groups of Member Agencies that share a common concern (e.g., abandoned waste/illegal dumping; mixed use complexes; cost attribution for residential, commercial, and other franchise services).	40	20	50	16	0	126	\$25,290	As required, subject to FAX committee authorization to proceed and up to the limits of the budget	As required, subject to FAX committee authorization to proceed and up to the limits of the budget
<b>Task 4</b>		<b>40</b>	<b>20</b>	<b>50</b>	<b>16</b>	<b>0</b>	<b>126</b>	<b>\$25,290</b>		
<b>Total Costs</b>										
	<b>Labor</b>	149	59	73	16	7.5	304.5	\$68,785		
	<b>Out-of-Pocket Expenses</b>							\$840	If fewer than 14 trips are required a lesser amount will be billed.	
	<b>Contingency at 10%</b>							\$6,963		
	<b>Total Budget</b>							<b>\$76,588</b>		



## RESOLUTION NO. 2016-44

### RESOLUTION OF THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY BOARD OF DIRECTORS APPROVING A CONTRACT FOR FINANCIAL REVIEW AND NEGOTIATION SERVICES TO SUPPORT THE FRANCHISE AGREEMENT EXTENSION NEGOTIATION PROCESS

**WHEREAS**, The South Bayside Waste Management Authority (SBWMA) Board approved Resolution 2016-21 approving a Plan and process to negotiate an extension to the existing Universal Franchise Agreement document with Recology San Mateo County (RCSM), and

**WHEREAS**, the Plan included the hiring of a solid waste industry negotiation and financial consultant,

**NOW, THEREFORE BE IT RESOLVED** that the South Bayside Waste Management Authority hereby approves and authorizes the Executive Director to execute a contract with HFH Consultants for a not-to-exceed amount of \$138,126.

**PASSED AND ADOPTED** by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on the 17<sup>th</sup> day of November, 2016, by the following vote:

Agency	Yes	No	Abstain	Absent	Agency	Yes	No	Abstain	Absent
Atherton	X				Menlo Park				X
Belmont	X				Redwood City	X			
Burlingame	X				San Carlos	X			
East Palo Alto	X				San Mateo	X			
Foster City				X	County of San Mateo				X
Hillsborough	X				West Bay Sanitary Dist.	X			

I HEREBY CERTIFY that the foregoing Resolution No. 2016- 44 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on November 17, 2016.

ATTEST:

  
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Cyndi Urman, Board Secretary

  
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Bob Grassilli, Chairperson of SBWMA