



CONSENT CALENDAR

**DRAFT MINUTES**

**SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY  
MEETING OF THE BOARD OF DIRECTORS  
June 23, 2011 – 2:00 p.m.  
Shoreway Environmental Center**

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**1. Roll Call: CTO 1:18 p.m.**

**In attendance:** Belmont, Burlingame, Foster City, Hillsborough, Menlo Park, Redwood City, San Carlos, San Mateo, County of San Mateo and West Bay Sanitary District

**2. Adjourn to Closed Session - pursuant to Government Code Section 54954.5: Public Employee Performance Evaluation: Executive Director.**

**3. Report from Closed Session**

None

**THE REGULAR PORTION OF THE MEETING CTO at 2:00 p.m.**

**4. Public Comment**

Persons wishing to address the Board on matters NOT on the posted agenda may do so.

Each speaker is limited to two minutes. If there are more than five individuals wishing to speak during public comment, the Chairman will draw five speaker cards from those submitted to speak during this time. The balance of the Public Comment speakers will be called upon at the end of the Board Meeting.

If the item you are speaking on is not listed on the agenda, please be advised that the Board may briefly respond to statements made or questions posed as allowed under The Brown Act (Government Code Section 54954.2). The Board's general policy is to refer items to staff for attention, or have a matter placed on a future Board agenda for a more comprehensive action or report and formal public discussion and input at that time.

None

**5. Approval of Consent Calendar:**

Consent Calendar item(s) are considered to be routine and will be enacted by one motion. There will be no separate discussion on these items unless members of the Board, staff or public request specific items be removed for separate action. *Items removed from the Consent Calendar will be moved to the end of the agenda for separate discussion.*

- A. Adopt the May 26, 2011 BOD Meeting Minutes
- B. Resolution Approving a Contract with Aaronson, Dickerson, Cohn & Lanzone for Legal Counsel Services for FY2012
- C. Resolution Approving Contract with the City of San Carlos for Accounting and Financial Services for FY 2012
- D. Resolution Approving Business Insurance Policies Renewal
- E. Receipt of Recology and SBR Monthly Reports

Member Scott requested 5C Removed from Consent

Member La Mariana requested 5D Removed from consent

M/S Gibbons/LaMariana approval of consent calendar items 5A, 5B, and 5E

Voice Vote: All in Favor

Motion passes 10-0-0-2 (Atherton and East Palo Alto Absent)

Discussion 5C

Member Scott requested clarification about the City of San Carlos Financial Services Contract, and proposed the Board consider going through the RFP process for these services in the future.

Chair Moura stated that the executive committee will discuss adding the RFP for financial services process to a future Board agenda.

M/S Scott/Masbad Approval of Consent Agenda Item 5C

Voice Vote: All in Favor

Motion passes 10-0-0-2 (Atherton and East Palo Alto Absent)

Discussion 5D

Member LaMariana asked for clarification regarding the business auto policy line item in the insurance policy. He requested further clarification on whether or not the SBWMA had any vehicles.

Executive Director McCarthy stated that the SBWMA didn't have any vehicles, but that cost was for rented vehicles on business trips, or personal vehicles when driving for business.

M/S: LaMariana/Scott approval of Consent Agenda Item 5D  
 Voice Vote: All in Favor  
 Motion passes 10-0-0-2 (Atherton and East Palo Alto Absent)

**6. New Business:**

Burlingame now absent

A. Resolution Approving Tipping Fee Adjustments Effective July 1, 2011

Discussion:

Executive Director McCarthy followed up on the Tipping Fee discussions from last month, noting that our fees have gotten higher than our actual costs, and that staff is recommending to roll back rates. Public volumes have significantly dropped, and staff recommends lowering the rates to see if we can affect volume.

Member Masbad questioned why the C&D rate is lower than our costs.

Executive Director McCarthy stated that staff is recommending to leave C&D rates the same to see if we have effected any changes in volume and then revisit the tipping fees in November for the January rates.

Member Gibbons wondered if the SBWMA should considering advertising the new lower rates and new facility.

Executive Director McCarthy responded that there are plans to put a large freeway visible banner in front of the facility, and other advertising such as the website as well.

M/S: LaMariana/Fotu Approval of Tipping Fee Adjustments Effective July 1, 2011  
 Roll Call vote:  
 Motion Passes: 9-0-0-2 (Atherton, Burlingame and East Palo Alto absent)

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			

B. Resolution Adopting FY 2012 Budget

Burlingame now present

Discussion:

Executive Director McCarthy gave a PowerPoint presenting the FY2012 proposed budget, noting changes based on last month's discussion reducing HHW, reduction in Education Center, and reduction in Franchise Tipping Fee, also noting a total reduced program budget of 13.3%.

Member Galli asked for clarification on the tipping fees voted on in item 6A versus the tipping fees in this budget. She questioned if they would have an impact on overall rates.

Executive Director McCarthy answered that Franchise tip fees are not affected by public rates.

Member Gibbons asked for clarification on the auditing of new customer service systems, billing, and reports and related contract compliance support budget line items supported.

Executive Director McCarthy stated that it is included in all of the Member Agency Franchise Agreements that we audit the customer service system.

Staff Feldman added that this is a one time cost.

Member Nava stated that at the last meeting we discussed whether environmental education was a core service of our agency, and asked the Board to hold off on hiring an Environmental Education Coordinator, and revisit our strategic plan.

Member Gibbons commented that he agreed with the head count discussion, noting that it is a sensitive issue for all of our agencies.

Executive Director McCarthy stated that the Education Center has always been in the long range plan, and that it is not in Recology's or SBR's scope of work to host tours. The program that he started in 1995 at Davis Street Transfer Station in Alameda County is one of the best programs in the country and a model for what's proposed at Shoreway.

Chair Moura suggested removing the Environmental Education Coordinator to a separate agenda item to explore options and not lose sight of program goals.

Member LaMariana offered compliments to Executive Director McCarthy and staff on the extraordinary amount of work the last 5 years. Adding that he supported the education center, and that is now is the time to talk about the maintenance activities for facilities and programs. He suggested forming a facilities programs committee to scope the program.

Executive Director McCarthy stated that the overlay of the curriculum is conceptual but that the Education Center is not conceptual. Museum quality exhibits are being completed, and the Education Center will be built and complete by September.

Member Hardy suggested that a Board retreat was necessary to see where the agency wants to go in the next 5 years, and suggested the retreat be prior to the setting of next year's budget.

Member Fotu added her support of the Education Center adding that it was important to balance cost issues with safety and quality, she added that it is beneficial for students to see the process, and encouraged the Board to consider paid staff versus volunteers due to the safety issues.

Member Nava asked about the \$300,000 for Commercial Recycling Technical Assistance, noting that recycling administration is a large budget line item, and asking if spending this money has led to success in diversion. He also added that he would like to see some goals and objectives in this area to measure results from the money spent, and to see if there are any alternatives.

Executive Director McCarthy stated that commercial recycling is not increasing, and improvements need to be made. A substantial amount of money is being spent on commercial recycling because that is where the need is, and we want to target businesses with the most cost-effective use of those dollars.

Staff LaMariana added that in reading staff report 8b, you can see that commercial recycling is down, and that is discouraging, he agreed that we need to put money there to try and change that.

M/S Hardy/LaMariana approval of FY 2012 budget as written

Roll Call Vote:

Motion Passes: 9-1-0-2 (Atherton, and East Palo Alto Absent)

Executive Director McCarthy asked for confirmation that the motion was to approve the budget as is with no changes.

Member Hardy confirmed that was his motion.

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			

C. Consideration of Resolution Setting Policy to Allow Limited Disclosure of Information from Closed Sessions per Government code Section 54956.96.

Counsel Jean Savaree explained that the JPA allows the Board limited disclosure in certain circumstances in accordance with the government code §54956.96.

Member Scott noted that the Resolution was not stated correctly, there should be an item (iii) allowing for alternate disclosure.

Counsel Savaree noted that we would change the resolution to reflect, "or (iii) disclosure to the Board Member's alternate who is attending in lieu of the regularly appointed member."

Member Nava asked for clarification if two people from one agency could sit in closed session.

Counsel Savaree stated that Mr. Lanzone's recommendation is that only one Member from each agency is allowed to participate in closed session.

M/S Nava/Scott to approve Resolution 2011-14 as amended

Roll Call Vote:

Motion Passes: 10-0-0-2 (Atherton, and East Palo Alto Absent)

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			

## 7. Old Business:

### A. RSMC Franchise Agreement Operational and Contract Administration Update

Mario Puccinelli gave an update on Recology's Franchise Agreement operations and Contract Administration updates.

### B. SBR Shoreway Operations Agreement Update

David Langer gave an update, and gave each Member Agency May reporting information.

## 8. Staff Updates

- a) Review of RSMC and SBR 1<sup>st</sup> Quarter 2011 Reports
- b) Update on Recology Commercial Recycling Outreach Efforts
- c) Recycling and Outreach Programs Update

Member Nava asked how the HHW participation numbers match up with the 10% projection for participation that gives the company the right to ask for additional payment.

Staff Feldman clarified that the projection for participation was 5% and that there is no opener in the contract to ask for additional payment other than via an annual CPI adjustment; however, the Member Agencies are protected if participation is lower than 5% by being able to add additional marketing to drive participation up. Feldman also stated that calculating participation is a difficult equation due to different agencies starting at different times, but he would provide.

Member LaMariana added that the County would be joining the HHW collection program in 2012, but also noted that tonnage isn't down at the Tower Road Facility.

Executive Director McCarthy clarified that through the County's AB939 Fee all of the Agencies are still paying for the Tower Road facility.

Chair Moura added that it comes back to marketing, that in San Carlos when they advertise it, they see a spike in participation.

- d) Shoreway Construction Update
- e) 2012 Rate Application Update

Executive Director McCarthy pointed out that rate application process schedule is laid out, in the staff report. He encouraged the Board to look at their council schedules, and manage the schedule so that Prop 218 notices go out on time.

Chair Moura asked staff to provide suggested time frame for schedules.

- f) Preview of Upcoming Board meetings

## 9. Board Member Comments

Member Gibbons thanked Recology for Redwood City's great Shred Event.

10. Adjourn 3:32 p.m. Next Regular meeting scheduled for July 28, 2011, San Carlos Library at 1 pm



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## STAFF REPORT

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To: SBWMA Board Members  
From: Cliff Feldman, Recycling Programs Manager  
Hilary Gans, Facility Operations Contracts Manager  
Date: July 28, 2011 Board of Directors Meeting  
Subject: Receipt of Recology and SBR Monthly Reports

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### Recommendation

This is an informational report and no action is necessary.

### Analysis

Recology San Mateo County (Recology) and South Bay Recycling (SBR) are required to submit monthly reports. Both companies submitted their Monthly Reports for June on time. These Monthly Reports are due 15 days after the end of each month. Recology's and SBR's reports are attached.

SBWMA staff and SBR have worked together to develop a Monthly Report format that meets the requirements of the Operations Agreement. As requested by the Board, SBR has updated the Monthly Report format to include the Member Agency tonnage delivered to the SEC each month.

It's important to note that the tonnage information presented in Recology's Monthly Report is derived from data compiled by SBR as the Shoreway Environmental Center facility operator. Therefore, regarding the reporting of tonnage, the Recology and SBR reports are redundant. In addition, the SBR report provides details on the transfer station and buy-back center activities and therefore includes more facility tonnage data than the Recology Monthly Report. Recology's report includes collection data, monthly updates on various operations, and call center complaint/inquiry related metrics.

### Background

Article 9, section 9.05 of the Member Agencies Franchise Agreement(s) with RSMC require the company to prepare and submit a monthly report. Similarly, Article 8, section 8.07 of the Operations Agreement between the SBWMA and SBR requires the company to submit a monthly report. The guidelines and reporting requirements for each company are specified in their respective Agreements.

### Attachments:

Attachment A - Recology June 2011 Monthly Report

Attachment B - SBR June 2011 Monthly Report



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## Agenda Item 5B

### Attachments:

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- Attachment A – Recology Monthly Report
- Attachment B – SBR Monthly Report

*File too large to include with Packet*

Posted on Website: [www.rethinkwaste.org](http://www.rethinkwaste.org)





## STAFF REPORT

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To: SBWMA Board Members  
From: Cliff Feldman, Recycling Programs Manager  
Date: July 28, 2011 Board of Director's Meeting  
Subject: Resolution Approving Amendment Number 2 to the Agreement Between SBWMA and WM Curbside LLC for Household Hazardous Waste (HHW), Universal Waste (U-Waste), Electronic Scrap (E-Scrap), and Sharps Door-to-Door Collection, Recycling and Disposal Service to Discontinue Collection of Medicine Through the Door-to-Door Collection Service

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### Recommendation

It is recommended that the SBWMA Board of Directors approve Resolution No. 2011-15 attached hereto authorizing the following action:

1. Authorize staff to execute Amendment Number 2 (see Exhibit A) to the Agreement with WM Curbside LLC providing the company relief from its obligation to collect medicine door-to-door and instead provide and service three containers to collect this material at locations in the SBWMA service area.

### Analysis

In the fall of 2010, the President of Curbside Inc., Mr. William Anderson, notified the SBWMA that due to new Federal Homeland Security Administration guidelines, the company would soon need to phase out the collection of medicine through the door-to-door collection service. Since this was not an elective change by the company but was driven by changing regulations, staff concurred that this change should be phased in and requested the company to provide an alternative collection method for household medicine. Subsequently, the company agreed to provide and service three drop boxes to collect this material.

Staff is recommending that one drop-box be placed at the Shoreway Environmental Center to provide a more full service facility experience by residents and the other two placed in locations that make the most logistical sense given the other options in the SBWMA service area for residents to dispose of these materials. The attached flyer (**Attachment A**) prepared by the office of County Supervisor Tissier, notes that the following Member Agencies Police Departments currently offer pharmaceutical drop-off service:

- Belmont
- Burlingame
- Hillsborough
- Redwood City (San Mateo County Sheriff's Office)
- San Carlos (Sheriff's Office)
- City of San Mateo

Due to interest conveyed by Member Agency staff and filling the need for citing the two remaining pharmaceutical drop-boxes, the remaining two pharmaceutical drop-boxes are recommended to be placed in Foster City and Menlo Park.

### **Background**

On February 26, 2009 the SBWMA Board of Director's authorized staff to negotiate a contract with Curbside Inc. to provide door-to-door collection service of Household Hazardous Waste, Universal Waste, E-Scrap, Sharps and Medicine on behalf of Member Agencies that expressed an interest by April 2, 2009. Initially, seven Member Agencies expressed an interest to participate.

On June 25, 2009, the SBWMA Board of Director's approved the SBWMA FY 2010 Operating Budget which included an allocation of \$125,000 to design and roll-out a public education campaign for the Member Agencies that expressed an interest in participating in this program.

On October 22, 2009, the SBWMA Board of Director's directed staff to execute a three year Agreement with Curbside Inc. and this contract was executed on November 12, 2009 for service from January 1, 2010 through December 31, 2012. On November 18, 2010, the SBWMA Board approved Resolution No. 2010-36, authorizing the Executive Director to execute an extension to this contract for an additional two years through December 31, 2014 and also provides SBWMA the option to proceed with up to two one year extensions. Resolution No. 2010-36 also provided the company authorization to assign the contract to WM Curbside, LLC.

The program was rolled out in 2010 and the following eight Member Agencies are currently participating:

- Belmont
- Foster City
- Hillsborough
- Menlo Park
- San Carlos
- City of San Mateo
- West Bay Sanitary District
- East Palo Alto

Staff has budgeted \$85,000 in FY 2012 for public education expenses associated with rolling out the program to the three Member Agencies that have expressed an interest (i.e., Atherton, Redwood City and the County of San Mateo).

### **Fiscal Impact**

There is no fiscal impact associated with the recommendation.

### **Attachments:**

Resolution 2011- 15

**Exhibit A** - Amendment Number 2 to the Agreement with WM Curbside, LLC

**Attachment A** - List of San Mateo County Pharmaceutical Drop-off Locations



## **RESOLUTION NO. 2011-15**

### **RESOLUTION OF THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY BOARD OF DIRECTORS AUTHORIZING AN AMENDMENT TO THE AGREEMENT BETWEEN THE SBWMA AND WM CURBSIDE, LLC . TO DISCONTINUE COLLECTION OF MEDICINE THROUGH THE DOOR-TO- DOOR COLLECTION SERVICE**

**WHEREAS**, the Authority is a joint powers agency organized under the Joint Exercise of Powers Act by cities and other local government agencies in San Mateo County (the "Member Agencies"), each of which oversees the collection of solid waste, plant materials and recyclable materials within its jurisdiction; and

**WHEREAS**, on October 22, 2009, the SBWMA Board of Directors approved Resolution No. 2009-31 directing staff to execute a three year agreement with Curbside Inc. to provide household hazardous waste, universal waste, electronic scrap, medicine and sharps door-to-door collection, recycling and disposal service; and

**WHEREAS**, on November 12, 2009, the SBWMA and Curbside Inc. executed an agreement with a term of January 1, 2010 through December 31, 2012; and

**WHEREAS**, on November 18, 2010, the SBWMA Board of Director's approved Resolution No. 2010-36 authorizing assignment of the contract to WM Curbside, LLC and extending the agreement for two years and potentially four at the discretion of the SBWMA; and

**WHEREAS**, the Federal Homeland Security Administration adopted guidelines precluding the company from collecting medicine through the door-to-door collection services; and

**WHEREAS**, the company has agreed to provide and service three drop-boxes to collect pharmaceutical waste in lieu of collecting these materials door-to-door; and

**WHEREAS**, on June 23, 2011, the SBWMA Board of Director's approved the SBWMA FY 2012 Operating Budget which included \$85,000 to develop and roll-out a public education campaign for the member agencies that expressed an interest to begin participating; and

**NOW, THEREFORE BE IT RESOLVED** that the South Bayside Waste Management Authority hereby:  
Authorize staff to execute Amendment Number 2 to the Agreement with WM Curbside, LLC providing the company relief from its obligation to collect medicine door-to-door and instead provide and service three containers to collect this material at locations in the SBWMA service area.

**PASSED AND ADOPTED** by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on the this 28th day of July, 2011, 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. 2011-15 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on July 28, 2011.

ATTEST:

\_\_\_\_\_  
 Brian Moura, Chairperson of SBWMA

\_\_\_\_\_  
 Cyndi Urman, Board Secretary

**AMENDMENT NUMBER 2 TO THE  
AGREEMENT WITH WM CURBSIDE LLC TO PROVIDE HOUSEHOLD  
HAZARDOUS WASTE, UNIVERSAL WASTE, ELECTRONIC SCRAP, SHARPS AND  
MEDICINE DOOR-TO-DOOR COLLECTION, RECYCLING AND DISPOSAL  
SERVICES AGREEMENT (THE "AGREEMENT")**

This Amendment Number 2 to the Agreement (this "Amendment") dated as of August 1, 2011 ("Effective Date") amends the Agreement dated as of November 11, 2009 by and between South Bayside Waste Management Authority ("Authority"), and Curbside Inc. (as assigned to WM Curbside, LLC ("Contractor")), having its principal place of business at 1001 Fannin, Suite 4000, Houston, TX 77002. All capitalized terms not otherwise defined in this Amendment shall have the meaning set forth in the Agreement (as hereinafter defined).

**RECITALS**

**WHEREAS**, the Authority desires to continue utilizing the services of Contractor to establish and manage the Authority's Household Hazardous Waste, Universal Waste, E-Scrap and Sharps Door-to-Door Collection, Recycling and Disposal Program ("Program").

**NOW, THEREFORE**, in consideration of the foregoing and the mutual representations, warranties, covenants and agreements set forth herein, the parties to this Amendment do hereby agree as follows, intending to be legally bound:

1. The parties hereby agree that the following shall be added to the end of the paragraph of "Section 1." in the Agreement and shall read as follows:

**1. PROVISIONS OF SERVICE**

The Contractor agrees to provide Program to the Authority and its member agencies in accordance with the terms and conditions of this Agreement. In the performance of all services under this Agreement, Contractor agrees to exercise the same degree of care, skill, efficiency, and judgment ordinarily used by Contractors providing similar services.

In lieu of Contractor providing the collection of door-to-door pharmaceutical waste to Authority, Contractor will provide Authority with three (3) drop-boxes for the collection of pharmaceutical waste at locations specified by the Authority. The Authority reserves the right to modify the location of these boxes with providing thirty (30) days notice to Contractor. Contractor shall empty these boxes a minimum of once per month or within forty-eight (48) hours notification from Authority. Notwithstanding anything stated in the Agreement to the contrary: 1) in no event shall Contractor provide door-to-door collection of medication and/or pharmaceutical waste; and 2) Authority will not assert any claims against Contractor for unintentional or unknowing violations of any federal laws associated with pharmaceutical waste collection programs, and Authority and Contractor may, upon agreement, mutually modify the Agreement to comply with any applicable laws, or terminate the Agreement if the services under the Agreement are prohibited or made impracticable under applicable laws.

2. No Other Changes. Except as expressly provided herein, all of the terms and provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the following parties have executed this Amendment Number 2 to take effect as of the Effective Date.

**SOUTH BAYSIDE WASTE  
MANAGEMENT AUTHORITY**

**WM CURBSIDE, LLC**

\_\_\_\_\_  
Name: Kevin McCarthy, Executive Director

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
Name:

\_\_\_\_\_  
Name:

\_\_\_\_\_  
Title:

\_\_\_\_\_  
Title:



# STOP!

## Don't flush your old medications!

- Protect the environment!
- Prevent overdoses & errors!
- Keep drugs away from children!

*Confidential drop-off sites at Police Departments in:*



Belmont  
Brisbane  
Burlingame  
Daly City  
Half Moon Bay\*  
Hillsborough  
Millbrae  
Pacifica  
San Bruno  
San Carlos\*  
San Mateo  
South San Francisco



&  
The San Mateo County Sheriff's Office  
and North Coast Sub-Station

*\*Sheriff's Office*



## STAFF REPORT

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To: SBWMA Board Members  
From: Hilary Gans, Facility Operations Contracts Manager  
Date: July 28, 2011 Board of Directors Meeting  
Subject: Resolution Approving Power Purchase Agreement with Fresh Air Energy – II, LLC

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### Recommendation

It is recommended that the SBWMA Board of Directors approve Resolution No. 2011- 16 attached hereto authorizing the following action:

- Authorize the SBWMA Executive Director to negotiate and enter into a Solar Power Purchase Agreement (PPA) with Fresh Air Energy-II (dba Ecoplexus) in substantially the same form as shown in Exhibit A.

### Analysis

As an alternative to self-financing of a solar installation at Shoreway at an estimated lump-sum amount of \$3.5 - \$4 million, the SBWMA has explored a PPA as a way to acquire the benefits of a solar installation while conserving Agency capital. Project analysis has shown that the proposed photo-voltaic (PV) installation at the Shoreway Environmental Center will provide ongoing energy cost savings, qualify the SEC buildings for LEED certification, reduce green house gas emissions, and provide numerous other environmental benefits.

### *Installation of Rooftop Solar Panels*

#### *Permitting Requirements*

The San Carlos Planning Department approved the construction of the Shoreway Master Plan project (MRF and transfer station buildings) with the inclusion of roof mounted solar PV panels so no separate City approval will be required. The Planning Department did, however, place conditions on the PV structures to mitigate potential glare impacts on local airport and planes. The permit conditions have been discussed with Ecoplexus and the company is confident that there will not be problems resolving the City's concerns.

#### *Construction and Site Impacts*

When the MRF and the transfer station additions buildings were designed by JRMA, the installation of a roof-top PV system was envisioned and the pre-engineered metal building (PEMB) was designed with sufficient structural strength to carry the load of a roof mounted PV system. (A conceptual solar PV array layout for the MRF and transfer station is presented in **Exhibit A**).

The planning, design, engineering, installation, power connections, metering, and wiring that is associated with the PV installation is included in Ecoplexus' project scope and no funds or effort (other than project coordination) should be required by the SBWMA. As the system owners, Ecoplexus is responsible for the ongoing operations, maintenance and monitoring of the PV array. Additionally, there is a provision in the PPA agreement that any damage caused to the roof from the PV system installation is to be insured by Ecoplexus.



**Financial Impact**

As shown in **Table 1. PG&E Rate Increases**, over the past 10-years the Shoreway facility has seen a 56% increase in PG&E power costs (avg. 5.3% increase/year). And more recently, PG&E's rates have risen 35% over the past five years (7% year). Under the PPA, the rate of increase for power generated from the solar photovoltaic system is fixed at 3% per year over 20 years.

**Table 1. PG&E Rate Increases**

						<b>10-Year Rate Change**</b>	
<b>Rate Schedule*</b>			<b>Jan-2001</b>		<b>June-2010</b>	<b>Total</b>	<b>CAGR</b>
<b>A-1</b>	TOU	Summer	0.15870	Peak	0.22456	41.5%	4.2%
<b>A-6</b>	TOU	Peak	0.24258	Peak	0.45331	86.9%	7.6%
<b>A-10</b>	TOU	Summer	0.09915	Peak (P)	0.15391	55.2%	5.3%
<b>E-19</b>	TOU	Peak	0.09773	Peak (P)	0.15217	55.7%	5.3%

By providing predictability of power cost increase over the next 20-years, the PV system will ensure that the SBWMA has greater cost-control over electricity costs going into the future. Based on a cost analysis prepared for the Shoreway PV system that models the 3% increase per year for the PV system against a forecasted PG&E average annual rate increase of 4.5%, the cumulative comparative power savings is \$2,110,000 over the 20-year contract term.

Once the PPA is implemented, the SBWMA will be purchasing the majority of the total power usage at the site from renewable energy generated from the PV system. See **Table 2. Proposed System Summaries** shows the power generation, the percent of the power that is offset by the PV solar installation and the projected savings from the PPA.

**Table 2: Proposed System Summaries**

<b>Location</b>	<b>System Size (kW DC)</b>	<b>Annual Production (kWh)</b>	<b>% Annual kWh Offset</b>	<b>% Annual Bill Offset</b>	<b>Savings in First Year</b>	<b>Savings Over 20 Years</b>
Material Recovery Facility*	390	546,000	99%	91%	\$22,063	\$1,095,000
Transfer Station	350	490,000	60%	95%	\$21,000	\$1,015,000
<b>Total/Avg</b>	<b>740</b>	<b>1,036,000</b>	<b>82%</b>	<b>93%</b>	<b>\$43,063</b>	<b>\$2,110,000</b>

\* MRF PV installation percent is for building only, combined building and sorting equipment is estimated 45% offset.

**Sustainability Impact**

Installing the proposed solar energy PV system will significantly reduce the Shoreway Facility's fossil fuel demands and help the SBWMA to achieve a range of environmental objectives.

1. First, the Shoreway facility will accomplish renewable (termed "alternate") energy goals required by US Green Building Council to qualify the Shoreway buildings for LEED status.
2. The PV systems will reduce carbon dioxide emissions by nearly 1,600,000 pounds per year.

When implemented, the project will create environmental benefits equal to removing two-hundred and fifty-two cars per year from the road. This proposed project will reduce air pollution and particular matter, associated with burning fossil fuels, including nitrogen oxides and sulfur oxides.

3. Other environmental (and potentially financial) attributes to the installation of the PV system include carbon credits, renewable energy credits (RECs), and government and utility incentives.

The estimated environmental attributes of the proposed systems are benchmarked in **Table 3**.

**Table 3: Proposed System Environmental Attributes (year)**

Location	System Size (kWhr)	CO2 reduced (lbs)	Gas reduced (gallons)	Cars Removed	Number of 60W light bulbs running 8 hours a day
Material Recovery Facility	390	864k	44k	133	3,116
Transfer Station	350	776k	40k	119	2,797
<b>Total/Avg</b>	<b>740</b>	<b>1,640k</b>	<b>84k</b>	<b>252</b>	<b>5,913</b>

**Background**

The SBWMA, in partnership with nine other Bay Area agencies and with Santa Clara County as the project lead, completed a RFP process for “bundled” power purchase agreements. The RFP process was unique in the Country and strived to simplify the PPA process and to obtain the best pricing for solar through the bundling of over 20 projects from the nine participating agencies.

Nine prequalified solar vendors proposed on the PV bundles and Ecoplexus and two other solar vendors were selected through an exhaustive selection process that included the support from technical consultants (Optony) and the participation by the staff from many of the participating agencies.

***General PPA Structure***

A solar Power Purchase Agreement is a performance-based financial arrangement in which a third-party developer finances, owns, operates, and maintains a PV system and a host customer agrees to site the system on its property and purchase the system’s electric output for a predetermined price and period. To minimize legal and transactional costs for all involved parties, PPAs are typically negotiated as a single contract that includes all project phases (financing, design, permitting, construction, operations, monitoring and verification, and removal). The solar company retains the ownership of the structure, equipment, and associated risk of the infrastructure over the full contract term. Additionally, the solar company is responsible for meeting all relevant planning and building codes.

***Joint Venture Silicon Valley Solar PPA Process***

In the summer of 2008, members of the Joint Venture Silicon Valley, created a working group to evaluate collaborative procurement opportunities for a solar PPA. The collaborative effort had several objectives. The first was to reduce transaction costs associated with development and negotiation of PPA contracts by obtaining favorable pricing and terms through a large-scale regional aggregate purchase. The second objective was to facilitate the deployment of solar and other renewable technologies. The third objective was to enable participation of smaller governmental entities in PPA contracts that would otherwise be unable to participate due to the small size of project sites.

The SBWMA has participated in the agency collaboration since 2008 along with Cupertino, Los Gatos, Milpitas, Morgan Hill, Mountain View, and Pacifica, along with the County of Santa Clara, and the Valley Transit Authority. On March 29, 2010, with County of Santa Clara as the Lead Agency, a Request for Proposals for a Regional Renewable Power Purchase Agreement was issued. The process included reviewing bid proposals from nine solar vendors on potential renewable power projects located within the nine participating public agencies. The process closed on June 29, 2010 with the selection of qualified firms based on proposed project system sizes. Ecoplexus was selected for a project "bundle" which included the SBWMA's project.

The Agreement with Fresh Air Energy-II (see Exhibit A ) was developed as a "model agreement" in a collaborative process with thorough input from legal counsel from many of the participating agencies. The attached Agreement has been reviewed by SBWMA counsel and the Core Terms of the Agreement are summarized in **Table 4. Agreement Core Terms.**

<p><b>Table 4.</b></p> <p><b><u>Core Terms of the Agreement Between Fresh Air Energy (Ecoplexus) and the SBWMA</u></b></p> <ol style="list-style-type: none"> <li>1. <b>Location of Generation Facility.</b> Rooftops of Shoreway MRF and transfer station buildings located at 333 and 225 Shoreway Road.</li> <li>2. <b>Target Installation Size.</b> Two systems sized at approximately 390kW for the MRF and 350kW for the transfer station (sizes subject to change based on final system designs, and pending approval from SBWMA)</li> <li>3. <b>Generation Facility Defined.</b> Solar photovoltaic generation plant, together with inverters, ancillary plant and equipment to be constructed, owned, operated and maintained by FAE-II.</li> <li>4. <b>Term.</b> 20-years commencing on the Commercial Operation Date of the Facility. After ten-years (but not before), SBWMA may purchase the Facility at a buyout value to be determined by appraisal at a future time.</li> <li>5. <b>Contract Quantity.</b> SBWMA shall be obligated to purchase all electric generation from the Facilities during term of Agreement.</li> <li>6. <b>Utility Electric Service / Net Metering / Interconnection.</b> SBWMA shall take parallel service from Distribution Utility (PG&amp;E).</li> <li>7. <b>Price:</b> Both sites would be priced at \$0.19 per kWh, escalating at 3% per annum.</li> <li>8. <b>Environmental Attributes and Incentives.</b> SBWMA will retain all right and ownership to tax credits, carbon credits, renewable energy credits (RECs), and other related government and utility incentives.</li> <li>9. <b>Final System Design.</b> The SBWMA maintains the authority to approve or reject design options and change the system size, after the contract has been signed.</li> </ol>
--

**Fiscal Impact**

The costs to the SBWMA that will result from the approval of the PPA include the following:

***California Solar Initiative Rebate (CSI)***

The SBWMA has paid a \$20,000 deposit to the State energy commission to reserve a State solar rebate incentive. By approving the project at the July Board meeting, the SBWMA retains the rebate and the \$20,000 deposit is returned to the Agency. If the project is not approved, then the Agency loses its CSI

reservation and the \$20,000 deposit. The CSI Program stipulates a number of milestones to be accomplished during the course of the project implementation to take advantage of the rebates.

### ***Investment Tax Credit***

Ecoplexus is working to take advantage of the Investment Tax Credit (ITC) Cash Grant that will allow them to monetize the federal tax incentive available only to private entities. This will benefit the SBWMA through the realization of better PPA rates. In order to obtain the ITC, Ecoplexus will need to complete the project installation by the end of the 2011 calendar year. Therefore, the PPA must be approved at the July Board meeting in order for Ecoplexus to install the system on schedule.

### ***Project Commissioning Consultant***

To date, the public agencies involved in this collaborative solar procurement effort have been heavily supported by an independent solar consultant, as the participating agencies are both new to the technology and financing mechanism. To advance the project through the commissioning phase, participating agencies were provided a proposal for Optony to provide the following hands-on services: project inspection, project coordination, technology and installation inspections, specification compliance, and final project certification. The estimated cost of the project commissioning is \$15,000 and has been included in the FY 2012 budget approved by the Board.

As stated in the Analysis section of the report, PG&E power rates will likely continue to increase at approximately 5%-7% per year. Given that the solar PPA provides lower initial power rates and that the annual escalation factor is fixed at 3%, the Agency is projected to save money over the term of the PPA agreement. Again, the projected cumulative comparative power savings verses PG&E for the 20-year PPA term is \$2,110,000.

At the 10-year PPA anniversary, the Agency has the option to exercise a "system buyout", where the SBWMA could buy out Fresh Air Energy at a purchase price to be determined by an appraisal process described in the Agreement. At the end of the 20-year Agreement term, provided the SBWMA does not exercise its 10-year buyout option, the Agency has the option of: 1) extending the Agreement for an additional 5-year period, 2) purchasing the PV system and assuming responsibility for its operation, 3) requiring Ecoplexus to remove the systems (at their cost) and restore the facilities to their original condition. The PPA Agreement can be found in **Exhibit B** for more detail.

### **Attachments:**

Resolution 2011- 16

**Exhibit A. Conceptual rooftop solar PV array Layout at MRF and TS.**

**Exhibit B. Power Purchase Agreement between Fresh Air Energy-II and SBWMA.**



**RESOLUTION NO. 2011- 16**

**RESOLUTION OF THE SOUTH BAYSIDE WASTE  
MANAGEMENT AUTHORITY BOARD OF DIRECTORS  
APPROVING A**

**POWER PURCHASE AGREEMENT WITH FRESH AIR ENERGY - II, LLC.**

**WHEREAS**, the Master Plan construction project planning included the later addition of a rooftop solar photovoltaic project to qualify the building(s) for LEED certification by the USGBC; and

**WHEREAS**, the SBWMA wishes to reduce and stabilize its future electrical power rates; and

**WHEREAS**, the SBWMA would like to obtain the environmental attributes that result from a solar installation at the Shoreway Environmental Center; and

**WHEREAS**, the SBWMA wishes to realize significant energy cost savings for the SBWMA through the PPA.

**NOW, THEREFORE BE IT RESOLVED** that the South Bayside Waste Management Authority hereby approves a Power Purchase Agreement per Exhibit A with Fresh Air Energy-II, LLC (dba Ecoplexus) to install a photovoltaic system on the MRF and transfer station roof tops and to sell power to the Shoreway Environmental Center under the terms of the Power Purchase Agreement.

**PASSED AND ADOPTED** by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on the this **28<sup>th</sup>** day of **July, 2011**, 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. 2011- 16 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on July 28, 2011.

ATTEST:

\_\_\_\_\_  
Brian Moura, Chairperson of SBWMA

\_\_\_\_\_  
Cyndi Urman , Board Secretary



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## Agenda Item 5D

### Attachments:

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- EXHIBIT A – POWER PURCHASE AGREEMENT LAYOUT
- EXHIBIT B – POWER PURCHASE AGREEMENT

*File too large to include with Packet*

Posted on Website: [www.rethinkwaste.org](http://www.rethinkwaste.org)



## STAFF REPORT

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**To:** SBWMA Board Members  
**From:** Cliff Feldman, Recycling Programs Manager  
**Date:** July 28, 2011 Board of Director's Meeting  
**Subject:** Resolution Approving a Contract with SloanVazquez, LLC to Conduct the Recology Quarterly Contamination Monitoring for FY 2012

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### Recommendation

It is recommended that the SBWMA Board of Directors approve Resolution No. 2011-17 attached hereto authorizing the following action:

Authorize the Executive Director to execute the attached contract (**Exhibit A**) with SloanVazquez, LLC to conduct the Recology San Mateo County Quarterly Contamination Monitoring for FY 2012 for a not-to-exceed amount of \$103,000.

### Analysis

Staff issued a Request for Proposals (RFP) for implementing the Collection Services Quarterly Contamination Sampling for FY 2012 on June 15, 2011 and received proposals from the following four consulting firms: Cascadia Consulting (Seattle, WA), CSG Consulting (San Mateo, CA), R3 Consulting (Sacramento, CA) and SloanVazquez, LLC (Irvine, CA). After evaluating the proposals, conducting interviews and following up with pertinent references, staff is recommending contracting with SloanVazquez to perform this work for FY 2012 for a cost not to exceed \$103,000.

The scope of work is provided with the Professional Services Agreement (**Exhibit A**). To summarize the scope of work, this project will entail implementing the quarterly contamination measurement prescribed in the Member Agencies Franchise Agreements in Attachment E-2. This work was done for the First Quarter of 2011 by CSG Consulting and for the Second Quarter of 2011 by SloanVazquez. Specifically, this work involves taking twelve randomly selected samples from five materials streams each quarter and measuring the level of contamination in each sample. The results are used to calculate the amount of contamination related disincentive payment that Recology is obligated to pay the SBWMA each quarter.

While all four companies that submitted proposals are qualified and capable of conducting the work, the primary rationale for selecting SloanVazquez was based on this firm submitting the lowest cost proposal, as follows:

Cascadia Consulting - \$118,000  
CSG Consulting - \$115,345  
R3 Consulting - \$121,928  
SloanVasquez, LLC – \$92,860

It is important to note that the contract with SloanVazquez was increased in order to build in a 10% contingency that totals approximately \$10,000 (since this contract is for four separate quarters) that is to be used only at the discretion of staff. Only one other firm (i.e., CSG) included a contingency; however, this firm's base cost still

exceeded the base cost of SloanVazquez by almost 10%. In addition, CSG did not include equipment costs which would further increase their costs by approximately \$10,000.

Other rationale for selecting SloanVazquez includes their qualifications and experience with this specific type of work and providing a significant value added component not solicited in the RFP. This value added component is to perform twelve categories of separation of four of the five targeted materials streams instead of just the required two (i.e., unacceptable vs. acceptable materials). This may turn out to save the SBWMA funds that would otherwise be used for doing similar waste characterization analyses in the future.

### **Background**

In 2007, the Board approved staff's recommendation to ensure that a comprehensive contamination management program would be included in both the future Franchise Agreement and SEC Operations Agreement. The primary rationale for this recommendation was to control costs for the SBWMA as excessive contamination increases disposal and processing costs and can also result in reduced commodity revenue. Subsequently, the Collection Services and Facility Operations RFPs were issued with provisions mitigating the impact of contamination on both the SBWMA and Member Agencies. Thus, the Franchise Agreement(s) with Recology and the SEC Operations Agreement with SBR both include specific provisions and associated monetary penalties to reduce contamination as much as possible.

The Franchise Agreement(s) with Recology contain provisions in section 6.02 and Attachment I (Performance Incentives and Disincentives) that explains the maximum contamination levels and how monetary penalties associated with exceeding these levels would be calculated. In addition, Attachment E-2 (Contamination Measurement Methodology: Quarterly Protocol) prescribes in detail the sampling methodology and statistical rationale supporting implementation of this methodology that is used to measure contamination on a quarterly basis.

The Franchise Agreement Attachment E-2 Quarterly Contamination Measurement Methodology was conducted for the first and second quarters of 2011. In both the first and second quarters of 2011, Recology did not comply with the prescribed allowable contamination thresholds for commercial recyclable materials and commercial organic materials and liquidated damages payments have been assessed by the SBWMA.

### **Fiscal Impact**

The SBWMA FY 2012 budget includes \$120,000 for the contractor contamination monitoring work solicited with the RFP issued on June 15, 2011. The contract with SloanVazquez for a not-to-exceed amount of \$103,000 will be paid for with these funds.

### **Attachments:**

Resolution 2011-17

Exhibit A -- Professional Services Agreement with SloanVazquez LLC





**RESOLUTION NO. 2011-17**

**RESOLUTION OF THE SOUTH BAYSIDE WASTE  
MANAGEMENT AUTHORITY BOARD OF DIRECTORS  
AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A CONTRACT  
WITH SLOANVAZQUEZ LLC FOR FY 2012 RECOLOGY QUARTERLY  
CONTAMINATION MEASUREMENT**

**WHEREAS**, the South Bayside Waste Management Authority (SBWMA) Board of Directors has considered entering into a contract with SloanVazquez, LLC, to conduct the Recology San Mateo County Quarterly Contamination Monitoring for FY 2012; and

**WHEREAS**, on June 15, 2011 Staff issued a Request for Proposals (RFP) for Implementing the Collection Services Quarterly Contamination Sampling for FY 2012 and subsequently received proposals from four consulting firms by the deadline of July 15, 2011; and

**WHEREAS**, while all four firms submitting proposals in response to the RFP issued on June 15, 2011 were qualified to provide the work solicited, the consultant firm of SloanVazquez, LLC scored the highest and a contract was negotiated with this firm; and

**WHEREAS**, attached as Exhibit A hereto is an Agreement for Professional Services that the Board has reviewed.

**NOW, THEREFORE, BE IT RESOLVED** by the SBWMA Board of Directors hereby approves the Agreement with SloanVazquez, LLC, Exhibit A hereto.

**PASSED AND ADOPTED** by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on the this 28<sup>th</sup> day of July, 2011, by the following vote:

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

I HEREBY CERTIFY that the foregoing Resolution No. 2011-17 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on July 28<sup>th</sup>, 2011.

ATTEST:

\_\_\_\_\_  
Brian Moura, Chairperson of SBWMA

\_\_\_\_\_  
Cyndi Urman, Board Secretary



## AGREEMENT FOR PROFESSIONAL SERVICES

This Agreement is made and entered into as of the **29th day of July, 2011** by and between the **South Bayside Waste Management Authority** hereinafter "SBWMA", and **Sloan-Vazquez Consultants LLC** hereinafter "Consultant".

### RECITALS

This Agreement is entered into with reference to the following facts and circumstances:

- A. That SBWMA desires to engage Consultant to render certain professional services in the SBWMA jurisdictions;
- B. That Consultant is qualified to provide such services to the SBWMA; and
- C. That SBWMA has elected to engage the services of Consultant upon the terms and conditions as hereinafter set forth.

### TERMS AND CONDITIONS

#### **1. Services**

The services to be performed by Consultant under this Agreement shall be FY 2011-2012 Quarterly Contamination Sampling as outlined in Exhibit A.

Performance of the work specified above is hereby made an obligation of Consultant under this Agreement, subject to any changes that may be made subsequently hereto upon the mutual written agreement of said Parties.

#### **2. Term of Agreement**

Said services shall commence on execution and shall continue for completion of tasks within one year (12 month period). The term of the Agreement may be extended upon written agreement by both parties. Agreement can be terminated by either party with written thirty (30) day notice.

#### **3. Compensation**

Payment under this Agreement shall be as per Exhibit A, not to exceed \$ 103,000.00

#### **4. Authorization and Termination**

This Agreement becomes effective when endorsed by both Parties in the space provided below.

#### **5. Reliance of Professional Skill of Consultant**

Consultant represents that it has the necessary professional skills to perform the services required and SBWMA shall rely on such skills of the Consultant to do and perform the work.

#### **6. Relationship to Parties**

It is understood that the relationship of Consultant to SBWMA is that of an independent contractor and all persons working for or under the direction of Consultant are its agents or employees and not agents or employees of the SBWMA.

#### **7. Nonassignment**

This Agreement is not assignable either in whole or in part.

#### **8. Amendments**

This Agreement may be amended or modified only by written agreement signed by both Parties.

**9. Validity**

The invalidity, in whole or in part, of any provisions of this Agreement shall not void or affect the validity of any other provisions of this Agreement.

**10. Government Law/Litigation**

This Agreement shall be governed by the laws of the State of California and any suit or action initiated by either party shall be brought in the County of San Mateo, California. In the event of litigation between the Parties hereto over the terms or performance of this agreement the prevailing party shall be entitled to reasonable attorneys fees and costs..

**11. Mediation**

Should any dispute arise out of this Agreement, the Parties shall meet in mediation and attempt to reach a resolution with the assistance of a mutually acceptable mediator. Neither Party shall be permitted to file legal action without first meeting in mediation and making a good faith attempt to reach a mediated resolution. The costs of the mediator, if any, shall be paid equally by the Parties. If a mediated settlement is reached, neither Party shall be deemed the prevailing party for purposes of the settlement, and each Party shall bear its own legal costs. Mediation shall occur within 30 days of notice by either party, and if it does not occur within that period of time a legal action shall be permitted to be filed.

**12. Entire Agreement**

This Agreement, including Exhibit A, comprises the entire Agreement.

**13. Indemnity**

Consultant shall defend, indemnify and hold SBWMA and its officers, employees and agents harmless from any and all claims, damages, losses and expenses related to or as a result of intentional or negligent acts for which Consultant or its agents and employees are responsible.

**14. Insurance**

Consultant shall not commence work under this Agreement until all insurance required under this Paragraph has been obtained. Consultant shall furnish SBWMA with certificates of insurance evidencing the required coverage. The insurance shall be with a carrier that is licensed and in good standing in the State of California, and has an A.M. Best Co. rating of A/5 or better. The SBWMA will be named as additional insured in the policy. These certificates shall specify or be endorsed to provide that thirty (30) days notice must be given, in writing, to the SBWMA office of any pending change in the limits of liability or of any cancellation or modification of the policy.

**a. Worker's Compensation and Employer's Liability Insurance**

Consultant shall have in effect during the entire life of this Agreement Worker's Compensation and Employer's Liability Insurance providing full statutory coverage. In signing this Agreement, Consultant makes the following certification, required by Section 1861 of the California Labor Code:

I am aware of the provisions of Section 37900 of the California Labor Code which require every employer to be insured against liability for worker's compensation or to undertake self-insurance in accordance with the provisions of the Code, and I will comply with such provisions before commencing the performance of the work of this Agreement.

**b. Liability Insurance**

Consultant shall take out and maintain during the life of this Agreement such bodily injury and property damage liability insurance as shall insure the Consultant and SBWMA, its employees, officers and member entities while performing work covered by this Agreement from any and all claims for damages for bodily injury, including accidental death, as well as any and all claims due to consultant's negligence or willful misconduct for property damage which may arise from Consultant's work under this Agreement, whether such work be by Consultant or by any subcontractor or by anyone directly or indirectly employed by either of them. The amounts of

such insurance shall be One Million and no/100 Dollars (\$1,000,000.00) combined single limit bodily injury and property damage for each occurrence.

**15. Notice**

All notices required by this Agreement shall be given to SBWMA and Consultant in writing, by first class mail, postage prepaid, addressed as follows:

**SBWMA:** **Kevin McCarthy, Executive Director**  
South Bayside Waste Management Authority  
610 Elm Street, Suite 202  
San Carlos, CA 94070  
Phone: (650) 802-3500  
Fax: (650) 802-3501

**Consultant:** **Sloan Vazquez, LLC**  
Joe Sloan  
18006 Skypark Circle  
Suite 205  
Irvine, CA 92614  
Phone: (866) 241-4533  
Fax: (714) 276-0625

**IN WITNESS WHEREOF**, the Parties hereto have caused this Agreement to be executed on the date first written by their respective officers duly authorized in that behalf.

**SBWMA**

BY: \_\_\_\_\_  
Kevin McCarthy, EXECUTIVE DIRECTOR

DATED: \_\_\_\_\_, 2011

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Robert J. Lanzone, SBWMA ATTORNEY

DATED: \_\_\_\_\_, 2011

**CONSULTANT:**

BY: \_\_\_\_\_  
Joe Sloan, Sloan Vazquez Consultants, LLC

DATED: \_\_\_\_\_, 2011

**NOTICE TO PROCEED**

BY: \_\_\_\_\_  
Cyndi Urman, Board Secretary

DATED: \_\_\_\_\_, 2011



**Proposal**  
**To Implement**  
**The Collection Services Quarterly**  
**Contamination Sampling**  
**For**  
**FY 2011/2012**

**Presented to:**  
**RethinkWaste.Org**

Submitted by:

*Sloan*VAZQUEZ<sub>LLC</sub>

Municipal Solid Waste & Recycling Advisors

18006 Skypark Circle– Suite 205

Irvine, CA 92614

Office: 866.241.4533

Fax: 714.276.0625

[info@sloanvazquez.com](mailto:info@sloanvazquez.com)

**July 14, 2011**

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# *Sloan*VAZQUEZ<sub>LLC</sub>

---

*Municipal Solid Waste Management & Recycling Advisors*

July 14, 2011

Cliff Feldman  
Recycling Programs Coordinator  
RethinkWaste  
610 Elm Street, Suite 202  
San Carlos, 94070

Re: Implementing the Collection Services Quarterly Contamination Sampling for FY 2011/2012

Dear Mr. Feldman:

Thank you for the opportunity to submit this proposal to implement the Collection Services Quarterly Contamination Sampling for FY 2011/2012.

Sloan Vazquez, LLC is a consulting firm focusing exclusively on municipal solid waste planning and management services. The firm was founded by Joe Sloan in 2000, and was joined by Enrique Vazquez in 2005 when it was organized as a Limited Liability Company (LLC) under the State of California. Together, the firm's principals have over 40 years of wide ranging expertise and experience in municipal waste management and recycling. The firm provides a wide array of waste management and recycling consulting services for public and private sector clients throughout the United States, including rate studies, financial feasibility studies, municipal contract analysis, residential and commercial collection operations, and management MRF project development.

Sloan Vazquez is uniquely qualified to assist the South Bayside Waste Management Authority (RethinkWaste) because of our extensive "hands-on" professional experience in solid waste management and recycling services. We possess industry insight gained through many years of "hands-on" experience and direct responsibility for solid waste program design, implementation, and day-to-day management. The principles have worked in the industry from the ground up, on collection routes, in transfer stations and material recovery facilities; to managing those same types of operations. We apply a unique consulting perspective to your project, since we actually worked in most facets of the industry.

Sloan Vazquez has performed numerous waste compositions for several private and public clients and our crews are very experienced. Sloan Vazquez has reviewed the objectives and requirements for completing the Quarterly Contamination Sampling, including the sampling rationale, sampling allocation (with use of the "randomizer" for load and cell selection), field procedures, sorting categories, and the required calculations. Accordingly, Sloan Vazquez will perform the Contamination Measurements in conformance with the protocol prescribed in the SBWMA's standard franchise agreement and further described in Attachment E-2, "Contamination Measurement Methodology: Quarterly Protocol"; the

18006 Skypark Circle • Suite 205 • Irvine, CA 92614  
Office: 866.241.4533 • FAX: 714.276.0625 • [info@sloanvazquez.com](mailto:info@sloanvazquez.com)

*Mr. Feldman – Continued*  
*July 14, 2011*  
*Page 2 of 2*

“Materials Sorting List” dated March 18, 2011; and, the “Quarterly Contamination Measurement Policies and Procedures” dated March 15, 2011.

Sloan Vazquez did not contact either South Bay Recycling or Recology San Mateo County with regards to developing this proposal.

We hope to have the opportunity to work with RethinkWaste on this important project.

Cordially,

Joe Sloan  
President



## **PROJECT APPROACH**

Sloan Vazquez uses a systematic approach to project management. Sloan Vazquez will take the following general approach. Sloan Vazquez will schedule and coordinate the quarterly sampling with SBWMA, Recology and South Bay Recycling. Samples will be collected in accordance with the procedures identified in the Quarterly Contamination Measurement Policies and Procedures dated March 15, 2011. In addition, each sample of four material streams (i.e., Residential Recyclable Material, Residential Organic Material, Commercial Recyclable Material, and Commercial Organic Material) will be sorted into a total of twelve (12) categories to be determined by SBWMA and Sloan Vazquez. Because Sloan Vazquez personnel are very knowledgeable and experienced in MRF and transfer station operations, they are familiar with the daily operational challenges and routines of these facilities. Sloan Vazquez will use this experience to coordinate and work closely with Recology and South Bay Recycling to ensure the project is conducted with minimum disruptions to their operations. For example, Sloan Vazquez will ensure that Recology's collection vehicles are not delayed longer than twenty (20) minutes when waiting to deliver a load targeted for sampling. As appropriate, Sloan Vazquez will recommend improvements to the Materials Sort List, Policy and Procedures and Quarterly Reports on an as needed basis.

To complete the field sampling, Sloan Vazquez will schedule a three (3) person sorting crew, a project manager, and a field supervisor. The sorting crew is comprised of sorters who have performed many waste composition studies. Sloan Vazquez sorters are familiar with the target materials and contaminants and are able to quickly and correctly separate the materials in accord with the established protocol.

Sloan Vazquez will provide a skid-steer type of loader equipped with a clamp bucket, and a skid-steer operator in order to precisely remove the randomly selected cell from each randomly selected load/route. The project manager will serve as the loader operator, direct the sorting crew and record the results of each sample. The field supervisor will coordinate with the weighmaster to quickly identify incoming loads, spot the loads on the transfer station or MRF tipping floor, direct the loader operator to the selected load, and guide the operator to the precise cell for extraction and delivery to the sorting area. The material will be lifted by the loader and deposited into residential carts. The number of carts required to receive/store the sample material will vary depending upon the bulk density of the subject material. Because the loader cannot precisely deposit the entire content of the loader bucket into the residential carts, some of the extracted material will fall to the floor. Sloan Vazquez personnel will manually collect materials that fall in close proximity to the carts and deposit them into the designated sample collection/storage carts.

To ensure consistency with the quarterly contamination sampling conducted for the first and second quarters of 2011, we propose to commence each quarter's field work on Monday of the second, or third, week of the final month of each quarter, with the exact dates to be determined upon consultation with the SBWMA, Recology and SBR:

- Monday: Preparation and set-up for sampling.  
Coordination with Recology, South Bay Recycling, and SBWMA.  
Commence sampling and complete 12 samples.  
Staffing: Joe Sloan, Project Manager, Supervisor, three Sorters.
- Tuesday: Continue sampling and complete 12 samples  
Staffing: Project Manager, Supervisor, Three Sorters.
- Wednesday: Continue sampling and complete 12 samples  
Staffing: Project Manager, Supervisor, Three Sorters.
- Thursday: Continue sampling and complete 12 samples  
Staffing: Project Manager, Supervisor, Three Sorters.
- Friday: Continue sampling and complete 12 samples  
Staffing: Project Manager, Supervisor, Three Sorters.

Sloan Vazquez requires the timely delivery of the twelve (12) randomly selected loads on a daily basis between the hours of 7:00 A.M. and 7:00 P.M., or, as otherwise agreed between Sloan Vazquez and Recology personnel.

During the week following the field sampling, Sloan Vazquez principals, Joe Sloan and Enrique Vazquez will compile the results and complete the final report as set forth in Section 3: Scope of Work, of the Request for Proposals issued by the SBWMA on June 15, 2011. The Quarterly Sampling Reports will provide a detailed narrative, explain any unique circumstances, agreed upon changes to the methodology and include pictures taken during the sampling process and other documentation as requested by the SBWMA.

**PROPOSED BUDGET**

Sloan Vazquez will complete the up to sixty (60) Quarterly Contamination Measurements (i.e., sixty (60) randomly selected samples) and prepare a Report for submittal to the SBWMA for a fee of Twenty One Thousand – Two Hundred Fifteen Dollars (\$21,215.00). The fee for four quarters will not exceed Eighty Four Thousand – Eight Hundred Sixty Dollars (\$84,860.00). The fee includes all costs of travel, lodging, and meals. An additional ten percent (10%) contingency at the discretion of the SBWMA is also included in the budget to pay for unforeseen circumstances or additional work as directed by the SBWMA which shall be charged on a time and materials basis.

Separately, equipment and supplies required to complete the contamination measurement will be charged in an amount not to exceed Two Thousand Dollars (\$2,000.00) per quarter. The equipment and supplies required to complete the work include the following: skid-steer loader, shovels, brooms, sorting tables, tarps, gloves, safety apparel, safety glasses, hard hats, buckets, tubs, and trash cans/carts. As available, RethinkWaste, Recology, and/or South Bay Recycling may provide some, or all, of the required equipment and supplies.

In the event that the collection services contractor does not deliver the required number of randomly selected loads during the five (5) day sampling period or other delays outside the control of Sloan Vazquez occur, an additional not to exceed fee of Four Thousand Dollars (\$4,000.00) per day will be charged for each additional day that is required to complete the sixty (60) sample sampling process.

	Project				Fee per	
	Sorters	Manager	Supervisor	Principal	Quarter	Total
<b>Fees</b>						
Quantity	3	1	1	1	1	
Hours	50	55	50	32		
Rate	\$40	\$95	\$75	\$195		
<b>Total Fee</b>	<b>\$6,000</b>	<b>\$5,225</b>	<b>\$3,700</b>	<b>\$6,240</b>	<b>\$21,215</b>	<b>\$84,860</b>
<b>Expenses</b>						
Equipment & Supplies					\$2,000	<b>\$8,000</b>
<b>Contingency (@ 10%)</b>						<b>\$9,286</b>
<b>Not to Exceed Price</b>					<b>\$23,215</b>	<b>\$102,146</b>

## STAFF & HOURLY RATES

Classification	Name	Hourly Rate
Sorters	Various	\$40
Project Manager	Mike Sloan	\$95
Supervisor	Tommy Sloan	\$75
Principals	Joe Sloan & Enrique Vazquez	\$195

**APPENDIX A – PROFESSIONAL RESUMES**

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**JOE M. SLOAN**

Sloan Vazquez, LLC – 18006 Skypark Circle Ste. 205 – Irvine, CA 92614

Over the course of his career, Mr. Sloan has directed residential and commercial recycling, municipal contract development, commercial market development, comprehensive recycling programs, solid waste facility development, efficiency studies, rate adjustment process and public policy analysis. Mr. Sloan’s success in waste management can be attributed to his ability to rally diverse, sometimes adversarial groups of investors, corporate and public leaders, grass roots activists, managers and employees towards the accomplishment of a common goal.

**Education**

B.S., Political Science, Wyoming University

**Professional Affiliations**

Southern California Waste Management Forum

Southern California Conference on Environment and Development

Greater Los Angeles Solid Waste Management Association

National Task Force on Progressive Environmentalism

California Polytechnic University – Lecturer, Waste Management Certification

University of Southern California – Lecturer, Environmental Engineering Graduate Program

**Publications**

Streamlining the Solid Waste Facility Permitting Process, with Michelle Leonard, Pacific Research Institute, 1994

Solving the Trash Crisis, The Valley Republican, 1992

Progressive Environmentalism, National Center for Policy Analysis, 1991, contributor

Contracting for Municipal Solid Waste Management Services, with Lynn Scarlett, Reason Foundation

Recycling: Is it always good for the environment? Le Déchets, France - 2004.

One Way Bottle Leads to Dead End – Waste News 2005

**EXPERIENCE:**

**RESIDENTIAL AND COMMERCIAL RECYCLING**

Mr. Sloan designed, implemented and operated residential recycling and green waste programs for many municipalities. He directly managed numerous municipal contracts serving over 3,000,000 people and 1,000,000 households. Mr. Sloan was responsible for the program design, equipment selection, cost analysis of collection alternatives, promotion, community education program, detailed reporting and evaluation of program performance and, the sale of all recyclable commodities. Mr. Sloan has also prepared city, county and State reports and documentation of recovery and waste diversion for regulatory purposes. The following is a partial listing of municipal program development and management:

- |                    |   |
|--------------------|---|
| 1. Whittier        | curbside recycling                            |
| 2. West Covina     | automated green waste                         |
| 3. Glendora        | curbside recycling and green waste            |
| 4. Alhambra        | curbside recycling and green waste            |
| 5. Montebello      | curbside recycling and green waste            |
| 6. Monterey Park   | curbside recycling and green waste            |
| 7. La Mirada       | automated recycling and green waste           |
| 8. Covina          | automated recycling                           |
| 9. San Gabriel     | curbside recycling                            |
| 10. Temple City    | curbside recycling and green waste            |
| 11. South Pasadena | backyard recycling and green waste            |
| 12. San Marino     | backyard recycling and green waste            |
| 13. Norwalk        | automated trash, manual recycling-green waste |
| 14. Bell           | automated trash, recycling-manual green waste |
| 15. Lawndale       | automated trash, recycling-manual green waste |
| 16. Maywood        | automated trash, recycling-manual green waste |
| 17. Cudahy         | automated trash, manual green waste           |

- |                          |   |
|--------------------------|---|
| 18. Avalon               | material recovery facility and compost site |
| 19. L. A. Unincorporated | manual recycling and green waste            |
| 20. South Gate           | automated refuse and recycling              |

#### **MUNICIPAL CONTRACT DEVELOPMENT**

Mr. Sloan managed dozens of municipal contracts. In response to municipalities inviting proposals for comprehensive waste management services, Mr. Sloan developed successful turnkey proposals to thoroughly address the residential, commercial, industrial, recycling and hazardous waste elements of the solid waste stream.

#### **COMPREHENSIVE RECYCLING PROGRAM**

In response to State and Federal waste reduction and recycling mandates, Mr. Sloan developed comprehensive recycling programs for many cities. The Program includes:

- The use of Centralized Processing Facility (CPF)
- Selected commercial recycling
- Yard waste recycling program
- Drop-off program (redemption center development)
- Residential curbside recycling
- Quantification of source reduction and third party recycling

#### **SOLID WASTE AND RECYCLING FACILITY DEVELOPMENT**

Mr. Sloan is an expert in conceptual facility design and equipment selection for “clean” and “dirty” material recovery facilities (MRF’s) and transfer stations. He has managed zoning, building and solid waste permitting, construction and start-up operation and facilities. Mr. Sloan’s facility development projects include:

- Concept design, equipment selection, solid waste facility permitting, construction management, start-up management and material marketing for Los Angeles County’s largest and most successful MRF. The facility has a design capacity of over 8,000 tons per day. Mr. Sloan recovered and marketed approximately 10,000 tons per month of residential and commercial recyclables, including steel, wood products and organic recyclables.
- Concept design, equipment acquisition, operations management and material marketing for recycling, sorting, and plant serving ten Los Angeles County cities and approximately 100,000 households
- Project development, equipment selection and acquisitions for a unique recycling and solid waste composting operation on Catalina Island. The Project developed in response to AQMD’s requirement to close the solid waste incinerator on the island.
- Concept design, financing, equipment acquisition and installation, day-to-day operations management, marketing of all commodities for 200 ton per day single-stream recycling plant , in Wilmington, (L.A. Harbor) CA.
- Machinery installation and facility start-up management for 250 ton per day single-stream recycling plant, in Oakland, CA.



- Construction management, equipment installation, hiring and training management personnel, start-up operation management including equipment maintenance and safety programs for 500 ton per day single-stream recycling plant in San Jose, CA.
- Machinery installation and start-up operations management, including the training of managers and supervisors, and equipment maintenance and safety programs for 300 ton per day single-stream recycling plant in San Diego County, CA.

#### **EFFICIENCY STUDIES**

- Refuse, Recycling and Yard Waste Collection – Mr. Sloan has completed studies to improve routing to reduce the number of vehicles or overtime payroll required to perform services, reduce vehicle down-time and lower maintenance costs, improve worker safety and reduce Workers Compensation and other insurance costs, best use of third party facilities and services (material recovery facilities and transfer stations), reduce disposal costs, maximize recycling commodity sales revenue and improve fuel efficiency.
- Solid Waste Facilities – Mr. Sloan designed or modified facilities for greatest productivity. This involved incorporating new technologies and improved machinery including; conveyors, screens, baler, loading systems, etc. He also compared labor and operating cost savings to the cost of capital investment.

#### **RATE ADJUSTMENT PROCESS**

Mr. Sloan prepared and presented rate adjustment proposals to regulatory agencies (city, county, etc.). He negotiated rate adjustment criteria, rate support documentation and presentation to municipal staff and council

#### **PUBLIC POLICY ANALYSIS**

Mr. Sloan provides analysis of Federal, State and local waste management laws, regulations and pending legislation. He has written issue papers and position statements on public waste management policy and its impact upon local government agencies, industry and individuals.

#### **RECYCLABLE COMMODITY SALES**

Joe has developed market relationships and delivered thousands of tons of commodities recovered through municipal recycling programs to brokers and end-users around the globe. In addition to selling into longstanding markets for newspaper, old corrugated cardboard, mixed paper, office paper, color and white ledger, old computer paper, old magazine, all plastic grades, all container glass, and, ferrous and non-ferrous metals, Mr. Sloan has developed specialty markets for municipal organics and for materials recovered in C&D operations.

ENRIQUE VAZQUEZ

Sloan Vazquez, LLC – 18006 Skypark Circle, Ste. 205 – Irvine, CA 92614

Mr. Vazquez is a broadly experienced municipal solid waste and recycling advisor providing a wide range of consultative services to municipalities. Mr. Vazquez has proven experience in executive decision-making, policy direction, strategic business planning, financial management and labor relations. He is a strategist experienced in developing, presenting, and guiding projects through to closure. He offers excellent interpersonal skills with ability to interact with a range of personalities and styles.

Mr. Vazquez is proficient and qualified to provide many services including the following;

- Productivity and Improvement Audits,
- Operational Performance Review and Assessment,
- Financial Modeling and Analysis,
- Revenue Requirements Development,
- Allocation of Costs,
- Cost of Service and Rate Analysis,
- Costs/Benefit Analysis,
- Benchmarking Analysis,
- Routing and Billing Audits,
- Fleet Maintenance
- Rate Adjustment Review and Assessment
- Customer Service Procedures

***Summary of Qualifications***

Over the course of his career, Mr. Vazquez has years of experience as a project manager and in all the aspects of municipal waste management including collection, recycling and disposal. Mr. Vazquez has planned, organized and introduced new waste collection and recycling services to numerous municipalities in the Los Angeles County area. With over fifteen years of extensive experience with day-to-day operations, Mr. Vazquez has expertise in the various functions related to waste management as more fully described below.

**Residential and Commercial Waste Collection**

Mr. Vazquez's experience spans a wide range of waste collection functions including oversight of drivers and helpers, routing, customer service, dispatch, safety, training, sales and billing. Mr. Vazquez has directly responsible for the introduction of services to new service areas, the transition from manual to automated collection, the introduction of recycling and green waste collection programs, equipment selection, and driver hiring and training.

**Maintenance Shop Operations and Management**

Mr. Vazquez is well versed in refuse collection equipment including front-end loaders, rear-end loaders, automated side-loaders, scout trucks, roll-off trucks, automated carts, commercial bins, roll-off and debris boxes, wheel loaders, and forklifts. He is competent with fleet management and operations maintenance shop functions including staffing with mechanics and welders, repair and maintenance of trucks and equipment, preventative maintenance programs, parts purchasing, parts inventory

management (computerized and manual), container repair and management, tire shop operations, truck wash operations, and paint shop operations.

**Equipment Selection and Procurement**

Mr. Vazquez is knowledgeable in equipment evaluation and acquisition, including refuse trucks, pick-up trucks, automated containers, bins, recycling equipment, MRF/TS equipment, transfer tractors and trailers. He is experienced in procurement management and procedures and has developed and implemented purchasing procedures for several operating firms.

**Recycling Programs**

Mr. Vazquez has overseen the introduction of numerous residential curbside recycling programs including development of promotional materials, conducting community education workshops, container selection and distribution, vehicle selection and acquisition, driver hiring and training, routing and recycling materials processing.

**Solid Waste Facility Development & Operations**

Mr. Vazquez designed, sited and operated a curbside recycling processing center with a buyback operation. Subsequently, he provided general oversight of a large volume MRF operation. He has had responsibility over a small island landfill including all operations functions as well as permitting and compliance.

**Municipal Contract**

Mr. Vazquez managed dozens of municipal contracts. He has prepared numerous proposals in response to RFPs issued by municipalities; negotiated new contracts and renegotiated existing contracts; served as a liaison to city officials and staff; negotiated rate adjustment criteria, prepared and managed rate adjustment proposals including rate support documentation and presentation to municipal staff and council.

**Efficiency Studies & Financial Analysis**

Mr. Vazquez has completed studies to improve operations including routing and rerouting to reduce operating costs; maintenance operations reviews and driver training to reduce vehicle down-time and lower maintenance costs, improve worker safety and reduce workers compensation and other insurance costs.

**Management**

Mr. Vazquez has vast experience with human resources and labor relations. He has recruited key personnel, developed employee compensation and benefit programs, including wages, benefits, training, career path development and management trainee programs. He has established communication programs to manage the workforce through times of change due to mergers and integration of workforces, and consolidation of functions.

**Education**

Mr. Vazquez is a graduate of the University of Southern California having earned a Bachelor of Science degree in Business Administration, 1981.

**Municipal Programs Listing**

The following is a partial list of municipal programs for which Mr. Vazquez was responsible.

Municipality	Responsibilities
Avalon	Residential & commercial refuse collection; curbside recycling; landfill operations, MRF & compost site design.
Azusa	Residential & commercial refuse collection; curbside recycling & green waste collection.
Bell	Residential & commercial refuse collection; curbside recycling.
Covina	Automated residential & commercial refuse collection; curbside recycling & green waste collection.
Cudahy	Residential & commercial refuse collection; curbside recycling.
Glendora	Residential & commercial refuse collection; green waste collection.
Hawaiian Gardens	Automated residential & commercial refuse collection; curbside recycling & green waste collection; AB939 annual reporting.
Irwindale	Commercial refuse collection.
La Mirada	Residential & commercial refuse collection, curbside recycling & green waste collection.
Los Angeles County	Residential & commercial refuse collection & recycling.
Maywood	Automated residential & commercial refuse collection; curbside recycling & green waste collection; street sweeping.
Montebello	Residential & commercial refuse collection; curbside recycling, green waste collection.
Monterey Park	Residential & commercial refuse collection; curbside recycling, green waste collection.
Norwalk	Automated residential & commercial refuse collection; curbside recycling & green waste collection.
Riverside	Commercial refuse collection.
Rosemead	Automated residential & commercial refuse collection; curbside recycling & green waste collection.
San Gabriel	Automated residential & commercial refuse collection; curbside recycling & green waste collection.
San Marino	Residential back-yard refuse, recycling & green waste collection; commercial refuse collection.
Santa Fe Springs	Residential & commercial refuse collection; recycling center operation, curbside recycling processing facility.
South El Monte	Residential & commercial refuse collection; curbside recycling & green waste collection.
South Pasadena	Residential back-yard refuse, recycling & green waste collection; commercial refuse collection.
Temple City	Automated residential & commercial refuse collection; curbside recycling & green waste collection.
Whittier	Residential refuse collection & curbside collection.
West Covina	Automated residential & commercial refuse collection; curbside recycling & green waste collection.

**ATTACHMENT A - PROPOSAL CERTIFICATION**

FIRM NAME	Sloan Vazquez, LLC
ADDRESS	18006 Skypark Circe, Suite 205
TELEPHONE #	866-241-4533
FAX #	714-276-0625
CONTACT NAME AND TITLE	Joe Sloan President

**PROPOSER REPRESENTATIONS**

1. Proposer additionally certifies that neither Proposer nor its principals are presently disbarred, suspended, proposed for disbarment, declared ineligible or voluntarily excluded from participation in this transaction by any federal department or agency, any California State agency, or any local governmental agency.
2. Proposer did not receive unauthorized information from any RethinkWaste staff member during the RFP response period except as provided for in the RFP package or through formal addenda issued by RethinkWaste.
3. Proposer hereby certifies that the information contained in the Proposal and all accompanying documentation is true and correct.
4. Please check the appropriate box below:
  - If an individual submits the Proposal, he or she shall sign it, and if he or she is doing business under a fictitious name, the Proposal shall so state.
  - If the Proposal is submitted by a partnership, the full names and addresses of all members and the address of the partnership shall be stated and the Proposal shall be signed for all members by one or more members thereof.
  - If a corporation submits the Proposal, an authorized officer or officers shall sign it in the corporate name.
  - If a limited liability company submits the Proposal, an authorized officer or officers shall sign it in the corporate name.
  - If the Proposal is signed by a joint venture, the full names and addresses of all members of the joint venture shall be stated and each individual shall sign it.

By signing below, the submission of a Proposal with all accompanying documents shall be deemed a representation and certification by the Proposer that they have investigated all aspects of the RFP, that they are aware of the applicable facts pertaining to the RFP process, its procedures and requirements, and that they have read and understand the RFP.

Authorized Representative Name (Sign name)	
Authorized Representative Name (Print name)	Joe Sloan
Authorized Representative Title (Print title)	President
Complete additional signatures below as required.	
Authorized Representative Name (Sign name)	
Authorized Representative Name (Print name)	
Authorized Representative Title (Print title)	
Authorized Representative Name (Sign name)	
Authorized Representative Name (Print name)	
Authorized Representative Title (Print title)	

## ATTACHMENT B – REFERENCES FORM

***Client: City of Santa Monica, CA***

**Project: Operational Review of Solid Waste Division**

**Kim Braun, Acting Solid Waste Manager**

**2500 Michigan Ave.**

**Santa Monica, CA 90404**

**Tel: (310) 458.2223**

[Kim.braun@SMGOV.net](mailto:Kim.braun@SMGOV.net)

***Client: South Bayside Waste Management Authority (San Carlos, CA)***

**Project: Municipal MRF Services Procurement**

**Hilary Gans, General Manager**

**610 Elm Street, Suite 202**

**San Carlos, CA 94070**

**Tel: (650) 802.3507**

[hgans@rethinkwaste.org](mailto:hgans@rethinkwaste.org)

***Client: Monterey Regional Waste Management District (Marina, CA)***

**Project: C & D Material Processing and Storage Capacity Study**

**Timothy Flanagan, Assistant General Manager**

**14201 Del Monte Blvd.**

**PO Box 1670**

**Marina, CA 93933-1670**

**Tel: (831) 384.5313**

[tflanagan@mrwmd.org](mailto:tflanagan@mrwmd.org)

***Client: Brown, Outagamie & Winnebago Counties (Green Bay, WI)***

**Project: Municipal MRF Development Services**

**Philip Stecker, Director of Solid Waste**

**Outagamie County**

**1419 Holland Road**

**Appleton, WI 54911**

**Tel: (920) 832.1521**

[SteckePP@co.outagamie.wi.us](mailto:SteckePP@co.outagamie.wi.us)

***Client: City of Pasadena, CA***

**Project: Municipal Franchise Compliance Audit**

**Carmen Rubio, Program Coordinator II**

**PO Box 7115**

**Pasadena, CA 91109-9866**

**Tel: (626) 744.7162**

[crubio@cityofpasadena.net](mailto:crubio@cityofpasadena.net)

***Client: City of Mission Viejo, CA***

**Project: Municipal Solid Waste Procurement of Solid Waste Division**

**Denise Matson, Environmental Program Administrator**

**200 Civic Center**

**Mission Viejo, CA 92691**

**Tel: (949) 470.3010**

[dmatson@cityofmissionviejo.org](mailto:dmatson@cityofmissionviejo.org)

***Client: City of Los Alamitos, CA***

**Project: Municipal Solid Waste Procurement**

**Jeffrey L. Steward, City Manager**

**3191 Katella Ave**

**Los Alamitos CA 90720-5600**

**Tel: (562) 431.3538 ext 201**

[jstewart@ci.los-alamitos.ca.us](mailto:jstewart@ci.los-alamitos.ca.us)

***Client: City of La Mirada, CA***

**Project: Municipal Solid Waste Services Procurement**

**Steve Forster, Director of Public Works**

**15515 Phoebe Avenue**

**La Mirada, CA 90638**

**Tel: (562) 943.0131**

[sforster@cityoflamirada.org](mailto:sforster@cityoflamirada.org)



## **ATTACHMENT C – SAMPLE WORK PRODUCT**

The following is one example of a waste composition study conducted by Sloan Vazquez.

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## STAFF REPORT

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To: SBWMA Board Members  
From: Cliff Feldman, Recycling Programs Manager  
Date: July 28, 2011 Board of Director's Meeting  
Subject: Resolution Approving a Contract with Hilton, Farnkopf and Hobson Consulting, LLC for Collection Services and Facility Operations Contractor Data, Records, Systems and Reports Auditing

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### Recommendation

It is recommended that the SBWMA Board of Directors approve Resolution No. 2011-18 attached hereto authorizing the following action:

Authorize the Executive Director to execute the attached contract (**Exhibit A**) with Hilton, Farnkopf and Hobson Consulting, LLC for Collection Services and Facility Operations Contractor Data, Records, Systems and Reports Auditing for FY 2012 for a not-to-exceed amount of \$70,000.

### Analysis

Staff issued the Request for Proposals (RFP) for Collection Services and Facility Operations Contractor Data, Records, Systems and Reports Auditing on May 17, 2011 and received proposals from the following three consultant firms: Hilton, Farnkopf and Hobson Consulting, LLC (HF&H - Walnut Creek, CA), SloanVazquez, LLC (Irvine, CA), and R3 Consulting (Sacramento, CA). After evaluating the proposals, conducting interviews and following up with pertinent references, staff is recommending contracting with HF&H to perform this work for FY 2012 for a cost not to exceed \$70,000. HF&H has also teamed with Cascadia Consultants for work associated with this project.

The scope of work is provided with the Professional Services Agreement (**Exhibit A**). To summarize the scope of work, this project will entail a thorough auditing of both Recology San Mateo County (Recology) and South Bay Recycling's (SBR) data compilation, management, storage and reporting. The audit will also include assessing Recology's call center functions to ensure the accuracy of transcribing and reporting information, complaints and requests for service from customers. The scope of auditing SBR's operations will be limited to the scale house operations (i.e., tonnage reporting) and reporting of commodity revenues.

While all three companies that submitted proposals are qualified and capable of conducting the work, the primary rationale for selecting HF&H was based on cost and this firm's specific qualifications and experience performing auditing related work. The costs included in the three proposals are provided as follows:

HF&H - \$49,925  
SloanVazquez - \$42,150  
R3 Consulting - \$121,470

It is important to note that the contract with HF&H was increased in order to expand on the specific scope of services (approximately \$10,000) and also build in a 15% contingency (i.e., \$9,000) that is to be used only at the discretion of staff. None of the proposals included a contingency nor proposed to provide the expanded scope of services that was negotiated with HF&H, thus the costs proposed by the other firms would have also been increased accordingly.

The general rationale for this project is to conduct an audit to ensure the accuracy of tonnage reporting and since Recology's compliance with numerous performance standards and metrics are self reported. Thus, the auditing work will ascertain how well both Recology and SBR are obtaining, compiling and reporting data to the Member Agencies per the requirements prescribed in the Franchise Agreement(s) and Shoreway Environmental Center (SEC) Facility Operations Agreement, respectively.

In addition to the contract with HF&H, the auditing work will involve the services of another consultant, Ira Cohen Consulting, who will provide needed information technology data forensics expertise. This work was included in the RFP and the proposals received each relied on Mr. Cohen's expertise for this critical component of the work. The contract with Mr. Cohen will be for a not-to-exceed amount of \$15,000.

### **Background**

The Member Agencies Collection Services Franchise Agreements with Recology prescribe numerous performance standards and also require the company to compile information and submit monthly, quarterly and annual reports. The information and data contained in these reports is substantially self reported by the company. For example, all of the Performance Incentives and Disincentives (Attachment I) with the exception of disincentives related to contamination are self reported by Recology. In addition, the Liquidated Damages (Attachment J) events are also self reported by the company. The SEC Facility Operations Agreement with SBR requires the company to accurately record and report on tonnage.

### **Fiscal Impact**

The SBWMA FY 2012 budget includes \$165,000 for Collection Services Franchise Agreement Administration related activities. The contract with HF&H Consulting, LLC for a not-to-exceed amount of \$70,000 will be paid with these funds. In addition, a related contract with Ira Cohen Consulting for a not-to-exceed amount of \$15,000 will also be paid with these funds.

### **Attachments:**

Resolution 2011-18

Exhibit A -- Professional Services Agreement with HF&H Consulting, LLC



**RESOLUTION NO. 2011-18**

**RESOLUTION OF THE SOUTH BAYSIDE WASTE  
MANAGEMENT AUTHORITY BOARD OF DIRECTORS  
AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A CONTRACT  
WITH HF&H CONSULTING LLC FOR COLLECTION SERVICES AND FACILITY  
OPERATIONS CONTRACTOR DATA, RECORDS, SYSTEMS AND REPORTS  
AUDITING FY 2012**

**WHEREAS**, the South Bayside Waste Management Authority (SBWMA) Board of Directors has considered entering into a contract with Hilton, Farnkopf and Hobson Consulting, LLC, for the purpose of providing collection services and facility operations contractor data, records, systems and reports auditing; and

**WHEREAS**, on May 17, 2011 Staff issued a Request for Proposals (RFP) for Collection Services and Facility Operations Contractor Data, Records, Systems and Reports Auditing and subsequently received proposals from four consultant firms by the deadline of June 15, 2011; and

**WHEREAS**, while all three firms submitting proposals in response to the RFP issue on May 17, 2011 were qualified to provide the work solicited, the consultant firm of Hilton, Farnkopf and Hobson Consulting LLC scored the highest and a contract was negotiated with this firm; and

**WHEREAS**, attached as Exhibit A hereto is an Agreement for Professional Services that the Board has reviewed.

**NOW, THEREFORE, BE IT RESOLVED** by the SBWMA Board of Directors hereby approves the Agreement with Hilton, Farnkopf and Hobson Consulting, LLC, Exhibit A hereto.

**PASSED AND ADOPTED** by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on the this 28<sup>th</sup> day of July, 2011, by the following vote:

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

I HEREBY CERTIFY that the foregoing Resolution No. 2011-18 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on July 28<sup>th</sup>, 2011.

ATTEST:

\_\_\_\_\_  
Brian Moura, Chairperson of SBWMA

\_\_\_\_\_  
Cyndi Urman, Board Secretary



## AGREEMENT FOR PROFESSIONAL SERVICES

This Agreement is made and entered into as of the **29th day of July, 2011** by and between the **South Bayside Waste Management Authority** hereinafter "SBWMA", and **Hilton, Farnkopf and Hobson Consulting LLC (HF&H)** hereinafter "Consultant".

### RECITALS

This Agreement is entered into with reference to the following facts and circumstances:

- A. That SBWMA desires to engage Consultant to render certain professional services in the SBWMA jurisdictions;
- B. That Consultant is qualified to provide such services to the SBWMA; and
- C. That SBWMA has elected to engage the services of Consultant upon the terms and conditions as hereinafter set forth.

### TERMS AND CONDITIONS

#### **1. Services**

The services to be performed by Consultant under this Agreement shall be to **Audit Recology and SBR systems and reporting** outlined in Exhibit A.

Performance of the work specified above is hereby made an obligation of Consultant under this Agreement, subject to any changes that may be made subsequently hereto upon the mutual written agreement of said Parties.

#### **2. Term of Agreement**

Said services shall commence on execution and shall continue for completion of tasks within one year (12 month period). The term of the Agreement may be extended upon written agreement by both parties. Agreement can be terminated by either party with written thirty (30) day notice.

#### **3. Compensation**

Payment under this Agreement shall be as per Exhibit A, not to exceed **\$ 70,000.00**

#### **4. Authorization and Termination**

This Agreement becomes effective when endorsed by both Parties in the space provided below.

#### **5. Reliance of Professional Skill of Consultant**

Consultant represents that it has the necessary professional skills to perform the services required and SBWMA shall rely on such skills of the Consultant to do and perform the work.

#### **6. Relationship to Parties**

It is understood that the relationship of Consultant to SBWMA is that of an independent contractor and all persons working for or under the direction of Consultant are its agents or employees and not agents or employees of the SBWMA.

#### **7. Nonassignment**

This Agreement is not assignable either in whole or in part.

#### **8. Amendments**

This Agreement may be amended or modified only by written agreement signed by both Parties.

**9. Validity**

The invalidity, in whole or in part, of any provisions of this Agreement shall not void or affect the validity of any other provisions of this Agreement.

**10. Government Law/Litigation**

This Agreement shall be governed by the laws of the State of California and any suit or action initiated by either party shall be brought in the County of San Mateo, California. In the event of litigation between the Parties hereto over the terms or performance of this agreement the prevailing party shall be entitled to reasonable attorneys fees and costs..

**11. Mediation**

Should any dispute arise out of this Agreement, the Parties shall meet in mediation and attempt to reach a resolution with the assistance of a mutually acceptable mediator. Neither Party shall be permitted to file legal action without first meeting in mediation and making a good faith attempt to reach a mediated resolution. The costs of the mediator, if any, shall be paid equally by the Parties. If a mediated settlement is reached, neither Party shall be deemed the prevailing party for purposes of the settlement, and each Party shall bear its own legal costs. Mediation shall occur within 30 days of notice by either party, and if it does not occur within that period of time a legal action shall be permitted to be filed.

**12. Entire Agreement**

This Agreement, including Exhibit A, comprises the entire Agreement.

**13. Indemnity**

Consultant shall defend, indemnify and hold SBWMA and its officers, employees and agents harmless from any and all claims, damages, losses and expenses related to or as a result of intentional or negligent acts for which Consultant or its agents and employees are responsible.

**14. Insurance**

Consultant shall not commence work under this Agreement until all insurance required under this Paragraph has been obtained. Consultant shall furnish SBWMA with certificates of insurance evidencing the required coverage. The insurance shall be with a carrier that is licensed and in good standing in the State of California, and has an A.M. Best Co. rating of A/5 or better. The SBWMA will be named as additional insured in the policy. These certificates shall specify or be endorsed to provide that thirty (30) days notice must be given, in writing, to the SBWMA office of any pending change in the limits of liability or of any cancellation or modification of the policy.

**a. Worker's Compensation and Employer's Liability Insurance**

Consultant shall have in effect during the entire life of this Agreement Worker's Compensation and Employer's Liability Insurance providing full statutory coverage. In signing this Agreement, Consultant makes the following certification, required by Section 1861 of the California Labor Code:

I am aware of the provisions of Section 37900 of the California Labor Code which require every employer to be insured against liability for worker's compensation or to undertake self-insurance in accordance with the provisions of the Code, and I will comply with such provisions before commencing the performance of the work of this Agreement.

**b. Liability Insurance**

Consultant shall take out and maintain during the life of this Agreement such bodily injury and property damage liability insurance as shall insure the Consultant and SBWMA, its employees, officers and member entities while performing work covered by this Agreement from any and all claims for damages for bodily injury, including accidental death, as well as any and all claims due to consultant's negligence or willful misconduct for property damage which may arise from Consultant's work under this Agreement, whether such work be by Consultant or by any subcontractor or by anyone directly or indirectly employed by either of them. The amounts of



such insurance shall be One Million and no/100 Dollars (\$1,000,000.00) combined single limit bodily injury and property damage for each occurrence.

**15. Notice**

All notices required by this Agreement shall be given to SBWMA and Consultant in writing, by first class mail, postage prepaid, addressed as follows:

**SBWMA:**                      **Kevin McCarthy, Executive Director**  
South Bayside Waste Management Authority  
610 Elm Street, Suite 202  
San Carlos, CA 94070  
Phone: (650) 802-3500  
Fax: (650) 802-3501

**Consultant:**                **HF&H Consultants**  
**Robert Hilton**  
**Richard Simonson**  
201 N. Civic Drive Suite 230  
Walnut Creek, CA 94596  
Phone: (925) 977-6950  
FAX: (925) 977-6955

**IN WITNESS WHEREOF**, the Parties hereto have caused this Agreement to be executed on the date first written by their respective officers duly authorized in that behalf.

**SBWMA**

BY: \_\_\_\_\_  
Kevin McCarthy, EXECUTIVE DIRECTOR

DATED: \_\_\_\_\_, 2011

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Robert J. Lanzone, SBWMA ATTORNEY

DATED: \_\_\_\_\_, 2011

**CONSULTANT:**

BY: \_\_\_\_\_  
Robert Hilton, Engagement Director

DATED: \_\_\_\_\_, 2011

BY: \_\_\_\_\_  
Richard Simonson, Engagement Manager

DATED: \_\_\_\_\_, 2011

**NOTICE TO PROCEED**

BY: \_\_\_\_\_  
Cyndi Urman, Board Secretary

DATED: \_\_\_\_\_, 2011





201 N. Civic Drive, Suite 230  
Walnut Creek, California 94596  
Telephone: 925/977-6950  
Fax: 925/977-6955  
[www.hfh-consultants.com](http://www.hfh-consultants.com)

Robert D. Hilton, CMC  
John W. Farnkopf, PE  
Laith B. Ezzet, CMC  
Richard J. Simonson, CMC  
Marva M. Sheehan, CPA

July 15, 2011

Mr. Cliff Feldman  
Recycling Programs Manager  
South Bayside Waste Management Authority  
610 Elm Street, Suite 202  
San Carlos, CA 94070

**Subject: Proposal – Collection Services and Facility Operations Auditing Project**

Dear Mr. Feldman:

HF&H Consultants, LLC (HF&H) is pleased to submit this proposal to the South Bayside Waste Management Authority (Authority) in response to its May 17, 2011 Request for Proposals for Collection Services and Facility Operations Contractor Data, Records, Systems and Reports Auditing Project.

## Firm Description and History

### HF&H Consultants, LLC

The Authority is very familiar with HF&H, as we have been providing services in support of its success since our inception in 1989. Having performed more than 75 projects totaling more than 30,000 consulting hours, there is no other consulting firm in the industry more familiar with the Authority than HF&H Consultants.

HF&H's mission is to apply environmental, economic, and social principles to support each client's vision of a sustainable future. For more than 20 years, from our offices in Northern and Southern California, we have provided leadership, expertise, independence, and support to approximately 350 municipal agencies through more than 1,600 engagements. The results of these engagements have been to reduce tons of green house gas emissions, recycle tons of materials, and create hundreds of "green" jobs.

### Cascadia Consulting Group

Cascadia brings nearly 20 years of across-the-board experience in researching, planning, and implementing waste prevention and diversion programs. From crafting city- and state-wide recycling and "zero waste" programs to providing hands-on training to businesses and communities, Cascadia provides the information, analysis, and insight that keeps their clients—including the states of California, Oregon, and Washington—and the cities of Chicago, Los Angeles, Palo Alto, San Jose, and Seattle—on the forefront of the global trend toward sustainable resource management.

## Desirable Qualifications

### Highly Qualified Team for this Engagement

With team members from HF&H Consultants, Cascadia, and Ira Cohen IT Consulting who have professional certifications (e.g., CPA, CMC, PE) and decades of directly-related industry experience (both

Mr. Cliff Feldman  
July 15, 2011  
Page 2 of 2

as industry controllers and consultants to local government); we provide you a highly-qualified team who will ensure that each task is performed expertly.

Over the past ten years, HF&H has conducted numerous analyses for the Authority including a detailed records testing and customer service center audit which systematically investigated the authenticity and integrity of the records supporting the number and nature of customer complaints received by the customer service center, **which resulted in \$135,000 in liquidated damages** paid to the Member Agencies by the Authority's then-hauler Allied Waste Services. In addition, HF&H conducted a scale house audit of the Authority's transfer station (also operated by Allied Waste Services at the time), which resulted in a negotiated **settlement payment to the Authority for more than \$1,000,000** as a result of under reporting (and under charging) of non-weighed tons at the scale house. Lastly, HF&H conducted a detailed analysis and methodical confirmation of the accuracy of the Authority's plant material compost contractor (Newby Island). Our comprehensive audit **determined the plant material compost contractor's reports misstated the tonnage being composted versus used as alternative daily cover**, which was a violation of the agreement.

Even though many of our reviews/audits result in additional costs and sometimes changes to operations for the hauler, HF&H has always maintained positive and fair working relationships with the haulers we review. HF&H has received several letters of reference from local haulers confirming this statement. HF&H would be happy to provide these letters to the Authority upon request.

### Value

Our team offers you what you need – independent, extensive and particularly relevant experience; exceptionally qualified professional consulting team; authoritative industry databases; and, responsiveness - for a guaranteed not to exceed fee of \$69,486 (which includes a 15% contingency if additional tasks are necessary, at your sole discretion).

\* \* \* \*

We trust that we have been both comprehensive and thorough in our response to your RFP. Should you have any questions, we would be pleased to promptly respond to them. I can be reached directly at (925) 977-6957 or rsimonson@hfh-consultants.com.

Very truly yours,

HF&H CONSULTANTS, LLC

Richard J. Simonson, CMC  
Vice President

cc: Kimberly Erwin (HF&H)

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# Attachments

- |               |                            |
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| Attachment A. | Proposal Certification     |
| Attachment B. | Reference Forms            |
| Attachment C. | Relevant Project Write-Ups |
| Attachment D. | Detailed Staff Resumes     |

Also Enclosed: CD-ROM including five samples of work:

1. SBWMA – HF&H Allied Customer Service Monitoring Audit Report
2. SBWMA – HF&H Sample CSR Call Review Sheet
3. SBWMA – HF&H Gate House Audit Presentation
4. City of Brentwood – HF&H Financial and Operations Review Report
5. City of San José – HF&H Premier Franchise Fee and AB 939 Fee Audit Report
6. SBWMA – EPC (now Cascadia) Customer Satisfaction Audit Report

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## SECTION 1: APPROACH AND SCOPE OF WORK

### Proposer Approach

HF&H has prepared a detailed approach to confirm the legitimacy and accuracy of the information contained in reports issued by both Recology and South Bay Recycling (SBR), collectively "Contractors". We have provided a general description of each step in the process so that you can get an understanding of how we would manage the project.

### Scope of Work

#### Task 1 – Kick-off Meetings and Project Status Meetings

##### Subtask 1a – Kick-off Meeting with SBWMA and/or Recology and SBR Staff

The HF&H team will meet with SBWMA staff to: (1) discuss the goals and objectives of the reporting audit; (2) reach agreement on the roles and responsibilities of HF&H, SBWMA, and Contractor staff; (3) discuss the structure and components to be included in the final project report; and, (4) reach agreement on a project timeline.

If practical, the meeting would include Recology and/or SBR staff (which may include the District/Operations Manager(s) and Customer Service Manager) to: (1) discuss the goals and objectives of the customer service monitoring process and tonnage allocation reporting; (2) understand the methodology for Recology's documenting and reporting of customer complaints/requests; (3) understand the methodology for Recology/SBR's allocation of tons to each SBWMA member agency; (3) reach agreement on the procedures to be used by the HF&H team to assess compliance with the franchise agreement(s) performance and reporting standards; (4) discuss the roles and responsibilities of HF&H, Recology, and SBR staff; and, (5) reach agreement on a project timeline.

Prior to this meeting, HF&H shall prepare and send a request for information to Recology and SBR management to provide some background on topics to be discussed at the meeting. For example, we would request a narrative of Recology and/or SBR's step-by-step procedures for allocating collected tons to the SBWMA member agencies.

##### Subtask 1b – Follow-up Meetings/Conference Calls as Needed

The HF&H team will be available for periodic project status meetings and/or conference calls with SBWMA staff. These status meetings will allow the SBWMA staff to remain up to date of our team's progress on the project, as well as, understanding what roadblocks we may be facing which the SBWMA can provide guidance on how to remove the road block or provide direction on a revised work plan to accomplish the necessary task.

#### Task 2 – Report Review

##### Subtask 2a – Verify Completeness and Mathematical Accuracy of Quarterly Reports

We will review the reports to verify the quarterly reports submitted by the Contractors contain complete information (broken down by month) for each of the reporting categories required in accordance with Article 9.06 of the Recology agreement and Article 9.5 of the SBR agreement. We will verify the mathematical accuracy of the calculations contained in the reports (e.g., verifying the

quarterly totals accurately reflect the sum of the three months that make up the quarter). If required information is missing, we will request information from the appropriate Contractor.

### **Subtask 2b - Interview Appropriate Staff to Determine Sources of Reported Data**

We will meet with the appropriate Recology and SBR staff to discuss the source documents used to populate each section of the quarterly reports. We will trace at least one data point of each section to verify the documents stated to be the source do in fact tie to the data point. If not, we will request clarification until the ultimate source documents have been accurately determined. It is important to verify the source documents at this stage of the review so that the detailed testing in Task 3 below can be conducted in an efficient manner.

### **Subtask 2c – Prepare Matrix Documenting Sources for Each Report Category**

Based on the interviews with Recology and SBR staff, we will summarize the flow of documents used to populate the quarterly reports (and ultimately the annual reports, which will be reviewed in Task 8). The summary matrix will allow future record/reporting audits to be conducted in an efficient manner by Authority staff.

## **Task 3 – Evaluate Accuracy of Report Data – Recology**

### **Subtask 3a - Verify Accuracy of Tonnage Data Reported**

Recology's quarterly report includes tonnage collected by member agency by month and by service type (i.e., commercial, residential, multi-family, roll-off, etc.). We will test at least two separate months for each member agency (covering all twelve months during the year) of the tonnages reported and verify the amounts tie to the supporting documents. If significant variances are found, we will test additional months to determine if the discrepancy is systematic or an anomaly. For example, we will verify the 1,507.34 tons reported to have been collected in January from commercial customers in San Mateo ties to the supporting documentation and request explanations for any discrepancies. We will assess the reasonableness of the reported figures by comparing the figures to our industry benchmark database.

### **Subtask 3b - Verify Accuracy of Customer Service Data Reported**

We will test at least two separate months for each member agency (covering all twelve months during the year) of the customer service data points reported and verify the amounts tie to the supporting documents. If significant variances are found, we will test additional months to determine if the discrepancy is systematic or an anomaly. For example, we will verify the 38 missed pickup complaints reported in January in Atherton ties to the supporting documentation and request explanations for any discrepancies.

### **Subtask 3c - Verify Accuracy of Reported Outreach and Event-Specific Activities**

We will test at least two separate months for each member agency (covering all twelve months during the year) of the outreach and event specific activities reported and verify the amounts tie to the supporting documents. If significant variances are found, we will test additional months to determine if the discrepancy is systematic or an anomaly. For example, we will verify the four on-site assessments reported in January for Menlo Park did in fact occur by reviewing Recology's supporting documentation which may include contacting the customers. We will request explanations for any discrepancies.

**Subtask 3d - Verify Accuracy of Liquidated Damages, Incentive, and Disincentive Payments**

We will verify the liquidated damage, incentive, and disincentive payments have been properly calculated in accordance with the franchise agreements and tie to the reported incidences identified in subtask 3b above. We will request explanations for any discrepancies.

**Task 4 – Evaluate Accuracy of Report Data – SBR****Subtask 4a - Verify Accuracy of In-Bound Tonnage Data Reported**

SBR's quarterly report includes in-bound tonnage collected by member agency by month and by service type (i.e., commercial, residential, multi-family, roll-off, etc.). We will verify the reported data is consistent with what was reported by Recology. In addition, SBR is required to report tonnage received from the public, member agency vehicles, and other third-party customers. We will sample various tonnages reported and verify the amounts tie to the supporting documents. For example, we will verify the 294.22 tons of self-haul solid waste reported to have been received in March 2011.

**Subtask 4b - Verify Accuracy of Out-Bound Tonnage Data Reported**

SBR's quarterly report includes out-bound tonnage shipped from the facility. We will sample various tonnages reported and verify the amounts tie to the supporting documents. For example, we will verify the 22,890.28 total tons of outbound material reported to have been shipped from the facility in February 2011 tie to the supporting documents, which shall include weight tickets/reports from the facilities to which the material was delivered (e.g., Ox Mountain Landfill, Newby Island Compost Facility, etc.). We will request explanations for any discrepancies.

**Subtask 4c - Verify Accuracy of Commodity Revenue Data Reported**

SBR's quarterly report includes average per ton commodity revenue received from the marketing of recyclable materials. We will sample various commodity revenues reported and verify the amounts tie to the supporting documents. For example, we will verify the average rate of \$214.00 per ton for commingled plastics, SBR reported in April 2011, ties to the supporting documents. The supporting documents to be reviewed will include, but will not be limited to, sales receipts and tonnage reports. We will request explanations for any discrepancies.

**Subtask 4d - Verify Accuracy of Liquidated Damages**

We will verify the liquidated damages payments have been properly calculated in accordance with the franchise agreements and tie to the reported incidences identified. We will request explanations for any discrepancies. We will verify SBR has procedures in place to identify and report incidents which would trigger liquidated damages.

**Task 5 – Customer Service Call Center Audit****Subtask 5a - Monitor Calls and Make “Dummy” Calls**

To ensure customer complaints/requests have been accurately recorded and the data entry is consistent and sufficiently detailed, our team will monitor (by listening in) at least ten calls received by each CSR. We will document the customer's account number, the nature of the complaint/request, and the response by the CSR. Usually, through the random selection of ten calls per CSR you will not encounter every type of complaint/request. Therefore, to ensure each type of complaint has been tested, we will



make at least 40 “dummy” calls to test the accurate and consistent recording of each type of complaint required to be tracked per Article 9 of the Agreement(s).

We will compare the results to Recology’s procedures to verify each complaint/request was handled correctly and coded correctly so the call can be properly captured in the quarterly reporting performance statistics.

### **Subtask 5b - Test Call Center Reports**

Subtask 3b tested the accuracy of the customer service statistics included in Recology’s quarterly reports to verify they tie to the call center reports. However, testing just one way (from the quarterly reports to the source documents) will only verify the accuracy of the number of reported incidences (i.e., missed pickups, noise complaints, container placement complaints, etc.), not if the complaints have been properly coded by the CSR. To test the accuracy of the coding, we propose taking a statistically valid sampling of transactions of complaints received during April and June 2011 to verify the complaints have been properly coded. Such a threshold would require sampling at least 380 individual transactions, which will achieve a confidence level of 95% and a confidence interval of 5%. We will read the comments entered by the CSR and verify they match the complaint coding used to generate their quarterly reports.

## **Task 6 – Scale House Audit**

### **Subtask 6a - Interview Appropriate Staff**

We will meet with SBR management to discuss and understand the procedures in place for receiving, coding, and reporting the materials delivered to the Shoreway Environmental Center (SEC). We will seek to understand the methodology for determining the type of material, origin of material, and how such information is entered into SBR’s PC Scales software system. We will request a narrative explaining the method of allocating the franchised tonnage (brought to the facility by Recology) among the member agencies. This information will be used in the conduct of the tonnage allocation audit (Task 7). In addition, it will be important to understand how they account for materials left on the floor at the end of the month.

### **Subtask 6b - On-Site Monitoring of Scale House Transactions**

Through observation, we will verify the procedures represented during our conduct of Subtask 6a are in fact being followed. We will note any deviation and request explanation and/or quantify impact on reporting.

We will monitor the scale house activities to verify the scale house is being operated in accordance with the franchise agreement, as it relates to the data reported in SBR’s monthly, quarterly, and annual reports.

### **Subtask 6c - Test Weight Tickets**

A statistically-valid sampling of weight tickets will be selected for the verification of the procedures represented during our conduct of Subtask 6a. Such a threshold would require sampling at least 380 individual transactions, which will achieve a confidence level of 95% and a confidence interval of 5%. Such testing shall include: verifying the tare weight of the vehicle; verifying the collection route stated on the weight ticket ties to the information from Recology’s daily dispatch log; verifying the type of material listed on the weight ticket ties to the information from Recology’s daily dispatch log which will

state the assigned route and material type (i.e., is the assigned vehicle collecting solid waste, recyclable materials, or organic materials).

## **Task 7 – Tonnage Allocation Audit**

### **Subtask 7a - Gather Source Documents**

SBR and Recology are responsible for reporting the in-bound tonnage (by member agency) to the Authority on a monthly basis. Based on our understanding of the allocation methodology presented during the conduct of subtask 6a above, we will gather the applicable supporting documents to test the accuracy of SBR and Recology's tonnage allocation methodology. Typically, these documents include tonnage reports, customer account data, list of which vehicles are assigned to which routes, etc.

### **Subtask 7b - Test Reasonableness and Accuracy of Allocations**

We will review the reasonableness of the methodology employed to allocate collected tons among the member agencies. Verify SBR and Recology have used an industry standard approach. Industry standard approaches include allocating tonnage based on subscription volumes or number of customers.

If a route collects exclusively within one member agency, we will verify 100% of those tons have been allocated to that member agency.

Once the methodology has been identified, and determined to be reasonable, we will verify the mathematical accuracy of the monthly and quarterly totals included in SBR and Recology's quarterly reports. We will tie the total in-bound tons to SEC scale system and request explanations for any discrepancies.

## **Task 8 – Annual Report Review**

### **Subtask 8a - Verify Quarterly and Monthly Reports Tie to Annual Report**

The annual reports are due by February 15, 2012. We will verify the mathematical accuracy of the components of the annual report to verify the annual amounts in fact total the sum of the figures presented throughout 2010 in the monthly and quarterly reports.

### **Subtask 8b - Verify Accuracy of Operational and Other Reporting Data**

Any new information not previously required to be reported in the monthly or quarterly reports (i.e., number of set outs, number of routes, tons per route, etc.), will be reviewed and tied to their supporting documents.

## **Task 9 – Communicate Results**

### **Subtask 9a - Preliminary Draft of Findings and Recommendations**

We will prepare and review our work papers documenting the results of our analysis and our preliminary findings based on the results of our review described above. We will prepare a summary of recommended adjustments. The preliminary findings and recommendations shall include any recommendations for revised reporting and tracking documents and additional written procedures for administering and enforcing the contract.

**Subtask 9b - Meet and Confer with Authority and Contractors**

We will meet with Authority, Recology, and SBR management to review our preliminary findings and receive their comments and any additional information. Based on comments and/or additional information provided at the meeting(s), we will perform additional analyses and adjust our preliminary findings (if warranted) to ensure that all matters have been satisfactorily reviewed and consensus has been achieved with Recology, SBR and Authority management.

**Subtask 9c - Draft Report**

We will prepare and distribute a draft report documenting our findings and recommendations from the conduct of the tasks described above for review by the Authority, Recology, and SBR management. Our report shall include a matrix which summarizes the pertinent sections of the franchise agreements regarding record keeping, data management, and reporting; how the contractor(s) performed in regard to such sections (providing qualitative and quantitative support); and, any recommendations for revised procedures. In addition, our draft report shall include a narrative of findings and recommendations regarding the reasonableness and accuracy of the member agency tonnage allocations by SBR and Recology.

**Subtask 9d - Final Report**

Based on comments by the Authority, Recology, and SBR management, and any changes resulting from the follow-up discussions, we will amend the draft report and issue the final report.

**Task 10 – Engagement Management**

We will manage the project to ensure that the work is performed in a professional manner; properly planned and properly and efficiently executed, with the appropriate level of management supervision and review. We will prepare and amend detailed work plans, monitor engagement progress, and provide sufficient resources to ensure timely completion of the engagement, review analytical results and interim findings, review the draft and final reports, and respond to questions regarding the progress of the engagement and other issues.

HF&H also maintains a project management system which is capable of tracking project progress and schedule in real-time and can provide periodic updates to the Authority from this system upon request.

**Schedule**

We have prepared a timeline for the conduct of each task (by subtask). The performance of our review, in accordance with the schedule described, is dependent on:

- The ability of Recology and SBR to be available for discussions, to provide information, and respond to questions in a timely, complete, and accurate manner.
- The ability of the Authority staff to provide necessary direction and comments to draft work products in a timely manner.
- The ability of the Authority's preferred subcontractor (Ira Cohen IT Consulting) to be available to work the hours necessary to do the work at the general timeframe shown in the schedule below and to provide his findings and recommendations to the project manager in a timely, complete, and accurate manner.

We anticipate that neither Contractors management nor Authority staff will have difficulty performing in the manner we have assumed.

	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr
<b>Task 1. Kick-off Meetings</b>									
1a Kick-off Meeting with SBWMA staff	█								
1b Kick-off Meeting with Recology staff									
1c Kick-off Meeting with SBR staff									
<b>Task 2. Report Review</b>									
2a Verify Completeness and Mathematical Accuracy of Reports	█								
2b Interview Staff to Determine Sources of Reported Data		█							
2c Prepare Matrix Documenting Sources of all Report Categories									
<b>Task 3. Evaluate Accuracy of Report Data - Recology</b>									
3a Verify Accuracy of Tonnage Data Reported		█							
3b Verify Accuracy of Customer Service Data Reported		█							
3c Verify Accuracy of Reported Outreach/Event-Specific Activities		█							
3d Verify Accuracy of LDs, Incentive, and Disincentive Payments		█							
<b>Task 4. Evaluate Accuracy of Report Data - SBR</b>									
4a Verify Accuracy of In-bound Tonnage Data Reported			█						
4b Verify Accuracy of Out-bound Tonnage Data Reported			█						
4c Verify Accuracy of Commodity Revenue Data			█						
4d Verify Accuracy of LDs, Incentive, and Disincentive Payments			█						
<b>Task 5. Customer Service Call Center Audit</b>									
5a Monitor Calls and Make "Dummy" Calls			█						
5b Judgmental Sampling to Test Call Center Reports			█						
<b>Task 6. Scale House Audit</b>									
6a Interview Appropriate Staff				█					
6b On-Site Monitoring of Scale House Transactions				█					
6c Judgmental Sampling of Weight Tickets				█					
<b>Task 7. Tonnage Allocation Audit</b>									
7a Gather Source Documents				█					
7b Test Reasonableness and Accuracy of Allocations				█	█				
<b>Task 8. Review Annual Report</b>									
8a Verify Annual Report Ties to Quarterly and Monthly							█		
8b Verify Accuracy of Operational and Other Reporting Data							█		
<b>Task 9. Communicate Results</b>									
9a Preliminary Draft of Findings and Recommendations							█		
9b Meet and Confer with SBWMA and Contractors							█		
9c Draft Report							█		
9d Final Report							█		
<b>Task 10. Engagement Management</b>									

We understand the importance of maintaining the schedule above as we work towards the presentation of our findings and recommendations to the Board at their April 2012 meeting. Accordingly, it is crucial that we prepare and submit our draft and final reports to the SBWMA, Recology, and SBR staff with sufficient time for review and our revisions based on the requested edits. **We shall deliver our draft report no later than March 21, 2012 and our final report no later than April 13, 2012.** To illustrate our commitment to providing these work products on time, **we shall pay a liquidated damage amount of \$200 per day for each calendar day the report(s) are late,** with the exception that if the delay is determined to be caused by the SBWMA, Recology, or SBR, and not the HF&H team, we shall not be subject to such liquidated damages. In addition, to meet the deadline for the delivery of the final report, we shall need the **SBWMA staff to review and provide comments on the draft report no later March 30, 2012.**

## SECTION 2: PROPOSAL BUDGET

### Phase I Budget

		HF&H				Cascadia			Total Hours	Total Labor Cost
		R. Simonson	C. Costine	M. Gan	K. Erwin	R. Gertman	T. Bills	J. Coe		
Hourly Rate		\$225	\$175	\$125	\$90	\$180	\$125	\$90		
<b>Phase I - Review Monthly and Quarterly Reports</b>										
<b>Task 1 Kick-off Meetings and Project Status Meetings</b>										
a	Project Kick-off Meeting	4	4			4			12	\$2,320
b	Follow-up Meetings/Conference Calls as Needed	4	4				5		13	\$2,225
<b>Total Task 1</b>		<b>8</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>5</b>	<b>0</b>	<b>25</b>	<b>\$4,545</b>
<b>Task 2 Report Review</b>										
a	Verify Completeness and Mathematical Accuracy of Quarterly Reports				6				6	\$540
b	Interview Appropriate Staff to Determine Sources of Reported Data		4						4	\$700
c	Prepare Matrix Documenting Sources for Each Report Category	2	4	6					12	\$1,900
<b>Total Task 2</b>		<b>2</b>	<b>8</b>	<b>6</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>22</b>	<b>\$3,140</b>
<b>Task 3 Evaluate Accuracy of Report Data - Recology</b>										
a	Verify Accuracy of Tonnage Data Reported	2	8	12					22	\$3,350
b	Verify Accuracy of Customer Service Data Reported	1	6	6					13	\$2,025
c	Verify Accuracy of Reported Outreach and Event-Specific Activities	1	2	4					7	\$1,075
d	Verify Accuracy of Liquidated Damages, Incentive, and Disincentive Payments	2	4	2					8	\$1,400
<b>Total Task 3</b>		<b>6</b>	<b>20</b>	<b>24</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>50</b>	<b>\$7,850</b>
<b>Task 4 Evaluate Accuracy of Report Data - SBR</b>										
a	Verify Accuracy of In-bound Tonnage Data Reported	2	12	12					26	\$4,050
b	Verify Accuracy of Out-bound Tonnage Data Reported	2	8	6					16	\$2,600
c	Verify Accuracy of Commodity Revenue Data	1		4					5	\$725
d	Verify Accuracy of Liquidated Damages Payments	2	2						4	\$800
<b>Total Task 4</b>		<b>7</b>	<b>22</b>	<b>22</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>51</b>	<b>\$8,175</b>
<b>Task 5 Customer Service Call Center Audit</b>										
a	Monitor Calls and Make "Dummy" Calls	2	2			6	20	24	54	\$6,540
b	Test Call Center Reports	2	2	8			8	8	28	\$3,520
<b>Total Task 5</b>		<b>4</b>	<b>4</b>	<b>8</b>	<b>0</b>	<b>6</b>	<b>28</b>	<b>32</b>	<b>82</b>	<b>\$10,060</b>
<b>Task 6 Scale House Audit</b>										
a	Interview Appropriate Staff	2				2	2		6	\$1,060
b	On-Site Monitoring of Scale House Transactions		2				8	6	16	\$1,890
c	Test Weight Tickets	1	8				12	12	33	\$4,205
<b>Total Task 6</b>		<b>3</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>22</b>	<b>18</b>	<b>55</b>	<b>\$7,155</b>
<b>Task 7 Tonnage Allocation Audit</b>										
a	Gather Source Documents		2	8					10	\$1,350
b	Test Reasonableness and Accuracy of Allocations	2	8	8					18	\$2,850
<b>Total Task 7</b>		<b>2</b>	<b>10</b>	<b>16</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>28</b>	<b>\$4,200</b>

**Phase II and III Budget**

	HF&H				Cascadia			Total Hours	Total Labor Cost	
	R. Simonson	C. Costine	M. Gan	K. Erwin	R. Gertman	T. Bills	J. Coe			
Hourly Rate	\$225	\$175	\$125	\$90	\$180	\$125	\$90			
<b>Phase II - Review Annual Reports</b>										
<b>Task 8 Annual Report Review</b>										
a	Verify Quarterly and Monthly Reports Tie to Annual Report	2		6				8	\$890	
b	Verify Accuracy of Operational and Other Reporting Data	4	4					8	\$1,200	
<b>Total Task 8</b>		<b>0</b>	<b>6</b>	<b>4</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>16</b>	<b>\$2,090</b>
<b>Phase III - Communicate Results and Project Management</b>										
<b>Task 9 Communicate Results</b>										
a	Preliminary Draft of Findings and Recommendations	4	8		2	2		16	\$2,910	
b	Meet and Confer with SBWMA and Contractors	4	6					10	\$1,950	
c	Draft Report	4	14	6	2	4		30	\$4,750	
d	Final Report	1	2	2				5	\$755	
<b>Total Task 9</b>		<b>13</b>	<b>30</b>	<b>0</b>	<b>8</b>	<b>4</b>	<b>6</b>	<b>0</b>	<b>61</b>	<b>\$10,365</b>
<b>Task 10 Engagement Management</b>										
<b>Total Task 10</b>		<b>6</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>10</b>	<b>\$2,060</b>
<b>Total Project Hours/Fees</b>										
		<b>51</b>	<b>120</b>	<b>80</b>	<b>20</b>	<b>18</b>	<b>61</b>	<b>50</b>	<b>400</b>	<b>\$59,640</b>
									Out-of-Pocket Expenses	\$900
									Contingency (15%)	\$8,946
									Total	<b>\$69,486</b>

## SECTION 3: LIST OF STAFF AND HOURLY RATES

### Staff and Hourly Billing Rates

Name and Title	Billing Rate
Rick Simonson, CMC, HF&H Vice President	\$225
Colleen Costine, HF&H Senior Associate	\$175
Marisa Gan, HF&H Associate Analyst	\$125
Kim Erwin, HF&H Senior Administrative Assistant	\$90
Richard Gertman, Cascadia Principal	\$180
Tracie Bills, Cascadia Senior Associate	\$125
Jessica Coe, Cascadia Project Assistant	\$90

### Direct Expenses

Standard charges for common direct expenses are as follows:

Automobile Travel	Prevailing IRS mileage rate
Document Reproduction	15 cents per page (black & white)
	75 cents per page (color)
Facsimile	No charge
Telephone	No charge
Public Conveyances	Actual
Postage	Actual
Overnight Mail and Couriers	Actual