

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
ACTION AGENDA SUMMARY

DEPT: Department of Environmental Resources

BOARD AGENDA # SUA *B-3

Urgent

Routine

AGENDA DATE February 10, 2009

CEO Concurs with Recommendation YES NO

4/5 Vote Required YES NO

(Information Attached)

SUBJECT:

Approval to Issue a Request for Proposals for Stanislaus County Refuse Removal in Franchise Area #3

STAFF RECOMMENDATIONS:

1. Approve the issuance of a Request for Proposals for Stanislaus County refuse removal in Franchise Area #3.
2. Direct the Environmental Resources Director, or her designee, to return to the Board of Supervisors with a recommendation following the review of the responses to the Request for Proposals.

FISCAL IMPACT:

Bidding services for refuse removal in the unincorporated areas of Stanislaus County, Franchise Area #3, ensures that residents and businesses are receiving the most competitive rates available for the level of service provided.

(Continued on next page)

BOARD ACTION AS FOLLOWS:

No. 2009-106

On motion of Supervisor Monteith, Seconded by Supervisor Grover

and approved by the following vote,

Ayes: Supervisors: O'Brien, Chiesa, Grover, Monteith, and Chairman DeMartini

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) X Approved as recommended

2) _____ Denied

3) _____ Approved as amended

4) _____ Other:

MOTION:



ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

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FISCAL IMPACT (continued):

The residents and businesses in Area #3 will continue to be subject to maximum refuse collection rates as approved by the Stanislaus County Board of Supervisors. The current period for which rates have been established is through June 30, 2009, although the current Franchise Agreement for Area #3 expires on November 5, 2009. If the Board directs staff to proceed with this Request for Proposals for Franchise Area #3, staff anticipates the successful bidder for Area #3 will be considered by the Board for award in the summer of 2009, and that the approval will include fixed, maximum refuse collection rates for a given period which would also be considered by the Board at that time. The current rates approved by the Board of Supervisors effective July 1, 2008, would remain in place until the new proposal collection rates became effective upon the new contract term commencing November 5, 2009.

There is no cost to posting the notice inviting bidders.

DISCUSSION:

For over a year, staff from the Department of Environmental Resources (Department) has been working with the Board of Supervisors' Solid Waste Ad Hoc Committee and representatives from the Chief Executive Office and County Counsel to review our future direction as a County relative to solid waste collection services. These efforts included the development of a more simple approach to the rate setting process, a more comprehensive contract for franchise services, and a long-term strategy for improving the overall level of service at competitively bid pricing.

On November 4, 2008, the Board of Supervisors approved several staff recommendations relating to the first of these efforts: the development of a revised Refuse Rate Adjustment Methodology for determining maximum franchise refuse rates in the unincorporated areas, amended franchise regulations which incorporated the revised Methodology with two performance measures aimed at maintaining a high level of customer service, staff was directed to develop an ordinance for the Board's consideration that will incorporate an enforcement process for failure to meet performance measures or conditions specified in the Ordinance or Regulations, and lastly, the Board adopted new base rates from which future maximum franchise rates for solid waste collection services in the unincorporated areas will be set beginning July 1, 2009, using a combination of various consumer price indices.

On November 25, 2008, the Board directed staff to prepare a Request for Proposals (RFP) for Franchise Area #3 which is currently served by USA Waste of California, Inc., which operates under the umbrella of the parent company Waste Management, Inc. The current Agreement for Area #3 was established in 1997 for a fixed term of 10 years and was set to expire on November 5, 2007. Since that time, the Board has approved two one-year extensions to this Agreement, the most recent on June 24, 2008,

Approval of a Request for Proposals and Draft Franchise Agreement for Stanislaus County Refuse Removal in Franchise Area #3
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extending the Agreement through November 5, 2009. Area #3 consists of the following unincorporated areas: a portion of southwestern Modesto, Empire, Hughson, Denair, Waterford, and LaGrange. At this time, the Board also approved amending the Department's contract with HF&H, LLC, a firm with considerable experience in competitive procurements and a history of providing solid waste consulting services to the County, to prepare a proposal for assisting with this process.

Since this time, staff has worked with HF&H to develop the RFP and with County Counsel to develop the Franchise Agreement which are included as Attachment "A." The following is a summary of the Scope of Work covered in the RFP: residential, commercial, and drop box refuse service at the current (base) level, curbside recycling and bulky item collection at the base level, used oil collection plus the inclusion of used filters into the residential curbside collection program, assistance with public awareness efforts within Area #3, and the inclusion of an alternate curbside recycling program for the Board to consider. Specifically, this alternate program would be an automated program, collected bi-weekly for commingled recyclables and yard waste.

The revised draft Franchise Agreement is a much more comprehensive document than the Agreement currently in place for Area #3. In particular, in addition to incorporating the items mentioned in the preceding paragraph, the Agreement has been enhanced to cover the collection of Christmas trees, recycling at schools, emergency services, the modification of services, reduced service, affiliated and subsidiary companies, rate adjustments, reporting requirements, the timing of deliveries to the waste-to-energy (WTE) facility, and rules and regulations at the landfill and WTE facility to name a few, making it a much more workable tool for contract oversight purposes.

Although the RFP and Franchise Agreement are in final draft form at the time of the writing of this report, additional minor changes may be necessary in order to finalize these documents before posting them for bidding. In addition, it is important to note that Department staff have been working with County Counsel to bring an ordinance change to the Board for consideration in the near future. Currently the County's Ordinance limits franchise haulers to a single franchise area. The change to be recommended will allow local area franchise haulers to hold up to two franchise areas which will give them the opportunity to bid on Area #3 should they so choose.

If the Board of Supervisors approves staff's recommendations, the Department will work with the General Services Agency to post the RFP package and return to the Board in the summer of 2009, with a recommendation for the award of the Franchise Agreement.

POLICY ISSUE:

The Board of Supervisors should determine if approving this Request for Proposals and draft Franchise Agreement for Franchise Area #3 in the unincorporated area of Stanislaus County is consistent with the Board's priorities of the efficient delivery of

public services, a safe community, a healthy community, and a well-planned infrastructure system.

STAFFING IMPACTS:

There are no staffing impacts associated with this item.

Request for Proposal

Draft Franchise Agreement