



## **Staff Report**

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RESOLUTION ACCEPTING THE REPORT ON BRINGING SOLID WASTE SERVICES IN-HOUSE AND AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AMENDED PROFESSIONAL SERVICES AGREEMENT WITH HDR/BROWN, VENCE & ASSOCIATES TO PROVIDE CONSULTING SERVICES TO ASSIST THE CITY WITH DEVELOPING AND ISSUING A REQUEST FOR PROPOSAL FOR SOLID WASTE SERVICES FOR AN AMOUNT NOT TO EXCEED \$38,969 AND AUTHORIZING SUPPLEMENTAL FUNDING IN THE AMOUNT OF \$18,469 FROM THE SOLID WASTE MANAGEMENT FUND THAT WILL BE INCLUDED IN THE FINAL MID-YEAR BUDGET ADJUSTMENTS

Honorable Mayor and Council Members:

### **Summary**

City Council has provided direction to staff to explore solid waste collection service options outside of the process being undertaken by South Bayside Waste Management Authority (SBWMA).

The City entered into a professional service agreement with HDR/Brown, Vence & Associates (HDR/BVA) to evaluate solid waste collection options as follows: 1) whether or not the solid waste collection services should be performed by City crews in-house; 2) enter into an agreement with a private solid waste collection company outside the SBWMA Request for Proposal (RFP) process; 3) use the SBWMA RFP process to select a private solid waste collection company.

The consultant has completed their analysis of the City's capacity to provide solid waste services, and submitted their report. The report identifies City infrastructure requirements, labor and equipment requirements, and collection routing and operational considerations associated with an in-house City collection service. They also developed a cost model to identify likely customer rates needed to fund the improved services, which would be consistent with collection services identified in the SBWMA RFP process. The report concluded a City program would be feasible, and customer rates would need to increase approximately 6.7 percent (compared to current rates) to fund the City program. This increase would be primarily due to the expanded services envisioned rather than for any inherent inefficiencies or extra costs due solely to internalizing the solid waste functions.

### **Background**

The City Council has been disenchanted with the current franchise solid waste collection agreement that was developed through the SBWMA Joint Powers Board and has previously expressed concerns regarding the Request for Proposal (RFP) process that is currently on-going with SBWMA.

Council provided direction to staff to explore other options available to the City that may be outside of the SBWMA. The City retained the services of a consultant to analyze the cost of bringing the collection services in-house. The results of the analysis were shared with the Council at the February 26<sup>th</sup> City Council meeting. The option of the City providing solid waste services at reasonable rates is feasible, based on the conclusion of the study. In discussing the results of the study, City staff and the consultant concluded that another option for the City to explore is for the City to independently go out to bid for collection services. This will allow the City to compare the results of competitive proposals from the private sector, which may result in lower customer rates that can be expected with City provided services or received through the SBWMA RFP process.

City Council expressed concerns regarding the Consultant's Scope of Services and associated costs to undertake the preparation and evaluation of a RFP, and the preparation of an agreement with a potential vendor. The matter was referred to the Infrastructure Committee for additional review and refinement of the work to be undertaken.

The Infrastructure Committee was publically noticed to be held on Friday, February 29, 2008, at 4:00 P.M. being that there was a desire of more than two Council members to be present. A revised Scope of Services was reviewed and agreed upon by the three Council members present. The next phase of work to be undertaken by the consultant will include the preparation of a Request for Proposal, assistance with the Pre-proposal conference and a high level review of the responses to the collection RFP. This will provide sufficient information to assist the Council in evaluating this option and comparing this option to the "In-house" and SBWMA options.

It should be noted that City staff will require additional consultant services should the Belmont RFP option be selected by City Council. The additional group of tasks (Task 8 through Task 14) is outlined in the attached Scope of Services. The estimated cost to undertake this additional work is \$42,666.

### **General Plan/Vision Statement**

No impact.

**Fiscal Impact**

The cost to provide consulting services is for an amount not to exceed \$38,969 and will come out of the Solid Waste Fund Account No. 530-4340-8351. These are the funds that were returned to the City as the result of the settlement with Allied Waste for overcharging SBWMA for dumping at Ox Mountain. There was \$55,000 originally budgeted for Phase I and Phase II. Phase I cost \$31,400. The existing balance is \$20,500. An additional \$18,469 is required to fund Phase II. If approved by City Council, supplemental funds will augment the original budget and will be incorporated into the final Mid-Year Budget adjustments considered in March.

It should be noted that these funds will likely be recovered through the RFP process. It is common practice to require the vendors to make a non-refundable deposit of \$10,000 with their proposal. In addition, it is common to require the winning vendor to reimburse the City for all of its expenditures, less the amount paid in the non-refundable proposal deposit.

**Public Contact**

The Council agenda was posted. There was a publically noticed Infrastructure Committee held on Friday, February 29<sup>th</sup> at 4:00 P.M.

**Recommendation**

It is recommended that City Council accept the report on bringing solid waste services in-house and authorizing the City Manager to amend the professional services agreement with HDR/Brown, Vence & Associates to provide consulting services to assist the City with developing and issuing a request for proposal for solid waste services for an amount not to exceed \$38,969, and authorizing supplemental funding in the amount of \$18,469 from the Solid Waste Management Fund that will be included in the final Mid-Year Budget adjustments.

**Alternatives**

1. Take no action.
2. Refer back to staff for further information.
3. Deny approval.

**Attachments**

- A. Resolution
- B. Scope of Services (Council Only)

Respectfully submitted,

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Jack R. Crist  
City Manager

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION ACCEPTING THE REPORT ON BRINGING SOLID WASTE SERVICES IN-HOUSE AND AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AMENDED PROFESSIONAL SERVICES AGREEMENT WITH HDR/BROWN, VENCE & ASSOCIATES TO PROVIDE CONSULTING SERVICES TO ASSIST THE CITY WITH DEVELOPING AND ISSUING A REQUEST FOR PROPOSAL FOR SOLID WASTE SERVICES FOR AN AMOUNT NOT TO EXCEED \$38,969 AND AUTHORIZING SUPPLEMENTAL FUNDING IN THE AMOUNT OF \$18,469 FROM THE SOLID WASTE MANAGEMENT FUND THAT WILL BE INCLUDED IN THE FINAL MID-YEAR BUDGET ADJUSTMENTS**

**WHEREAS**, City Council provided direction to explore solid waste collection service options outside of the process being undertaken by South Bayside Waste Management Authority (SBWMA); and,

**WHEREAS**, City Council authorized retaining HDR/Brown, Vence and Associates to assist the City evaluate its options, which include bringing those services in-house, independently soliciting its own refuse collection firm and participating in the SBWMA process; and,

**WHEREAS**, the Consultant, working with the City Manager, Public Works Director and Finance Director has completed an analysis of bringing the refuse collection system in-house and concluded that it was feasible; and,

**WHEREAS**, the City Manager, Public Works Director and Finance Director believe that the best way to understand the feasibility of independently contracting for these services is to solicit proposals from interested service providers; and,

**WHEREAS**, the Consultant has extensive experience in assisting Bay Area cities with providing consultant services to both public agencies and to the private sector; and,

**WHEREAS**, the cost to provide solid waste collection consulting services in an amount not to exceed \$38,969 will be drawn from the Solid Waste Fund, Account Number 530-4340-8351; and,

**WHEREAS**, an additional \$18,469 is required to fund Phase II will augment the original budget and will be incorporated into the final Mid-Year Budget adjustments considered in March.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Belmont accept the report on bringing solid waste services in-house and authorizing the City Manager to amend the professional services agreement with HDR/Brown, Vence & Associates to provide consulting services to assist the City with developing and issuing a request for proposal for solid waste services for an amount not to exceed \$38,969, and authorizing supplemental funding in the amount of \$18,469 from the Solid Waste Management Fund that will be included in the final Mid-Year Budget adjustments.

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I hereby certify that the foregoing Resolution was duly and regularly passed and adopted by the City Council of the City of Belmont at a regular meeting thereof held on March 11, 2008 by the following vote:

AYES, COUNCILMEMBERS: \_\_\_\_\_

NOES, COUNCILMEMBERS: \_\_\_\_\_

ABSTAIN, COUNCILMEMBERS: \_\_\_\_\_

ABSENT, COUNCILMEMBERS: \_\_\_\_\_

\_\_\_\_\_  
CLERK of the City of Belmont

APPROVED:

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MAYOR of the City of Belmont