



CONSENT CALENDAR

Agenda Item # 2

AGENDA REPORT SUMMARY

Meeting Date: August 24, 2021

Subject: Approval of Amendment No. 2 to the Agreement between the City of Los Altos, California and R3 Consulting Group, Inc. for Contract Extension Negotiation Services for the City's Solid Waste Disposal at Newby Island and On-Call Solid Waste Support Services

Prepared by: Emiko Ancheta, Sustainability Coordinator

Reviewed by: James Sandoval, Engineering Services Director

Approved by: Gabriel Engeland, City Manager

Attachments:

1. Exhibit A- Scope of Services
2. R3 Consulting Group, Inc. Proposal

Initiated by:

Staff

Previous Council Consideration:

None

Fiscal Impact:

The cost of this amendment is \$109,857. The Solid Waste Enterprise fund has \$155,000 in the current Professional Services budget which is sufficient to cover this amendment.

Environmental Review:

Not applicable

Policy Question(s) for Council Consideration:

- Does the Council wish to authorize the City Manager to enter into a professional services agreement with R3 Consulting Group, Inc. for contract extension negotiation services for the City's solid waste disposal at Newby Island and on-call solid waste support services for FY 2021-22?

Summary:

- This is a request authorizing the City Manager to enter into a professional services agreement with R3 Consulting Group, Inc. for contract extension negotiation services for the City's solid waste disposal at Newby Island and on-call solid waste support services for FY 2021-22
- The proposal contract total of \$109,857 exceeds the City Manager's \$75,000 limit, which requires authorization by Council

Reviewed By:

City Manager

GE

City Attorney

JH

Finance Director

JM



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- SB 1383 establishes methane emissions reduction targets statewide in an effort to reduce emissions of short-lived climate pollutants (SLCP) of 50% by 2020 and 75% by 2025; and including but not limited to requirements for jurisdictions to conduct education and outreach on organics recycling
 - The City will enter into contract with negotiations for a new disposal contract with Newby Island as the current contract expires November 20, 2023

Staff Recommendation:

Authorize the City Manager to execute a professional services agreement between the City of Los Altos and R3 Consulting Group, Inc. in the amount not-to-exceed \$109,857 to provide Contract Extension Negotiation Services for the City's solid waste disposal at Newby Island and On-Call Solid Waste Support Services for FY 2021-22



Subject: Approval of Amendment No. 2 to the Agreement between the City of Los Altos, California and R3 Consulting Group, Inc. for Contract Extension Negotiation Services for the City's Solid Waste Disposal at Newby Island and On-Call Solid Waste Support Services

Purpose

To execute a professional services agreement between the City of Los Altos and R3 Consulting Group, Inc. in the amount not-to-exceed \$109,857 to provide Contract Extension Negotiation Services for the City's solid waste disposal at Newby Island and On-Call Solid Waste Support Services for FY 2021-22.

Background

The Engineering Services Department has been using R3 Consulting Group, Inc. for solid waste support services for many years. R3 provides solid waste management services to municipalities including regulatory compliance, community outreach and education, diversion mandates and more. R3's current contract has a term through FY-22/23. R3 will assist the City with the new disposal contract negotiations and SB 1383 planning and implementation components.

City will enter into negotiations for an extension of the existing disposal contract with Newby Island as the current contract expires November 20, 2023.

In September of 2016, Governor Jerry Brown signed into law SB 1383 and the California Department of Resources Recycling and Recovery (CalRecycle) finalized the SB 1383 organic waste diversion regulations in November of 2020. SB 1383 establishes methane emissions reduction targets statewide in an effort to reduce emissions of short-lived climate pollutants (SLCP)¹. The bill establishes statewide reduction targets to reduce emissions of SLCP of 50% by 2020 and 75% by 2025; including but not limited to requirements for jurisdictions to conduct education and outreach on organics recycling to all residents, businesses (including those that generate edible food that can be donated) haulers, solid waste facilities, and local food banks and other food recovery organizations. Local jurisdictions must comply with the SB 1383 regulations by January 1, 2022.

R3 will assist the City with these two major tasks as well as other solid waste requirements.

Discussion/Analysis

R3 has assisted many jurisdictions in monitoring and planning for changes in solid waste programs that will be needed under the new SB 1383 regulations. R3 will assist the City in planning for the requirements stipulated in the regulations in the next fiscal year, train staff on the requirements, and assist with implementation of the various tasks.

¹ Short-lived climate pollutants (SLCPs) are climate pollutants—such as methane, black carbon, hydrofluorocarbons—that have a much higher global warming potential than carbon dioxide.



Subject: Approval of Amendment No. 2 to the Agreement between the City of Los Altos, California and R3 Consulting Group, Inc. for Contract Extension Negotiation Services for the City's Solid Waste Disposal at Newby Island and On-Call Solid Waste Support Services

R3 Consulting Group, Inc. will provide support services for the City through the 2021-2022 fiscal year for the following tasks:

1. Negotiations for the City's disposal contract with Newby Island Landfill;
2. Planning and implementation assistance for Senate Bill (SB) 1383;
3. Review of Mission Trail Waste System (MTWS)'s annual rate adjustment;
4. Ongoing support for the implementation of the solid waste ordinance;
5. SB 1383 Waiver Evaluation Site Visits;
6. Contract management assistance;
7. 2020 Electronic Annual Report compilation and submittal;
8. Four quarterly meetings and as-needed on-call support; and
9. Training staff on solid waste related matters.

Options

- 1) Authorize the City Manager to execute a professional services agreement between the City of Los Altos and R3 Consulting Group, Inc. in the amount not-to-exceed \$109,857 to provide Contract Extension Negotiation Services for the City's solid waste disposal at Newby Island and On-Call Solid Waste Support Services for FY 2021-22.

Advantages: Support services provided by R3 for solid waste tasks will allow the City to maintain compliance with State and the Municipal Code.

The City does not have the required expertise in house to negotiate the disposal contract on its own. R3 Consulting Group (R3) are experts in negotiating, developing, and executing disposal collection agreements for government agencies and will support staff to negotiate effectively. R3 specializes in municipal solid waste management and understands the complexities of the disposal markets and vendors. R3 works with numerous jurisdictions throughout the Bay Area on negotiations and leverages their technical and financial expertise to provide jurisdictions with assistance throughout the negotiation process.

Disadvantages: The City could explore options to staff the various regulatory solid waste tasks and negotiations, although this could result in compliance delays and require additional budget.



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2) Do not authorize the City Manager to execute a professional services agreement between the City of Los Altos and R3 Consulting Group, Inc. in the amount not-to-exceed \$109,857 to provide Contract Extension Negotiation Services for the City's solid waste disposal at Newby Island and On-Call Solid Waste Support Services for FY 2021-22.

Advantages: The City could consider alternate options to staff the regulatory tasks and negotiations, this may require an increase to the allocated budget.

Disadvantages: Result in delays to the tasks and action items required by the State and the Municipal Code. Contract negotiations without the expertise of R3 could result in higher rates due to inadequate negotiations.

Recommendation

The staff recommends Option 1.



SCOPE OF SERVICES
CONTRACT EXTENSION NEGOTIATION SERVICES FOR THE CITY'S SOLID
WASTE DISPOSAL AT NEWBY ISLAND AND 2021 ON-CALL SOLID WASTE SUPPORT
SERVICES FOR THE CITY OF LOS ALTOS

June 7, 2021

BASIC SERVICES

This scope of work includes:

- Negotiations for the City's disposal contract with Newby Island Landfill;
- Planning and implementation assistance for Senate Bill (SB) 1383;
- Review of Mission Trail Waste System (MTWS)'s annual rate adjustment;
- Ongoing support for the implementation of the solid waste ordinance;
- SB 1383 Waiver Evaluation Site Visits;
- Contract management assistance;
- 2020 Electronic Annual Report compilation and submittal;
- Four quarterly meetings and as-needed on-call support; and
- Training staff on solid waste related matters.

TASK 1 - Disposal Contract Negotiations

Consultant recommends beginning disposal contract negotiations about 30 months prior to the end of the contract's term.

TASK 1.1 - Deal Points and Strategy

Consultant will work with City staff to develop "deal points" to guide the negotiation process with Republic Newby Island. The final list of deal points will be presented to the City for approval and incorporated into the negotiation process. In instances where proposed contractual requirements will be significantly different from those in the current contract, the consultant will prepare draft language for Republic to consider during the negotiation process.

The deal points may include matters such as:

- The rate for disposal at Newby Island; as well as adding additional rates for C&D processing, inerts, and other materials delivered by MTWS to Newby Island;
- The total quantity of disposal tonnage accepted by Newby Island; and
- "Favored nation" status in relation to the other disposal contracts with Newby Island that will be coming up for negotiations in the coming few years.

Consultant will lead and serve on the negotiation team throughout the negotiation process. This will include attending meetings with City staff, preparation of negotiation session agendas, and attendance at negotiation sessions (virtual only). During the negotiation process, Consultant will review and analyze cost data presented by Republic.

To the extent necessary, written responses will be prepared and presented. In addition, consultant will maintain a journal of items under discussion and items that have been agreed to. Consultant will also

monitor and track proposed changes to the contract. Consultant will regularly meet with City staff during the negotiation process for status updates and to discuss the status of ongoing negotiations.

TASK 1.2 - Prepare Amended Disposal Contract

Using the current contract as the base document, Consultant will prepare amendments to the contract for review by the City and Republic. The amendments will establish the scope of services to be provided by the contractor, including the “deal points” established in Task 1. This involves turning the key concepts identified in Task 1.1 into concrete contract amendment language, subject to the review, comment, and revision of both parties until such time as both parties are comfortable agreeing to the terms of the contract.

The contract will also encompass and detail, to the satisfaction of both parties (City and Republic), the City interests established in Task 1.1. Once comments from the parties have been received and resolved, consultant will finalize the amended disposal contract for City Council approval.

TASK 1.3 - Finalize Disposal Contract for City Council Approval

Consultant will present the results of Task 1.3 to the City Council, including recommendations made by the contract negotiation team. This will include a summary of the negotiation process and the results and recommendations for award of the contract.

If at any time, either party chooses to end negotiations, consultant will utilize the remaining task budget to assist the City in the preliminary steps of preparing an RFP and any needed elected engagement, consultant does not anticipate that the proposed budget will be sufficient to assist the City in the entire RFP process.

Task 1 Deliverables

- Deal points term sheet;
- Preliminary negotiation schedule;
- Weekly check-in meetings, by phone, with City and/or Republic;
- Preparation of negotiation session agendas;
- Preparation and attendance at negotiation sessions, up to six;
- Preparation and attendance at meetings with City staff, up to three;
- An electronic copy of the draft contract amendments;
- Public meetings/City Council presentations, up to one;
- Final amended contract for City Council approval;
- Presentation to City Council; and
- An electronic copy of the final amended contract.

TASK 2 – SB 1383 Planning and Implementation

Consultant has assisted many jurisdictions in monitoring and planning for changes in solid waste programs that will be needed under the new SB 1383 regulations.

Consultant will assist the City in planning for the requirements stipulated in the regulations in the next fiscal year, training City staff on the requirements, and assist in coordination with the County TAC, surrounding jurisdictions, and other stakeholders, and now proposes to:

- Prepare municipal code updates, revise the code according to staff and City Attorney feedback, prepare a final draft of the code update for City Council approval, present the municipal code update to City Council during the first reading, and attend the meeting adopting the municipal code update;
- Play a coordinating role with the City and MTWS on the universal organics roll-out, scheduled for September 2021;

- Review MTWS updates to its Annual Service Guide and quarterly newsletters to ensure that the public education provided by MTWS facilitates full compliance with the outreach and education requirements of SB 1383;
- Assist staff in planning for staff activities in 2022 to comply with SB 1383;
- Provide preliminary and final cost estimates for SB 1383 compliance in FY 2022-2023; and
- Assist staff in coordination with other regional entities on procurement and edible food recovery planning efforts.

Task 2 Deliverables

- SB 1383 planning and implementation, including municipal code updates and assistance to staff on meeting requirements not covered by the contract with MTWS.

TASK 3 – Annual RRI(Refuse Rate Index)

Consultant will review MTWS’ CPI Rate adjustment for fiscal year (FY) 2022-23 to confirm that:

- The correct indices were used;
- It is mathematically accurate; and
- It is consistent with applicable terms and conditions of the Agreement.

Consultant review will include the following steps:

- Confirm that MTWS provided the required information;
- Verify that MTWS correctly calculated and applied the changes in the appropriate CPI index;
- Verify that MTWS correctly recalculated the Maximum Rates to reflect changes in the CPI index;
- Make any necessary corrections to MTWS’ calculations and Maximum Rates, and verifying the changes with City Staff and MTWS;
- Prepare an electronic memorandum summarizing the results of MTWS’s RRI adjustment request for City Staff; and
- Assist with drafting resolution adopting FY 2022-23 Maximum Rates sheets for approval by City Council.

Task 3 Deliverables

- Electronic memorandum describing findings and recommended rate adjustment; and
- Consultant meetings with the City and MTWS, as needed.

TASK 4 – Solid Waste Ordinance Ongoing Support

Consultant has assisted the City in the implementation of the first and second phases of the solid waste ordinance, which involved mailing notifications to covered waste generators informing them of the requirement to subscribe to service and providing the self-haul documentation form for them to use to document compliance.

This task will include the mailings of additional notification letters for the 2021 year, as determined appropriate by the City. Consultant will also review and tabulate (in Excel) the results of reports received from the generators notified in the 2021 round of notifications, as available.

Additionally, as a part of this task, the consultant will complete the needed AB 341 and AB 1826 maintenance activities as needed for the 2020 EAR.

Task 4 Deliverables

- One (1) electronic list of solid waste ordinance non-compliant generators;
- Mailing of the letter and self-haul/exempt reports to non-compliant generators;

- List of covered compliant and non-compliant businesses for Ab 341 and AB 1826;
- Review of submitted self-haul reports, as received; and
- One (1) Excel workbook with a summary of reported exceptions to the solid waste ordinance and reported tons of non-MTWS collected commercial and multi-family solid waste generation

TASK 5 – SB 1383 Waiver Evaluation Site Visits

Consultant’s subconsultant, Cascadia Consulting Group, Inc., (Cascadia) will complete the following tasks:

- Complete up to 150 drop-in (unscheduled) exemption/waiver evaluations, via on-site visit, by June 30, 2022. Cascadia will attempt to coordinate visits according to collection days to ensure material is available for observation.
- Take notes in outreach data tracking platform, leveraging existing account information (business name, address, account number). Notes will include:
 - Estimated quantities of SB 1383 defined organics
 - Summary of discussion with onsite representatives
 - Customer requested additional services (service change, container replacement, etc.)
 - Updated contact name and phone number
 - Photos of materials observed in collection containers
 - Type of exemption (space or de minimis) or note if business is not eligible for any exemption - these businesses will be deemed “out of compliance”
- Upon completion of site visits, Cascadia will export all account information with site visit notes and photos with both a detailed workbook and summary results as well as recommendations for next steps.

Task 5 Deliverables

- Up to 150 site visits to waiver applicants

TASK 6 – Contract Management Assistance

Consultant will review performance of MTWS covered programs in the collection services agreement, primarily education and outreach programs. Consultant proposes to assist the City in managing key programs covered under the contract to ensure a smooth transition to the negotiated extension executed in April 2020.

Task 6 Deliverables

- Ongoing support for contract management with MTWS during negotiations; and
- Review of quarterly reports as submitted by MTWS for key matters of interest, including diversion, dry waste processing, and education and outreach activities.

TASK 7 – 2020 Electronic Annual Report

Consultant will provide assistance to the City for this year’s Electronic Annual Reports (EAR), similar to the previous 2016-2019 EAR. With additional planning and lead time, and with the consultant’s familiarity with the solid waste programs offered in Los Altos, R3 will assist in expanding the level of detail provided in this year’s EAR.

Based on consultant’s review of the City’s programs and discussion with City staff and MTWS, consultant will identify any additional information or data needs for the various programs for inclusion in the EAR.

ATTACHMENT 1

Information requests will then be submitted to the various parties, as applicable, to obtain the required information. Additional value-added benefits include:

- The review of Newby Island Special Waste Reports to determine whether waste attributed to Los Altos can be deducted from the annual report tonnages;
- Review of existing program descriptions and expansion for additional documentation of the excellent diversion programs active in Los Altos; and
- Additional investigation of non-franchised disposal tons attributed to Los Altos.

Using the information gathered, consultant will draft the EAR and provide a draft to the City for review and comment. Consultant will then finalize the EAR and submit to the City for submission to CalRecycle. At the City's discretion, consultant will upload the information to CalRecycle's website for submittal.

Consultant's task budget assumes that MTWS will provide the City with quarterly and annual reports of all information required for the EAR on a timely basis (e.g., within 45 days after the end of each quarter). As necessary, consultant will follow up with MTWS to assure that all available information is accurately reported in the Annual Report.

Task 7 Deliverables

- One (1) "needs list" containing additional requested information from City staff and MTWS;
- One (1) electronic draft EAR for review by City staff; and
- One (1) electronic copy of the final EAR by August 1, 2021.

TASK 8 – Quarterly Meetings and On-Call Support

In support of and in addition to the deliverables in Tasks 1 – 7, consultant will virtually attend up to four quarterly meetings with the City and MTWS. Consultant's participation in these meetings will be to coordinate with the City and MTWS schedule, information needs, and deliverables related to the other tasks included in this proposal. Consultant will also provide additional on-call support as needed by the City.

Task 8 Deliverables

- Attendance (virtual) for up to four (4) quarterly meetings with the City and MTWS; and
- On-call support and deliverables as needed and agreed upon.

TASK 9 – Staff Training

Consultant is prepared to help support existing and any possible new staff members and educate those needing information pertaining to, but not limited to:

- Contract management;
- AB 341 and AB 1826 requirements;
- Universal roll-out implementation support and solid waste ordinance support; and
- The City's franchise agreement.

Task 9 Deliverables

- On-call support and deliverables as needed and agreed upon.

SCHEDULE

The modification to the scope of work, as described above, shall be completed as requested by the City.

FEE SCHEDULE

The not-to-exceed cost for the services in this agreement is \$109,857.

PROJECT BUDGET

TASK	COST	HOURS
Disposal Contract Negotiations	\$ 29,250	150
SB 1383 Planning and Implementation	\$ 13,650	70
Annual RRI	\$ 2,430	16
Solid Waste Ordinance Ongoing Support	\$ 6,200	40
SB 1383 Waiver Evaluation Site Visits	\$36,427	N/A
Contract Management Assistance	\$ 2,680	16
2020 Electronic Annual Report	\$ 4,220	30
Quarterly Meetings and On-Call Support	\$ 10,000	60
Staff Training and SB 1383 Preparedness	\$ 5,000	30
TOTAL HOURS		412
TOTAL COST	\$109,857	

BILLING RATES AND CHARGES

2021 BILLING RATES AND CHARGES	
Classification	Hourly Rate
Principal	\$225 per hour
Project Director	\$215 per hour
Senior Project Manager	\$190 per hour
Project Manager	\$185 per hour
Senior Project Analyst	\$165 per hour
Senior Administrative Support	\$160 per hour
Project Analyst	\$155 per hour
Associate Analyst	\$145 per hour
Administrative Support	\$125 per hour
Reimbursable Costs	
Consultants/Subcontractors	Cost plus 10%
Lodging and meals	Direct cost
Travel — Private or company car	At Current Federal Rate
Travel — Other	Direct cost
Delivery and other expenses	Direct cost



June 18, 2021

Ms. Aida Fairman, Engineering Services Manager
City of Los Altos
1 North San Antonio Road
Los Altos, CA 94022
submitted via email: afairman@losaltosca.gov

**Subject: Proposal for Disposal Contract Negotiations and Special Focused
Diversion Assistance**

Dear Ms. Fairman:

R3 Consulting Group, Inc. (R3) is pleased to submit the attached scope of work, schedule, cost proposal, and billing rates to provide disposal contract negotiations assistance and extended Diversion Assistance FY 21-22 for the City of Los Altos (City).

This proposal provides the scope of work and proposed cost for seven solid waste-related matters, including:

1. Negotiations for the City's disposal contract with Newby Island Landfill;
2. Planning and implementation assistance for Senate Bill (SB) 1383;
3. Review of Mission Trail Waste System (MTWS)'s annual rate adjustment;
4. Ongoing support for the implementation of the solid waste ordinance;
5. SB 1383 Waiver Evaluation Site Visits;
6. Contract management assistance;
7. 2020 Electronic Annual Report compilation and submittal;
8. Four quarterly meetings and as-needed on-call support; and
9. Training staff on solid waste related matters.

Rose Radford will be the primary point of contact for this engagement and will be supported by other qualified R3 staff as necessary. **Garth Schultz**, as Principal of R3, would execute any resultant contract formally accepting the proposal.

We appreciate the opportunity to submit our proposal. Should you have any questions regarding our proposal, or need any additional information, please don't hesitate to reach out directly.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Rose Radford'.

Rose Radford | *Project Manager*
R3 Consulting Group, Inc.
415.347.9536 | rradford@r3cgi.com

A handwritten signature in blue ink, appearing to read 'Garth Schultz'.

Garth Schultz | *Principal-in-Charge*
R3 Consulting Group, Inc.
510.292.0853 | gschultz@r3cgi.com

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1. SCOPE OF WORK

Task 1 Disposal Contract Negotiations

The City's disposal contract expires on November 20, 2023. In order to provide sufficient time for sole-source negotiations to begin, for a new disposal contract with Newby Island, and ensure there is time to release a Request for Proposals (RFP), if a mutually beneficial agreement is not reached, R3 recommends beginning disposal contract negotiations about 30 months prior to the end of the contract's term. Please also note that the Amended and Restated Franchise Agreement with MTWS allows MTWS to pass on the additional costs for disposal that may result from a renewal of the disposal contract.

Task 1.1 Deal Points and Strategy

R3 proposes to work with City staff to develop "deal points" to guide the negotiation process with Republic Newby Island. The final list of deal points will be presented to the City for approval and incorporated into the negotiation process. In instances where proposed contractual requirements will be significantly different from those in the current contract, we will prepare draft language for Republic to consider during the negotiation process.

The deal points may include matters such as:

- The rate for disposal at Newby Island; as well as adding additional rates for C&D processing, inerts, and other materials delivered by MTWS to Newby Island;
- The total quantity of disposal tonnage accepted by Newby Island; and
- "Favored nation" status in relation to the other disposal contracts with Newby Island that will be coming up for negotiations in the coming few years.

R3 proposes to lead and serve on the negotiation team throughout the negotiation process. This will include attending meetings with City staff, preparation of negotiation session agendas, and attendance at negotiation sessions (virtual only). During the negotiation process, R3 will review and analyze cost data presented by Republic.

To the extent necessary, written responses will be prepared and presented. In addition, we will maintain a journal of items under discussion and items that have been agreed to. We will also monitor and track proposed changes to the contract. We will regularly meet with City staff during the negotiation process for status updates and to discuss the status of ongoing negotiations.

Task 1.2 Prepare Amended Disposal Contract

Using the current contract as the base document, R3 will prepare amendments to the contract for review by the City and Republic. The amendments will establish the scope of services to be provided by the contractor, including the "deal points" established in Task 1. This involves turning the key concepts identified in Task 1.1 into concrete contract amendment language, subject to the review, comment, and revision of both parties until such time as both parties are comfortable agreeing to the terms of the contract.

The contract will also encompass and detail, to the satisfaction of both parties (City and Republic), the City interests established in Task 1.1. Once comments from the parties have been received and resolved, R3 will finalize the amended disposal contract for City Council approval.

Task 1.3 Finalize Disposal Contract for City Council Approval

R3 will present the results of Task 1.3 to the City Council, including recommendations made by the contract negotiation team. This will include a summary of the negotiation process and the results and recommendations for award of the contract.

If at any time, either party chooses to end negotiations, R3 will utilize our remaining task budget to assist the City in the preliminary steps of preparing an RFP and any needed elected engagement, although we do not anticipate that the proposed budget will be sufficient to assist the City in the entire RFP process.

Task 1 Deliverables

- Deal points term sheet;
- Preliminary negotiation schedule;
- Weekly check-in meetings, by phone, with City and/or Republic;
- Preparation of negotiation session agendas;
- Preparation and attendance at negotiation sessions, up to six;
- Preparation and attendance at meetings with City staff, up to three;
- An electronic copy of the draft contract amendments;
- Public meetings/City Council presentations, up to one;
- Final amended contract for City Council approval;
- Presentation to City Council; and
- An electronic copy of the final amended contract.

Task 2 SB 1383 Planning and Implementation

R3 has assisted many jurisdictions in monitoring and planning for changes in solid waste programs that will be needed under the new SB 1383 regulations.

After having assisted the City in planning for the requirements stipulated in the regulations in the next fiscal year, training City staff on the requirements, and assisting in coordination with the County TAC, surrounding jurisdictions, and other stakeholders, we now propose to:

- Prepare municipal code updates, revise the code according to staff and City Attorney feedback, prepare a final draft of the code update for City Council approval, present the municipal code update to City Council during the first reading, and attend the meeting adopting the municipal code update;
- Play a coordinating role with the City and MTWS on the universal organics roll-out, scheduled for September 2021;
- Review MTWS updates to its Annual Service Guide and quarterly newsletters to ensure that the public education provided by MTWS facilitates full compliance with the outreach and education requirements of SB 1383;
- Assist staff in planning for staff activities in 2022 to comply with SB 1383;
- Provide preliminary and final cost estimates for SB 1383 compliance in FY 2022-2023; and
- Assist staff in coordination with other regional entities on procurement and edible food recovery planning efforts.

Task 2 Deliverables

- SB 1383 planning and implementation, including municipal code updates and assistance to staff on meeting requirements not covered by the contract with MTWS.

Task 3 Annual RRI

R3 will review MTWS' CPI Rate adjustment for fiscal year (FY) 2022-23 to confirm that:

- The correct indices were used;
- It is mathematically accurate; and
- It is consistent with applicable terms and conditions of the Agreement.

Our review will include the following steps:

- Confirming that MTWS provided the required information;
- Verifying that MTWS correctly calculated and applied the changes in the appropriate CPI index;
- Verifying that MTWS correctly recalculated the Maximum Rates to reflect changes in the CPI index;
- Making any necessary corrections to MTWS' calculations and Maximum Rates, and verifying the changes with City Staff and MTWS;
- Preparing an electronic memorandum summarizing the results of MTWS's RRI adjustment request for City Staff; and
- Assistance in drafting resolution adopting FY 2022-23 Maximum Rates sheets for approval by City Council.

Task 3 Deliverables

- Electronic memorandum describing findings and recommended rate adjustment; and
- Meetings with the City and MTWS, as needed.

Task 4 Solid Waste Ordinance Ongoing Support

R3 has assisted the City in the implementation of the first and second phases of the solid waste ordinance, which involved mailing notifications to covered waste generators informing them of the requirement to subscribe to service and providing the self-haul documentation form for them to use to document compliance.

This task will support the mailings of additional notification letters for the 2021 year, as determined appropriate by the City. R3 will also review and tabulate (in Excel) the results of reports received from the generators notified in the 2021 round of notifications, as available.

Additionally, as a part of this task, R3 will complete the needed AB 341 and AB 1826 maintenance activities as needed for the 2020 EAR.

Task 4 Deliverables

- One (1) electronic list of solid waste ordinance non-compliant generators;
- Mailing of the letter and self-haul/exempt reports to non-compliant generators;
- List of covered compliant and non-compliant businesses for AB 341 and AB 1826;
- Review of submitted self-haul reports, as received; and
- One (1) Excel workbook with a summary of reported exceptions to the solid waste ordinance and reported tons of non-MTWS collected commercial and multi-family solid waste generation.

Task 5 SB 1383 Waiver Evaluation Site Visits

R3's subconsultant, Cascadia Consulting Group, Inc., (Cascadia) will complete the following tasks:

- Complete up to 150 drop-in (unscheduled) exemption/waiver evaluations, via on-site visit, by June 30, 2022. Outreach specialists will attempt to coordinate visits according to collection days to ensure material is available for observation.
- Take notes in outreach data tracking platform, leveraging existing account information (business name, address, account number). Notes will include:
 - Estimated quantities of SB 1383 defined organics

- Summary of discussion with onsite representatives
- Customer requested additional services (service change, container replacement, etc)
- Updated contact name and phone number
- Photos of materials observed in collection containers
- Type of exemption (space or de minimis) or note if business is not eligible for any exemption - these businesses will be deemed “out of compliance”
 - Upon completion of site visits, Cascadia will export all account information with site visit notes and photos with both a detailed workbook and summary results as well as recommendations for next steps.

Please note:

- The City will provide copies of each business’ exemption request form and account information including business name, address, phone number and name of the account representative.
- No follow-up visits and services to those businesses requested additional services or those that were deemed out of compliance (businesses that were identified as needing organics services but didn’t receive it during the universal roll out) are included.
- Outreach materials, such as flyers, brochures, stickers or other outreach leave-behind items are not included.

Task 5 Deliverables

- Up to 150 site visits to waiver applicants.

Task 6 Contract Management Assistance

R3 recently conducted a review of the performance of MTWS. A number of key findings resulted from this review, including a few programs covered in the collection services agreement that were not being fully implemented at the time of that review. Primary among those programs was education and outreach.

We propose to assist the City in managing key programs covered under the contract to ensure a smooth transition to the negotiated extension executed in April 2020.

Task 6 Deliverables

- Ongoing support for contract management with MTWS during negotiations; and
- Review of quarterly reports as submitted by MTWS for key matters of interest, including diversion, dry waste processing, and education and outreach activities.

Task 7 2020 Electronic Annual Report

R3 provided support to the City in preparing the 2016-2019 Electronic Annual Reports (EAR) to CalRecycle on an on-call basis. We propose to provide assistance to the City in a similar fashion for this year’s EAR. With additional planning and lead time, and with our familiarity with the solid waste programs offered in Los Altos, R3 will assist in expanding the level of detail provided in this year’s EAR.

Based on R3’s review of the City’s programs and discussion with City staff and MTWS, R3 will identify any additional information or data needs for the various programs for inclusion in the EAR. Information requests will then be submitted to the various parties, as applicable, to obtain the required information. Additional value-added benefits include:

- The review of Newby Island Special Waste Reports to determine whether waste attributed to Los Altos can be deducted from the annual report tonnages;

- Review of existing program descriptions and expansion for additional documentation of the excellent diversion programs active in Los Altos; and
- Additional investigation of non-franchised disposal tons attributed to Los Altos.

Using the information gathered, R3 will draft the EAR and provide a draft to the City for review and comment. R3 will then finalize the EAR and submit to the City for submission to CalRecycle. At the City's discretion, R3 will upload the information to CalRecycle's website for submittal.

Our task budget assumes that MTWS will provide the City with quarterly and annual reports of all information required for the EAR on a timely basis (e.g., within 45 days after the end of each quarter). As necessary, R3 will follow up with MTWS to assure that all available information is accurately reported in the Annual Report.

Task 7 Deliverables

- One (1) "needs list" containing additional requested information from City staff and MTWS;
- One (1) electronic draft EAR for review by City staff; and
- One (1) electronic copy of the final EAR by August 1, 2021.

Task 8 Quarterly Meetings and On-Call Support

In support of, and in addition to, the deliverables in Tasks 1 – 7, R3 will virtually attend up to four quarterly meetings with the City and MTWS. R3's participation in these meetings will be to coordinate with the City and MTWS schedule, information needs, and deliverables related to the other tasks included in this proposal. R3 will also provide additional on-call support as needed by the City.

Task 8 Deliverables

- Attendance (virtual) for up to four (4) quarterly meetings with the City and MTWS; and
- On-call support and deliverables as needed and as agreed upon.

Task 9 Staff Training

R3 is prepared to help support existing, and any possible new, staff members and educate those needing information including, but not limited to:

- Contract management;
- AB 341 and AB 1826 requirements;
- Universal roll-out implementation support and solid waste ordinance support; and
- The City's franchise agreement.

Task 9 Deliverables

- On-call support and deliverables as needed and as agreed upon.

2. PROJECT BUDGET

Our proposed, not-to-exceed cost for this engagement is **\$109,857**. The table below provides our proposed consultant hours and cost per task. Our hourly billing rates are provided on the following page. We would be happy to discuss changes to our scope or budget as may be needed to align with the City's needs.

TASK		COST	HOURS
1	Disposal Contract Negotiations	\$ 29,250	150
2	SB 1383 Planning and Implementation	\$ 13,650	70
3	Annual RRI	\$ 2,430	16
4	Solid Waste Ordinance Ongoing Support	\$ 6,200	40
5	SB 1383 Waiver Evaluation Site Visits	\$36,427	N/A
6	Contract Management Assistance	\$ 2,680	16
7	2020 Electronic Annual Report	\$ 4,220	30
8	Quarterly Meetings and On-Call Support	\$ 10,000	60
9	Staff Training and SB 1383 Preparedness	\$ 5,000	30
TOTAL HOURS			412
TOTAL COST		\$109,857	

Billing Rates

In the table below, we have provided our hourly billing rates for the R3 Project Team that may be involved in providing solid waste consultant services. These hourly rates are effective January 1, 2021 and are subject to periodic adjustments based on CPI.



CLASSIFICATION	HOURLY RATE
Principal	\$ 225 per hour
Project Director	\$ 215 per hour
Senior Project Manager	\$ 190 per hour
Project Manager	\$ 185 per hour
Senior Project Analyst	\$ 165 per hour
Senior Administrative Support	\$ 160 per hour
Project Analyst	\$ 155 per hour
Associate Analyst	\$ 145 per hour
Administrative Support	\$ 125 per hour
REIMBURSABLE COSTS	
Consultants/Subcontractors	Cost plus 10%
Lodging and meals	Direct cost
Travel - <i>Private or company car</i>	At Current Federal Rate
Travel - <i>Other</i>	Direct cost
Delivery and other expenses	Direct cost

Payments

Unless otherwise agreed in writing, fees for work completed will be billed monthly at the first of each month for the preceding month and will be payable within 30 days of the invoice date.