



SANTA BARBARA COUNTY

Resource Recovery &

Waste Management Division

Innovative Environmental Solutions

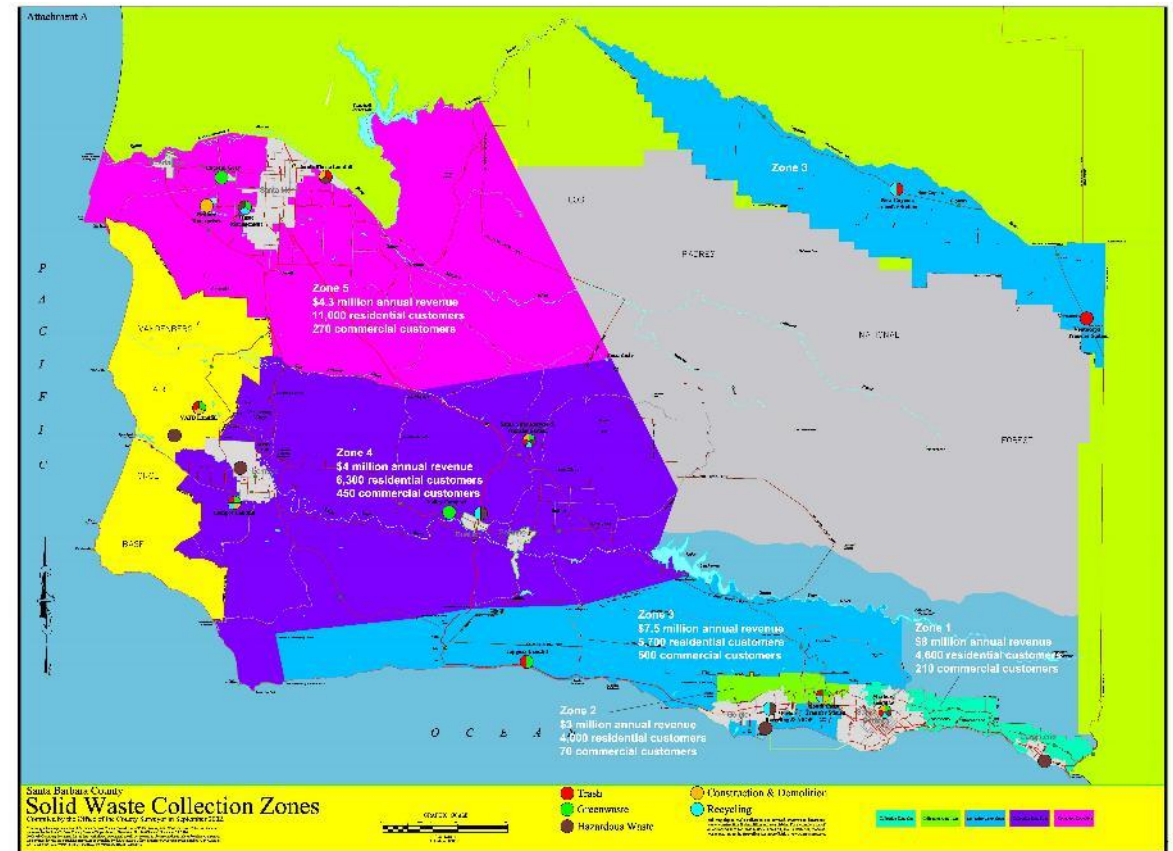
Exclusive Solid Waste Collection Franchise Agreements

May 24, 2022

Background

County currently contracts with two haulers to provide trash, recycling, and organics collection to residents and businesses in unincorporated area

- MarBorg Industries – Zones 1, 2, and 3
- Health Sanitation Services/Waste Management – Zones 4 and 5



Background

- Current contracts expire on June 30, 2022
- In May 2020, the Board directed staff to form a Franchise Procurement Project Team to evaluate options for the new contracts
- In December 2020, the Board approved the recommendation of the Project Team to enter into negotiations with MarBorg and Waste Management to develop new agreements for waste collection services in each hauler's existing service zones

Negotiations

- County hired HF&H Consultants to lead the negotiation process
- Meetings with the haulers began in February 2021
- Negotiations with MarBorg concluded in December 2021
- Negotiations with WM concluded in March 2022
- The new contracts will begin on July 1, 2022, pending the Board's approval

Regulatory Compliance



- Haulers are integral to helping County meet State mandates
- SB 1383 (new organic waste regulations)
 - Organic waste collection
 - Contamination monitoring
 - Customer compliance reviews
 - Compliant collection container colors
 - Public education

Service Enhancements

- Expanded organics collection programs (per SB 1383)
- Addition of two bulky item collection opportunities per year (for a total of four)
- Continued assistance with clean-up of illegally dumped items



Service Enhancements

- Continued collection of household batteries at curbside
- Continued home-generated sharps mail-back program
- Extra free pick-ups following the holidays
- Annual community paper shredding events



MarBorg Service Enhancements



- No change to green waste – food scraps are sorted from trash at the County’s ReSource Center
- New automated collection program and containers for trash and green waste in portions of Zones 1 and 3
- 10% reduction in residential rates for new automated areas

WM Service Enhancements

- Weekly collection of green waste/food scraps from residential customers
- Additional recycling containers at no charge
- New public outreach specialist



Rate Impacts – Zones 1, 2, and 3

- The County and MarBorg previously phased in rate increases to cover the construction and operation of the County's ReSource Center, a high-diversion organic waste processing facility
- Residential rate increases range between 4% and 7.5% depending on the zone and the size of collection container
- 10% discount for customers who subscribe to curbside service in areas that are transitioning to automation; customers who choose to retain backyard service will be assessed a surcharge

Rate Impacts – Zones 1, 2, and 3

- Commercial trash rates will increase between 4% and 7.5%
- Commercial recycling rates will increase between 22% and 27% to reflect the full cost to process recyclables



Rate Impacts – Zones 4 and 5



- Increased costs due to SB 1383 requirements, primarily the transition from biweekly to weekly collection of residential organics
- After the rates had been verbally agreed to, WM requested an additional increase
- Upon further negotiation, the proposed increase was reduced by half; the final rates are a 25% increase in revenue to WM

Rate Impacts – Zones 4 and 5

Average Residential Increases

- Zone 4 Santa Ynez Valley: 10%
- Zone 4 Lompoc Valley: 14%
- Zone 5 Santa Maria Valley: 30%

Average Commercial Increases (Trash)

- Zone 4 Santa Ynez Valley: 27%
- Zone 4 Lompoc Valley: 37%
- Zone 5 Santa Maria Valley: 67%

RFP for Zones 4 and 5

- WM's late request for additional rate increase left little time to pursue alternatives, so the County shortened the contract term from seven years to two years (July, 1 2022 to June 30, 2024)
- A Request for Proposal would assist with determining market rates for service delivery in Zones 4 and Zone 5 in preparation for the expiration of WM's agreement in June 2024

RFP for Zones 4 and 5

- Section 40059 of Public Resource Code gives agencies maximum flexibility for procurement of solid waste collection services; County may determine whether to provide services via franchise or otherwise, either with or without competitive bidding
- County is not obligated to accept low bid and could reject all bids

RFP for Zones 4 and 5

- RFP criteria have not been established yet but could include:
 - Quality of service
 - Cost
 - Performance history
 - Innovative diversion programs
 - Environmental considerations
 - Financial stability

Staff Recommendations

- Approve and authorize the Chair to execute the proposed Franchise Agreement with MarBorg Industries for Zones 1, 2, and 3, effective July 1, 2022 and ending June 30, 2029
- Approve and authorize the Chair to execute the proposed Franchise Agreement with Health Sanitation Services/Waste Management for Zones 4 and 5, effective July 1, 2022 and ending June 30, 2024

Staff Recommendations

- Find that existing Resolution 21-120 is superseded by the rates established in the new franchise agreements
- Authorize staff to issue and consider results of a competitive Request for Proposals for Zones 4 and 5 for service beginning July 1, 2024

Staff Recommendations

- Determine that approval of the proposed agreements are exempt from the California Environmental Quality Act, pursuant to 14 CCR 15301 (Existing Facilities), 15308 (Actions by Regulatory Agencies for the Protection of the Environment), 15311 (Accessory Structures) and 15273(a)(1),(2) and (4) (Rate, Tolls and Fares) and direct staff to file and post a Notice of Exemption on that basis

Thank you! Questions?



one
COUNTY

one
FUTURE



SANTA BARBARA COUNTY

Innovative Environmental Solutions

www.LessIsMore.org