



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Public Works
Department No.: 054
For Agenda Of: June 27, 2023
Placement: Set Hearing
Estimated Tme: 30 Minutes on July 11, 2023
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Director(s) Scott D. McGolpin, P.E. Director, (805) 568-3010
Contact Info: Jeanette Gonzales-Knight, Deputy Director of RRWMD, Interim, (805) 882-3627

SUBJECT: Set Hearing for Approval of Exclusive Franchise Agreement for Solid Waste Collection in Zone 4 & Zone 5 - Supervisorial Districts 3, 4 & 5

County Counsel Concurrence

As to form: Yes

Other Concurrence:

As to form: N/A

Auditor-Controller Concurrence

As to form: N/A

Recommended Actions:

That the Board of Supervisors set a public hearing for July 11, 2023 to consider the following:

- a) Approve and authorize the Chair to execute the proposed Franchise Agreement Between County of Santa Barbara and MarBorg Industries, Inc. for Residential, Multi-Family, and Commercial Solid Waste, Recyclables, Organics, and Special Waste Collection Services for Zones 4 and 5 effective July 1, 2024 and ending June 30, 2034; and
- b) Determine that approval of the proposed agreement is exempt from the California Environmental Quality Act, pursuant to 14 CCR 15301(b) (Existing Facilities) and 15308 (Actions by Regulatory Agencies for the Protection of the Environment), 15061(b)(3) and direct staff to file and post a Notice of Exemption on that basis.

Summary Text:

The current franchise agreement for the exclusive right to collect solid waste from residential and commercial customers in County service Zones 4 and 5 expires on June 30, 2024. In November 2022, the County issued a Request for Proposals for the provision of service to customers in Zone 4 and Zone 5. Four proposals were received and evaluated, and based on the criteria identified in the RFP, MarBorg Industries was selected as the top proposer. As such, staff recommends the award of the new franchise

agreement to MarBorg Industries. A Board Letter will be submitted prior to the Departmental hearing on July 11, 2023 that will provide the proposed agreement between the County and MarBorg Industries. On July 6, a downloadable copy of the agreement will be available on the County Clerk of the Board’s website, and a hard copy will be available at the Clerk of the Board, 105 E. Anapamu Street in Santa Barbara and at the Fifth District Office at 511 E. Lakeside Parkway in Santa Maria.

Background:

In June 2022, the Board approved a two-year franchise agreement with Waste Management for Zone 4 and Zone 5. At the same time, the Board approved the issuance of a Request for Proposals (RFP) for the provision of solid waste collection services for residential and commercial customers in Zone 4 and Zone 5.

The County contracted with HF&H Consultants to assist with the RFP process. The RFP was issued on November 7, 2022, and the deadline for responses was February 9, 2023. In their submittals, respondents could choose to propose service to one or both zones and offer alternative disposal options for transporting waste to out-of-county facilities. Four waste haulers responded with proposals:

- E.J. Harrison and Sons proposed to service Zone 4 and Zone 5 and would only accept award of both zones.
- MarBorg Industries proposed to service Zone 4 and Zone 5 and would accept the award of either or both zones.
- Waste Connections proposed to service Zone 5 only.
- Waste Management proposed to service Zone 4 and Zone 5 and would accept the award of either or both zones.

In preparation for the evaluation and ranking process, staff reviewed and summarized each proposal. Each summary was shared with the respective hauler to ensure that County staff fully understood the proposal and to confirm that the summary was an accurate representation of the hauler’s submittal. Once feedback on the summaries was received, County staff conducted interviews with each hauler and then completed its evaluation of the proposals using the following criteria and weighting established in the RFP:

Evaluation Criteria	Weighting
Cost Competitiveness <ul style="list-style-type: none"> • Relative to other proposals and existing customer rates 	40%
Experience and Qualifications <ul style="list-style-type: none"> • General experience, jurisdiction satisfaction, performance record, implementation plan, financial stability, insurance, and safety record 	35%
Contract Exceptions <ul style="list-style-type: none"> • Number and nature of exceptions to the RFP and/or draft franchise agreement 	15%
Proposal Enhancements/Unique Services <ul style="list-style-type: none"> • Services proposed in addition to required services in the RFP 	10%

A selection committee consisting of four Resource Recovery and Waste Management Division staff members scored the proposals independently. Scores were aggregated, and the appropriate weighting was applied to each. MarBorg Industries ranked the highest, followed by E.J. Harrison and Sons. Below is a brief summary of each proposal received:

MarBorg Industries' proposal provided rate relief to both residential and commercial customers when compared to current rates. The company is widely recognized for providing exceptional service in Zones 1, 2 and 3 in Santa Barbara County, as well as in the cities of Buellton, Goleta, and Santa Barbara. Additionally, the County has direct experience with the transition of service to MarBorg from a previous hauling company. MarBorg took no exceptions to the draft franchise agreement and proposed enhancements for increasing diversion at the County's facilities, as well as comprehensive countywide reporting and the provision of free services to schools that currently receive service at no cost.

E.J. Harrison and Sons' proposal provided rate relief to most, but not all, commercial customers, and kept residential rates at their current levels. The company has a good reputation for service provision for jurisdictions in Ventura County and the City of Carpinteria. E.J. Harrison and Sons took no exceptions to the draft franchise agreement, and they proposed enhancements that included free service to schools, curbside household hazardous waste collection via contract with a third party (with a corresponding increase to residential rates), and assistance with meeting SB 1383 procurement requirements if necessary and at the County's discretion.

Waste Management's proposal contained several scenarios that impacted customer rates. If awarded only one zone and using current disposal and processing facilities, residential and commercial rates increased substantially. If awarded both zones, residential and commercial rates would be maintained at current levels. Waste Management proposed an alternative disposal scenario in which all waste destined for the Lompoc and Santa Maria landfills would instead be delivered to their Kettleman Hills facility in Kern County. Under this scenario, if awarded only one zone, residential and commercial rates would be higher than current levels. If awarded both zones and with trash transported to Kettleman Hills, there would be a decrease to Lompoc and Santa Maria residential service rates and a decrease to commercial trash service rates when compared to current levels, and commercial recycling service rates would be maintained at current levels. Waste Management has provided service to customers in Zone 4 and Zone 5 for several years, and as the incumbent hauler, no transition would be necessary. They took no exceptions to the draft franchise agreement, and enhancements included the use of an alternate landfill, a service delivery optimization system, newly enhanced local websites, and uniforms made from recycled products.

Waste Connections' base proposal, using current disposal and processing facilities, represented a substantial increase to both residential and commercial rates compared to current levels. An alternative proposal that would transfer a portion of the trash destined for the Santa Maria Landfill to a Waste Connections-owned landfill in San Luis Obispo County was marginally less expensive to residential and commercial customers, but it still represented an increase when compared to current rates. The company has a long-standing presence in San Luis Obispo County, providing service to numerous jurisdictions. Waste Connections had several exceptions to the draft franchise agreement, several of which were substantive changes. Their proposal included the following enhancements: new urban collection vehicles; contracting with Science Discovery to provide education programs, materials, and other outreach; expanding the use of the Recycle Right Mobile App and Waste Wizard for Zone 5 customers; and curbside residential oil collection (at no additional charge).

The table below compares the most commonly employed rates in each zone for each hauler using *in-county processing and disposal facilities*:

Service	Current	Harrison	MarBorg	Waste Connections	Waste Management
Z4 - Lompoc Res (96)	\$39.84	\$39.90	\$35.95	n/a	\$39.84
Z4 - Lompoc Comm Trash (2yd)	\$163.65	\$180.00	\$159.83	n/a	\$163.61
Z4 - Lompoc Comm Rec (2yd)	\$171.68	\$162.00	\$165.69	n/a	\$171.69
Z4 - Santa Ynez Res (96)	\$52.51	\$52.51	\$46.48	n/a	\$52.60
Z4 - Santa Ynez Comm Trash (3yd)	\$351.60	\$344.45	\$332.50	n/a	\$351.63
Z4 - Santa Ynez Comm Rec (3yd)	\$324.57	\$292.78	\$315.52	n/a	\$324.59
Z5 - Santa Maria Res (96)	\$40.32	\$40.32	\$38.21	\$49.32	\$40.32
Z5 - Santa Maria Comm Trash (2yd)	\$177.85	\$191.65	\$172.44	\$217.55	\$177.84
Z5 - Santa Maria Comm Rec (4yd)	\$263.39	\$222.99	\$251.49	\$337.17	\$263.39

The table below compares the most commonly employed rates in each zone for each hauler allowing the use of *out-of-county disposal facilities (only Waste Connections and Waste Management proposed the use of out-of-county disposal facilities)*:

Service	Current	Harrison	MarBorg	Waste Connections	Waste Management
Z4 - Lompoc Res (96)	\$39.84	\$39.90	\$35.95	n/a	\$37.56
Z4 - Lompoc Comm Trash (2yd)	\$163.65	\$180.00	\$159.83	n/a	\$155.34
Z4 - Lompoc Comm Rec (2yd)	\$171.68	\$162.00	\$165.69	n/a	\$171.68
Z4 - Santa Ynez Res (96)	\$52.51	\$52.51	\$46.48	n/a	\$52.60
Z4 - Santa Ynez Comm Trash (3yd)	\$351.60	\$344.45	\$332.50	n/a	\$351.63
Z4 - Santa Ynez Comm Rec (3yd)	\$324.57	\$292.78	\$315.52	n/a	\$324.59
Z5 - Santa Maria Res (96)	\$40.32	\$40.32	\$38.21	\$45.70	\$38.26
Z5 - Santa Maria Comm Trash (2yd)	\$177.85	\$191.65	\$172.44	\$199.32	\$167.44
Z5 - Santa Maria Comm Rec (4yd)	\$263.39	\$222.99	\$251.49	\$321.79	\$263.37

Approval of the agreement has been determined to be exempt from the California Environmental Quality act (CEQA) pursuant to CEQA Guidelines sections 15301, 15308, and 15061(b)(3). The franchise agreement will continue existing collection services for municipal solid waste and recyclables and include the use of existing permitted facilities for waste disposal and waste management.

Performance Measure:

The proposed franchise agreement includes specifications for a comprehensive package of solid waste collection services with specific provisions for conducting customer satisfaction surveys and audits, as well as provisions for ensuring the County’s ability to assess liquidated damages for failure to provide services.

Fiscal and Facilities Impacts:

Budgeted: Yes

Subject: Set Hearing for Approval of Exclusive Franchise Agreement for Solid Waste Collection Services in Zone 4 & Zone 5 - Supervisorial Districts 3, 4 & 5

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Fiscal Analysis:

Narrative: Maximum rates to be charged to residential and commercial customers under the proposed agreement will be annually presented to the Board of Supervisors for approval.

Authored by:

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