



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: September 21, 2010
Placement: Administrative
Estimated Time:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Scott D. McGolpin, Director of Public Works, 568-3010
Director(s)
Contact Info: Mark Schleich, Deputy Director of Public Works, 882-3605
SUBJECT: County's Exclusive Franchise Agreements for Solid Waste Collection
Supervisorial Districts 2, 3, 4 & 5

County Counsel Concurrence

As to form: No

Other Concurrence: Risk Management

As to form: No

Recommended Actions:

That the Board of Supervisors:

A. Set a hearing for September 28, 2010 (time estimate of 45 minutes) to do the following:

1. Approve the distribution of the attached Request for Proposals (RFP) for solid waste collection in service zones 2, 4, and 5 (Exhibit 1) to the three existing service providers (Allied, MarBorg, and Waste Management) including the proposed Franchise Agreement; and
2. Direct staff to return to your Board with Franchise Agreement award recommendations for service zones 2, 4, and 5 after a thorough evaluation of responses to the RFP.

Summary Text:

In July 2009, the Board of Supervisors directed the formation of a Project Team and Subcommittee to identify and evaluate the different options for procuring new solid waste collection franchise agreements that expire on June 30, 2011 for service zones 2, 4 and 5. The Project Team and Subcommittee developed recommended service areas and a procurement process for Board review and approval. At its April 6, 2010 meeting, the Board approved the recommendations and directed staff to prepare a Request for Proposals (RFP) for the competitive procurement of services limited to the three existing service providers (Allied, MarBorg, and Waste Management). This Board Letter summarizes the process and presents the recommended RFP as well as a draft Franchise Agreement that will be attached to the RFP. Once approved by the Board, the RFP will be distributed to the eligible companies and they will have 45 days to prepare proposals which will be submitted to the County for review.

Background:

In July 2009, the Board of Supervisors directed the formation of a Project Team and Subcommittee to address the procurement process for the solid waste collection franchise agreements that expire on June 30, 2011 for service zones 2, 4 and 5. The Public Resource Code (40059) gives the County a large degree of flexibility in choosing both the types of solid waste services to be provided and the method of procurement. Participants on the Project Team include representatives from the CEO's Office, Auditor-Controllers Office, County Counsel, Public Works and an outside solid waste consultant. The Subcommittee was made up of Supervisors Carbajal and Farr, who served as chair.

The purpose of the Project Team and Subcommittee was to identify and evaluate the different procurement options for zones 2, 4, and 5 and to ultimately recommend a preferred procurement path to the Board. The goals of the procurement process were identified as attaining high quality services at competitive rates, with a contractual system that maximizes accountability to the County. The Project Team met 9 times and the Subcommittee met 3 times to thoroughly evaluate the service areas and develop recommendations for the procurement of new franchise agreements.

The culmination of these efforts was the approval by the Board of Supervisors of the Project Team and Subcommittee's recommendations at its meeting of April 6, 2010. The specific direction provided by the Board was for the Solid Waste Project Team to develop a Request for Proposals, and to incorporate the following in the procurement process:

- Specify franchise agreement term limits of 8 years with an expiration date of June 30, 2019 for franchises now under consideration in zones 2, 4 and 5;
- Require a minimum of 2 service providers in the County unincorporated area (will require future amendment to County Code Chapter 17);
- Reconfigure service zones 4 and 5 in the North County per Exhibit 2 for two more balanced zones based on revenue and where waste is disposed;
- Maintain the current Zone 2 boundaries on the South Coast and cooperate with the City of Goleta in the procurement process to the extent possible; and
- Implement a competitive procurement for both the northern & southern service areas that limit competition to the 3 existing service providers (Allied Industries, MarBorg Industries, and Waste Management).

Update

Since the April Board hearing, staff has completed the following:

- conducted a survey of residential customers to determine if there is a need to modify the core services currently being provided;
- reviewed services recently procured in other communities and determined their relevance in our County;
- evaluated contracts recently adopted in other jurisdictions for administrative enhancements;
- solicited ideas for service enhancements from existing service providers;

- prepared a Request for Proposals including a scope of services, key agreement terms, process and timeline for evaluation, and evaluation criteria; and
- prepared a new Franchise Agreement (with assistance from a solid waste consultant).

Service and Agreement Changes Included in RFP and Franchise Agreement

At the time of this writing, the service providers are reviewing a draft RFP (the deadline was extended 1 working day in response to service provider request). Their comments will be reviewed and considered, and highlights of staff-recommended service and agreement changes will be provided to the Board at the September 28, 2010 hearing. (It is anticipated that these highlights will be provided to the Board prior to the Sept 28 hearing in a written format).

Timeline for Procurement

Once approved by the Board, the RFP will be distributed to the three existing service providers (Allied, MarBorg, and Waste Management). The proposers will have 45 days to respond, and County staff, with assistance from our solid waste consultant, will review proposals. If necessary, staff may revise the RFP and Agreement, and redistribute them soliciting each provider's Best and Final Offer. Once a preferred service provider has been selected for each service area, staff will negotiate with the service provider to finalize each of the Franchise Agreements. Staff will return to the Board for approval of Franchise Agreement award recommendations for each of the three affected service zones.

Performance Measure:

The attached Franchise Agreement includes specifications for conducting customer satisfaction surveys, audits, and a comprehensive list of liquidated damages for failure to provide services.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

Work efforts associated with this project are provided primarily by existing staff. A consultant has continued to work with staff in preparing the proposed Franchise Agreement at a total cost of \$25,000 for this fiscal year.

Staffing Impacts: None

Special Instructions: None

Attachments:

Exhibit 1: RFP for Solid Waste Collection Services including Proposed Franchise Agreement

Exhibit 2: Future Zone Boundaries

Attachments will be available at the Clerk of the Board's office or at the offices of the Resource Recovery & Waste Management Division located at 130 E. Victoria Street, Suite 100, Santa Barbara on **Friday, September 17, 2010**.

Authored by: Leslie Wells, Program Leader, Resource Recovery & Waste Management Division, ext. 3611.