



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: John Stufflebean

SUBJECT: SEE BELOW

DATE: 12-04-06

Approved

Deanna Santana

Date

12/8/06

COUNCIL DISTRICT: City-Wide

**SUBJECT: SECOND AMENDMENT TO AGREEMENT WITH R3 CONSULTING
FOR CONSULTANT SERVICES PERTAINING TO RECYCLE PLUS
TRANSITION**

RECOMMENDATION

Approval of a second amendment to the agreement between the City and R3 Consulting for solid waste consulting services to revise the scope of services to include monitoring and technical services for the 2007 Recycle Plus Transition and for Recycle Plus rate modeling, to extend the term through December 30, 2007, and to increase the compensation by \$100,000 for a total of \$400,000.

OUTCOME

The amendment to the agreement with R3 Consulting will enable the Environmental Services Department (ESD) to complete analysis of the new Recycle Plus rates and monitor and assist with the Recycle Plus transition to new service providers. R3 Consulting will perform research and assist staff to determine the costs associated with implementing the service provider changes.

BACKGROUND

In October 2005, a Request for Qualifications (RFQ) was issued soliciting information from consultants with expertise in residential solid waste programs and experience in: 1) researching, planning and analyzing collection and processing systems; 2) developing compensation and incentive structures; 3) performing cost projections and financial analysis; and 4) consulting on procurement and contract processes. Three proposals were received and R3 Consulting was rated highest by the review panel.

R3 Consulting provided consulting services to the residential integrated waste management program to assist in the development and evaluation of a new solid waste, recycling, and yard trimmings and street sweeping Request for Proposals (RFP) for services beginning July 1, 2007. Since the RFP award to Garden City Sanitation, California Waste Solutions, and GreenWaste Recovery, Inc. on August 22, 2006, R3 has been assisting City staff in monitoring and facilitating transition preparation efforts.

ANALYSIS

R3 Consulting, located in Sacramento, is a leading solid waste management consulting firm with more than 30 years of experience and hundreds of solid waste management projects that demonstrate their ability to perform the work outlined above. R3 Consulting staff has provided solid waste services to the City in the past and is very familiar with San José's solid waste system requirements and objectives. They have worked on similar projects for the cities of Dublin, Santa Rosa, Pleasanton, Citrus Heights, and Rancho Cordova.

The current compensation and term of the R3 agreement was based on assumptions that there would be only minor revisions to the 2002 RFP, with the goal of limiting changes to residential services. Based on direction received from Council, the workload associated with the Recycle Plus program and service provider changes have increased. The current agreement will reach its compensation limit by January 30, 2007. An amendment to the City's agreement with R3 Consulting for both additional funding and extension of term is necessary for R3 Consulting to continue providing these services through the duration of the transition to the new haulers.

PUBLIC OUTREACH/INTEREST

This action does not meet any of the criteria listed below. As a common practice, the original consulting services RFQ was posted on the ESD's Request for Proposals page, the City's Home Page Bid Opportunities Section links to the postings on the ESD page and the RFQ was sent via email to 20 solid waste consulting firms. This memo is also posted on the City's website for the January 9, 2007 Council Agenda.

- Criteria 1:** Requires Council action on the use of public funds equal to \$1 million or greater.
- Criteria 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City.
- Criteria 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach.

COORDINATION

This memorandum has been coordinated with the City Attorney's Office, the City Manager's Office, and the Manager's Budget Office.

COST IMPLICATIONS

The cost of this recommendation is \$100,000. The total compensation under the agreement will be \$400,000.

BUDGET REFERENCE

Fund #	Appn. #	Appn. Name	Total Appn.	Amt. For Contract	2006-2007 Adopted Operating Budget (Page)	Last Budget Action (Date, Ord. No.)
423	0762	Non-Personal/ Equipment	\$4,063,032	\$400,000	VIII-38	10/17/06 Ord. No. 27888

CEQA

Not a Project


JOHN STUFFLEBEAN
Director, Environmental Services Department

For questions please contact Donna Perala, IWM Residential Manager, at (408) 975-2511.