



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: John Stufflebean

SUBJECT: SEE BELOW

DATE: 09-24-07

Approved

Date

10/3/07

COUNCIL DISTRICT: City-Wide

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

RECOMMENDATION

Approval of a third amendment to the agreement between the City and R3 Consulting to provide solid waste consulting and rate modeling services to the Environmental Services Department, extending the term from December 31, 2007 through December 31, 2008, and increasing the compensation by \$200,000 for a total not to exceed \$600,000.

OUTCOME

The amendment to the agreement with R3 Consulting will enable the ESD to continue with the work for which R3 was originally contracted, including making modifications to the rate model. In addition, R3 Consulting will perform research and assist staff to develop a new Request for Proposals (RFP) for Neighborhood Clean Up Services, as the current interim contract expires December 31, 2008.

BACKGROUND

R3 Consulting was selected through a competitive Request for Qualifications process on October 31, 2005 and has provided on-going consulting services to develop and evaluate the RFP for the Recycle Plus services that began July 1, 2007. Once new haulers were selected through the RFP process, R3 was called upon to assist to monitor the rapid mobilization required of the contractors.

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. They have worked on similar projects for the City in the past, as well as the cities of Dublin, Santa Rosa, Pleasanton, Citrus Heights, and Rancho Cordova.

ANALYSIS

The scope of R3's contract was modified in January 2007 to provide monitoring oversight during the rapid mobilization of the new Recycle Plus contractors, based on direction received from Council to contract separately for garbage and recycling services. This increased the associated workload and diverted resources to this important service transition. The current agreement will reach its compensation limit by October 31, 2007.

An amendment is necessary to allow R3 Consulting to complete tasks associated with updating the rate setting model, to develop an RFP for Neighborhood Clean-Up services, and to assist with solid waste planning tasks associated with the annexation of County pockets. A time extension through December 31, 2008 is needed for the completion of the work.

EVALUATION AND FOLLOW-UP

An RFP for Neighborhood Clean-Up services will be released in early 2008. Staff will return to Council with a request to approve the selection of a contractor to provide these services in hauler districts A and C from January 1, 2009 to June 30, 2013.

PUBLIC OUTREACH/INTEREST

The criteria below do not apply to this contract, but the original consulting services RFQ was posted on the ESD's Request for Proposals page and the City's Home Page Bid Opportunities Section links to the postings on the ESD page. The RFQ was also sent via email to 20 solid waste consulting firms. In addition, this memorandum will be posted on the City's website for the October 16, 2007 Council meeting.

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater.
- Criterion 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.
- Criterion 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 \$200,000. The total compensation under the agreement will be \$600,000.

BUDGET REFERENCE

Fund #	Appn. #	Appn. Name	Total Appn.	Amt. For Contract	2007-2008 Proposed Operating Budget (Page)	Last Budget Action (Date, Ord. No.)
423	0762	Non-Personal/ Equipment	\$4,418,251	\$600,000	VIII-40	6/26/07 Ord. No. 28086

CEQA

Not a Project



JOHN STUFFLEBEAN
Director, Environmental Services

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