



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: John Stufflebean

SUBJECT: SEE BELOW

DATE: 06-02-08

Approved

Date

6/5/08

COUNCIL DISTRICT: City-Wide

SUBJECT: APPROVAL OF AN AGREEMENT WITH R3 CONSULTING GROUP INC. FOR CONSULTING SERVICES TO SUPPORT THE CONSTRUCTION AND DEMOLITION DIVERSION PROGRAM

RECOMMENDATION

Approval of an agreement with R3 Consulting Group Inc., to provide consulting services for waste characterization studies, best waste management practice analyses, audit and certification of existing and new facilities, and training staff for Construction and Demolition Diversion Program enhancements, for a term from July 1, 2008 through June 30, 2010 in an amount not to exceed \$500,000.

OUTCOME

The services that the consultant will conduct per this recommendation will enable the Environmental Services Department (ESD) to more effectively pursue enhancements to the Construction and Demolition Diversion Deposit (CDDD) program and implement the City's Green Vision Goal #5, Zero Waste Goals, and the Urban Environmental Accords, Action 4.

BACKGROUND

In April 2008, staff released a Request for Qualifications (RFQ) for consultant services to recertify the existing CDDD facilities and to assist the City in evaluating the requirements, processes and protocols to increase diversion of construction and demolition (C&D) materials from landfills through the CDDD and other recommended programs. The assessments performed by the consultant are needed for the City to achieve its waste diversion goals. In 2007, C&D waste was approximately 1.3 million tons, the single largest source of solid waste material in the City. For comparison, the City's residential sector generates approximately 500,000 tons of waste annually.

The consultant will provide at least four waste characterization studies, one for each type of facility; perform on-site audits of all twenty-one facility operations as part of the recertification

process; and certify any additional facilities for inclusion in the CDDD program. The existing CDDD certified facilities are comprised of landfills, material recovery facilities (MRF), transfer stations, and reuse/deconstruction operations located in Santa Clara and Alameda Counties. In addition, the consultant will survey C&D recycling programs in cities with comparable demographics to San Jose; this survey will include recycling rates, economic incentives, exclusive collection and/or processing arrangements, mandates, and ordinances, and how other cities address C&D used as alternate daily cover and beneficial re-use at landfills as part of their diversion programs. This information will be used to recommend options and enhancements for the City's current C&D recycling program.

This RFQ was posted on RFP Depot with 32 firms reviewing the proposal online. Responses were due on May 16, 2008. The only firm to submit a proposal was R3 Consulting Group, Inc., in a proposal that included three additional subcontractors.

ANALYSIS

A panel comprised of representatives from ESD reviewed and evaluated the Statement of Qualifications from R3. Each panel member independently rated the statement of qualifications and scored them using the following criteria: qualifications and expertise, quality of project approach, qualifications of key personnel, and ability to meet the City's timeline and budget. Each review panel member agreed that R3's response met or exceeded all the criteria required in the City's RFQ.

R3 Consulting Group proposal includes Cascadia Consulting Group, ESA, and Environmental Planning Consultants (EPC) as subcontractors for this project. The principals of these firms have been working in the solid waste and recycling field for over 30 years. Cascadia has completed more than 50 major waste characterization studies, with many clients in California, including extensive state-wide analyses for the California Integrated Waste Management Board. ESA is a full service solid waste consulting firm and has 30 years of experience in waste management and materials recovery design and operations.

EPC is a local solid waste consulting firm that has provided services to public and private sector clients for the past ten years. R3 and EPC have each worked with the City on various integrated waste management projects, including: the initial 2006 Residential Garbage and Recycling RFP and transition, the design of the existing Construction and Demolition Deposit Program, Zero Waste Infrastructure Analysis, and the evaluation of enhanced recycling options for City facilities.

EVALUATION AND FOLLOW-UP

Staff will return to the Transportation and Environment Committee by December 2008 with the results of the waste characterization studies and proposed program enhancements as part of the Zero Waste Master Planning Process.

POLICY ALTERNATIVES

Alternative: Do not adopt resolution to execute an agreement for a consultant to help evaluate and improve requirements, processes and protocols to increase diversion of C&D materials from landfills through the CDDD and other recommended programs.

Pros: Resources will not be expended to complete this study.

Cons: Will extend timeframe for staff to evaluate and improve requirements, processes and protocols to increase diversion of C&D materials from landfills through the CDDD program. Improvements to the CDDD program would not include study information, which may result in missed diversion opportunities.

Reason for not recommending: The City has already adopted the Urban Environmental Accords and the Green Vision.

PUBLIC OUTREACH/INTEREST

Although this action does not meet any of the criteria below, this memorandum is posted on the City's Council Agenda Website.

- Criteria 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- 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. **(Required: E-mail and Website Posting)**
- 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. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

COORDINATION

This memorandum was coordinated with the City Attorney's Office and the City Manager's Budget Office.

FISCAL/POLICY ALIGNMENT

This recommendation is in alignment with the Council approved Green Vision, and Zero Waste and Urban Environmental Accords goals.

COST IMPLICATIONS

This RFQ was posted on RFP Depot with 32 firms reviewing the proposal online. The only firm to submit a proposal was R3 Consulting Group, Inc. However, R3's proposal includes three additional subcontractors for a total of four consulting firms. The rates submitted by R3 and its subcontractors are consistent with consultant rates for similar work, including the March 2008 waste characterization study performed for the residential and commercial programs and the Integrated Waste Management Master Plan.

The total compensation for this agreement is \$500,000. The one-time funding for this agreement is specifically included in the 2008-2009 Proposed Operating Budget page VIII-38 as part of an investment strategy to recertify CDDD facilities and evaluate the existing Construction and Demolition recycling program. The funding for this agreement comes from the abandoned deposits and ineligible refunds from the CDDD program. This source of funds can only be used to support C&D recycling programs per the Municipal Code. The consultant hourly rates in the recommended agreement are equivalent to rates in similar agreements such as the Residential/Commercial Solid Waste Study and the Integrated Waste Management Master Plan Agreement.

BUDGET REFERENCE

Fund #	Appn #	Appn. Name	RC #	Total Appn	Amt. for Contract	2008-09 Proposed Operating Budget (Page)	Last Budget Action (Date, Ord. No.)
423	0762	Non-Personal / Equipment	500575	\$5,507,121	\$500,000	VIII-38	N/A

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CEQA

Not a project.



JOHN STUFFLEBEAN
Director, Environmental Services

For questions, please contact Jo Zientek, Deputy Director, Integrated Waste Management Division, Environmental Services at (408) 535-8557.

