



Subject: Agreement with R3 Consulting Group, Inc. for Support Services for the Recycle Plus Program

Council Agenda: 5-22-12
Item: 2.14

City Council Action Request

Department: Environmental Services	CEQA: Not a Project, File No. PP10-066(d) Consultant Services	Coordination: City Attorney's Office	CMO Approval:
			Dept. Approval: /s/ Kerrie Romanow

RECOMMENDED ACTION:

Approve the Eighth amendment to the Agreement for Consultant Service between the City of San José and R3 Consulting Group, Inc. to provide solid waste consulting services to the Environmental Services Department, extending the term through June 30, 2013. No additional funding is requested for the contract amount, which is not to exceed \$730,000.

BASIS FOR RECOMMENDATION:

This amendment is necessary to allow R3 Consulting to continue the upgrade work needed on the Recycle Plus expenditure and rate projection model to account for the new terms in the Recycle Plus solid waste hauler agreements approved by Council on June 22, 2010. The anticipated completion date for this work of June 30, 2012, must be extended through June 30, 2013, due to the need to revise the current rate model's expense allocation methodology to align with current City practices. Changing the expense allocation methodology was an unanticipated effort that required suspension of work on the rate model. A one year extension would provide the necessary timeline to address all project needs. This rate model projects approximately \$100,000,000 annually in expenses and rate revenues in the Integrated Waste Management fund.

Staff is committed to reducing the costs of meetings, transportation, meals and lodging through reliance on e-mail and/or telephone communications to accomplish the objectives outlined in the agreement to the extent possible.

R3 Consulting Agreement Chronology

	<i>Date Modified</i>	<i>Action</i>	<i>Monetary addition</i>
R3 Agreement	11/17/2005	11/28/2005-11/30/2006	\$100,000
1 st Amendment	2/22/2006	Extend time to 6/30/2007 - Modification to scope of service	\$200,000
2 nd Amendment	12/05/2006	Extend time to 12/31/2007 - Modification to scope of service	\$100,000
3 rd Amendment	9/04/2007	Extend time to 12/31/2008 - Modification to scope of service	\$200,000
4 th Amendment	12/05/2008	Extend time to 6/30/2009 - No revision to scope of service	\$0
5 th Amendment	6/02/2009	Extend time to 12/31/2010 - Modification to scope of service	\$130,000
6 th Amendment	12/17/2010	Extend time to 6/30/2011 - No revision to scope of service	\$0
7 th Amendment	4/26/2011	Extend time to 6/30/2012 - No revision to scope of service	\$0
8 th Amendment	Proposed	Extend time to 6/30/2013 - No revision to scope of service	\$0
Total			\$730,000

COST AND FUNDING SOURCE:

Funding to complete the rate model upgrade project was approved by Council during the 2008-2009 mid-year budget process. The hourly compensation rates are unchanged by this amendment and have not increased since the original agreement was executed in December 2005.

Fiscal Impact: Existing funds are available. No additional appropriation action is required. No impact to the General Fund will result from the recommended action.

FOR QUESTIONS CONTACT: Donna Perala, Recycle Plus Program Manager, Environmental Services, at (408) 975-2511.