



## Legislation Text

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**File #:** 23-338, **Version:** 1

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Adopt a Resolution to Approve and Authorize the City Manager to Execute Amendment No. 1 for \$279,820 to the Consulting Services Agreement with HF&H Consultants, LLC to Provide Technical Assistance with the Procurement Process for Solid Waste Recyclables, and Organics Services Contracting (Phase 2), and Appropriation of \$279,820 from the General Fund Undesignated Balance to Account 010-17-001-5120

### **COUNCIL PRIORITY**

- Sustainability & Resiliency
- Fiscal Sustainability and Transparency

### **SUMMARY**

The Franchise Agreement for Solid Waste, Recyclables, and Green Waste Services between the City of San Leandro and Alameda County Industries is set to expire on January 31, 2025. The Consulting Services Agreement provides technical assistance to develop a procurement process for future services. The initial phase of the franchise process was completed by HF&H Consultants, LLC in conjunction with City staff and included negotiation of a short-term extension of the current franchise agreement (if needed), and the development of an integrity policy to guide stakeholders through the procurement process. The proposed amendment (Phase 2) includes development of a procurement package to solicit services from prospective contractor(s), review of proposals received, community engagement, and negotiation of agreement(s).

### **RECOMMENDATIONS**

Staff recommends that the City Council approve and authorize the City Manager to execute an amendment to the Consulting Services Agreement with HF&H Consultants to assist the City with the procurement process for solid waste, recyclables, and organics services contracting, and to appropriate funds from the General Fund undesignated balance.

### **BACKGROUND**

The City established the Franchise Agreement for Solid Waste, Recyclables, and Green Waste Services (Franchise) with Alameda County Industries (ACI) on February 1, 2000. The Franchise had an initial term of ten years with an automatic extension of ten additional years. On July 20, 2009, the City Council approved Resolution No. 2009-117 to execute Amendment No. 10 to the Franchise. The amendment included a provision to extend the term of the agreement to January 31, 2025, in conjunction with the transition to a natural gas-powered collection services fleet.

On May 1, 2022, the City entered into a Consulting Services Agreement with HF&H Consultants to

assist the City with implementation of SB 1383, a statewide unfunded mandate to reduce emissions of short-lived climate pollutants. The agreement was amended per Resolution No. 2022-118 for services through Fiscal Year 2022-2023 and included tasks for initial discussions regarding the franchise expiration and a procurement process. The City requested a proposal from HF&H for a new and separate Consultant Services Agreement specific to the development of a procurement process for solid waste, recyclables, and organics services (Phase I).

HF&H Consultants crafted a Communication and Integrity Policy that establishes procedures for interactions among stakeholders during the procurement process to ensure that the process is fair and transparent. The Policy was approved by Council on February 6, 2023 and is in effect until award of any and all new (or renewed) solid waste collection, processing, and/or disposal contract(s).

In conjunction with the City's Procurement Team in the Public Works Department, HF&H negotiated the Fifteenth Letter Amendment to the Franchise. The Letter Amendment provides for a two-step procurement process in which sole source negotiations are initiated with ACI, followed by a competitive procurement process if the sole source negotiations are not successful. It also provides the City Manager with the sole discretion to extend the term of the current Agreement during the process to January 31, 2027, if needed. The Fifteenth Letter Amendment was approved by Council on June 5, 2023.

### **Analysis**

This second phase of the procurement process includes development of a procurement package to solicit services from prospective contractor(s), review of proposals received, community engagement, and negotiation of agreement(s). HF&H has provided a proposal that includes 1,065 hours plus an additional 60 hours of contingency to assist City staff in completing these tasks.

The procurement process defines the terms under which the City negotiates services with one or more contractors. Services may include solid waste, recyclables, and organics collection, processing, and landfill disposal. HF&H is assisting the City in providing for a process that is fair and transparent; and reflects the City's current service needs, sustainability goals, and state compliance requirements.

### **Previous Actions**

Resolution No. 2022-118 for Amendment No. 1 to Consulting Services Agreement with HF&H for SB1383 Support for Fiscal Year 2022-2023

Resolution No. 2023-009 for Consulting Services Agreement with HF&H to Develop a Procurement Process for Solid Waste, Recyclables, and Organics Services Contracting

### **Financial Impacts**

This contract amendment will require Council appropriation of \$279,820 for Fiscal Year 2023-2024 from the General Fund Undesignated Fund Balance into Account 010-17-001-5120.

The approved budget for Fiscal Year 2023-2024 has \$50,000 appropriated. This Council action will add \$279,820 to total an adjusted appropriation of \$329,820 to cover this agreement and other Public

Works services. This request will draw down the General Fund undesignated fund balance. Use of reserves will be offset by the franchise agreement.

**ATTACHMENT(S)**

**Attachment A:** Resolution for Amendment No. 1 to the CSA with HF&H

**Attachment B:** CSA Proposal for Amendment No. 1

**Attachment C:** CSA with HF&H Consultants

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