

San Benito County Integrated Waste Management Regional Agency

2301 Technology Dr. • Hollister CA 95023 • (831) 636-4110 • sbciwm@cosb.us

Franchise Agreement Joint Regional Agency Member Meeting *(all elected officials invited)*

San Benito County Board of Supervisors Chambers
County Administration Office, 481 4th Street, Hollister

March 22, 2018, 6 pm – 8 pm

1. Presentation on Evaluation Committee Findings from review of the three proposals (i.e., GreenWaste Recovery, Recology, and RJR Resource Recovery) submitted in response to the Franchise RFP for collection services for recyclables, organics, and solid waste. This RFP was released on August 29, 2017 and proposals were received on November 14, 2017.
2. Discussion on contractor selection process schedule and pending request for short-term extension to current Franchise Agreement
3. Next steps in public process for consideration of contract award

INFORMATIONAL ITEMS ONLY. NO FORMAL ACTION TO BE TAKEN.

The San Benito County Integrated Waste Management Regional Agency members are the City of Hollister, City of San Juan Bautista and the County of San Benito County. The Regional Agency works collaboratively to meet state mandates for solid waste, recyclables, organics and household hazardous waste. The County is the lead agency for the Regional Agency.

<http://cosb.us/county-departments/integrated-waste-management/>

San Benito County Integrated Waste Management Regional Agency

2301 Technology Dr. • Hollister CA 95023 • (831) 636-4110 • sbcwim@cosb.us

DATE: March 22, 2018

TO: Franchise Agreement RA Member Elected Officials:
Anthony Botelho, Chair of County Board of Supervisors
Jerry Muenzer, Vice-Chair of County Board of Supervisors
Jaime De La Cruz, Supervisor, County Board of Supervisors
Mark Medina, Supervisor, County Board of Supervisors
Robert Rivas, Supervisor, County Board of Supervisors
Ignacio Velazquez, Mayor, City of Hollister
Mickie Solorio Luna, Mayor Pro Tempore, City of Hollister
Karson Klauer, Council Member, City of Hollister
Ray Friend, Council Member, City of Hollister
Jim Gillio, Council Member, City of Hollister
Jim West, Mayor, City of San Juan Bautista
John Freeman, Vice Mayor, City of San Juan Bautista
Tony Boch, Council Member, City of San Juan Bautista
Dan DeVries, Council Member, City of San Juan Bautista
Chris Martorana, Council Member, City of San Juan Bautista

FROM: Kevin McCarthy, on behalf of the Franchise RFP Evaluation Committee (Louie Valdez/San Benito County, Kathleen Gallagher/Acting IWM Manager (CSG), Patrick Matthews/GM & CAO for Salinas Valley Solid Waste Authority, Kevin McCarthy/CSG)

RE: Franchise Agreement Joint Regional Agency Member Meeting Agenda and Background

The Franchise Agreement Ad Hoc Committee (Board Chair Botelho, Board Vice Chair Muenzer, Hollister Council Member Klauer, Hollister Council Member Friend, Mayor West San Juan Bautista, and Council Member Boch San Juan Bautista) met on Thursday, March 8th from 3-5 pm at the Board of Supervisors Chambers to discuss items related to the new Franchise Agreement for recyclables, organics, and solid waste collection services. Items covered at the meeting included:

1. Presentation on Evaluation Committee Findings from review of the three proposals (i.e., GreenWaste Recovery, Recology, and RJR Resource Recovery) submitted in response to the Franchise RFP for collection services for recyclables, organics, and solid waste. This RFP was released on August 29, 2017 and proposals were received on November 14, 2017.
2. Discussion on contractor selection process schedule and pending request for short-term extension to current Franchise Agreement
3. Next steps in public process for consideration of contract award

These items were presented for **informational purposes only and no formal action was requested of the Ad Hoc Committee**. The Ad Hoc Committee did recommend that all three RA Members convene in a joint meeting to review the above items prior to scheduling formal action.

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<http://cosb.us/county-departments/integrated-waste-management/>

Attached you will find two documents that will be presented at the March 22nd meeting:

- Evaluation Committee Report: Evaluation and Scoring of Proposals in Response to RFP for Franchised Collection Services for Recyclables, Organics and Solid Waste for the County of San Benito, City of Hollister, and City of San Juan Bautista (three jurisdictions comprise the San Benito County Integrated Waste Management Regional Agency)
- Current and Revised RFP Schedule

The Evaluation Committee Report has been edited somewhat since the March 8th meeting to address feedback received from the Ad Hoc Committee.

Background

Regional Agency Member Approval to Conduct a Joint Request for Proposal (RFP) Process

The joint franchise agreement between the County of San Benito, City of Hollister, and City of San Juan Bautista, collectively the Regional Agency (RA) Members, and Recology San Benito County, is due to expire after June 30, 2018. All three RA Members agreed to participate in a joint franchise RFP process including development of a new franchise agreement. This joint process was approved by the City of San Juan Bautista on November 17, 2016, by the County Board of Supervisors on December 13, 2016, and by City of Hollister on June 5, 2017.

Franchise Agreement Ad Hoc Committee Convened to Review Key Decisions

A Franchise Agreement Ad Hoc Committee was convened to review key decision options related to the franchise agreement RFP process and review/approve the scope of services and franchise agreement terms and conditions. The Committee was comprised of Supervisor Jerry Muenzer, Supervisor Anthony Botelho, San Juan Bautista Council Member Tony Boch, San Juan Bautista (former) City Manager Roger Grimsley, and Hollister Council Member's Ray Friend and Vice-Mayor Karson Klauer. The Committee met on March 9th, and May 24, 2017 to review decision options and the franchise agreement scope of work. At the May 24th meeting, unanimous direction was given to pursue a joint RFP process. A final meeting was held on June 28th with direction given to move forward with development of the final RFP documents for approval by the RA Members.

Regional Agency Member Approval of Final RFP Documents

In August 2017, each RA Member adopted a similar resolution approving the final RFP documents, including a new franchise agreement, and authorized RA staff to release such documents to initiate the contractor selection process for a new franchise agreement.

AB 939 State Mandated Recycling Requirements

One key goal of the RFP process is to significantly increase recycling for RA Members to meet the AB 939 requirement of 50% diversion from landfill and other waste reduction mandates¹. CalRecycle, the state department that monitors and enforces solid waste mandates, notified our Regional Agency JPA that we have a trend of increasing disposed tons in the last three years and a low commercial recycling rate. CalRecycle staff determined that the Regional Agency JPA is on a 'good faith effort' and provided direction to increase recycling, particularly in commercial recycling and other areas to reduce waste.

¹ State mandate AB 939 requires jurisdictions to divert 50% of waste from landfill, AB 341 requires mandatory recycling for businesses, AB 1826 requires businesses to recycle organic/food waste, and SB 1383 targets 50% organics reduction from landfill by 2020 and 75% reduction by 2025. See for additional waste reduction mandates: <http://www.calrecycle.ca.gov/Laws/Legislation/CalHist/default.htm>.

ATTACHMENTS

A - Evaluation Committee Report: Evaluation and Scoring of Proposals in Response to RFP for Franchised Collection Services for Recyclables, Organics and Solid Waste for the County of San Benito, City of Hollister, and City of San Juan Bautista

B - Current and Revised RFP Schedule

Evaluation Committee Report

Evaluation and Scoring of Proposals in Response to RFP for Franchised Collection Services for Recyclables, Organics and Solid Waste for the County of San Benito, City of Hollister, and City of San Juan Bautista



HOLLISTER
CALIFORNIA



Presented to the Selection Committee (Ray Espinosa, Bill Avera, Michael LaForge, and Ed Tewes) 2/13/18

Presentation to the Franchise Ad hoc Committee 3/8/18

Presentation to the Joint Regional Agency Members on March 22, 2018

San Benito County Integrated Waste Management Regional Agency

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1. OVERVIEW AND BACKGROUND

This report from the Franchise RFP Evaluation Committee provides the evaluation and scoring results for the three companies that submitted proposals in response to the Collection Services RFP issued on August 29, 2017. The report details our evaluation of each company's qualifications and experience, technical proposal for collection services, cost proposal, contract exceptions, environmental enhancements, and optional organic materials collection services. **The scoring results can be found in Table B on page 10 of this report.**

The overall goals stated for this RFP process include:

- ***Provide quality programs, service & terms at best cost***
- ***Ensure programs meet state mandates¹, industry standards and industry best practices***
- ***Ensure each RA Member continues to approve separate garbage rates for their jurisdiction***

Regional Agency Member Approval to Conduct a Joint Request for Proposal (RFP) Process

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Franchise Agreement Ad Hoc Committee Convened to Review /Approve Key Decisions

A Franchise Agreement Ad Hoc Committee was convened to review key decision options related to the franchise agreement RFP process and review/approve the scope of services and franchise agreement terms and conditions. The Committee was comprised of Supervisor Jerry Muenzer, Supervisor Anthony Botelho, San Juan Bautista Council Member Tony Boch, San Juan Bautista (former) City Manager Roger Grimsley, and Hollister Council Member's Ray Friend and Vice-Mayor Karson Klauer. The Committee met on March 9th, and May 24, 2017 to review decision options and the franchise agreement scope of work. At the May 24th meeting, unanimous direction was given to pursue a joint RFP process. A final meeting was held on June 28th with direction given to move forward with development of the final RFP documents for approval by the RA Members.

Regional Agency Member Approval of Final RFP Documents

In August 2017, each RA Member adopted a similar resolution approving the final RFP documents, including a new franchise agreement, and authorized RA staff to release such documents to initiate the contractor selection process for a new franchise agreement.

AB 939 State Mandated Recycling Requirements

One key goal of the RFP process is to significantly increase recycling for RA Members to meet the AB 939 requirement

State mandate (AB 939) requires jurisdictions to reduce waste to landfill by 50% by recycling, food/organics recycling/composting, reuse and source reduction. CalRecycle is the state department that monitors and enforces AB 939 and other solid waste mandates. CalRecycle may place a jurisdiction on a compliance schedule and/or impose fines for non-compliance.
www.calrecycle.ca.gov

¹ State mandate AB 939 requires jurisdictions to divert 50% of waste from landfill, AB 341 requires mandatory recycling for businesses, AB 1826 requires businesses to recycle organic/food waste, and SB 1383 targets 50% organics reduction from landfill by 2020 and 75% reduction by 2025. See for additional waste reduction mandates: <http://www.calrecycle.ca.gov/Laws/Legislation/CalHist/default.htm>.

of 50% diversion from landfill and other waste reduction mandates. CalRecycle, the state department that monitors and enforces solid waste mandates, notified our Regional Agency JPA that we have a trend of increasing disposed tons in the last three years and a low commercial recycling rate. CalRecycle staff determined that the Regional Agency JPA is on a 'good faith effort' and provided direction to increase recycling, particularly in commercial recycling and other areas to reduce waste to landfill. *In January 2017, CalRecycle sent a notification to all jurisdictions that stated "it is imperative that CalRecycle fully exercise its authority to ensure that jurisdictions' specified disposal reduction and recycling programs are in compliance with state law. To ensure that mandated statewide goals are met, AB 341 and AB 1826 specifically authorize CalRecycle to conduct reviews of jurisdictions' mandatory commercial recycling programs and mandatory commercial organics recycling programs at any time. This means that a jurisdiction may be formally reviewed at any time outside of and in addition to the regular review cycle. Per PRC 42649.82, select rural jurisdictions that submitted a resolution to CalRecycle are exempt from the requirements of AB 1826. In 2020, if the statewide disposal of organic waste has not been reduced by 50 percent the exemptions will be repealed".* **Appendix A** provides the detailed list of goals and objectives for the RFP process and future franchised collection services².

Highlights of New Franchise Agreement - New Recycling Programs to Meet State Mandates

The following summarizes the new and expanded programs, services and contract improvements in the new Franchise Agreement to be implemented effective July 1, 2018.

A. New and Enhanced Recycling Collection Programs for Residents to Meet State Mandates

- **Weekly Yard Waste Collection³ for residents⁴**. This program will help meet state mandate SB 1383.
- **New Weekly Organics/Food Scraps Collection** for residents to simply place food scraps right into their yard waste bin (no new container is needed -all yard waste/organics/food scraps - even pizza boxes, paper plates, paper towels!) are collected in one bin). This program is needed to meet state mandate SB 1383.
- **Improved/Expanded On-Call Bulky Item Collection (at no additional cost)** for residents to place mattresses, electronics, appliances, broken furniture, etc. at their curbside for collection up to 2 times per year on a day of their choice. (In the current franchise agreement, residents must pay a significant, separate charge for this service. This charge ranges from \$37.02 to \$58.26 per pick-up depending upon what is picked-up).
- **Free Compost Giveaway Events for Residents (at no additional cost)**

Food waste and other organic wastes are the largest component that is landfilled from San Benito County jurisdictions. Approximately 19-21% of landfilled waste is food/organics.

AB 1826 and SB 1383 require jurisdictions and businesses to implement organics recycling programs. The new organics recycling programs in the franchise agreement will help meet mandates and reduce food waste to landfill.
www.calrecycle.ca.gov

Residents can receive free compost at a compost giveaway event up to three times each year for each RA Member upon RA Member request. Twenty (20) cubic yards of free compost will be made available for use by residents or for the RA Members use (for parks, etc.)

² The Ad hoc Committee reviewed key decision options related to the franchise agreement RFP process and reviewed/approved the scope of services, programs and franchise agreement terms and conditions.

³ Service areas for the County that are currently "voluntary" and "discretionary" will continue in new franchise agreement.

⁴ This service is included in the core service package (the current franchise has this service as an 'extra charge' on resident's bills).

- **Free Electronic Recycling and Confidential Shred Event for Residents (at no additional cost)**
Residents can get free electronic recycling and free confidential document shredding up to three times each year on a date decided by the RA and contractor. The location of the event is to be determined.
- **Free Quarterly Bulky Item Collection Events** will continue at the landfill where residents can bring their bulky items to recycle or dispose for free.
- **Free Household Hazardous Waste Dropoff/Collection** will continue every month (3rd Saturday of each month)

B. *New and/or Enhanced Programs/Services for Regional Agency Member City and County Facilities*

Each RA Members' City and County Facilities will receive these services at no additional cost:

- **New Recycling and Garbage Containers Collection at Parks, Corporation Yards, Fire Stations and other RA Member facilities**
New recycling and garbage container collection at RA Member's facilities, parks, municipal offices, corporation yards, parking lots, fire stations, and other RA Member-owned properties at RA Members request.
- **New Recycling, Organics and Garbage Containers at Street/Public Locations**
New recycling and garbage container collection at locations such as downtown streets as requested by the RA Members.
- **New Recycling Services at Community Events (e.g., Motorcycle Rally, County Fair, farmers markets, historical and cultural events, etc. with expanded services)**

Community event services include:

- a. Event Recycling /Organics/Garbage Collection Stations
- b. Collection Station Monitors
- c. New Recycling/Organics/Garbage Collection Containers
- d. Recycling/Waste Reduction Education Booth (staffed by contractor)
- e. Reporting to State CalRecycle Agency as required by AB 2176

New Recycling Services for Community events will include recycling, organics and garbage collection services, recycling containers, educational signs, staffing, education and reporting to meet AB 2176 reporting requirements.

C. *New and/or Enhanced Commercial Recycling Collection Programs for Businesses and Multi-Family Locations at no additional cost*

- Businesses will receive substantially expanded **commercial recycling technical assistance and outreach to help them increase recycling and reduce waste at no additional cost** (included in solid waste rates). This program is also available for the Multi-family locations. These commercial recycling services are critical to meeting state mandates AB 939, SB 1016, AB 341 and AB 1826.
- Businesses will receive a **new collection service for organic waste** (mainly food scraps) to meet **AB 1826 and SB 1383** state mandates. This service will be offered at a discounted price compared to solid waste collection services.

D. *New /Enhanced Public Education and Outreach Programs for Residents, Businesses and Multi-Family*

- Residents, businesses, multifamily accounts will receive improved public education and outreach to help them know all the recycling/waste reduction options available to them. The substantially enhanced **public education and outreach requirements** support the expanded diversion programs and help meet state

mandates AB 939, AB 341 and SB 1016. For commercial accounts, the focus will be to maximize diversion which will result in cost savings in solid waste charges.

E. Franchise Agreement's New Contract Terms and Conditions

- **Term of Agreement (Article 4)** – Ten-year term with option for extension, by written agreement of the Parties, twice for succeeding terms of two (2) years each, if Contractor in compliance with all terms and conditions of this Agreement, including the Diversion requirements.
- **Requirements for Operations, Equipment and Personnel)** – **Added requirement (per Article 6, Section 6.4.A) that all collection vehicles shall operate on compressed natural gas (CNG).** The Agreement and RFP anticipate allowing proposers to provide an alternative proposal for use of other alternative fuels such as renewable diesel, etc.

More environmentally friendly fuels for collection vehicles such as Compressed Natural Gas (CNG) or renewable diesel can help RA Members meet AB 32's greenhouse gas reduction requirements.

- **Worker Retention Policy and Compliance and Wages and Benefits Requirements** - The contractor is required to comply with a worker retention policy. More specifically, the “Contractor shall conduct outreach, complete interviews and offer employment to eligible employees. Contractor will not be required to hire for more positions than the maximum anticipated positions needed to provide the services required by this Agreement or hire employees for positions if those employees have not been successfully executing duties like those needed by Contractor to provide the services required by this Agreement.” This language is consistent with language in other Franchise Agreements was shared with Teamsters Local 350 during the RFP and franchise agreement drafting process and they offered no edits.

The contractor is required to provide employees with wages and benefits equaling no less than the wages and benefits included in the collective bargaining agreements in place in 2018 or at roll-out of the new collection services program.

- **Operation and Maintenance Yard Requirements** - As with the current Agreement, the new Agreement requires that the Contractor have an operation and maintenance yard within a certain number of miles of the County Administration building; in the new Agreement, its 30 miles vs. 25 miles in the current Agreement. If the Contractor's yard is outside the County boundaries the Contractor will pay an in-lieu property tax payment which is currently \$9,955.17 per year and indexed at 2% adjustment each year.
- **Franchise Fees and AB 939 and HHW Fees** – **Added new fees for AB 939 compliance⁵, household hazardous waste (HHW) fee to fund Countywide HHW programs⁶, and a litter abatement fee to cover litter and NPDES storm water requirements related to litter in**

New revenue for RA members from new fees such as AB 939 compliance fee, household hazardous waste (HHW)fee and other fees to cover program costs for RA members.

⁵ Funds AB 939 programs for residents and businesses such as recycling events, drop off events, etc. to increase diversion from landfill. Existing law authorizes jurisdictions to charge AB 939 fees to cover program costs and are common in franchise agreements.

⁶ HHW programs include the monthly free household hazardous waste events for residents, and collection/safe disposal of medical sharps throughout county. These programs reduce illegal dumping of hazardous waste.

waterways. These fees will cover the RA Member and/or County-wide specific programs costs. Final fee amounts to be determined during negotiations with the selected franchise hauler and input from RA Members.

- **Grant and Acceptance of Franchise** – Added a provision that requires (Article 3, Section 3.4) the contractor to pay to the County on behalf of the RA Members up to eighty-five thousand dollars (\$85,000) to offset the costs for contract staff to develop the RFP and Franchise Agreement, manage procurement process and to negotiate the final Agreement on behalf of the RA Members.
- **New Containers for Residents and Businesses** -The Agreement requires use of all new carts, bins, and drop boxes to service all Customers.
- **Fuel Efficient/More Sustainable Trucks**-The Agreement requires the Contractor to provide a fleet of new collection vehicles sufficient in number and capacity to efficiently perform the work required in strict accordance with its terms. Contractor shall have available sufficient back-up vehicles for each type of Collection vehicle used to respond to scheduled and unscheduled maintenance, service requests, complaints, and emergencies. Such back-up vehicles may be used vehicles.
- **Improved Customer Service, Record Keeping, and Reporting and Billing Requirements** – Updated reporting requirements to meet industry standards, including the reporting of liquidated damages on a quarterly basis. The current and new Agreement requires the Contractor to provide at least one location in each RA Member’s jurisdiction, acceptable to the RA Member, where customers can pay their bills in person.

F. New Performance Standards and Incentives/Performance Liquidated Damages

- **45% Measured Diversion Requirements to Meet State Mandates** – Added enforceable diversion requirements (Article 5, Section 5.12) to assist the RA Members with meeting state diversion mandates (AB 939, AB 341, AB 1826, etc.). Currently, there are no consequences associated with the Contractor not meeting the diversion goals.

Of key importance is the added performance incentives and disincentives (Franchise Agreement Attachment H) related to meeting an overall measured diversion requirement minimum of 45%.

- **Improved method to correct service issues**- Updated liquidated damage provisions (Article 11, Section 11.6) to match industry standards.

2. PROPOSAL EVALUATION PROCESS

On August 29, 2017 the RA released the Collection Services RFP. By the November 14, 2017 deadline, the RA received three (3) responsive proposals from companies capable and qualified to provide the collection services described in the RFP. The proposers are:

- GreenWaste Recovery (GWR)
- Recology San Benito County
- *RJR Resource Recovery (RJR RR) (i.e., RJR Recycling, Atlas Disposal, and Garden City Sanitation)

**This new firm was created for the purposes of responding to this RFP. The firm is one-third owned by each of the companies listed above.*

Between the time of the RFP release and the submittal of proposals, there were three RFP addendums released that addressed written questions provided by the proposers and provided some updated technical data (e.g., yard waste route information, public event details, updated service levels for RA Member facilities, and updated cost forms) to potential proposers. The RFP addendums were emailed to the potential proposers on September 18th, October 4th, and November 3rd and all proposers acknowledged receipt of them.

2.1 Evaluation Process

The Franchise Agreement Ad hoc Committee approved the formation of an Evaluation Committee to review each of the submitted proposals. The Regional Agency's Evaluation Committee consists of: San Benito County staff (Louie Valdez), a representative from another solid waste JPA – Salinas Valley Solid Waste Authority General Manager/CAO (Patrick Mathews), Integrated Waste Management Program Manager (contract staff) Kathleen Gallagher, and County Integrated Waste Management Technical Expertise contract staff Kevin McCarthy. **The Evaluation Committee was supported by a team of technical reviewers from the County Counsel's office (Sean Collins and Barbara Thompson), County Resource Management Agency – IWM Department staff (Hannah Francis), County Finance, outside legal counsel Tamara Galanter (Shute, Mihaly & Weinberger LLP), and Enrique Vazquez from the consulting firm Sloan Vazquez McAfee. Technical reviewers reviewed specific aspects of the proposals, such as the County Counsel's office and outside legal counsel reviewed contract exceptions and provided feedback to the Evaluation Committee.**

The Evaluation Team, with support from the technical reviewers, thoroughly evaluated each of the three proposals for completeness (per the RFP requirements), and accuracy and followed the evaluation process detailed in Section 6.1.2 of the RFP. Once proposals were initially reviewed, there was an iterative process with active engagement with each proposer to address questions, request follow-up information if applicable, conduct interviews and complete on-site visits.

During the Proposal Evaluation Process, the Evaluation Committee was supported by a team of technical reviewers from the County Counsel's office, Resource Management Agency – IWM Department staff, County Finance, and outside legal counsel (Shute, Mihaly & Weinberger LLP).

Specific milestones in the evaluation process included:

1. Proposals as submitted on November 14, 2017.
2. Initial review of proposals for completeness. Between 11/16-11/20/17 requests were made and information provided by Recology and RJR RR to address missing item(s) or item(s) to correct in their respective proposals.
3. Detailed technical questions were sent to each proposer on December 1st with responses due back by December 11th.
4. 30-minute public presentations were made by each proposer on December 13th re: their company qualifications and technical proposal. No cost related information was shared in the presentations.
5. Follow-up technical questions were sent out on December 18th and responses due back by December 21st.
6. 60-minute technical Interviews were conducted with each of the three proposers on December 19, 2017.
7. Site visits were conducted for each proposer to see a currently operating corporation yard. Each visit included a site walk and the proposer demonstrating how their customer service and/or route operational software worked. Tours were conducted at two locations associated with RJR RR: Garden City Sanitation (Santa Clara facility) on January 8th which also included a tour of their SAFE production facility which receives pre-processed food scraps and converts it into an ingredient for animal feed; and RJR Environmental (Hollister), one of the other partners that comprise RJR RR, recycling facility was toured on January 11th to see the proposed location for a new corporation yard. Recology's Gilroy corporation yard, which currently services San Benito County, was toured on January 11th along with their nearby South Valley Organics composting facility. Finally, GreenWaste Recovery's Watsonville facility, corporation yard and transfer station, was toured on January 16th.
8. Supplemental or new alternative cost proposal information was requested of each proposer re: the use of renewable diesel to power their collection fleets.
9. On January 9th each proposer was sent correspondence communicating the opportunity for them to provide a Final and Best Base Cost Proposal with such proposals due January 15th. Each proposer was also made aware of previous identified cost items to address and provided updated clerical wage and benefit information to include in their proposal.

2.2 Evaluation Criteria and Proposal Scoring

Each Evaluation Committee member separately completed the numerically scoring and ranked each proposal using the approved (by the Franchise Ad Hoc Committee and each RA Member) evaluation criteria summarized in **Table A** on the following page.⁷ The scoring was completed separately by each evaluator and not jointly with another evaluator. Completed scoring sheets were sent by each evaluator to Resource Management Agency - IWM Staff Hannah Francis for consolidation and preparation of the final scoring table. Certain aspects of the scoring (e.g., cost competitiveness, and number and materiality of the contract exceptions) were determined based on feedback from the technical reviewer team described in Section 2.1. For example, the cost proposal total points of 225 were allocated 50/50 between the two sub criteria of "competitiveness" and "reasonableness". Each evaluator used the same scoring for cost competitiveness based on ranking the proposers from lowest total cost (revenue requirement) to highest total cost (revenue requirement).

⁷ The Ad hoc Committee reviewed and approved the evaluation criteria in **Table A** on the next page.

As shown in **Table O**, Recology had the lowest total cost, followed by RJR RR and then GWR; the cost difference between the lowest to highest was only 1.6%.

The explanation of the scoring of number and materiality of the contract exceptions can be found on p. 29 of this Report.

Table A: Evaluation Criteria and Maximum Evaluation Score

Criteria	Maximum Evaluation Score	% of Total Points
Responsiveness to RFP	Pass/fail	N/A
Company qualifications and experience	175	25%
Proposal for collection services (includes both base and optional services)	175	25%
Cost proposal (Includes both <u>base and optional services</u>)	225	32%
Number and Materiality of Suggested Changes to Franchise Agreement	75	11%
Environmental Enhancements	50	7%
Total Maximum Score	700	100%

Specific evaluation criteria and sub-criteria are found in Section 6.2 of the RFP and are included in **Appendix B**.

3. PROPOSAL SCORING RESULTS

The Evaluation Committee has scored GWR as the highest ranked proposer as result of an exhaustive evaluation process detailed further in this document. Using the Committee's approved evaluation criteria, GWR received the highest number of points based on a combination of factors including:

- **GWR Responsiveness to the RFP.** The entirety of GWR's responses including their original proposal, their written answers to the technical questions, their written responses to the cost and rate specific questions, and their technical interview were the most complete and comprehensive when compared to the other two proposals. GWR had 100% compliance with RFP Proposal Requirements and all RFP scope of service items were addressed in their original submittal.
- **GWR provided the highest diversion (recycling) levels above and beyond the required minimum performance standard of 45% diversion in the Franchise Agreement.** GWR forecasted the highest overall diversion and detailed how they would achieve the rigorous requirements in the Agreement, including using additional outreach staffing levels in year 1 of the Agreement.
- **GWR's proposal clearly demonstrated the ability to cost effectively provide quality collection services and programs to meet state diversion mandates (AB 939, AB 1826, AB 341, etc.).** GWR provided a detailed and comprehensive approach as to how they would implement improved programs to increase the currently low performing commercial and multi-family recycling programs⁸. GWR demonstrated a strong understanding of how to implement effective on-site technical assistance and outreach to businesses and multi-family accounts to increase diversion.
- **GWR's base proposal included the additional service of commercial organics (food) collection services for businesses on the contract start date.** GWR provided this service in its base proposal to ensure it meets and exceeds the diversion requirements in the franchise agreement (commercial organics collection was an optional service for proposers). Providing this service for businesses will assist in meeting the state mandates because organics is the largest component of waste that is still landfilled. Additionally, businesses will benefit from the reduced costs of organics recycling at the start of the Agreement.
- **GWR's proposal provided the most sustainable customer rate model with minimal subsidy (<5%) of residential rates by commercial rates.** GWR also provided detailed information regarding the financial incentives for businesses and multi-family (commercial) customers who downsize their garbage service levels to meet the required diversion mandates. GWR provided the lowest commercial organics rates which will be important for businesses to easily participate in this new program.
- **GWR's proposal detailed a very specific public education and outreach plan for residents and businesses to meet the requirements in the franchise agreement.** GWR provided detailed examples of how they would deliver residential outreach and education and commercial recycling technical assistance with trained staff and provide community event recycling and organic collection services.
- **GWR's proposal provided a thorough implementation plan for rollout of new services, including specific plans for their proposed corporation yard in the service area.**
- **GWR had the fewest franchise agreement/contract exceptions of the three proposers which will greatly simplify the time, effort and expense associated with negotiated a final Agreement.**

⁸ The current commercial recycling rate is 6%.

Proposers' evaluation scores are presented in **Table B - Proposer Evaluation Score**, which shows scores for each proposer for each of the criteria. Bolded scores reflect the best score within each criterion.

Table B: Proposal Evaluation Score

Evaluation Criteria	Total Points/Evaluation Criteria			Max. Total Score	Average Points/Evaluation Criteria		
	Green Waste Recovery	Recology	RJR Resource Recovery		Green Waste Recovery	Recology	RJR Resource Recovery
6.2.1 Proposal Submittal Responsiveness- Pass/Fail	N/A	N/A	N/A	N/A	N/A	N/A	N/A
6.2.2 Company's Qualifications and Experience	651.5	652.5	525	175	162.875	163.125	131.25
6.2.3 Proposal for Collection Services	660	590.5	577	175	165	147.625	144.25
6.2.4 Cost Proposal	858	826.25	792.75	225	214.5	206.5625	198.1875
6.2.6 Number and Materiality of Exceptions	280.5	261	223	75	70.125	65.25	55.75
6.2.7 Environmental Enhancements	110	130	92	50	27.5	32.5	23
Total Points	2560	2460.25	2209.75	700	640	615.0625	552.4375
Ranking*	1	2	3		1	2	3
% of Total Points					91.4%	87.9%	78.9%

* Each of the four evaluators that scored and ranked the proposers had the same rank order as the overall ranking order shown above.

- GWR had the highest overall score and ranking and the highest score on individual evaluation criteria related to technical proposal, cost proposal, and number and materiality of contact exceptions.
- Recology had the highest score on individual evaluation criteria related to qualifications and experience and environmental enhancements.

4. PROPOSAL EVALUATION DETAILS

This section of the Report provides the rationale for scoring and ranking of the proposers based on evaluation results for key evaluation criteria. This report focuses on unique differences between the firms and is not intended as a summary of all evaluation details and findings; only the most critical information is highlighted.

4.1 Proposer Key Attributes

Table C provides a summary of the key attributes of each firm proposing to provide franchised collection services in the Regional Agency. Each firm or partners of the firm have capabilities that would benefit the Regional Agency.

Table C: Proposer Key Attributes

Proposer	Key Attributes
GWR	<ul style="list-style-type: none">• Successful innovator in the Bay area over the past 20+ years in material processing operations such as Construction and Demolition (C&D) recycling and processing, organics collection and composting, etc. and marketing a diverse array of finished organics products.• GWR was formed in 1991 and is delivering franchised collection services in neighboring communities in the Counties of Monterey, Santa Cruz and Santa Clara and for Santa Cruz County and the southern portion of Santa Clara County.• Operate large-scale composting operation, Z-Best Composting, approximately 11 miles from downtown Hollister.• Completed 16 new franchise agreement transitions in 10 years.• Operate a large-scale material recovery facility (MRF) in San Jose with capacity to process recyclables from San Benito County.
Recology San Benito County	<ul style="list-style-type: none">• Current hauler for the Regional Agency since 2008 and the unincorp. County areas since 2002.• 100% employee owned company that has grown into the 9th largest company in the U.S. waste industry. Recology delivers franchised services to the nearby communities of Gilroy, Morgan Hill, and the eastern portion of Santa Clara County.• Operate a small to medium size composting operation in Gilroy approximately 15 miles from downtown Hollister.• Recology management and staff participate in and contribute to many local organizations and community events in the RA service area.• Operate an existing corp. yard in Gilroy with a pre-existing CNG fueling facility.
RJR RR	<ul style="list-style-type: none">• Partner company RJR Recycling has operated recovery operations in the County since 2003 and is Hollister based. They currently process source separated recyclable materials from local businesses and schools.• Partner company Garden City Sanitation have a long-standing record of innovation and embrace new technology to improve operational and customer service delivery.• Partner company Atlas Disposal won an award in 2011 to develop North America's first Food Waste-to-Transportation fuel production facility to turn organic waste into natural gas for their fleet and other customers in the region.• Garden City Sanitation and its affiliates has extensive experience managing franchise contracts in the greater Bay area including but not limited to San Jose, Santa Clara, Los Altos, Milpitas, Alameda, Livermore, and Windsor.• Garden City Sanitation and affiliates have also completed many service transitions including but not limited to San Jose, Los Altos, Milpitas, Alameda, Livermore, and Windsor.

4.2 Proposal Submittal Responsiveness/Compliance with RFP Requirements

This evaluation criterion was rated simply as a Pass or Fail. While not all the proposers were totally compliant with all the RFP requirements, it was determined that all three were either fully compliant or substantially compliant; all were given a “Pass” grade. However, the deficiencies in proposals submitted by Recology and RJR RR were considered in the overall evaluation process. More specifically, the following assessment was made relative to the proposer’s compliance with the RFP requirements:

- **GWR** - 100% compliance with RFP Proposal Requirements. All RFP scope of service items were addressed.
- **Recology** – Fully complied with 8 of 9 (89%) sections in the required proposal outline (RFP Section 5.1) but left out a description of certain scope items including: single family dwelling (SFD) scope of services items that relate to providing additional recycling carts, overages, household batteries, used motor oil and filters, and seasonal programs like holiday tree collection. This missing information was requested in follow-up technical questions and provided by Recology.
- **RJR RR** – Fully complied with 6 of 9 (67%) sections in the required proposal outline. Proposal requirements specifically not met were regarding Section 2: “Proposal for Required Services” did not follow the required Proposal Outline per Section 5.1 of the RFP. Also, did not detail their contract exceptions in the required format as detailed in the RFP, did not provide past performance record information for the three separate entities that comprise the new company, and they did not provide a description of certain scope items including: RA Member Services, RA Member public location services, RA Member community events, free compost event services, E-Waste and Shred event services, Public drop box service, and abandoned solid waste collection. This missing information was requested in follow-up technical questions and provided by RJR.

4.3 Company Qualifications and Experience

Collection and Management Experience

As noted in **Table C**, all three firms or the partners of the firms have substantial franchised collection service experience and service initiation experience (whether as an incumbent service provider or replacing the current service provider). All three firms are qualified to deliver the services requested in the RFP and detailed in the franchise agreement. Some of the key differentiators between the firms are as follows:

- Recology is the incumbent service provider and has the most direct hands-on experience in the service area. Recology has a very experienced management team familiar with the service area.
- GWR is managing franchise agreements larger than the Regional Agency service area in the neighboring Counties of Monterey, Santa Cruz and Santa Clara Counties. They also have extensive processing infrastructure that can be leveraged to handle recyclables and organics from San Benito County.
- RJR RR’s partners Garden City Sanitation and Atlas Disposal has extensive franchise experience either through current contracts they hold or previous contracts they managed when working with other firms. However, the local partner RJR while having extensive local knowledge of the service area does not have any direct experience managing an exclusive municipal franchise. Further, the three partner companies in RJR RR have not all teamed together on a municipal franchise contract prior to this effort.

Table D provides a side-by-side comparison of the experience levels of each proposer's General Manager (GM) slated to manage this contract.

Table D: Experience for Proposed General Manager

Proposer	Experience
GWR	Colin Beall - 30-years solid waste industry experience managing union and non-union personnel. Became the Collection Operations Manager for GreenWaste in 1991. Currently manages franchise agreements with City of San Jose (yard waste/ public litter container collection, street sweeping, and neighborhood clean-up events), two unincorp. areas of Santa Clara County, Burbank Sanitary District, Los Altos Hills, Portola Valley and Woodside.
Recology San Benito County	Phil Couchee - 25-years solid waste industry experience managing primarily union employees. He has been managing the current franchise since 2007. Also, manages the franchise agreements with Gilroy and Morgan Hill. Previously, managed franchise agreements with Saratoga, Los Gatos, Campbell and Monte Sereno.
RJR RR	Robert Rodriguez, II - 10-years of experience in the solid waste industry managing non-franchise recycling and solid waste collection services. The other RJR partner companies (i.e., Garden City and Atlas Disposal) have extensive experience managing solid waste franchises. Mr. Rodriguez has no experience managing an exclusive municipal franchise nor managing a unionized workforce. In a response to a question re: this, it was noted that Mr. Rodriguez is enrolled in a Next Generation Management and Leadership program offered through the California Refuse Recycling Council (CRRC) and will graduate in May 2018.

Besides the GM position, there are other critical management positions to consider in evaluating the three proposers. **Table E** summarizes these other management positions for each proposer.

Table E: Other Management Positions

Proposer	Staffing Details
GWR	GM and other management staff are 100% dedicated to franchise. Route Supervisor, Maintenance Supervisor, and Customer Service Manager positions to be filled. Proposed Recycling Outreach Manager has hands-on, relevant experience with other franchise contracts, but this is his first supervisory position.
Recology San Benito County	Key existing personnel such as the General Manager, Operations Manager, Shop Manager and Office Manager, are not solely dedicated to the franchise as they also support the franchises with Gilroy and Morgan Hill; <u>only 29% of their time is allocated to this franchise</u> . This is the current arrangement. Recycling Outreach Manager position to be filled.
RJR RR	GM and other management staff are 100% dedicated to franchise. Staffing plan assumes the Operations Manager will perform route supervisor functions, while also splitting dispatch duties with the Customer Service Manager. There is no designated route supervisor. Operations Manager and Recycling Outreach Coordinator positions to be filled. Proposed Recycling Outreach Manager has extensive overall industry and outreach experience but hasn't managed field-level outreach activities for a franchise contract in many years. In a response to a question, there was reference to more recent work rolling out a food scraps diversion program for Sacramento City Unified School District.

Jurisdiction Satisfaction

Each of the proposers provided municipal franchise references. The Evaluation team conducted phone interviews with a total of 15 references and completed five reference interviews for each proposer by the deadline. The phone interview was to complete a survey with the full survey results summarized in **Appendix C**. Below is a summary of the survey results.

<u>Questions:</u>	<u>Company</u>	<u>N/A</u>	<u>Response % Unsatisfactory</u>	<u>Response % Satisfactory</u>	<u>Response % Extremely Satisfactory</u>
<i>Overall Opinion:</i> Overall, how would you rate the performance of your franchise recycling and solid waste collection service provider?	GWR	0	0	20%	80%
	Recology	0	0	20%	80%
	RJR RR	0	0	20%	80%

All three proposers rated highly in overall satisfaction. The more detailed survey results in **Appendix C** show that Recology and RJR (were all Garden City Sanitation references) had somewhat higher satisfaction results than GWR on the other phone survey questions.

Labor Agreement and Wages

All proposers met the requirement to use current Teamster Local 350 collective bargaining agreement wages and benefit rates in their cost proposals. All proposers took no exception to the worker retention requirements in the franchise agreement.

GWR noted in their proposal that if they are awarded the contract they will negotiate new labor agreements prior to the commencement of services and that a memorandum of understanding (MOU) was signed with Teamsters Local 350. Recology currently is holder of the labor agreements with Teamsters Local 350. RJR RR stated in a response to a question re: whether they had signed an MOU that no MOU had been signed, but they “are not opposed to signing at a later date.”

As noted later in the document, the proposed driver headcount by all three firms is higher than the current existing driver headcount at Recology.

4.4 Proposal for Collection Services

There were more notable differences between the three proposers when evaluating their technical proposals for collection services.

Base Proposals

Table F summarizes to what degree the “Base proposal” requirements were met by each proposer.

Table F: Base Proposal Submittals

<u>Proposer</u>	<u>Base Proposal Requirements Met?</u>
GWR	Yes. Also, included in its base proposal the additional service of Commercial Organics (food) collection services on the contract start date. This was “Option 1” for proposers, but GWR included this service to ensure it meets and exceeds the diversion requirements in the franchise agreement. As discussed later under the review of the cost proposals, GWR also provided substantially lower rates for the commercial and multi-family organics collection services.
Recology	Yes.
RJR RR	Yes. Also, proposed to provide residents with a kitchen pail for collecting food scraps in their home.

Diversion Ability/Plan

Each proposer was required to provide a diversion plan to meet a minimum overall measured diversion rate of 45%. It's important to note that the current overall measured diversion rate (per Recology's 2017 Annual Report) is 28% with the residential sector at 43% and commercial sector at 6%. **Table G** below summarizes the diversion rates forecasted by each proposer. All three proposers met the minimum diversion requirement of 45%, but GWR forecasted the highest overall diversion rates in year 1 and year 10 of the contract largely due to higher commercial diversion rates. The Public Education Program details on the next page reinforce GWR having a detailed plan with additional staffing to achieve the higher diversion rates.

Table G: Diversion Ability/Plan

<u>Proposer</u>	<u>Forecasted Diversion Rates ("Measured Diversion Rates")</u>		
	<u>Year 1</u>	<u>Year 4</u>	<u>Year 10</u>
GWR	Overall: 47.5% <u>Commercial diversion rate:</u> <u>32.4%.</u>	Overall: 53.5%	Overall: 60%
Recology San Benito County	Overall: 45.1% <u>Commercial diversion rate:</u> <u>18.6%.</u>	Overall: 51.1%	Not provided
RJR RR	Overall: 46.5% <u>Commercial diversion rate:</u> <u>23.1%.</u>	Overall: 51.7%	Overall: 54.1%
<ul style="list-style-type: none">• Current residential diversion rate is 43%• Current commercial diversion rate is 6%• Current overall diversion is 28% <p>New contract standard is minimum overall measured diversion rate is 45%.</p> <p>Note: process residue has not been deducted from the diversion figures referenced</p>			

Public Education and Promotion Program

Greatly expanded public education and outreach activities are a critical component of the franchise agreement and efforts to stay in compliance with current and future state diversion mandates. All proposers were required to propose two dedicated, full-time outreach staff. **Table H** below summarizes outreach staffing assumptions and outreach plan detail by each proposer.

Table H: Recycling Outreach Staffing Assumptions and Outreach Plan Detail

Proposer	Recycling Outreach Staffing Levels	Public Education Plan Details
GWR	4 staff. (Recycling Manager and Recycling Coordinator) and <u>2 additional Recycling Coordinators in first year only.</u> <u>2 staff ongoing after year 1.</u>	Dedicated 26 pages in proposal to the Public Education and Outreach requirements, including thoroughly addressing the public education plan requirements in the franchise agreement.
Recology San Benito County	2 staff (Recycling Manager and Recycling Coordinator).	Dedicated 5 pages in proposal tailored substantially to the Public Education and Outreach requirements.
RJR RR	2 staff (Recycling Manager and Recycling Coordinator).	Dedicated 5 pages in proposal to the Public Education and Outreach requirements with most of the text not customized to meet the RFP requirements.

GWR: Dedicated 26 pages in their proposal to the Public Education and Outreach requirements, including thoroughly addressing public education plan requirements in the franchise agreement. In response to questions, provided detailed examples of how they would deliver commercial recycling technical assistance, noting common barriers to overcome and lessons learned. GWR also provided four sample reports that addressed: technical assistance service change tool, technical assistance rates by volume, example of an AB 341 report, and example of outreach notes for tracking customer activity. These reports highlighted the lengths to which GWR has gone to incorporate commercial recycling technical assistance into their operations. Response to questions provided a detailed plan for deployment of a social media plan to include Twitter, Instagram and Facebook platforms.

Recology: Dedicated 5 pages in their proposal tailored substantially to Public Education and Outreach requirements. Also, provided details on how their Recycling Outreach Staff (called Waste Zero Specialists) are trained and on which topics. In response to questions, provided more detailed examples of how they would deliver commercial recycling technical assistance. The elements of Commercial/MFD outreach plan submitted by Recology remained unchanged from the firm's current approach. No new elements or resources were specified (e.g. field tools such as iPads/tablets with preloaded reports and forms to complete, customized reports to take into field when visiting businesses, etc.) other than 100%-time dedication for 2 outreach staff as required in the RFP. Response to questions provided a sample social media plan that included Twitter, and Facebook.

RJR RR: Dedicated 5 pages in their proposal to Public Education and Outreach requirements with most of the text not customized to meet the RFP requirements. In response to questions, they provided an example of a detailed Public Education Plan that Garden City Sanitation submitted to the City of Livermore in 2010; the Plan is similar to one included in the Franchise Agreement. RJR offered innovation in terms of field use of "Recyclist" software to confirm contact and current service information, review site needs, and propose new services to increase diversion. Response to questions confirmed they will be using social media tools but provided little detail. References were provided to existing websites used in other contracts. RJR also demonstrates innovation in its proposed camera system on its trucks which allows live streaming capability to monitor materials collected at residents and businesses for any excess contamination levels in collected recyclables and organics.

Facilities for Equipment, Maintenance and Administration

This section primarily addresses corp. yard requirements and the plans submitted by each proposer as summarized in **Table I**. GWR and RJR RR are proposing new corp. yard facilities near Hollister in unincorporated San Benito County whereas Recology will use its existing corp. yard in Gilroy.

Table I: Corporation Yard Details

<u>Proposer</u>	<u>Corporation Yard Details</u>
GWR	GreenWaste is in contract to purchase property located at <u>2321 Fallon Road, Hollister</u> , for use as its new corporation yard; this facility is approx. <u>4.7 miles from downtown Hollister</u> . Building renovations will occur along with adding the new CNG fueling station. <u>Proposed</u> corporation yard has the basic infrastructure in-place to provide: collection vehicle, employee and visitor parking; equipment and container storage; vehicle and equipment maintenance facilities; vehicle and container cleaning; vehicle CNG fueling facility; and admin. office and customer service functions. The facility will also be permitted to operate as a medium volume (<100 tpd) transfer/processing facility.
Recology San Benito County	Recology will utilize its <u>existing</u> corporation yard in Gilroy which is approx. <u>15.1 miles from downtown Hollister</u> . This facility includes: collection vehicle, employee and visitor parking; equipment and container storage; vehicle and equipment maintenance facilities; vehicle and container cleaning; vehicle CNG fueling facility; and admin. office and customer service functions.
RJR RR	RJR RR will use its existing location in Hollister and build a new corporation yard operation at <u>1771 San Felipe Road, Hollister</u> to provide: collection vehicle, employee and visitor parking; equipment and container storage; vehicle and equipment maintenance facilities; vehicle and container cleaning; and admin. office and customer service functions. This facility is approx. <u>2.2 miles from downtown Hollister</u> . A new 120'x75' admin. and truck maintenance building will be constructed. Truck fueling operations are yet to be determined because final plans/arrangements are not in place; RJR stated they expect to have decision on CNG facility within 90 days of contract award. The facility is already permitted to operate as a medium volume (<100 tpd) transfer/processing facility.

GWR and RJR RR's proposed corp. yard locations are closer-in to the populated areas and will reduce the amount of time the driver is off-route ("windshield" time) compared to Recology; GWR and RJR RR drivers have shorter drive times to their routes and back each day. **This in part explains the lower proposed driver headcount by GWR and RJR RR.**

GWR and RJR RR's corp. yards will also have the capability to serve as a transfer station for the recyclables collected (by residential and commercial recycling route trucks) in the service area. This means GWR and RJR RR recycling route drivers will spend far less time off-route than Recology drivers. Recology is proposing to direct haul their collected recyclables from the routes to the Monterey Regional Waste Management District materials recovery facility (MRF) in Marina. **This in part explains the lower proposed driver headcount by GWR and RJR RR.**

Finally, siting a corp. yard in the County will provide one-time financial benefits (e.g., new sales tax revenue from the purchase of equipment) and ongoing financial benefits (e.g., increased property tax payments) for the County.

Collection Vehicle Fleet

Table J summarizes some of the technology that will be deployed in each collection vehicle proposed by each proposer. Below **Table J** is another table summarizing the number and type of collection vehicles proposed. GWR and RJR are proposing more sophisticated systems that while they add cost to the purchase of the vehicle they allow for a greater-degree of real-time monitoring of their collection vehicle operations; this offers potential productivity gains and enhanced customer service. All of the proposers utilize computerize routing software to design/create/adjust the routing of their collection vehicles.

Table J: Collection Vehicle Fleet

<u>Proposer</u>	<u>Collection Vehicle Fleet</u>
GWR	All collection vehicles will be equipped with EyeRide 400 + GPS and camera system (4 cameras) to “track and monitor operations. It also offers video recording and streaming, wireless communications, audio support, geofencing, speed limit, idle monitoring, and route deviation.” Vehicles are also equipped with sign boards for public education messaging. <u>Fully automated side loader used for residential accounts with 29 cu. yard capacity costs \$385,000.</u>
Recology San Benito County	All collection vehicles equipped with an on-board video safety system technology; this is not a live stream system. No GPS tracking of vehicles. <u>Fully automated side loader with 28 cu. yard capacity costs \$364,000.</u>
RJR RR	All collection vehicles will be equipped with software and hardware that allows for real-time tracking of all vehicles and vehicle operations, and 6 cameras with video recording and streaming. The software, ACMS, integrates customer service, billing, routing and scale services. One of the cameras is on the hopper which allows for real-time observation of the cart and bin contents that are emptied into the hopper. <u>Fully automated side loader with 31 cu. yard capacity costs \$390,606.</u>

The three companies are proposing similar total number of collection vehicles as shown in the table below.

<u>Summary of Collection Vehicles (Base Proposal)</u>						
<u>Proposer/Type of Vehicle</u>	<u>Fully Automated Side Loaders</u>	<u>Rear Loader</u>	<u>Front Loader</u>	<u>Rolloff</u>	<u>Flat Bed</u>	<u>Total</u>
GWR	9	1	4	1	1	16
Recology San Benito County	12		3	1	1	17
RJR RR	11	0	3	2	1	17

Staffing Levels

Table K below summarizes proposed staffing levels by each of the three proposers with some notable differences as follows:

- GWR and RJR RR are proposing significantly fewer drivers than Recology at 15.55 and 17.88, but still more drivers than the existing number of Recology drivers at 15.
- GWR is proposing higher staffing levels for customer service and for recycling outreach staff.
- GWR and RJR are proposing higher management staffing largely due to Recology only allocating 29% of their existing management staff time to this Franchise Agreement; the balance of Recology's management staff time is allocated to Morgan Hill and Gilroy.

Table K: Proposed Staffing (Total Full-Time Equivalent)

<u>Proposed Staffing (Total Full-Time Equivalent)</u>						
<p><i>"Drivers"</i> includes route drivers, cart and bin delivery/repair drivers, on-call collection/bulky waste collection drivers. <i>"Mechanics"</i> includes staff responsible for collection and support vehicle and container maintenance and repair. <i>"Customer Service Staff"</i> includes all customer service staff (i.e., customer service representatives). <i>"Public Education and Outreach"</i> includes Outreach Manager and Recycling Outreach Coordinator. <i>"Management and Administration"</i> includes General Manager, Operations Manager, Accounting, etc.</p>						
	<u>Drivers*</u>	<u>Mechanics</u>	<u>Customer Service Staff</u>	<u>Outreach**</u>	<u>Management and Administration</u>	<u>Total Staff</u>
GreenWaste Recovery	15.55	3.30	3.30	4 in Year 1, 2 thereafter	3.0	27.15
Recology	22.76	3.12	2.16	2	2.32	32.36
RJR RR	17.88	2.63	1.76	2	4.0	28.27
<p>Source: Cost Forms 1.3 Direct Labor and 1.4 Indirect Wages. Notes: *Includes any driver headcount shown for container management, repair and maintenance. **RFP required a minimum of one Recycling Outreach Manager and one Recycling Outreach Coordinator. GWR included two extra Recycling Outreach Coordinators in year 1 of the contract to increase commercial diversion. <u>Recology existing driver headcount is 15 drivers.</u></p>						

As previously explained under the corp. yard discussion, GWR and RJR RR have lower driver headcount due in part to reduced driver non-productive time; this time is referred to as off-route time and includes the time the driver travels to and from the corp. yard to their route and to locations to unload their collected materials.

Table L on the next page captures some of the critical differences in off-route time for residential route drivers in terms of where they unload collected materials.

Table L: Residential Processing/Disposal Locations for Collected Materials

Residential Processing/Disposal Locations for Collected Materials			
	<u>Solid Waste</u>	<u>Recyclables</u>	<u>Organics</u>
GWR	John Smith Rd. Landfill	Unloaded at corp. yard in Hollister.	Z-Best. <u>10.2 miles</u> one-way from downtown Hollister.
Recology San Benito County	John Smith Rd. Landfill	Unloaded at MRWMD MRF in Marina. <u>29.8 miles one-way from downtown Hollister.</u>	South Valley Organics. <u>14.2 miles</u> one-way from downtown Hollister.
RJR RR	John Smith Rd. Landfill	Unloaded at corp. yard in Hollister.	Z-Best. <u>10.2 miles</u> one-way from downtown Hollister.

Proposed Implementation Plan/Transition Plan

Another critical element to the success of a new franchise agreement is the proposed implementation plan for rolling out new collection services. For all three proposers, even the current service provider Recology, there will be a transition period for hiring new staff, procuring new collection vehicles and containers (carts and bins), developing new public education materials, etc. GWR and RJR are also tasked with the development of new corp. yards. Though, GWRs propose facility already has many of the basic infrastructure components for a corporation yard in-place. Also, and as noted in the RFP schedule, there may be need for a short-term extension of the current franchise agreement given the limited time between the expected contract award and final contract negotiations and the June 30, 2018 contract expiration.

Table M below summarizes each proposer's proposed implementation plan and any issues of note. GWR provided the most thorough implementation plan with 18 pages of details as opposed to a 4-page plan from Recology and a 3-page plan from RJR RR. Each of the proposers provided an implementation schedule with detailed milestones. All three proposers provided schedules based on execution of a franchise agreement by the end of March and all proposed several key milestones being met after the July 1, 2018 contract start date; all three proposers expect to have new containers in place but not the new trucks. And GWR and RJR will be phasing in a new corp. yard over a four to twelve-month period.

Table M: Proposed Implementation Plan/Transition Plan

<u>Proposer</u>	<u>Proposed Implementation Plan/Transition Plan</u>
GWR	<u>18-page implementation plan.</u> Prepared to initiate services on July 1, 2018 with an operating corp. yard in Hollister providing truck maintenance and parking, and administrative and customer service functions. Other significant aspects of corp. yard operations are to be phased in such as the deployment of the new CNG collection vehicles. GWR will use existing spare collection vehicles (from their Santa Cruz County operations) until the CNG vehicles are available. These used collection vehicles will be fueled with renewable diesel. New carts and bins will be distributed prior to contract start, however, if used commercial bins are purchased from Recology there will be phase-in for bin refurbishment. Finally, a proposed CNG fueling station is not likely to be operational until the 1 st quarter of 2019 so portable CNG fueling will be utilized as CNG vehicles come online before the permanent fueling station is in place.
Recology San Benito County	<u>4-page implementation plan.</u> Existing corp. yard in place so no transition with facility operations. New carts and bins will be distributed prior to contract start. Recology has proposed a long lead time of 12 months to procure, test, and deploy CNG collection vehicles. They will use existing diesel fueled

	<p>collection vehicles in the interim but will switch over to using renewable diesel upon contract start date.</p> <p>Recology also stated there will be no change to service days for residential customers at the start of the contract.</p>
RJR RR	<p><u>3-page implementation plan.</u> Significant aspects of corp. yard construction and subsequent operations are to be phased in. Besides collection vehicles not being available by July 1st, they also proposed delivery of residential carts and commercial containers between August and October. In responding to these issues in writing, RJR stated their collection vehicle contingency plan is to utilize a refuse vehicle rental company and, potentially, existing affiliated spare vehicles if the new vehicles couldn't be procured in time. Upon further review, RJR said in writing that their vendors "have guaranteed to meet the July 1st service start date" for supplying new carts and bins. RJR further stated, "it would be our hope that a short-term extension would be negotiated with the current provider in order to facilitate a more seamless implementation for the community – as referenced within the RFP."</p>

4.5 Cost Proposal

The base and optional cost proposals were reviewed for their reasonableness and accuracy. “Reasonableness” is defined in the RFP evaluation criteria (see RFP Section 6.2.4) as the “logical relationship between proposed costs and operational assumptions for the base cost proposal and the cost proposal for additional RA Members services.” Numbers shown in the tables below reflect the final and best offer provided by each proposer. **Table N** below summarizes the cost proposals submitted by each proposer, both in terms of total costs and proposed rates. **Table O** on the next page provides a detailed breakout of each proposer’s base and optional costs noting that GWR incorporated the optional organics collection services proposal (Option 1: universal rollout of collection services on July 1, 2018) into its base proposal. **As the evaluation committee recommends that the base proposal plus the optional organics proposal (Option 1 universal rollout at contract start) is the best service package to meet state mandates, the cost comparison tables include these costs. Also, the evaluation committee recommends that the commercial organics be provided at the beginning of the agreement due to its cost-effectiveness and significant public education campaign at the start of the new agreement.**

Table N: Cost Proposal Summary

Proposer	Cost Proposal Summary
GWR	<ul style="list-style-type: none"> Overall, GWR had the highest total costs (“net rate revenue” for all three jurisdictions combined), approximately 5.4% higher than Recology’s. This difference drops to 1.6% when you add in Recology’s proposed costs for Option 1 for universal rollout of MFD and Commercial organic materials collection services. <u>Proposed the same residential rates for all three jurisdictions. Proposed the same commercial rates for Hollister and the County and different commercial rates for SJB.</u> Proposed rates reflect minimal subsidy between residential and commercial rates; residential rate revenue was 5.3% lower than costs and commercial rate revenue was 5.2% above costs. Had the second lowest residential cart rates across all three RA Members. Proposed the lowest commercial bin rates in San Juan Bautista and second lowest in Hollister and the County. Proposed rates for organic materials collection services substantially below those proposed by Recology and RJR RR. See Tables P1-P7 for a comparison of residential and commercial rates.
Recology San Benito County	<ul style="list-style-type: none"> Proposed the lowest overall costs (“net rate revenue”) for its base proposal. They proposed the highest direct labor hours and costs which was offset by the lower overhead costs and the lowest pass through costs. Costs reflected a \$113.2k cost reduction for processing recyclables. <u>Proposed different residential and commercial rates for each jurisdiction except commercial cart rates are the same.</u> Proposed rates that reflect a significant subsidy of residential rates by commercial rates; residential rate revenue was 21.9% lower than costs and commercial rate revenue was 58.1% above costs. Had the lowest residential cart rates across all three RA Members and the highest commercial bin rates for Hollister and the County. See Tables P1-P7 for rate comparisons.
RJR RR	<ul style="list-style-type: none"> Overall, RJR’s total costs (“net rate revenue”), are approximately 4% higher than Recology’s. This difference drops to 0.2% when you add in Recology’s proposed costs for Option 1 for universal rollout of MFD and Commercial organic materials collection services. <u>Proposed different residential and commercial rates for each jurisdiction.</u> Proposed rates that reflect a significant subsidy of residential rates by commercial rates; residential rate revenue was 16.1% lower than costs and commercial rate revenue was 63.8% above costs. Had the highest residential cart rates across all three RA Members. Had the lowest commercial bin rates for Hollister and the County. See Tables P1-P7 for rate comparisons.

Remember that the RA Members will be approving the collection rates proposed by the haulers, not collection costs. The collection rates are detailed on the following pages. Commercial rates that subsidize residential rates noted in Table N are problematic as it exposes the hauler (proposer) to significant shortfalls in rate revenue as

commercial customers increase their recycling and organics (food scrap) diversion efforts; it's important to note that the current commercial recycling rate is 6% and commercial recycling will need to increase significantly to meet diversion requirements. Increasing diversion is a stated primary goal of the new franchise services. While significant differences exist in line item cost details between the three proposers the evaluation team believed that in total the proposed final and best costs were reasonable. **Table O** below provides a comparison of each proposer's revenue requirement (costs). **Appendix D** provides additional cost summary and rate comparison tables.

Table O: Base Cost Proposal Comparison + Commercial Organics (Option 1)

Base Cost Proposal Comparison + Optional Organics #1				% Differences	
	GWR*	Recology	RJR RR	GWR vs. Recology	RJR vs. Recology
Direct Wages & Benefits:	\$2,175,979	\$2,991,490	\$2,618,442	-27.3%	-12.5%
Route Vehicle Depreciation:	\$540,625	\$593,000	\$589,231	-8.8%	-0.6%
Vehicle Repair & Maintenance					
Wages & Benefits	\$478,324	\$408,333	\$405,186		
Parts & Supplies	\$344,421	\$492,790	\$276,241		
Fuel	\$174,911	\$374,068	\$706,714		
Depreciation	\$124,000	\$0	\$24,420		
Subtotal Vehicle R&M:	\$1,121,656	\$1,275,190	\$1,412,561	-12.0%	10.8%
Container Repair & Maintenance					
Wages & Benefits	\$85,710	\$43,973	\$141,434		
Parts & Supplies	\$77,810	\$142,457	\$11,900		
Container Depreciation	\$305,157	\$281,239	\$303,774		
Other Depreciation	\$27,750	\$0	\$14,500		
Subtotal Container R&M:	\$496,426	\$467,668	\$471,608	6.1%	0.8%
Other Indirect Costs:	\$204,408	\$182,253	\$131,800	12.2%	-27.7%
Management & Administrative					
Wages & Benefits	\$952,883	\$762,636	\$854,985		
Other G&A Costs	\$1,080,444	\$838,151	\$709,070		
Other Depreciation	\$117,333	\$31,250	\$20,992		
Subtotal Management & Admin.:	\$2,150,660	\$1,632,037	\$1,585,048	31.8%	-2.9%
Other Community Services:	\$34,000	\$21,195	\$16,903	60.4%	-20.3%
TOTAL OPERATIONS COSTS	\$6,723,754	\$7,162,834	\$6,825,593	-6.1%	-4.7%
Pass-Through Costs					
Disposal/Processing Costs	\$1,427,625	\$1,277,958	\$1,703,637		
Interest Expense (vehicle, container, other)	\$484,335	\$0	\$340,315		
Other Costs	\$33,500	\$43,455	\$33,500		
Total Pass-Through Costs:	\$1,945,460	\$1,321,413	\$2,077,452	47.2%	57.2%
Profit Assumption:	\$1,216,815	\$891,810	\$843,612	36.4%	-5.4%
TOTAL REVENUE REQUIREMENT (Base)	\$9,886,029	\$9,376,057**	\$9,746,656	5.4%	4.0%
TOTAL REVENUE REQUIREMENT (Commercial Organics Option #1)	\$0	\$350,249	\$2,903		
TOTAL REVENUE REQUIREMENT (Base + Commercial Organics Option #1)	\$9,886,029	\$9,726,306	\$9,749,559	1.6%	0.2%

*GWR's base proposal includes commercial organic materials collection services on 7/1/18.

** Number varies by \$12,783 in Recology's final Cost Form 1.0 due to not including processing and disposal expense for on-call C&D services. This was confirmed with Recology and they agree with revised #.

Rate Comparison Tables

The forecasted current rates shown below represent Recology's current rates from 2016 forecasted to 2018 using the contractually prescribed indices in the franchise agreement. Recology's current rates are for 2016 as they unilaterally waived a rate increase in 2017 and 2018 rates have not been set yet. Also, the forecasted rates with yard waste service is shown as that will be the standard service provided under the new franchise; currently yard waste service is subscription based. A side by side comparison of residential and commercial rates by RA Member can be found in **Tables P1-P7** below and on the following pages.

Recology proposed the lowest residential rates for all three jurisdictions, but the highest commercial bin rates for Hollister and the County. GreenWaste Recovery proposed the lowest overall commercial rates (inclusive of solid waste and organics collection services).

Proposed Single-Family Monthly Rates and Special Charges: These monthly rates cover collection services for weekly pick-up of solid waste, recyclables and organics with 2x per year bulky item pick-up also included.

Table P1: Hollister Proposed Single-Family Monthly Rates and Special Charges

<u>Hollister</u>		Forecasted Current Rates	Forecasted Current Rates w/YW Service	<u>GWR</u>		<u>Recology</u>		<u>RJR</u>	
	% of Current Accounts at Service Level	Monthly	Monthly	Monthly	% Change	Monthly	% Change	Monthly	% Change
<u>Service Levels</u>									
20-gallon cart (every other week)		\$15.30		\$22.00	43.8%	\$21.55	40.8%	\$25.16	64.4%
20-gallon cart	4.1%	\$16.84	\$26.50	\$25.75	-2.8%	\$23.05	-13.0%	\$27.39	3.4%
32-gallon cart	53.0%	\$19.57	\$29.23	\$31.15	6.6%	\$25.85	-11.6%	\$31.93	9.2%
64-gallon cart	39.4%	\$38.22	\$47.88	\$62.30	30.1%	\$45.35	-5.3%	\$64.25	34.2%
96-gallon cart	3.5%	\$56.87	\$66.53	\$93.45	40.5%	\$64.85	-2.5%	\$97.01	45.8%
Low Income									
20-gallon cart				\$22.00		\$17.29		\$21.91	
32-gallon cart				\$27.50		\$19.39		\$25.54	
Additional Solid Waste Cart									
20-gallon cart				\$27.00		\$20.00		\$22.46	
32-gallon cart				\$31.00		\$25.00		\$26.18	
64-gallon cart				\$61.00		\$35.00		\$52.69	
96-gallon cart				\$92.00		\$45.00		\$79.55	
Additional Recycling Cart									
64-gallon cart				\$5.00		\$4.50		\$8.35	
96-gallon cart				\$5.00		\$5.50		\$12.61	
Additional Organics Cart									
64-gallon cart				\$31.15		\$22.68		\$32.13	
96-gallon cart				\$46.73		\$32.43		\$48.51	
Bulky Item									
Additional charge for service in excess of up to two (2) cubic yards of Reusable Materials, up to five (5) E-Waste items, AND up to two (2) Appliance or Bulky Item.				\$45.00		\$39.00		\$50.00	
Additional charge for collection events beyond two (2) times per year.				\$65.00		\$120.00		\$145.00	
Note: Forecasted current rates and forecasted current rates with yard waste (yw) service were derived from taking Recology's 2016 solid waste rates and forecasting them forward to 7/1/18 using the prescribed indices in the current franchise agreement.									

Table P2: San Juan Bautista Proposed Single-Family Monthly Rates and Special Charges

San Juan Bautista		Forecasted Current Rates	Forecasted Current Rates w/YW Service	GWR		Recology		RJR RR	
Service Levels	% of Current Accounts at Service Level	Monthly	Monthly	Monthly	% Change	Monthly	% Change	Monthly	% Change
20-gallon cart (every other week)		\$16.13		\$22.00	36.4%	\$23.88	48.0%	\$25.94	60.8%
20-gallon cart	9.0%	\$17.66	\$27.48	\$25.75	-6.3%	\$25.38	-7.7%	\$28.16	2.5%
32-gallon cart	66.5%	\$20.38	\$30.20	\$31.15	3.1%	\$28.18	-6.7%	\$32.74	8.4%
64-gallon cart	23.0%	\$38.91	\$48.73	\$62.30	27.8%	\$47.68	-2.2%	\$64.91	33.2%
96-gallon cart	1.5%	\$57.42	\$67.24	\$93.45	39.0%	\$67.18	-0.1%	\$97.08	44.4%
Low Income									
20-gallon cart				\$22.00		\$19.03		\$22.53	
32-gallon cart				\$27.50		\$21.13		\$26.19	
Additional Solid Waste Cart									
20-gallon cart				\$27.00		\$20.00		\$23.09	
32-gallon cart				\$31.00		\$25.00		\$26.85	
64-gallon cart				\$61.00		\$35.00		\$53.23	
96-gallon cart				\$92.00		\$45.00		\$79.61	
Additional Recycling Cart									
64-gallon cart				\$5.00		\$4.50		\$8.44	
96-gallon cart				\$5.00		\$5.50		\$12.62	
Additional Organics Cart									
64-gallon cart				\$31.15		\$23.84		\$32.46	
96-gallon cart				\$46.73		\$33.59		\$48.54	
Bulky Item									
Additional charge for service in excess of up to two (2) cubic yards of Reusable Materials, up to five (5) E-Waste items, AND up to two (2) Appliance or Bulky Item.				\$45.00		\$39.00		\$10.00	
Additional charge for collection events beyond two (2) times per year.				\$65.00		\$120.00		\$40.00	
Note: Forecasted current rates and forecasted current rates with yard waste (yw) service were derived from taking Recology's 2016 solid waste rates and forecasting them forward to 7/1/18 using the prescribed indices in the current franchise agreement.									

Table P3: San Benito County Proposed Single-Family Monthly Rates and Special Charges

San Benito County		Current Rates	Forecasted Current Rates w/YW Service	GWR		Recology		RJR RR	
Service Levels	% of Current Accounts at Service Level	Monthly	Monthly	Monthly	% Change	Monthly	% Change	Monthly	% Change
20-gallon cart (every other week)		\$16.03		\$22.00	37.2%	\$24.14	50.6%	\$25.85	61.3%
20-gallon cart	4.4%	\$17.48	\$27.58	\$25.75	-6.6%	\$25.64	-7.1%	\$27.99	1.5%
32-gallon cart	55.1%	\$20.38	\$30.48	\$31.15	2.2%	\$28.44	-6.7%	\$32.72	7.3%
64-gallon cart	35.0%	\$36.15	\$46.25	\$62.30	34.7%	\$47.94	3.6%	\$62.25	34.6%
96-gallon cart	5.5%	\$53.90	\$64.00	\$93.45	46.0%	\$67.44	5.4%	\$93.72	46.4%
Low Income									
20-gallon cart				\$22.00		\$19.23		\$22.39	
32-gallon cart				\$27.50		\$21.33		\$26.18	
Additional Solid Waste Cart									
20-gallon cart				\$27.00		\$20.00		\$22.95	
32-gallon cart				\$31.00		\$25.00		\$26.83	
64-gallon cart				\$61.00		\$35.00		\$51.05	
96-gallon cart				\$92.00		\$45.00		\$76.85	
Additional Recycling Cart									
64-gallon cart				\$5.00		\$4.50		\$8.09	
96-gallon cart				\$5.00		\$5.50		\$12.18	
Additional Organics Cart									
64-gallon cart				\$31.15		\$23.97		\$31.13	
96-gallon cart				\$46.73		\$33.72		\$46.86	
Bulky Item									
Additional charge for service in excess of up to two (2) cubic yards of Reusable Materials, up to five (5) E-Waste items, AND up to two (2) Appliance or Bulky Item.				\$45.00		\$39.00		\$10.00	
Additional charge for collection events beyond two (2) times per year.				\$65.00		\$120.00		\$40.00	
Note: Forecasted current rates and forecasted current rates with yard waste (yw) service were derived from taking Recology's 2016 solid waste rates and forecasting them forward to 7/1/18 using the prescribed indices in the current franchise agreement.									

Proposed Weekly Commercial and Multi-Family Solid Waste Rates: These weekly rates cover collection services for weekly pick-up of solid waste, and recyclables. Separate charges apply for organics collection services.

Table P4: Hollister Commercial and Multi-Family Weekly Solid Waste Collection Services (Recycling Services Included)

Hollister									
	% of Current Accounts at Service Level	Forecasted Current Rates	GWR		Recology		RJR RR		
Container Type/Size or Service Type		1x per Week	1x per Week	% Change	1x per Week	% Change	1x per Week	% Change	
1 cubic yard bin	4.6%	\$105.29	\$150.00	42.5%	\$166.50	58.1%	\$148.28	40.8%	
2 cubic yard bin	27.2%	\$133.20	\$210.00	57.7%	\$211.46	58.8%	\$188.52	41.5%	
3 cubic yard bin	11.1%	\$191.26	\$285.00	49.0%	\$304.70	59.3%	\$270.86	41.6%	
4 cubic yard bin	14.0%	\$257.83	\$375.00	45.4%	\$409.59	58.9%	\$365.11	41.6%	
32 gallon cart	5.4%								
64 gallon cart	6.7%	\$38.22	\$61.00	59.6%	\$45.35	18.7%	\$83.53	118.5%	
96 gallon cart	7.5%	\$56.87	\$81.00	42.4%	\$64.85	14.0%	\$126.11	121.8%	
Note: Forecasted current rates were derived from taking Recology's 2016 solid waste rates and forecasting them forward to 7/1/18 using the prescribed indices in the current franchise agreement.									

Table P5: San Juan Bautista Commercial and Multi-Family Weekly Solid Waste Collection Services (Recycling Services Included)

San Juan Bautista									
	% of Current Accounts at Service Level	Forecasted Current Rates	GWR		Recology		RJR RR		
Container Type/Size or Service Type		1x per Week	1x per Week	% Change	1x per Week	% Change	1x per Week	% Change	
1 cubic yard bin	8.9%	\$148.10	\$156.00	5.3%	\$189.81	28.2%	\$208.07	40.5%	
2 cubic yard bin	24.4%	\$171.90	\$218.40	27.1%	\$241.06	40.2%	\$242.65	41.2%	
3 cubic yard bin	11.1%	\$212.23	\$296.40	39.7%	\$347.35	63.7%	\$300.28	41.5%	
4 cubic yard bin	4.4%	\$284.33	\$390.00	37.2%	\$466.93	64.2%	\$402.28	41.5%	
32 gallon cart	15.6%								
64 gallon cart	15.6%	\$38.91	\$61.00	56.8%	\$45.35	16.6%	\$84.38	116.9%	
96 gallon cart	11.1%	\$57.42	\$81.00	41.1%	\$64.85	12.9%	\$126.20	119.8%	
Note: Forecasted current rates were derived from taking Recology's 2016 solid waste rates and forecasting them forward to 7/1/18 using the prescribed indices in the current franchise agreement.									

Table P6: San Benito County Commercial and Multi-Family Weekly Solid Waste Collection Services (Recycling Services Included)

San Benito County								
	% of Current Accounts at Service Level	Forecasted Current Rates	GWR		Recology		RJR RR	
Container Type/Size or Service Type		1x per Week	1x per Week	% Change	1x per Week	% Change	1x per Week	% Change
1 cubic yard bin	7.2%	\$116.66	\$156.00	33.7%	\$183.15	57.0%	\$164.07	40.6%
2 cubic yard bin	31.5%	\$133.46	\$210.00	57.4%	\$232.60	74.3%	\$188.74	41.4%
3 cubic yard bin	18.4%	\$193.78	\$285.00	47.1%	\$335.16	73.0%	\$274.16	41.5%
4 cubic yard bin	10.4%	\$259.60	\$375.00	44.5%	\$450.55	73.6%	\$367.29	41.5%
32 gallon cart	0.5%							
64 gallon cart	2.7%	\$36.15	\$61.00	68.7%	\$45.35	25.4%	\$80.93	123.9%
96 gallon cart	1.2%	\$53.90	\$81.00	50.3%	\$64.85	20.3%	\$121.84	126.0%
Note: Forecasted current rates were derived from taking Recology's 2016 solid waste rates and forecasting them forward to 7/1/18 using the prescribed indices in the current franchise agreement.								

Proposed Weekly Commercial and Multi-Family Organics Rates: These weekly rates cover collection services for weekly pick-up of organics (food scraps).

Table P7: Commercial and Multi-Family Weekly Organics Collection Services

	Commercial & Multi-Family Weekly Organic Material Collection Services																	
	Hollister:	GWR	Recology		RJR		SJB:	GWR	Recology		RJR		County:	GWR	Recology		RJR	
Container Type/Size or Service Type		1x per Week	1x per Week	% Diff. Vs. GWR	1x per Week	% Diff. Vs. GWR		1x per Week	1x per Week	% Diff. Vs. GWR	1x per Week	% Diff. Vs. GWR		1x per Week	1x per Week	% Diff. Vs. GWR	1x per Week	% Diff. Vs. GWR
1 cubic yard bin		\$75.00	\$143.19	90.9%	\$127.21	69.61%		\$75.00	\$163.24	117.65%	\$178.50	138.00%		\$75.00	\$157.51	110.01%	\$140.75	87.67%
2 cubic yard bin		\$105.00	\$181.85	73.2%	\$161.73	54.03%		\$105.00	\$207.31	97.44%	\$208.16	98.25%		\$105.00	\$200.04	90.51%	\$161.92	54.21%
64 gallon cart		\$30.50	\$49.35	61.8%	\$60.13	97.14%		\$30.50	\$56.26	84.45%	\$60.77	99.25%		\$30.50	\$54.28	77.98%	\$58.18	90.75%
96 gallon cart		\$40.50	\$68.73	69.7%	\$92.64	128.75%		\$40.50	\$78.35	93.47%	\$92.84	129.23%		\$40.50	\$75.60	86.68%	\$200.00	393.83%

4.6 Number and Materiality of Exceptions

The number and materiality of contract exceptions were evaluated by the County Counsel's office, outside legal counsel Tamara Galanter (Shute, Mihaly & Weinberger LLP), and Kevin McCarthy, Technical Expertise (contract). This group used a point system to score the materiality of exceptions and provided input to the Evaluation team as captured in **Table Q** and the text that follows:

Table Q: Number and Materiality of Exceptions

<u>Proposer Materiality and Number of Exceptions</u>						
<u>Contractor</u>	<u>Minor Exceptions (0 points)</u>	<u>Minor Exceptions (-1 points)</u>	<u>Major Exceptions (-2 points)</u>	<u>Total # of Exceptions for Which Points Were Deducted</u>	<u>Total # of Exceptions</u>	<u>Total Points Deducted</u>
GWR	2	1	1	2	4	3
Recology	2	3	2	5	7	7
RJR RR	21	7 ¹	5	12	33	16.5
¹ One minor exception received a 0.5 deduction as opposed to a 1-point deduction.						

Points were awarded as follows:

- 1) Deduct points shown above related to the materiality of exceptions as follows:

GWR = 75 points – 3 = 72 points

Recology = 75 points – 7 = 68 points

RJR RR = 75 points – 16.5 = 58.5 points

- 2) Based on the table above, the rank order of the proposers from least # of exceptions to highest # of exceptions is as follows:

GWR

Recology

RJR RR

- 3) Evaluators were then given the discretion to deduct any additional points based on the number of exceptions.

4.7 Environmental Enhancements

Each proposer was provided the opportunity to provide environmental enhancements as part of their service delivery; this was an opportunity to earn additional points as part of the evaluation process. **Table R** summarizes the proposed environmental enhancements by proposer.

Table R: Proposed Environmental Enhancements

Proposer	Proposed Environmental Enhancements
GWR	<ul style="list-style-type: none">• Future processing of MFD and Commercial loads at Z-Best facility in Gilroy for recovery of organic wastes; this is an organics and mixed waste processing operation that is being permitted at their facility. Pricing TBD.• Partnering with Hollister Goodwill Store to encourage donation/reuse opportunities.• Greenhouse Gas emissions inventory and reporting through the CA Climate Registry. Future San Benito County operations will be included in their GHG inventory and reporting.
Recology San Benito County	<ul style="list-style-type: none">• Partnering with the San Benito County Community Food Bank to develop an edible garden. Recology will work with the Food Bank to plant fruit trees, vegetables, and flowers and help tend to the garden.• Partnering with Pat's Place, a reuse store in Hollister, to bring reusable items collected to them. All proceeds from the resale of any items brought (by Recology) to the store will be given to the Community Food Bank. Recology will also make a quarterly donation to Pat's Place and/or the Food Bank to help cover the cost of staff time utilized for the sorting and handling of the materials dropped off by Recology.• Sponsor a San Benito County Recycles! Poster contest for all local students in public or private schools K-12. The winning poster would be depicted on the side of Recology's collection vehicles.
RJR RR	<ul style="list-style-type: none">• Curbside collected textiles and reusables from the bulky item collection program will be donated to the local Salvation Army, a local children's home, or other San Benito County charities.• Will provide a "carbon footprint" of their collection operations.• Referenced their proposed food scrap program to manufacture food waste into an ingredient for animal feed (Santa Clara based operation referred to as SOS or SAFE technology); this is part of one their alternative proposal for a split residential cart (MSW/food scraps).

APPENDIX A – RFP Goals and Objectives

- Integrity, Competition in Selection Process, and Industry-Standard Contract Terms
- Conduct the RFP process with integrity and transparency
- Maintain the association of the RA Members
- Select a contractor that meet RA Members' needs
- Enter into contracts with fair terms and conditions
- Set high performance standards and use incentives/disincentives to achieve standards related to diversion from landfill disposal
- Stimulate competition among proposing companies
- Cost-Effective Programs
 - Provide cost-effective operations
 - Minimize fiscal impact on ratepayers
- Emphasize innovative, responsive management
- Ensure consistent, reliable and high-quality service
- Conserve and protect resources/assets
 - Minimize impacts on air, water, and natural resources
 - Encourage highest and best use of recycled materials
 - Handle as much material locally as possible
 - Meet or exceed AB 939's 50% diversion mandate
- Community benefits
 - Continue programs and services that work well
 - Demonstrate proactive waste reduction/recycling philosophy
 - Include involvement of local recyclers/reuse as applicable
 - Support local market development where possible
 - Educate the public
 - Educate and involve the community
- Integrate collection services with local facilities if applicable
- Flexibility of collection methods

APPENDIX B - Evaluation Criteria and Sub-Categories

Evaluation Criteria (taken in entirety from Section 6.2 of RFP)

The potential factors (“sub-criteria”) that may be considered, but are not limited to, by the Evaluation committee members when developing the score for each criterion is presented below.

6.2.1 Responsiveness (Pass/Fail)

Proposer must be fully compliant with the RFP and procurement procedures as demonstrated by submittal of all elements required by Sections 3 and 5 of this RFP; full completion of all cost proposal forms required in Section 5.6; compliance with process guidelines presented in Section 4; and adherence to the code of conduct signed by the proposer.

6.2.2 Company Qualifications and Experience (175 points)

1. **Collection Experience.** Demonstrated experience of company providing the requested or similar services to other jurisdictions. If the proposer is a joint venture, demonstrated experience of parties working together.
2. **Service Initiation Experience.** Demonstrated experience of company’s ability to implement new collection services and new franchise agreements and obligations that are like the RA Member services in comparable sized communities.
3. **Management and Customer Service Systems.** Demonstrated capabilities of the company’s existing management and customer service systems’ abilities to track and monitor contract compliance, quality of collection service, and call center responsiveness and to report data required (see Section 7.3 of the Franchise Agreement). In the event the company proposes use of a new or modified system, the extent to which such system has the potential to meet the RA Member needs and contract requirements will be evaluated.
4. **Key Personnel Qualifications.** Extent and relevance of the qualifications and experience of key personnel proposed for the transition team and on-going management of the RA Member collection operations.
5. **Past Performance Record.** Review of company’s history with litigation and regulatory action (e.g., nature of past and pending civil, legal, regulatory, and criminal actions; history and nature of payments of liquidated damages); regulatory compliance related to equipment and facilities including compliance with land use permits, storm water discharge permits, state highway requirements, etc.).
6. **Financial Stability.** Financial strength and ability of company to acquire equipment and provide financial assurance of performance based on review of its audited financial statements and its proposed financing plan and the relationship of the RA Members Franchise Agreement to the company’s total annual revenues.
7. **Jurisdiction Satisfaction.** Satisfaction of company’s references with the services received in the past 10 years (including, but not limited to, implementation, customer service, call center, billing, payment of fees, reporting, and the handling of contractual issues).

6.2.3 Proposal for Collection Services (175 points)

1. **Collection Approach** – Reasonableness and reliability of the proposed collection methods (e.g., technology, equipment, and containers); reasonableness of productivity and operating assumptions (i.e., number of routes, route drivers, route hours, stops per route, and other operating statistics), if applicable; and reasonableness of assumptions.
2. **Diversion Ability** – The nature, reliability, and innovation of proposed diversion programs and potential of such programs to divert solid waste from landfill disposal and meet the diversion requirements of Section 5.12 of the Franchise Agreement.
3. **Public Education and Promotion Program** – Compatibility of the proposed education program, staffing level, and program ideas with the needs of the REGIONAL AGENCY and RA Members and the requirements of Section 5.11 and Attachment B-8 of the Franchise Agreement; and, the quality of public education samples relative to other proposers.
4. **Customer Service** – Compatibility of customer service approach, staffing levels, and training programs and capabilities of the call center and customer service software system with the needs of the RA Members and the requirements of Section 7.2 of the Franchise Agreement.
5. **Billing System** – Compatibility of billing approach, and procedures for handling customer billing activities per Section 7.1 of the Franchise Agreement.
6. **Facilities for Equipment, Maintenance, and Administration.** Compatibility of plan for providing the facilities (i.e., corporation yard) needed for vehicle parking, equipment storage, maintenance, administration, and related activities. Level of assurance provided, if any, about site acquisition and timely development of necessary facilities. Proposers providing a corporation yard facility within the County will receive extra evaluation points vs. proposers that do not propose a corporation yard within the County.
7. **Implementation Plan.** Reasonableness of implementation schedule and ability to meet deadlines (e.g., reasonableness of equipment procurement schedules, implementation staffing levels, new corporation or maintenance yard development, and contingency plans).
8. **Potential Collection Impacts.** Compatibility of plans for vehicle compliance with State of California Air Resources Board rules; ability to respond to issues identified during the environmental review, compliance, and permitting process associated with the development of new facilities (if any are to be developed) and hauling impacts (in terms of total annual miles traveled compared to others) related to distance between vehicle maintenance and parking facilities and designated disposal and processing facilities.
9. **Additional RA Members Services.** Reasonableness and reliability of proposed collection methods, technology, equipment, and containers; reasonableness of productivity and operating assumptions (i.e., number of routes, route drivers, route hours, stops per route, and other operating statistics) for the RA Members.
10. **Other Proposed Services.** Compatibility of other services proposed by company as per Section 3.8 of this RFP.

6.2.4 Cost Proposal (225 points)

1. ***Reasonableness of Cost Proposals.*** Logical relationship between proposed costs and operational assumptions for the base cost proposal and the cost proposal for additional RA Members services.

2. ***Competitiveness of Cost Proposals.*** Cost competitiveness relative to other proposals.

6.2.5 Alternative Technical Proposals (Maximum Score, if any, to be determined)

RA Members are not obligated to evaluate or select alternative proposals. Alternative proposals will be considered by the RA Members if the RA Members conclude, in their sole discretion, that the alternative proposals warrant evaluation and analysis. Such evaluation will consider the reasonableness and reliability of proposed collection methods, technology, equipment, and containers; and the reasonableness of productivity and operating assumptions (i.e., number of routes, route drivers, route hours, stops per route, and other operating statistics).

At the RA Members option, the reasonableness and competitiveness of one or more alternative proposal(s) may be evaluated.

6.2.6 Number and Materiality of Suggested Changes to Franchise Agreement (75 points)

The number, nature and materiality of suggested changes to the Franchise Agreement will be considered in evaluating proposals.

6.2.7 Environmental Enhancements (50 points)

Proposals that include Environmental Enhancements including, but not limited to those specified in Section 3.10 of this RFP, may be eligible to receive additional evaluation points.

APPENDIX C - Proposer Reference Check Survey Results (Phone Interviews of Municipal Franchise References)

Proposer Reference Check Survey Results (Phone Interviews of Municipal Franchise References)

<u>Questions:</u>	<u>Company</u>	<u>N/A</u>	<u>Response % Unsatisfactory</u>	<u>Response % Satisfactory</u>	<u>Response % Extremely Satisfactory</u>
Overall Opinion: Overall, how would you rate the performance of your franchise recycling and solid waste collection service provider?	GWR	0	0	20%	80%
	Recology	0	0	20%	80%
	RJR RR	0	0	20%	80%
Diversion Programs: Overall, are you satisfied with your service provider's efforts to assist you in meeting state mandated diversion requirements?	GWR	0	0	40%	60%
	Recology	0	0	20%	80%
	RJR RR	0	0	40%	60%
Commercial Recycling: Does your service provider offer commercial recycling technical assistance to businesses and multi-family dwellings? If yes, how would you rate their performance in setting up and monitoring the recycling and/or organics collection programs?	GWR	40%	0	40%	20%
	Recology	0	0	40%	60%
	RJR RR	0	0	60%	40%
Public Education and Outreach: Are you satisfied with your service provider's public education and outreach programs?	GWR	0	0	80%	20%
	Recology	20%	0	40%	40%
	RJR RR	0	0	60%	40%
Reporting: Are you satisfied with your service provider's contractually required reporting (e.g., monthly/quarterly/annual reports)? When providing a rating for this question please be thinking about the timeliness of reporting, quality of data, usefulness of reported data, usability of report, etc.)	GWR	20%	0	60%	20%
	Recology	0	0	60%	40%
	RJR RR	20%	0	60%	20%
Customer Service: Overall, how would you rate the delivery of customer service in your community. When providing a rating for this question please be thinking about your service provider's responsiveness and quality of response to	GWR	0%	0	40%	60%
	Recology	0	0	20%	80%
Community Partner: Are you satisfied with your service provider's level of engagement and commitment to your community? When providing a rating for this question please be thinking about your service provider's involvement with local community groups, support for community events and activities, responsiveness to community emergencies or special needs, etc.	GWR	0	0	40%	60%
	Recology	0	0	0	100%
	RJR RR	0	0	0	100%
Service Transition (if applicable): Did your current service provider take over service from another service provider? If so, how would you rate the ease of the transition to the current service provider? (time to transition, number and severity of customer complaints, responsiveness to issues, quality of planning and coordination with staff, etc.)	GWR	40%	0	20%	40%
	RJR RR	0	0	20%	80%

	Recology	60%	0	0	40%
	RJR RR	60%	0	0	40%

SAN BENITO COUNTY REGIONAL AGENCY REFERENCE CHECK INFORMATION:

References interviewed from January 9, 2018 - January 23, 2018. All references provided by the proposing companies were contacted; 15 references responded by the reference check deadline.

GreenWaste Recovery

1. *Larry Laurent, City Manager, City of Capitola*
2. *Carl Cahill, City Manager, Town of Los Altos Hills*
3. *Kevin Bryant, City Manager, Woodside*
4. *Daphne Hodgson, Administrative Services Director, Seaside*
5. *Ron Arp, Public Works Director, Palo Alto*

Recology

1. *Robert Haley, Director Waste Zero/Environment, City/County of San Francisco*
2. *Lori Topley, Solid Waste Program Manager, City of Mountain View*
3. *Lorenzo Hines, Assistant City Manager, City of Pacifica*
4. *Jim Porter, Public Works Director, San Mateo County, prior Chair of SBWMA Board*
5. *Tony Eulo, Program Administrator, City of Morgan Hill*

RJR RR

1. *Susanna Chan, Public Works Director, City of Los Altos*
2. *Dave Staub, Dep. Director of Public Works, City of Santa Clara*
3. *Judy Erlandson, Public Works Manager, City of Livermore*
4. *Mike Futrell, City Manager, City of South San Francisco*
5. *Liam Garland, Public Works Director, City of Alameda*

APPENDIX D - Comprehensive Cost Proposal Summary and Rate Comparison Tables

Summary of Cost Proposals			
Proposal Item	GWR	Recology	RJR RR
Base Proposal	Overall, GWR had the highest total costs ("net rate revenue"), approx. <u>5.4% higher than Recology's</u> . This difference drops to 1.6% when you add in Recology's proposed costs for Option 1 for universal rollout of MFD and Commercial organic materials collection services.	Proposed the lowest overall costs ("net rate revenue") for its base proposal. They proposed the highest direct labor hours and costs which was offset by the lower overhead costs and the lowest pass through costs.	<ul style="list-style-type: none"> Overall, RJR's total costs ("net rate revenue"), are approx. <u>4% higher than Recology's</u>. This difference drops to 0.2% when you add in Recology's proposed costs for Option 1 for universal rollout of MFD and Commercial organic materials collection services.
Fuel Costs	Has assumed significantly lower fuel costs largely due to assuming \$1.00 gallon for CNG ; they state this was derived from Pacific Gas & Electric's GNGV1: Pricing for Natural Gas Service for Compression on Customers' Premises, January 1, 2017 – Present. The current rate of Natural Gas is Estimated at \$.68 a gallon, taxes are about \$.26 a gallon.	Assumed the same unit price of \$2.80 for CNG and renewable diesel . Recology has an existing CNG fueling facility at its Gilroy corp. yard.	Assumed a unit cost of \$4.00 for CNG . This price includes the costs for development of a new CNG facility; no separate capital costs were broken out. This resulted in significantly higher fuel costs at \$706,714 vs. \$374,068 for Recology and \$174,911 for GWR.
Ops. Costs	Assumed significantly higher route productivity assumptions for residential routes resulting in significantly lower route hours and labor dollars. These lower costs are essentially offset by higher overhead costs resulting in GWR having the highest overall costs .	Key personnel such as the General Manager, Operations Manager, and Office Manager, are not solely dedicated to the franchise as they also support the franchises with Gilroy and Morgan Hill; an allocation of 29% was used to distribute these costs.	See comments under "Fuel Costs" and "Capital Costs."
Capital Costs	Also proposed the highest capital costs at \$12.6 million compared to \$9.1 million and \$9.6 million for Recology and RJR, respectively . This is largely due to \$3.2 million assumed for capital improvements for a new corp. yard in Hollister (\$2.35 million for site improvements, \$850k for CNG facility).	Recology has an existing corp. yard so new capital is for trucks and containers.	RJR treated its corp. yard associated expenses as lease payments and CNG capital costs are include in their assumption for the purchase price of fuel. They assumed a monthly lease (rent) cost of \$112,500 vs. \$9,600 for GWR.
Recyclables Processing	Assumed zero cost for transportation and processing of recyclables at its own MRF in San Jose.	Will ship Recyclables to a third party MRF, MRWMD in Marina. Assumed a small rebate/credit for recyclables equal to \$15.77 per ton; <u>this is a speculative figure as MRWMD has no approved MRF pricing in place.</u>	Will ship residential Recyclables to a third party MRF, MRWMD in Marina. <u>This is a speculative figure as MRWMD has no approved MRF pricing in place.</u> Assumed a small charge for recyclables equal to \$14.31 per ton for residential materials and a rebate of \$24.00 per ton for commercial materials. Commercial materials will be processed onsite at RJR.

Litter Abatement Fee	There was no predetermined fee % so it was left to the discretion of each proposer to include this fee or not.	There was no predetermined fee % so it was left to the discretion of each proposer to include this fee or not.	Proposed a litter abatement fee of 1% which totals \$112,767 in new annual fee revenues.
Optional Proposal	Did not provide a separate optional cost proposal for universal rollout of MFD and commercial organic materials collection services as these costs were incorporated into their base proposal.	Provided the requested optional cost proposal for universal rollout of MFD and commercial organic materials collection services with CNG collection vehicles <u>and</u> using renewable diesel vehicles. <u>Assumed additional diversion of 650 tons per year at a cost of \$350,249 to \$369,304 per year.</u>	Provided the requested optional cost proposal for universal rollout of MFD and commercial organic materials collection services with CNG collection vehicles. <u>Assumed additional diversion of 14.98 to 61.03 tons per year at a cost of \$2,903 to \$68,424 per year.</u>
ALTERNATIVE PROPOSALS WERE NOT EVALUATED (INCLUDED) AS PART OF SCORING AND RANKING THE PROPOSALS. THE INFORMATION BELOW IS FOR BACKGROUND ONLY AND MAY BE USED DURING THE CONTRACT NEGOTIATIONS PHASE.			
Alternative Proposals	Did not include any alternative proposals with their original proposal submittal. Later were requested to submit an alternative proposal for renewable diesel-powered collection vehicles with use of new carts and containers. Their proposal was \$57,316 or 0.59% higher than their final and best base cost proposal but they stated they would waive the extra costs for using the renewable diesel.	<p>Provided in their original proposal submittal a proposal for renewable diesel-powered collection vehicles with use of existing carts and containers.</p> <p>Later were requested to submit an alternative proposal for renewable diesel-powered collection vehicles with use of new carts and containers. This proposal totaled \$9,280,529 or 0.88% lower than their final and best base cost proposal.</p>	Provided in their original proposal submittal a proposal for renewable diesel-powered collection vehicles. This proposal will need to be updated to reflect adjustments made to their final and best base cost proposal.
		Provided alternative cost proposals for use of existing carts and containers with CNG collection vehicles <u>and</u> using renewable diesel vehicles.	Provided alternative cost proposals as follows: split cart for residential solid waste (MSW) and food scraps with CNG vehicles; and split cart for residential solid waste (MSW) and food scraps, every other week collection of residential yard waste and recyclables and use of CNG vehicles.

Capital Expenditures			
	<u>GWR</u>	<u>Recology</u>	<u>RJR RR</u>
Vehicles	\$5,406,250	\$5,930,000	\$5,937,809
Containers	\$3,051,566	\$2,812,386	\$3,038,104
Other ¹	\$4,127,500	\$312,500	\$612,924
Total:	\$12,585,316	\$9,054,886	\$9,588,837
Source: Cost Form 1.7. ¹ Other includes capital expenditures related to general, vehicle R&M, and container R&M. *GWR includes \$2.35M for corporation yard and \$850K for CNG fueling facility. The remainder consists of vehicles for shop, container delivery and staff, and other equipment. *Recology consists of CNG fuel station extension at existing corp. yard. *Recology did not include any interest expense on their capital. *RJR capital expenditures consists mostly of vehicles for shop, container delivery and staff plus other equipment and tenant improvements. Assume \$100k. for new corp. yard w/ \$0 for CNG fueling station.			

Disposal Costs									
	<u>GWR</u>			<u>Recology</u>			<u>RJR RR</u>		
	<u>Tons</u>	<u>Avg \$/Ton</u>	<u>Total Cost</u>	<u>Tons</u>	<u>Avg \$/Ton</u>	<u>Total Cost</u>	<u>Tons</u>	<u>Avg \$/Ton</u>	<u>Total Cost</u>
Single Family	10,725	\$44.75	\$479,944	7,200	\$44.75	\$322,204	9,450	\$44.75	\$422,877
Comm./MFD	8,975	\$44.75	\$401,631	9,827	\$44.75	\$439,758	9,640	\$44.75	\$431,403
Roll-Off	408	\$44.75	\$18,258	1,407	\$44.75	\$62,963	278	\$44.75	\$12,439
Total:	20,108	134	899,833	18,434	134	824,926	19,368	134	866,720
Source: Form 1.8 Disposal and Processing Costs. *GWR and Recology have their own organics processing facilities.									

Processing Costs - Organics

	<u>GWR</u>			<u>Recology</u>			<u>RJR RR</u>		
	<u>Tons</u>	<u>Avg \$/Ton</u>	<u>Total Cost</u>	<u>Tons</u>	<u>Avg \$/Ton</u>	<u>Total Cost</u>	<u>Tons</u>	<u>Avg \$/Ton</u>	<u>Total Cost</u>
Single Family	6,227	\$56.00	\$348,712	8,372	\$59.74	\$500,162	7,564	\$105.00	\$794,189
Comm./MFD	2,000	\$88.00	\$176,000	780	\$59.74	\$46,597	539	\$45.00	\$24,273
Roll-Off	35	\$88.00	\$3,080	112	\$59.74	\$6,691			
Total:	8,262	\$64	\$527,792	9,264	\$60	\$553,450	8,103	\$101	\$818,462

Source: Form 1.8 Disposal and Processing Costs.

*GWR assumed much higher commercial organics given universal rollout of commercial and MFD organics eff. 7/1/18.

*Recology assumed significant increase in single family organics tons collected.

Processing Costs - Recyclables

	<u>GWR</u>			<u>Recology</u>			<u>RJR RR</u>		
	<u>Tons</u>	<u>Avg \$/Ton</u>	<u>Total Cost</u>	<u>Tons</u>	<u>Avg \$/Ton</u>	<u>Total Cost</u>	<u>Tons</u>	<u>Avg \$/Ton</u>	<u>Total Cost</u>
Single Family	6,920	\$0.00	\$0	5,282	(\$15.77)	(\$83,303)	5,262	\$14.31	\$75,288
Comm./MFD	2,500	\$0.00	\$0	1,303	(\$15.77)	(\$20,546)	2,368	(\$24.00)	(\$56,832)
Roll-Off	100	\$0.00	\$0	593	(\$15.77)	(\$9,352)	1,112	\$0.00	\$0
Total	9,520	\$0	\$0	7,178	(\$16)	(\$113,200)	8,742	\$2	\$18,456

Source: Form 1.8 Disposal and Processing Costs.

*GWR did not include any transportation costs for shipping recyclables to their MRF in San Jose.

*Recology did not include any transportation costs for shipping recyclables to MRWMD MRF in Marina.

*Recology and RJR assumed rebates on the recyclables.

*RJR will process commercial recyclables at their Hollister facility.

*RJR assumed \$14.31/ton to ship single family recyclables to MRWMD MRF so their actual MRF processing costs total \$75,288.

Comparison of Proposed Residential Rates (for San Benito County jurisdictions) vs. Current Rates for Neighboring Communities

	% of Current Accounts	Forecasted Current Monthly Rates	Forecasted Current Monthly Rates w/ YW Service	GWR	% Change Vs. Forecasted Current Monthly Rates w/ YW Service	Recology	% Change Vs. Forecasted Current Monthly Rates w/ YW Service	RJR RR	% Change Vs. Forecasted Current Monthly Rates w/ YW Service	Gilroy	Morgan Hill	Salinas	Santa Clara County - East	Santa Clara County -South (San Martin, Coyote Valley, Gilroy, Morgan Hill)	Seaside	Gonzales	Greenfield	Soledad	Watsonville	Santa Cruz County	Monterey County Unincorp. - MRWMD	Monterey County Unincorp. - SVSWA	Ave. Monthly Rate Non-SBC Jurisdictions	
Hollister			Monthly	Monthly		Monthly		Monthly																
20-gallon cart	4.2%	\$16.84	\$26.50	\$25.75	-2.83%	\$23.05	-13.02%	\$27.39	3.36%			\$21.42	\$32.58	\$27.57							\$18.81	\$24.38	\$25.24	\$25.00
32-gallon cart	53.1%	\$19.57	\$29.23	\$31.15	6.57%	\$25.85	-11.56%	\$31.93	9.24%	\$31.79	\$30.95	\$24.89	\$33.72	\$31.92	\$19.72	\$28.38	\$28.38	\$28.38	\$30.51	\$25.97	\$29.63	\$30.68	\$28.84	
64-gallon cart	39.3%	\$38.22	\$47.88	\$62.30	30.12%	\$45.35	-5.28%	\$64.25	34.19%	\$45.61	\$30.95	\$34.45	\$62.53	\$71.61	\$24.65	\$45.11	\$45.11	\$45.11	\$49.21	\$51.88	\$46.44	\$48.11	\$46.21	
96-gallon cart	3.4%	\$56.87	\$66.53	\$93.45	40.46%	\$64.85	-2.53%	\$97.01	45.81%	\$59.79	\$30.95	\$45.51			\$29.58	\$61.87	\$61.87	\$61.87	\$63.23	\$77.76	\$58.07	\$60.14	\$55.51	
San Juan Bautista																								
20-gallon cart	9.2%	\$17.66	\$27.48	\$25.75	-6.30%	\$25.38	-7.65%	\$28.16	2.47%			\$21.42	\$32.58	\$27.57							\$18.81	\$24.38	\$25.24	\$25.00
32-gallon cart	66.7%	\$20.38	\$30.20	\$31.15	3.15%	\$28.18	-6.70%	\$32.74	8.41%	\$31.79	\$30.95	\$24.89	\$33.72	\$31.92	\$19.72	\$28.38	\$28.38	\$28.38	\$30.51	\$25.97	\$29.63	\$30.68	\$28.84	
64-gallon cart	22.4%	\$38.91	\$48.73	\$62.30	27.85%	\$47.68	-2.16%	\$64.91	33.20%	\$45.61	\$30.95	\$34.45	\$62.53	\$71.61	\$24.65	\$45.11	\$45.11	\$45.11	\$49.21	\$51.88	\$46.44	\$48.11	\$46.21	
96-gallon cart	1.7%	\$57.42	\$67.24	\$93.45	38.98%	\$67.18	-0.09%	\$97.08	44.38%	\$59.79	\$30.95	\$45.51			\$29.58	\$61.87	\$61.87	\$61.87	\$63.23	\$77.76	\$58.07	\$60.14	\$55.51	
San Benito County																								
20-gallon cart	4.6%	\$17.48	\$27.58	\$25.75	-6.64%	\$25.64	-7.05%	\$27.99	1.49%			\$21.42	\$32.58	\$27.57							\$18.81	\$24.38	\$25.24	\$25.00
32-gallon cart	54.9%	\$20.38	\$30.48	\$31.15	2.20%	\$28.44	-6.71%	\$32.72	7.35%	\$31.79	\$30.95	\$24.89	\$33.72	\$31.92	\$19.72	\$28.38	\$28.38	\$28.38	\$30.51	\$25.97	\$29.63	\$30.68	\$28.84	
64-gallon cart	35.0%	\$36.15	\$46.25	\$62.30	34.70%	\$47.94	3.64%	\$62.25	34.59%	\$45.61	\$30.95	\$34.45	\$62.53	\$71.61	\$24.65	\$45.11	\$45.11	\$45.11	\$49.21	\$51.88	\$46.44	\$48.11	\$46.21	
96-gallon cart	5.5%	\$53.90	\$64.00	\$93.45	46.02%	\$67.44	5.37%	\$93.72	46.44%	\$59.79	\$30.95	\$45.51			\$29.58	\$61.87	\$61.87	\$61.87	\$63.23	\$77.76	\$58.07	\$60.14	\$55.51	

Note: Forecasted current rates and forecasted current rates with yard waste (yw) service were derived from taking Recology's 2016 solid waste rates and forecasting them forward to 7/1/18 using the prescribed indices in the current franchise agreement.

		Hollister - Proposed Commercial Rates vs. Neighboring Communities						San Juan Bautista - Proposed Commercial Rates vs. Neighboring Communities								San Benito County - Proposed Commercial Rates vs. Neighboring Communities											
	Forecasted Current Rates	GWR		Recology		RJR		Forecasted Current Rates	GWR		Recology		RJR		Forecasted Current Rates		GWR		Recology		RJR						
Container Type/Size or Service Type	1x per Week	1x per Week	% Change	1x per Week	% Change	1x per Week	% Change	1x per Week	1x per Week	% Change	1x per Week	% Change	1x per Week	% Change	Every Other Week	1x per Week	Every Other Week	1x per Week	% Change	Every Other Week	1x per Week	% Change	Every Other Week	1x per Week	% Change		
1 cubic yard bin	\$105.29	\$150.00	42.5%	\$166.50	58.1%	\$148.28	40.8%	\$148.10	\$156.00	5.3%	\$189.81	28.2%	\$208.07	40.5%		\$116.66		\$150.00	28.6%		\$183.15	57.0%		\$164.07	40.6%		
2 cubic yard bin	\$133.20	\$210.00	57.7%	\$211.46	58.8%	\$188.52	41.5%	\$171.90	\$218.40	27.1%	\$241.06	40.2%	\$242.65	41.2%		\$133.46		\$210.00	57.4%	\$151.19	\$232.60	74.3%	\$113.25	\$188.74	41.4%		
3 cubic yard bin	\$191.26	\$285.00	49.0%	\$304.70	59.3%	\$270.86	41.6%	\$212.23	\$296.40	39.7%	\$347.35	63.7%	\$300.28	41.5%		\$193.78		\$285.00	47.1%		\$335.16	73.0%		\$274.16	41.5%		
4 cubic yard bin	\$257.83	\$375.00	45.4%	\$409.59	58.9%	\$365.11	41.6%	\$284.33	\$390.00	37.2%	\$466.93	64.2%	\$402.28	41.5%		\$259.60		\$375.00	44.5%		\$450.55	73.6%		\$367.29	41.5%		
32 gallon cart																											
64 gallon cart	\$38.22	\$61.00	59.6%	\$45.35	18.7%	\$83.53	118.5%	\$38.91	\$61.00	56.8%	\$45.35	16.6%	\$84.38	116.9%		\$36.15		\$61.00	68.7%		\$45.35	25.4%		\$80.93	123.9%		
96 gallon cart	\$56.87	\$81.00	42.4%	\$64.85	14.0%	\$126.11	121.8%	\$57.42	\$81.00	41.1%	\$64.85	12.9%	\$126.20	119.8%		\$53.90		\$81.00	50.3%		\$64.85	20.3%		\$121.84	126.0%		
		Gilroy		Morgan Hill		Salinas			Gilroy		Morgan Hill		Salinas				Gilroy		Morgan Hill		Salinas						
1 cubic yard bin	\$105.29					\$288.24		\$148.10					\$288.24			\$116.66								\$288.24			
2 cubic yard bin	\$133.20	\$212.97		\$235.00		\$346.81		\$171.90	\$212.97		\$235.00		\$346.81			\$133.46		\$212.97		\$235.00				\$346.81			
3 cubic yard bin	\$191.26	\$306.88		\$340.41		\$410.63		\$212.23	\$306.88		\$340.41		\$410.63			\$193.78		\$306.88			\$340.41			\$410.63			
4 cubic yard bin	\$257.83	\$411.64		\$440.48		\$472.16		\$284.33	\$411.64		\$440.48		\$472.16			\$259.60		\$411.64			\$440.48			\$472.16			
32 gallon cart		\$31.79		\$18.93		\$46.90			\$31.79		\$18.93		\$46.90					\$31.79			\$18.93			\$46.90			
64 gallon cart	\$38.22	\$48.09		\$31.03		\$60.08		\$38.91	\$48.09		\$31.03		\$60.08			\$36.15		\$48.09		\$31.03				\$60.08			
96 gallon cart	\$56.87	\$64.81		\$43.19		\$72.88		\$57.42	\$64.81		\$43.19		\$72.88			\$53.90		\$64.81			\$43.19			\$72.88			

CURRENT SCHEDULE INCLUDED IN RFP RELEASED 8/29/17

Table 1-2 RFP Schedule

<u>Milestones*</u>	<u>Date</u>
REGIONAL AGENCY releases RFP	August 29, 2017
R.S.V.P deadline for pre-proposal meeting <u>by 3 p.m.</u>	September 6, 2017
Deadline to submit written questions and comments <u>by 3 p.m.</u>	September 13, 2017
Mandatory pre-proposal meeting at <u>10 a.m.</u> at County Administration Office, 481 4th Street, Hollister. Board of Supervisors Chambers.	September 20, 2017
Deadline to submit additional written questions <u>by 3 p.m.</u>	September 27, 2017
REGIONAL AGENCY will issue: response to written questions, summary of responses provided at the pre-proposal meeting, and RFP addendum if necessary.	October 11, 2017
Proposals due <u>by 3 p.m.</u>	November 14, 2017
REGIONAL AGENCY requests clarification of proposal information	December 1, 2017
Proposer public presentations to RA Members. <u>Presentations limited to non-cost information only (i.e., qualifications and technical proposal only).</u>	December 2017
Evaluation committee conducts interviews with one or more proposers	December 2017
Selection committee recommends contractor	January 2018
Evaluation/Selection committee conduct and complete negotiations with contractor	January/Feb. 2018
RA Member governing bodies approve contract award	Feb./March 2018
Contractor commence providing services	July 1, 2018**

* Note that the REGIONAL AGENCY may modify this schedule as needed.

** Collection services may be initiated later if a short-term extension of the Franchise Agreement is needed and approved.

REVISED SCHEDULE REFLECTIVE OF SHORT-TERM CONTRACT EXTENSION THRU 10/31/18

Table 1-2 RFP Schedule

<u>Milestones*</u>	<u>Date</u>
REGIONAL AGENCY releases RFP	August 29, 2017
R.S.V.P deadline for pre-proposal meeting <u>by 3 p.m.</u>	September 6, 2017
Deadline to submit written questions and comments <u>by 3 p.m.</u>	September 13, 2017
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REGIONAL AGENCY will issue: response to written questions, summary of responses provided at the pre-proposal meeting, and RFP addendum if necessary.	October 11, 2017
Proposals due <u>by 3 p.m.</u>	November 14, 2017
REGIONAL AGENCY requests clarification of proposal information	December 1, 2017
Proposer public presentations to RA Members. Presentations limited to non-cost information only (i.e., qualifications and technical proposal only).	December 2017
Evaluation committee conducts interviews with one or more proposers	December 2017
Evaluation committee presents findings to Selection Committee	February 2018
Evaluation/Selection Committee presents findings to Franchise Agreement Ad Hoc Committee	March 2018
Selection Committee presents findings to each RA Member Governing Body <u>Each RA Member Governing Body approves short-term extension of current Franchise Agreement with Recology thru 10/31/18. New Franchise Agreement starts 11/1/18.</u>	March 2018
Each RA Member Governing Body approves selection of contractor	April/May 2018
Each RA Member Governing Body approves final franchise agreement	May/June 2018
Contractor commence providing services	November 1, 2018

<u>Proposer Implementation Schedule*</u>			
<u>Task</u>	<u>GWR</u>	<u>Recology</u>	<u>RJR RR</u>
	<u>Timeframe (months)</u>		
Vehicle procurement (for CNG vehicles)	6	12-14	7
Container procurement	4	4	4
Route planning	4	4	4
Personnel hiring and training	4	4	4
Public education and outreach	4	4	4
Corp. yard	4-12	0	6 - ?
Admin. & customer service	4	0	6
Vehicle parking	4	0	6
Maintenance facilities	4	0	6
CNG fueling facility	12	0	???
CalRecycle permitting (for recyclables transfer)	4-6	0	0
* If approve alternative proposal for use of renewable diesel fuel to replace CNG, then will reduce vehicle procurement timeframe and eliminate need to develop a CNG fueling facility.			