

Overview of Member Agencies Franchise Agreement for Recyclable Materials, Organic Materials and Solid Waste Collection Services



Collection Agreement Timeline Recap

- 2005 – Competitive procurement process started
- January 2007 – Member Agencies affirm participation in the RFP process
- September 2007 – Member Agencies approve release of the RFP
- November 2007 – SBWMA released the RFP
- March 2008 – Four proposals received by SBWMA
- July 2008 – SBWMA Selection Committee approved Evaluation Committee's recommendation
- August 2008 – SBWMA approved the Selection Committee's recommendation
- October 2008 – February 2009 – Member Agencies approved the SBWMA's recommendation to select Recology San Mateo County

Collection Agreement Timeline Recap (continued)

- March 2009 – SBWMA proceeds with initial Franchise Agreement negotiations on behalf of Member Agencies
- May-June 2009 – SBWMA staff briefs Member Agencies on implications of key contract decision points (e.g., default cart sizes, optional programs, performance bond)
- June 2009 – Member Agencies confirm key contract decisions
- June-July 2009 – Member Agencies commence legal and programmatic review of draft Franchise Agreements
- August 2009 – February 2010 – Member Agencies approve and Franchise Agreements are signed
- March 2010 – Ongoing – Service transition planning and implementation

New Franchise Agreement Terms and Services

- Ten-year term (2011-2020)
- Automated collection – recyclable materials, organic materials (food scraps and plant materials), and garbage
 - Wheeled carts for all households
 - Automated collection service
 - Weekly recyclable single stream collection
 - Weekly organic materials collection
- Performance incentives and disincentives
- Liquidated damages
- Simplified contractor compensation calculation with more cost controls for rate payers than current Franchise Agreement



Scope of Services

Single-Family Dwelling Collection Services

Core Services for Single-Family Dwellings

- Weekly Automated Solid Waste Collection
- Weekly Automated Single Stream Recycling Collection
- Weekly Automated Organics Recycling Collection
- Annual Holiday Tree Recycling Collection
- Weekly Household Batteries and Cell Phones Recycling Collection
- Weekly Used Motor Oil and Used Motor Oil Filter Recycling Collection
- Twice Annual On-Call Bulky Item Collection
- Fee for Service On-Call Bulky Item Collection (3rd pick-up or more)
- Annual Confidential Document Destruction Event

Optional Services for Single-Family Dwellings

- Drop-Off Community Collection Event
- City-wide Week-Long Bulky Item Collection Event

Scope of Services

Multi-Family Dwelling Collection Services

Core Services for Multi-Family Dwellings

- Weekly Solid Waste Collection
- Weekly Single Stream Recycling Collection
- Weekly Organics Recycling Collection
- Weekly Plant Materials Recycling Collection
- Twice Annual On-Call Bulky Item Collection
- Annual Holiday Tree Recycling Collection
- Weekly Household Batteries and Cell Phones Recycling Collection

Optional Services for Multi-Family Dwellings

- Fee for Service On-Call Bulky Item Collection
- Universal Roll-Out of Recycling Collection

Scope of Services

Commercial Collection Services

Core Services for Commercial

- Solid Waste Collection
- Single Stream and Source Separated Recycling Collection
- Organic Materials Recycling Collection
- Plant Materials Recycling Collection
- Recycling Blitz (commences July 1, 2010)

Optional Services for Commercial

- Fee for Service On-Call Bulky Item Collection
- Universal Roll-Out of Recycling Collection

Scope of Services

Member Agency-wide and Facilities Collection Services

Core Services for Member Agency

- Solid Waste Collection
- Single Stream and Source Separated Recycling Collection
- Organic Materials Recycling Collection
- Plant Materials Recycling Collection
- Public Street, Parks and Parking Lot Solid Waste and Recycling Receptacles Collection
- Annual On-Call Bulky Items Collection Service
- Community Venues and Events Solid Waste, Recycling and Organics Collection
- Shared Recycling Bins Downtown
- Confidential Document Destruction Event
- Community Events Recycling
- Abandoned Waste Cleanup Collection Service

Scope of Services

Member Agency-wide and Facilities Collection Services

Optional Services for Member Agency Facilities

- Fee for Service On-Call Bulky Item Collection
- Delivery of Compost for Giveaway Events

Optional Services for Member Agencies

- Community Drop-Off Events
- Agency-Wide Bulky Items Collection Event

Additional Services Provided

- Coats for Kids Program
- Garage Sales Coordination
- Confidential Materials Destruction

Contract Incentives and Disincentives

Performance Incentives

- Solid Waste Diversion*
 - Overall Diversion Level
- Collection Service Delivery
 - Single-Family Missed Pick-Up Initial Complaints
- Customer Service
 - Average Speed of Answer

Performance Disincentives

- Diversion
 - Minimum Single-Family Diversion Level
 - Minimum Commercial Diversion Level
- Contamination
- Collection Service
 - Single-Family Missed Pick-Up Initial Complaints
 - Single-Family Missed Pick-Up Collection Events
- Customer Service
 - Average Speed of Answer
 - 90 Second Max. Hold Time

*Diversion – materials that are recycled or composted and kept out of the landfill

Contract Liquidated Damages

Collection Quality

- Unauthorized Collection Hours
- Damage to Private Property
- Resolution of Property Damage Claims
- Providing New or Changes in Service
- Improper Container Placement
- Use of Non-Collection Notices
- Excessive Noise
- Unacceptable Employee Behavior
- Spills
- Cleaning Up Spills
- Spills of Fluids

Customer Service

- Resolution of Complaints

Reporting

- Late Reports
- Inaccurate Reports
- Report on Billing Review

General

- Disposal of Recyclables
- Delivery to Unauthorized Site

(Liquidated damages amounts range from \$50 to \$500 per event.)

Contractor Compensation

Fixed Fee Contract with Index Adjustments

- Fixed base cost only adjusted by indices (e.g., CPI, fuel index, etc.)
- Eliminates detailed annual rate reviews; will save approx \$200,000/year as existing SBWMA staff will complete rate work.
- Rate predictability and stability as base costs only adjusted by predetermined indices.
- Contractor's compensation is not "trued up" to contractor's actual costs (exceptions include cost reconciliation to actual tonnage collected and actual disposal costs).

vs.

Current "Cost-Plus" Contract with Allied Waste/Republic

- Detailed annual rate review process via outside consultant.
- Annual "true up" for all allowable expenses and associated profit.
- Unpredictable annual rate adjustment.
- Annual balancing account management required.
- Company receives an automatic 9% profit on all allowable expenses annually.

Next Steps

- October 2009 – Recology ordering of vehicles and collection containers commences
- March - June 2010 – New service transition public education planning commences
- July 2010 – Roll-out of Commercial Recycling Blitz public education and collection services
- July 2010 – June 2011 – Comprehensive public education and outreach campaign launched by SBWMA
- July 2010 - Residents select cart sizes
- September 2010 – Recology begins delivering new carts to residents
- January 3, 2011 – New collection service begins

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