

RESOLUTION NO. 23-058

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HERCULES AUTHORIZING THE CITY MANAGER TO EXECUTE AMENDMENT NO.1 WITH R3 FOR A NOT TO EXCEED AMOUNT OF \$30K TO COMPLETE A SOLID WASTE FEE STUDY FOR THE FRANCHISE AGREEMENT RENEWAL NEGOTIATIONS, FOR A TOTAL NOT TO EXCEED CONTRACT AMOUNT OF \$50K, AND APPROPRIATING \$50K FROM THE SOLID WASTE FUND TO FULLY FUND SAID AMENDMENT AND RESTORE THE CONTINGENCY FUNDING USED FOR THE \$20K BASE CONTRACT

WHEREAS, the City's solid waste collection franchise agreement with Republic Services, which was entered into in 1986, is set to expire on June 30, 2025; and

WHEREAS, an initial \$20K base contract with R3 was expedited in August to provide timely technical support during negotiations on the renewed franchise agreement; and

WHEREAS, the contract was executed under the City Manager's authority using contingency funding from the Solid Waste Fund; and

WHEREAS, negotiations with Republic Services are now well underway; and

WHEREAS, Amendment No.1 to the contract with R3 for a fee study to evaluate the City's solid waste-related activities will ensure consideration can be given to fully recovering the cost of all eligible activities for the duration of the renewed agreement; and

WHEREAS, an appropriation of \$50K will fund the \$30K Amendment No.1 and fully restore the \$20K in contingency funding in the Sewer Fund used for the base contract; and

WHEREAS, there is sufficient funding in the Sewer Fund to cover the cost of this appropriation.

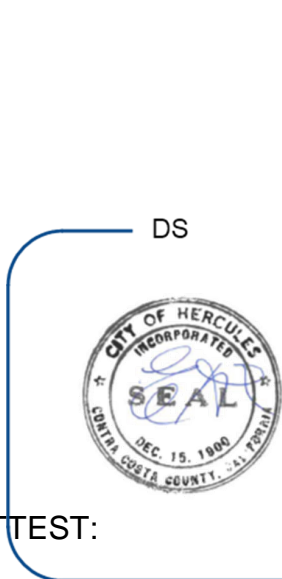
NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hercules that the City Council hereby authorizes the City Manager to execute Amendment No.1 with R3 for a not to exceed amount of \$30K to complete a solid waste fee study for the franchise agreement renewal negotiations, for a total not to exceed contract amount of \$50K, and appropriates \$50K from the Solid Waste Fund to fully fund said amendment and restore the contingency funding used for the \$20K base contract

The foregoing Resolution was duly and regularly adopted at a regular meeting of the City Council of the City of Hercules held on the twenty-fourth day of October 2023 by the following vote of the Council:

AYES: Council Members: T. Grimsley, C. Kelley, D. Bailey and Vice Mayor D. Romero

NOES: NONE

ABSENT: Mayor A. Walker-Griffin



ATTEST:

Eibleis Melendez, City Clerk

DocuSigned by:



A handwritten signature in blue ink, appearing to read "AWG", enclosed in a blue rectangular box.

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Alex Walker-Griffin, Mayor



STAFF REPORT TO THE CITY COUNCIL

DATE: Regular Meeting of October 24, 2023

TO: Mayor and Members of the City Council

VIA: Dante Hall, City Manager

SUBMITTED BY: Michael Roberts, Public Works Director/City Engineer

SUBJECT: Amendment No.1 with R3 for a Not to Exceed Amount of \$30K to complete a Solid Waste Fee Study for the Franchise Agreement Renewal Negotiations for a Total Not to Exceed Contract Amount of \$50K and an appropriation of \$50K from the Solid Waste Fund to fully fund the Contract

RECOMMENDED ACTION:

City Council adopt a resolution authorizing the City Manager to execute Amendment No.1 with R3 for a not to exceed amount of \$30K to complete a solid waste fee study for the franchise agreement renewal negotiations for a total not to exceed contract amount of \$50K and appropriating \$50K from the Solid Waste Fund to fully fund said amendment and restore the contingency funding used for the \$20K base contract.

BACKGROUND:

The City's solid waste collection franchise agreement with Republic Services, which was entered into in 1986, is set to expire on June 30, 2025. An initial \$20K contract with R3 was expedited in August to provide timely technical support during negotiations on a renewed franchise agreement. The contract was executed under the City Manager's authority using contingency funding from the Solid Waste Fund. Negotiations with Republic Services are now well underway, including potential 10-, 15-, and 20- year terms as directed by City Council.

The City's solid waste services, which include garbage, recycling, and green waste, are divided into collection and post-collection activities. Collection activities are overseen by the City whereas post-collection activities are managed by Recyclemore, a Joint Powers

Authority for which the City is a member. Collection includes the curbside (or on-property) collection of solid waste material and hauling to a processing facility, such as a transfer station, recycling facility, or composting facility. The collection franchise agreement includes fees collected by the City from rate payers via Republic Services. These fees are then used to support City solid waste-related activities.

Amending the contract with R3 to include a fee study to evaluate these solid waste-related activities will ensure consideration can be given to fully recovering the cost of all eligible activities for the duration of the renewed agreement.

ANALYSIS:

R3's Solid Waste Fee Study will identify City-related solid waste activities eligible for cost recovery from solid waste rates via franchise fees under the renewed agreement. Their scope includes:

1. Cost Recovery Analysis – This is for the City's solid waste management, administration, oversight, compliance and other expenditures. It includes street sweeping, storm drain and/or catch basin waste removal, purchase and distribution of reusable bags, and other compliance related expenditures.
2. Vehicle Impact Analysis – To mitigate damage from the garbage trucks on City streets.
3. Property Value Analysis – For solid waste containers that are placed in the public right-of-way for collection (i.e. reasonable estimates of the rental value for that unique use of the public right-of-way) and other uses of government property.

R3 will capture their findings in a memo that can be utilized during negotiations with Republic as well as a policy tool for City Council when considering cost recovery levels.

FISCAL IMPACT:

The base contract with R3 (Att #3) was executed under the City Manager's authority using \$20K in contingency funding in the Solid Waste Fund. Appropriating \$50K from the Solid Waste Fund will restore the contingency funding and fully fund Amendment No.1 in the amount of \$30K. The solid waste fund has adequate reserves to cover the cost of the appropriation.

ATTACHMENTS:

- Attach 1 - Resolution
- Attach 2 - Amendment No.1
- Attach 3 - Base Contract