

**CITY OF HERCULES
PROFESSIONAL SERVICES AGREEMENT**

This Agreement (“**Agreement**”) for professional services is made on August 22, 2023, between the City of Hercules, a California municipality (“**City**”), and R3 Consulting Group, Inc., a Corporation (“**Consultant**”) (individually, a “**Party**,” and collectively, the “**Parties**”).

1. Scope of Services. Consultant will provide to City the professional services described in the Scope of Services, attached as **Attachment A** and incorporated in this Agreement (the “**Services**”). Only the City Council or the City Manager may authorize any change or addition to the Scope of Services specified in Attachment A.

2. Term. This Agreement will become effective on August 22, 2023 (“**Effective Date**”), and will terminate upon the full and satisfactory completion of the Services or as otherwise specified in Attachment A, unless terminated sooner in accordance with Section 10 of this Agreement. Time is of the essence with respect to all provisions of this Agreement that specify a time for performance.

3. Compensation. For the full and satisfactory completion of the Services, City will pay Consultant in an amount not to exceed **TWENTY THOUSAND DOLLARS (\$20,000)**, without prior written authorization by City, pursuant to the terms set forth in **Attachment A** on Payment, which is attached to and incorporated in this Agreement. Consultant’s compensation is intended to encompass all costs required for performing the Services, including overhead and indirect costs. Except as expressly provided in Attachment A, Consultant will not be entitled to reimbursement for expenses it incurs to provide the Services.

3.1 Payment. City will pay Consultant for Services satisfactorily provided during each calendar month within 30 days following City receipt and approval of a detailed invoice. The invoice must include, at a minimum: a description of the specific Services provided; the name of the individual providing the Services; the date(s) upon which the Services were provided; the time spent providing the Services; the amount due for the Services; and the basis for calculating the amount due.

3.2 Additional Services. If the City requests related services beyond the Scope of Services described in Attachment A, the Consultant will provide City a written estimate for the additional services (“**Additional Services**”). Consultant will not provide Additional Services until Consultant has received written authorization from the City to perform the Additional Services. Consultant will not be entitled to payment for Additional Services performed without City’s prior written authorization or for costs to correct Consultant’s errors or omissions.

4. Independent Contractor. The Parties agree that Consultant will act as an independent contractor under this Agreement and will have control of its work and the manner in which the Services are performed. Consultant is not an employee of City and is not entitled to participate in any health, retirement, or similar employee benefits from the City.

5. Consultant's Warranties.

5.1 Consultant warrants that all Services provided under this Agreement will be performed in accordance with generally accepted professional practices and standards for Consultant's profession in the Bay Area.

5.2 Consultant warrants that all Services provided under this Agreement will be performed in accordance with applicable federal, state, and local laws and regulations, including, but not limited to, conflict of interest laws and City ordinances and policies.

5.3 Consultant warrants that Consultant has no present interest which would conflict in any manner with the performance of Services on the City's behalf.

5.4 Consultant warrants that it will comply with the City's Nepotism and Cronyism Policy.

6. Notice. Any notice, billing, or payment required by this Agreement must be made in writing, and sent to the other Party by personal delivery, U.S. Mail, a reliable overnight delivery service, or by email as a PDF (or comparable) file. Notice is effective upon delivery unless otherwise specified. Notice for each Party will be given as follows:

City:

City of Hercules
111 Civic Drive
Hercules, CA 94547
(510) 799-8200
Attn: City Clerk

Copy to: Mike Roberts
MikeRoberts@ci.hercules.ca.us

Consultant:

R3 Consulting Group, Inc.
1512 Eureka Road Suite 220
Roseville, CA 95661
(916) 782-7821
Attn: Rose Radford
RRadford@r3cqi.com
Copy to: Scott Hanin
Shanin@r3cqi.com

7. Indemnity. Subsection 7.1 is not applicable to this Agreement if Consultant's Services are "design professional" services as that term is used and defined in Civil Code section 2782.8. Subsection 7.2 is applicable to this Agreement if Consultant's Services are "design professional" services as used and defined in Civil Code section 2782.8.

7.1 To the full extent permitted by law, Consultant will indemnify, defend with counsel acceptable to City, and hold harmless City, its governing body, officers, agents, employees, and volunteers (collectively, "**City Indemnitees**") from and against any and all liability, demands, loss, damage, claims, settlements, expenses, and costs (including, without limitation, attorney fees, expert witness fees, and costs and fees of litigation) (collectively, "**Liability**") of every nature arising out of or in connection with Consultant's acts or omissions with respect to this Agreement, except such Liability caused by the active negligence, sole negligence, or willful misconduct of any of the City Indemnitees. This indemnification obligation is not limited by any limitation on the amount or type of damages or compensation payable under Workers' Compensation or other employee benefit acts, or by insurance coverage limits, and will survive the expiration or early termination of this Agreement. This Subsection 7.1 does not apply if the Services to be provided under this Agreement are design professional services provided by a licensed architect, landscape architect, professional engineer, or professional land surveyor.

7.2 To the full extent permitted by law, Consultant will indemnify, defend, and hold harmless City, its City Council, officials, officers, agents, employees, and volunteers from and against any and all liability, loss, damage, claims, expenses and costs (including, without limitation, attorney fees and costs and fees of litigation) (collectively, "**Liability**") of every nature which arises out of, pertains to, or relates to the negligence, recklessness, or willful misconduct of Consultant in the performance of this Agreement, except such Liability caused by the active negligence, sole negligence or willful misconduct of City. This indemnification obligation is not limited by any limitation on the amount or type of damages or compensation payable under Workers' Compensation or other employee benefit acts, or by insurance coverage limits, and will survive the expiration or early termination of this Agreement. This Subsection 7.2 is applicable if the Services to be provided under this Agreement are design professional services provided by a licensed architect, landscape architect, professional engineer, or professional land surveyor.

8. Insurance. Before providing any Services under this Agreement, Consultant is required to procure and provide proof of the insurance coverage required by this Section in the form of certificates and endorsements. Each certificate of insurance must state that the coverage afforded by the policy or policies will not be reduced, cancelled or allowed to expire without at least 30 days written notice to City, unless due to nonpayment of premiums, in which case at least 10 days written notice will be made to City. The required insurance must cover the activities of Consultant and its employees or subcontractors relating to or arising from the performance of the Services, and must remain in full force and effect at all times during the term of the Agreement. All required insurance must be issued by an insurer licensed to do business in the State of California, and each such insurer must have an A.M. Best financial strength rating of "A" or better and a financial size rating of "VIII" or better. If Consultant fails to provide any of the required coverage, City may, at its sole discretion, purchase such coverage at Consultant's expense and deduct the cost from payments due to Consultant.

8.1 The following insurance policies and limits are required for this Agreement:

8.1.1 Commercial General Liability Insurance ("CGL"). CGL insurance issued on an occurrence basis, including coverage of liability arising from Consultant's acts or omissions in the performance of Services under this Agreement, with limits of at least \$1,000,000.00 per occurrence.

8.1.2 Automotive. Commercial automotive liability coverage for owned, non-owned and hired vehicles must provide coverage of at least \$1,000,000.00 combined single limit per accident for bodily injury, death, or property damage.

8.1.3 Workers' Compensation Insurance and Employer's Liability. The policy must comply with the requirements of the California Workers' Compensation Insurance and Safety Act, with limits of at least \$1,000,000.00. If Consultant is self-insured, Consultant must provide its duly authorized Certificate of Permission to Self-Insure.

8.1.4 Professional Liability. This insurance must insure against Consultant's errors and omissions in the provision of Services under this Agreement, in an amount no less than \$1,000,000.00 combined single limit.

8.2 Subrogation Waiver. Each required policy must include an endorsement that the insurer agrees to waive any right of subrogation it may have against City or the City's insurers.

8.3 The CGL policy and the automotive liability policy must include the following endorsements:

(1) The City, including its Council, officials, officers, employees, agents, volunteers and consultants (collectively, "**Additional Insured**") must be named as an additional insured for all liability arising out of the operations by or on behalf of the named insured, and the policy must protect the Additional Insured against any and all liability for personal injury, death or property damage or destruction arising directly or indirectly in the performance of the Agreement.

(2) The inclusion of more than one insured will not operate to impair the rights of one insured against another, and the coverages afforded will apply as though separate policies have been issued to each insured.

(3) The insurance provided is primary and no insurance held or owned by City will be called upon to contribute to a loss.

(4) Any umbrella or excess insurance must contain or be endorsed to contain a provision that such coverage will also apply on a primary or non-contributory basis for the benefit of City before the City's own insurance or self-insurance will be called upon to protect it as a named insured.

9. Dispute Resolution. In the event that any dispute arises between the Parties in relation to this Agreement, the Parties agree to meet face to face as soon as possible to engage in a good faith effort to resolve the matter informally. In the event that any dispute arises between the Parties in relation to this Agreement, and the dispute is not resolved by informal discussions, the Parties agree to submit the dispute to mediation.

9.1 Either Party may give written notice to the other Party of a request to submit a dispute to mediation, and a mediation session must take place within 60 days after the date that such notice is given, or sooner if reasonably practicable. The Parties will jointly appoint a mutually acceptable mediator. The Parties further agree to share equally the costs of the mediation, except costs incurred by each Party for representation by legal counsel.

9.2 Good faith participation in mediation pursuant to this Section is a condition precedent to either Party commencing litigation in relation to the dispute.

10. Early Termination.

10.1 Termination for Convenience. City may terminate this Agreement for convenience by giving 10 calendar days written notice to Consultant. In the event City elects to terminate the Agreement without cause, it will pay Consultant for Services satisfactorily provided up to that date.

10.2 Termination for Cause. If either Party breaches this Agreement by failing to timely or satisfactorily perform any of its obligations or otherwise violates the terms of this Agreement, the other Party may terminate this Agreement by giving written notice five calendar days prior to the

effective date of termination, specifying the reason and the effective date of the termination. Consultant will be entitled to payment for all Services satisfactorily provided up to the effective date of termination, except that the City may deduct from that payment the amount of costs the City incurred, if any, because of Consultant's breach of the Agreement.

11. Work Product. City will be the sole owner of all rights to any work product in any form which has been prepared by Consultant on City's behalf pursuant to this Agreement, unless otherwise specified in writing by the Parties.

12. Records. Unless otherwise specified in Attachment A, Consultant will maintain records related to this Agreement for a period of four years from expiration or termination of this Agreement, including records of the Services performed, on a daily basis if necessary. Consultant's accounting systems will conform to generally accepted accounting principles, and all records will provide a breakdown of total costs charged under this Agreement, including properly executed payrolls, time records, invoices, and vouchers. Consultant will permit City to inspect and examine Consultant's books, records, accounts, and any and all data relevant to this Agreement at any reasonable time.

13. General Provisions.

13.1 Assignment and Successors. Consultant may not assign its rights or obligations under this Agreement, in part or in whole, without City's written consent. This Agreement is binding on Consultant's and City's lawful heirs, successors, and permitted assigns.

13.2 Third Party Beneficiaries. There are no intended third-party beneficiaries to this Agreement.

13.3 Nondiscrimination. Consultant will not discriminate in the employment of persons under this Agreement because of race, color, ancestry, national origin, religion, sex, marital status, age, medical condition, disability, or other prohibited basis. All nondiscrimination rules or regulations required by law to be included in this Agreement are incorporated by this reference.

13.3.1 Avoidance of Cronyism and Nepotism. Consultant shall comply with regulations adopted by the City of Hercules to avoid favoritism in the award of contracts. Consultant shall submit a fully executed copy of the "Contractor Acknowledgment of City of Hercules Nepotism and Cronyism Policy" as Attachment C to this Agreement.

13.3.2 Compliance with the California Equal Pay Act. Consultant shall comply with regulations adopted by the City of Hercules to allow for verification of Consultant compliance with the requirements of the California Equal Pay Act. Consultant shall submit a fully executed copy of the "Contractor Acknowledgment of Compliance with the California Equal Pay Act" as Attachment D to this Agreement.

13.4 Choice of Law and Venue. This Agreement will be governed by California law, and venue will be in the Superior Court of Contra Costa County, and no other place.

13.5 Integration. This Agreement and the documents incorporated in this Agreement constitute the final, complete, and exclusive terms of the agreement between the City and the Consultant.

13.6 Severability. If any provision of this Agreement is determined to be illegal, invalid, or unenforceable, in part or in whole, the remaining provisions of the Agreement will remain in full force and effect.

13.7 Amendment. No amendment or modification of this Agreement will be binding unless it is in a writing duly authorized and signed by the Parties to this Agreement.

13.8 Provisions Deemed Inserted. Every provision of law required to be inserted in this Agreement will be deemed to be inserted, and this Agreement will be construed and enforced as though included. If it is discovered that through mistake or otherwise that any required provision is not inserted, or not correctly inserted, this Agreement will be amended to make the insertion or correction.

13.9 Precedence. If any provision in any document attached to or incorporated in this Agreement conflicts with or is inconsistent with the provisions set forth in the body of this Agreement, the provisions set forth in the body of this Agreement will control over any such conflicting or inconsistent provisions.

13.10 Waiver. No waiver of a breach, failure of any condition, or any right or remedy contained in or granted by the provisions of this Agreement will be effective unless it is in writing and signed by the Party waiving the breach, failure, right, or remedy. No waiver of any breach, failure, right, or remedy will be deemed a waiver of any other breach, failure, right, or remedy, whether or not similar, nor will any waiver constitute a continuing waiver unless the writing so specifies.

13.11 Force Majeure. If either Party is delayed or hindered in or prevented from the performance of any act required under this Agreement because of strikes, lockouts, inability to procure labor or materials, failure of power, riots, insurrection, war, fire or other casualty, or other reason beyond the reasonable control of the Party delayed, excluding financial inability ("**Force Majeure Event**"), performance of that act will be excused for the period during which the Force Majeure Event prevents such performance, and the period for that performance will be extended for an equivalent period. Delays or failures to perform resulting from lack of funds will not be Force Majeure Events.

13.12 Headings. The headings in this Agreement are included for convenience only and will not affect the construction or interpretation of any provision in this Agreement or any of the rights or obligations of the Parties to this Agreement.

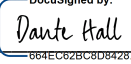
13.13 Execution in Counterparts. This Agreement may be executed in any number of counterparts, each of which will be an original, but all of which together will constitute one instrument.

13.14 Authorization. Each individual signing below warrants that he or she is authorized to do so by the Party that he or she represents, and that this Agreement is legally binding on that Party. If Consultant is a corporation, signatures from two officers of the corporation are required pursuant to California Corporation Code section 313.

[Signature page follows.]

The Parties agree to this Agreement as witnessed by the signatures below:

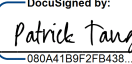
CITY:

s/  _____
DocuSigned by:
664EC2BC8D8426...

Dante Hall, City Manager

Date: 8/28/2023

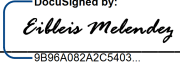
Approved as to form:

s/  _____
DocuSigned by:
080A41B9F2FB43E...

Patrick Tang, City Attorney

Date: 8/22/2023


Attest:

s/  _____
DocuSigned by:
9B98A082A2C5403...

Eibleis Melendez, City Clerk

Date: 9/5/2023

CONSULTANT: R3 Consulting Group, Inc.
Business Name

s/  _____
DocuSigned by:
BAD3F6AF7BB410...

Janet Barile Vice President

Name/Title

Date: _____

s/ _____

Name/Title

Date: _____

Attachments:

- Attachment A: Scope of Services & Payment
- Attachment B: Contractor Acknowledgment of City of Hercules Nepotism and Cronyism Policy
- Attachment C: Contractor Acknowledgment of Compliance with the California Equal Pay Act



August 8, 2023

Mr. Mike Roberts
Public Works Director/City Engineer
City of Hercules
6000 Heritage Trail, Clayton, CA 94517
submitted via email: MikeRoberts@ci.hercules.ca.us

SUBJECT: Negotiation Assistance – R3 Proposal

Dear Mr. Roberts,

R3 Consulting Group, Inc. (R3) is pleased to submit the attached proposal to the City of Hercules (City) to provide Negotiation Assistance. Included in our team's submittal is a scope of work, project budget, and a brief statement of qualifications.

Local Knowledge and Strong Presence

R3 has worked in the Bay Area since the inception of the firm. With our Oakland office location, we are ideally located to serve our Bay Area clients, which include nearby jurisdictions of Richmond, Concord, Martinez, San Ramon, Central Contra Costa Waste Authority, Alameda, Brentwood, El Cerrito, Danville, Hayward, Livermore, Milpitas, Newark, Oakland, Pleasant Hill, Richmond, San Leandro, San Bruno and more. As a result, we are very familiar with regional operations and concerns and have developed strong professional relationships with regional haulers and facility operators. Our combined local knowledge, relationships, and experience makes R3 the ideal partner to assist the City with its negotiation process.

Project Team

Rose Radford, Sr. Managing Consultant, will serve as Project Lead and primary point-of-contact. Rose previously assisted the City of Los Altos on negotiations with Mission Trail Waste Systems, which resulted in a 20% rate reduction from the contractor's initial position. Rose has also recently assisted the Cities of Concord, Pleasant Hill, and Clayton on negotiations with their haulers; Martinez received a contract amendment with Republic for Senate Bill (SB) 1383 compliance with no rate increase, and Pleasant Hill updated its franchise agreement with Republic for full SB 1383 compliance including a \$120,000 per year fee for City costs and a modest rate increase of 3.19% plus CPI in the first year of the extended agreement.

Scott Hanin, Principal-in-Charge, will assist with negotiations and procurement strategy and agreement development. He is authorized to negotiate contract terms and make binding agreements. Scott is a seasoned public agency professional with over 30 years of directly related experience as a City Manager, Executive Director, and Consultant. He has assisted dozens of California jurisdictions in the development, and negotiation of their solid waste agreements. He also understands the financial and cost issues and is particularly adept at negotiating solutions that work for both parties. Scott and Rose are currently negotiating a disposal agreement for a Bay Area City. He is also managing a similar engagement on the Peninsula, which includes negotiation of new services, cost impact and development of a new agreement.

Other experienced staff, **Paulina Benner** and **Alex Soulard**, both talented consultants, will provide project support as needed. More information on the project team can be found in Section 3, Statement of Qualifications.

* * * * *

We appreciate the opportunity to submit our proposal to the City. Should you have any questions regarding our proposal or need any additional information, please don't hesitate to reach out directly.

Sincerely,



Rose Radford | *Sr. Managing Consultant*
R3 Consulting Group, Inc.
415.347.9536 | rradford@r3cgi.com



Scott Hanin | *Principal*
R3 Consulting Group, Inc.
510.812.7144 | shanin@r3cgi.com

1. SCOPE OF WORK

Project Approach

R3 will work with City staff and Republic to establish key “deal points” that would be the basis for an extended Franchise Agreement and will seek City direction regarding preparation of an Agreement Amendment. Upon receiving City direction to prepare the Agreement Amendment, R3 will prepare the document with review and involvement of City staff and Republic.

R3 is ready to share our extensive experience and knowledge in procurement and negotiation processes to assist the City. We are confident that we will meet the City’s schedule needs. Additionally, we are in a strong position to provide the City with insight on the rationale behind the SB 1383 regulations and what will be needed in a new Agreement due to our extensive experience working with CalRecycle.

Undertaking agreement negotiations is a complex effort. R3 recognizes that the City has limited staff to take on a project of this importance to the community.

Scope of Work

Task 1 Franchise Agreement Amendment for 10-Year Extension

Task 1.1 Deal Points

R3 will work with City staff to develop “deal points” to guide the negotiation process with Republic. The final list of deal points will be presented to City staff for approval and incorporated into the negotiation process. In instances where proposed contractual requirements will be significantly different from those in the current agreement, we will prepare draft language for Republic to consider during the negotiation process.

The deal points may include matters such as:

- › Estimated “value” to Republic for extending the Agreement under both options.
- › Value of outreach and education services in existing Agreement.
- › Requested/desired concessions (programs, rates, franchise/pavement impact fee payments, reimbursement for the negotiation process, etc.) to be provided by Republic as a condition of a new Agreement under each option.
- › Updated Agreement language to incorporate industry best practices and new legislative requirements such as AB 1594, AB 1826, and SB 1383.
- › Adding new/expanded recycling or organic waste programs and services – a detailed analysis will be undertaken on Republic’s cost proposal for residential green waste to compost and SB 1383 implementation.
- › Modifying the current agreement based on the outcome of the negotiations.
- › A schedule for concluding negotiations / terminating negotiations that allows for the City to pursue a competitive proposal process if negotiations are not successful.

R3 will provide strategic support to the negotiations team throughout the negotiation process. This will include meeting preparation, agendas, attending meetings with City staff, preparation of negotiation session agendas, and attendance at negotiation sessions (phone and in person). During the negotiation process, R3 will review and analyze cost and program data presented by Republic. To the extent required, written responses will be prepared and presented. In addition, we will maintain a journal of items under discussion and items that have been agreed to. We will also monitor and track proposed changes to the Agreement to maintain an “audit trail.” We will meet regularly with City staff during the negotiation process.

Task 1.2 Prepare Agreement Amendment and Restatement

R3 will draft the Agreement Amendment for review by the City and Republic. The Agreement Amendment will establish the scope of services to be provided by the contractor, including the “deal points” established in Task 1.1.

This is an extensive effort, as it involves turning the key concepts, identified in Task 1.1, into concrete Agreement Amendment language subject to the review, comment, and revision of both parties until such time as both parties are comfortable agreeing to the terms of agreement (not just the basic concepts). The Agreement Amendment will also encompass and detail, to the satisfaction of both parties (City and Republic) the City interests established in conjunction with this task. Once comments from the parties have been received and resolved, R3 will finalize the Agreement Amendment for City Council approval.

Total Project Deliverables

- › Meet with City staff virtually
- › Deal points term sheet
- › Preliminary negotiation schedule
- › One (1) virtual kick-off meeting with City
- › One (1) virtual kick-off meeting with City and Republic
- › Weekly check-in meetings by phone with City and/or Republic
- › Preparation of negotiation session agendas
- › Financial Analysis of proposed new programs and services and their potential rate impact
- › Preparation and virtual attendance at negotiation sessions [up to six (6)]
- › Preparation and virtual attendance at meetings with City staff [up to three (3)]
- › Agreement language tracking
- › Electronic copies of the draft Agreement Amendment
- › Public meetings/City Council presentations [up to three (3)]

Handout materials for the City Council:

- › An electronic copy of the final Franchise Agreement

2. PROJECT BUDGET

R3 proposes to complete the project for a total cost of **\$20,000**. **Table 1**, below, shows the total cost breakdown by task. Additional consulting services beyond those proposed will be charged at the hourly billing rates shown in **Table 2**, below. Fees for work completed will be billed monthly at the first of each month, for the preceding month, and are due within 30 days of the invoice date.

Table 1: Breakdown of Cost

TASK	HOURS	COST
1. Franchise Agreement Amendment for 10-Year Extension	85	\$ 20,000
TOTAL	85	\$ 20,000

Table 2: Standard Hourly Rates

CLASSIFICATION	HOURLY RATE
Principal	\$ 285 per hour
Sr. Director	\$ 285 per hour
Director	\$ 240 per hour
Sr. Managing Consultant	\$ 220 per hour
Managing Consultant	\$ 200 per hour
Sr. Consultant	\$ 190 per hour
Consultant	\$ 170 per hour
Associate Consultant	\$ 155 per hour
REIMBURSABLE COSTS	
Consultants/Subcontractors	Cost plus 10%
Lodging and meals	Direct cost
Travel - Private or company car	At Current Federal Rate
Travel - Other	Direct cost
Delivery and other expenses	Direct cost

3. STATEMENT OF QUALIFICATIONS

About R3

Incorporated in California in 2002, R3 is a California Certified Small Business. Our team specializes in providing a diverse range of solid waste management consulting services to public agencies, including rate and financial reviews, competitive procurement and/or extension negotiations of collection, processing, and disposal services; development, implementation, and monitoring of service contracts and franchise agreements; and legislative compliance. R3 does not work for private solid waste service providers. Our team does, however, have very good professional working relationships with private sector service providers including Republic, which is valuable in negotiations.

Negotiation & Procurement Services

R3 has successfully provided technical support on the design, development, procurement, evaluation, and negotiation of franchised collection services for 100+ municipal clients throughout California and the western United States. These range from assisting jurisdictions with sole-source negotiations with an existing service provider to managing all aspects of a competitive procurement process for refuse collection, transfer, recycling, processing, and disposal services. We help our clients procure services under exclusive and non-exclusive franchise agreements at reasonable rates, and with reporting requirements that provide our clients with the concise information they need to effectively monitor and manage those contracts.

Our procurement and negotiation services include the following:

- › Negotiation, development, and monitoring of agreements with haulers and landfills.
- › Assistance with the technical and financial evaluation of proposals.
- › Evaluation of commercial collection system service options and structures.
- › Development and evaluation of policy and programmatic alternatives to meet specific needs.
- › Compliance monitoring and review.
- › Design of performance standards, incentives, and penalties related to contractor performance.
- › Development of an annual adjustment mechanism to the contractor compensation and user rates and fees.
- › Leadership in community and stakeholder engagement processes, including workshops, focus groups, surveys, interviews, and presentations.
- › Preparation and distribution of Request for Proposals (RFP) packages, including the Agreement and operating contracts.

Our current and/or recent procurement and negotiation clients include:

Galt, Half Moon Bay, Los Altos, San Bruno, Los Banos, Piedmont, Santa Clara, Santa Rosa, Westlake Village, Windsor, Beaumont, Rolling Hills Estates, San Bernardino, and Zero Waste Sonoma (formerly known as the Sonoma County Solid Waste Agency)

Franchise Agreement Review and Development

As part of our Procurement and Negotiation Assistance practice area, R3 reviews Franchise Agreements (Agreements) and provides recommendations for improvement and necessary legislative compliance. From experience, we know that successful negotiations are contingent upon first establishing a solid understanding of the terms and conditions of the existing Agreement, as well as any modifications or additional services that have changed since the Agreement first began. R3 begins each negotiation process by first meeting with the client jurisdiction staff to review their specific needs. We then conduct a thorough review of the existing hauler Agreement to develop an understanding of how the jurisdiction's current solid waste collection programs and services, performance and reporting standards, and operational requirements compare to industry best standards.

We also review the Agreement's organizational structure and formatting, and perform an in depth analysis of how the Agreement addresses and/or incorporates the following:

- › Reporting requirements related to recent state legislation.
- › Customer service practices.
- › Disposal and processing facilities available currently and long term.
- › Reports submitted by the current contractors.
- › Term and extension provisions.
- › Operating and performance standards.
- › Contamination and overage protocols.
- › Vehicle and container replacement practices.
- › Realistic and verifiable diversion standards.
- › Education and outreach programs.
- › Rate setting methodology and adjustments for changes in recyclables markets and organics processing.
- › Performance and contract compliance reviews.
- › Insurance and performance bond standards.
- › Any other relevant information provided by the City.

Our experience negotiating multiple contracts and contract amendments, combined with our successful track record conducting dozens of operational and performance reviews of private sector providers, has endowed us with a valuable perspective on how to best structure Agreements.

Project results from R3's negotiation and procurement projects have included:

- › Implementation of expanded recycling programs.
- › Simplified rate adjustment methodology.
- › Specified performance and program requirements.
- › Increased landfill diversion and hauler performance, plus accountability and management controls for franchising jurisdictions.
- › Implementation of air quality standards for collection vehicles.
- › Reasonable rates and potential cost savings to jurisdictions.
- › Additional and/or improved services for the municipalities' customers.
- › Improved customer service.
- › Additional hauler fees/increased franchise fees.
- › Better relationship between the jurisdiction and the hauler.
- › Longer terms that require less jurisdiction involvement to maintain.

R3 is very knowledgeable in all aspects of solid waste contract language, including operational, programmatic (i.e., solid waste programs and services), financial, and legal terms and conditions. We draft some of the most progressive, high diversion "performance-based" contracts in the state, which incorporate hauler self-reporting performance requirements.

We focus on the development of effective franchisee technical assistance and outreach programs with associated reporting of subscription compliance and participation compliance of both AB 341 and AB 1826 programs. With these parts in place, the administering jurisdictions receive the information they need to effectively assess the franchisees' safety, customer service, and diversion performance.

We have provided Agreement review services to many clients throughout California, including:

Cities of Chico, Cerritos, Corcoran, Downey, Fairfield, Huntington Beach, Irwindale, Los Altos, Rolling Hills Estates, San Bernardino, San Bruno, San Juan Capistrano, Santa Barbara, Temple City, Tulare, Visalia, and Vallejo.

Legislative Compliance

R3 provides a full range of planning, design, implementation, monitoring, and administrative services in support of regulatory compliance with AB 1826 (Mandatory Commercial Organics Recycling), SB 1383 (Short-Lived Climate Pollutants), AB 341 (Mandatory Commercial Recycling), AB 1594 (Ban on Green Material ADC Diversion Credit), as well as new legislation including AB 1669 (Displaced Employees), AB 901 (Solid Waste Reporting Requirements), and AB 876 (Organics Management Infrastructure Planning).

California has adopted aggressive legislation to reduce waste sent to the landfill and many jurisdictions are not fully prepared to meet their requirements under SB 1383, AB 341, AB 1594, and AB 1826. Our understanding of these legislative requirements and our hands-on experience assisting our clients with implementing effective SB 1383 programs and preparing for the requirements of AB 1594, AB 1669, SB 1383, and AB 901 has helped us to develop effective compliance strategies and implementation plans that leverage existing franchised hauler resources and contractual requirements. We help our clients meet and maintain compliance with SB 1383 and California's other solid waste regulatory requirements. We do so by providing a coordinated approach that is logical and cost effective, and draws upon our operational, public policy, and public education and outreach capabilities.

SB 1383 Planning & Implementation

R3 is at the forefront of SB 1383 compliance planning and implementation. Our team researched and analyzed the cost impacts of SB 1383 to local jurisdictions under contract with CalRecycle, producing a report titled *SB 1383 Local Services Rates*. CalRecycle released a report titled *Analysis of the Progress Toward the SB 1383 Organic Waste Reduction Goals*, which was developed based on the outcomes of R3's prior report. The final SB 1383 regulations were developed thereafter, by CalRecycle, and we have maintained our close working relationships with their staff.

R3 assists clients with the evaluation, development, and implementation of their organics and food waste reduction programs. Our extensive experience has allowed R3 to address a variety of issues that typically confront our municipal clients during the implementation of their programs, including inter-jurisdictional coordination, planning requirements, diversion mandates, regulatory compliance, community outreach, and public education. Our team recently conducted a review of California's food recovery infrastructure for CalRecycle. The goal of this project was to recommend opportunities for improving and expanding California's food recovery infrastructure in response to SB 1383. As part of this engagement our team had the opportunity to review and assess a wide range of food-recovery operations, approaches, and technologies, including logistical support technologies and public education efforts.

Our organics-related services include the following:

- › Negotiation, development, and monitoring of agreements with haulers and landfills.
- › Developing and evaluating existing organics programs.
- › Analyzing options for program improvement and potential new programs to implement.
- › Identifying businesses subject to compliance with SB 1383 and other solid waste requirements.
- › Designing and assessing public education and outreach materials and evaluating methods for notifying businesses of their requirements and compliance options.
- › Facilitating diversion opportunities, including food donations and recycle/reuse vendors.
- › Developing franchised hauler tracking methods for necessary reporting, public education and outreach, and compliance monitoring requirements.

- › Organics facility, processing agreements, comparative analyses, and tonnage flow evaluations.
- › Performing optional, as-needed site assessments and hands-on technical assistance to regulated businesses in support of their compliance.
- › Planning for end-use markets for compost product and SB 1383 implementation.

Relevant Experience

Since 2002, R3's project team has developed a unique level of relevant experience and knowledge of solid waste solutions that can help you deliver the programs and policies that your community needs. Our work, with a sampling shown below, covers everything from agreement negotiations to policy and ordinances development, legislative compliance, and education and outreach.

Our team is proud to have served 120+ clients over the past 5 years, and, below, we have compiled a sample list of projects relevant to City's Scope.

JURISDICTION	SERVICE(S) PROVIDED	
	Procurement or Negotiations	Legislative Compliance
City of Banning	X	X
City of Brentwood		X
City of Citrus Heights	X	X
City of Concord	X	X
City of Cudahy	X	X
City of El Cajon	X	X
City of Fairfield	X	X
City of Irwindale	X	X
City of Los Altos	X	X
City of Martinez	X	X
City of Pleasant Hill	X	X
City of Rancho Cordova	X	X
City of Riverside	X	X
City of Rohnert Park	X	X
City of Rolling Hills Estates	X	X
City of Shafter	X	X
City of San Bruno	X	
City of San Juan Capistrano	X	X
City of Santa Clara	X	X
City of Santa Rosa	X	X
City of Thousand Oaks	X	X
City of Temple City	X	X
City of Westlake Village	X	
City of Vallejo	X	X
City of Windsor	X	X
RecycleMore		X
Western Placer WMA	X	X

Project Team

STAFF	BRIEF BIOGRAPHY
<p>Rose Radford <i>Sr. Managing Consultant, Project Lead</i></p>	<p>Rose has a strong background in research and technical writing, and her solid waste industry experience, she provides valuable support for solid waste management planning, program development, regulatory reporting, and solid waste implementation plans by analyzing data, coordinating field studies, conducting surveys, and writing comprehensive reports. Her diverse solid waste planning experience includes: Zero Waste planning; legislative compliance assistance; organics program analysis; municipal code analysis and revision; data and tonnage tracking and modeling; and strategic planning for landfill, organics, and recyclables processing capacity.</p>
<p>Scott Hanin <i>Principal, Project Support</i></p>	<p>Scott is a seasoned public agency professional with over 30 years of directly related experience as a City Manager, Executive Director, and Consultant. He has assisted dozens of California jurisdictions in the development, and negotiation of their solid waste agreements. He also understands the financial and cost issues and is particularly adept at negotiating solutions that work for both parties and will provide negotiations and financial review support to Rose.</p>
<p>Paulina Benner <i>Sr. Managing Consultant, Project Support</i></p>	<p>Paulina has over 23 years of public sector experience with 21 years in the solid waste and recycling field, most recently spending 18 years at the City of West Sacramento where she was the Environmental Services and Sustainability Manager. In that role, she oversaw the City's solid waste and recycling programs and related regulatory compliance, stormwater permit compliance, water conservation outreach and education, water conservation regulatory compliance as well as the budget development and management for the Division. Paulina brings a wealth of project and team management experience to R3 as well as an understanding of public sector needs.</p>
<p>Alex Soulard <i>Sr. Consultant, Project Support</i></p>	<p>Alex has 12 years of solid waste experience focused in the public sector working for the Marin County Department of Public Works. He has been primarily focused on implementation of recycling, composting, and other waste diversion and AB 939 compliance programs. As staff to the Marin County Hazardous and Solid Waste Management Joint Powers Authority, Alex focused on Zero Waste Plan Implementation, initial food scrap composting rollout, single use plastic bag bans, pharmaceutical disposal, fulfilling CalRecycle reporting requirements, developing public outreach, and fostering community engagement. At R3, Alex is providing legislative compliance assistance to local jurisdictions for implementing or expanding programs related to organic material collection, tracking, and infrastructure development.</p>