

**** Please Note the early start time ****

Teleconference/Public Participation Information

This meeting will be held *exclusively* via teleconference participation of a quorum of Board members in locations not open to the public in compliance with the Governor's Executive Order N-25-20 (March 12, 2020) as superseded by Order N-29-20 (March 17, 2020), allowing for deviation of teleconference and physical location meeting rules otherwise required by the Ralph M. Brown Act. The purpose of the orders is to provide the safest environment for staff and the public consistent with Contra Costa County Health Services' current public health recommendations, while allowing the public to observe and address the Board.

For this meeting, there will be no physical location from which members of the public may observe the meeting. Instead:

- Members of the public are welcome to observe and address the Board telephonically, at the appropriate time for public comment during the meeting, following these instructions:

Link to join Webinar: <https://us02web.zoom.us/j/83992565795>

Or phone: 1-669-900-6833 or 1-408-638-0968

Webinar ID: 839 9256 5795

During the meeting, the Chair will call for public comment. To make a public comment on a desired item while participating in the webinar, click on the "Raise Your Hand" option within the online webinar tool, or if participating via phone - dial *9.

Note: To improve everyone's opportunity to participate, please mute your microphone until you are called to speak.

- Members of the public are welcome to submit written comments via email to the Board Secretary at ChristinaL@Recyclemore.com prior or during the time for public comment at the meeting. The Board Secretary will share all comments with the Board at the meeting and make them part of the public record.

Americans with Disabilities Act

In compliance with the Americans with Disabilities Act of 1990, if you need special assistance to participate in an Authority meeting, or you need a copy of the agenda, or the agenda packet in an alternative format, please contact the Authority's Manager of Administrative Services at (510) 609-1215 or by email at ChristinaL@Recyclemore.com with the following information: name, phone number, email, and type of assistance requested.. Notification of at least 48 hours prior to the meeting or time when services are needed will assist Authority staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting or service.



Public Comment

Members of the public may address the Board of Directors on items that are within the jurisdiction of the Authority. Comments by the public pertaining to items listed in this Agenda should be made at the time the item is considered by the Board of Directors. Please note this Agenda contains an item for the Public to address the Board on non-agenda matters. Each speaker is limited to 3 minutes and may speak only once under each agenda item. The Board of Directors may waive these provisions. If you desire to address the Board, please submit your request on a Speaker's Card available from the Secretary.

1. CALL TO ORDER AND ROLL CALL

The Chair will call the meeting to order and the Secretary will call the roll to establish the presence of a quorum.

2. CLOSED SESSION - NONE

3. PLEDGE OF ALLEGIANCE

The Chair or a Member of the Board will lead the Pledge of Allegiance.

4. EX PARTE COMMUNICATIONS DISCLOSURES

The Chair of the Board will ask if any Director has an ex parte disclosure, pursuant to the Authority's Ex Parte Communications Policy, on any agenda items.

5. PUBLIC COMMENT

Receipt of public comment on non-agenda matters.

6. CONSENT CALENDAR

All matters listed in the Consent Calendar will be enacted with one motion. There will be no separate discussion of the items listed. However, upon request by a member of the Board or the Public, items will be removed from the Consent Calendar and considered separately in the agenda order.

Consideration of a motion to approve the following actions:

6.0 July 16, 2020 Authority Board Meeting Minutes

Note: To vote on the adoption of the minutes does not require a Director to have been present at the subject meeting.

6.1 Legislative Support for AB 2959

Staff and Republic Services are asking that the RecycleMore Board offer their formal support for AB 2959.

6.2 Annual Agreement for Computer and Information Technology Maintenance Services

Approve and authorize the Executive Director to enter into an agreement with Nerd Crossing, Inc. in an amount not to exceed \$11,940 for one year of computer and information technology maintenance services.

6.3 Municipal Resource Group, LLC Contract Amendment #4 for Administrative Services

Authorize the Executive Director to approve Amendment #4 to the existing agreement with Municipal Resource Group, LLC., for Human Resources and Financial Consulting Assistance, extending the agreement ending date to December 31, 2020 and increasing the agreement amount by \$33,000 from \$160,000, to a total of up to \$193,000.

END OF CONSENT CALENDAR

7. STAFF REPORT

Staff will provide updates on recent and upcoming activities.

Process for Addressing Agenda Items Before the Board of Directors

- *Chair reads the agenda item*
- *Staff presents their report*
- *Board questions staff*
- *Public comments are heard*
- *Board discusses item*
- *A motion is made*
- *Final Board discussion*
- *Motion is restated and seconded for the record*
- *Board votes or provides direction to staff*

8. REGULAR AGENDA

8.0 Agreement with Recyclist Program Tracker Software

Authorize the Executive Director to enter into an agreement with Recyclist in an amount not to exceed \$81,800 for a one-time set-up fee and a three-year subscription to Program Tracking Software for the Republic and El Cerrito service areas.

8.1 Workshop - Calendar Year 2021 Household Hazardous Waste Budget

1. Conduct a Workshop on Calendar Year 2021 Household Hazardous Waste (HHW) Budget.
2. Provide direction to staff on actions needed, if any, for the Board to consider approval of the 2021 HHW Budget at the November 2020 Board meeting.

8.2 Workshop: Calendar Year 2021 Post-Collection Rates

1. Conduct Workshop on Calendar Year 2021 Post-Collection Rates.
2. Provide direction to staff on actions needed, if any, for the Board to consider adopting new Calendar Year 2021 rates at the November 2020 Board meeting.

END OF REGULAR AGENDA

9. BOARD MEMBER AND STAFF ANNOUNCEMENTS

INFORMATION ONLY. Announcement of matters of interest by Board Members, Alternate Board Members, Executive Director and General Counsel.

10. ADJOURNMENT

Consideration of a motion to adjourn. The next regular Board of Directors' Meeting is scheduled for November 12, 2020.



Agenda Report

Date: October 8, 2020
To: West Contra Costa Integrated Waste Management Authority Board
From: Peter Holtzclaw, Executive Director
Subject: July 16, 2020 Authority Board Meeting Minutes

ACTION REQUESTED

Consideration of ADOPTION OF A MOTION to approve the subject minutes.

Note: To vote on the adoption of the minutes does not require a Director to have been present at the subject meeting.

BACKGROUND

The minutes of the July 16, 2020 Board meeting are attached.

FISCAL IMPACT

None.

Respectfully Submitted,

Peter Holtzclaw

Peter Holtzclaw
Executive Director

Attachment 1: July 16, 2020 Board Meeting Minutes

WEST CONTRA COSTA INTEGRATED WASTE MANAGEMENT AUTHORITY BOARD OF DIRECTORS MEETING MINUTES – JULY 16, 2020

Meeting Date | Time 7/16/2020 6:15 PM | Meeting Location *The meeting was held exclusively via teleconference participation of a quorum of Board members in locations not open to the public in compliance with the Governor’s Executive Order N-25-20 (March 12, 2020) as superseded by Order N-29-20 (March 17, 2020), allowing for deviation of teleconference and physical location meeting rules otherwise required by the Ralph M. Brown Act. The purpose of the orders is to provide the safest environment for staff and the public consistent with Contra Costa County Health Services’ current public health recommendations, while allowing the public to observe and address the Board. All votes of the Board to be Roll Call votes.*

Meeting called by Board of Directors
Type of meeting Special
Authority Staff Present Peter Holtzclaw, Christina Leard, Andy Schneider
Legal Counsel None

Board Members Present:
Directors: A. Pineda (Chair) San Pablo; G. Quinto, El Cerrito; P. Murray, Pinole; D. Romero, Hercules; B. Choi, N. Bates (Vice Chair), and J. Myrick, Richmond
Absent: F. Glover (Ex-Officio) Contra Costa County

CALL TO ORDER/ROLL CALL

Chair Pineda called the meeting to order at 6:17 P.M. The Roll Call established the existence of a quorum (Bates, Choi, Murray, Myrick, Pineda, Romero, and Quinto).

CLOSED SESSION

There was no closed session.

PLEDGE OF ALLEGIANCE

Chair Pineda led the Pledge of Allegiance.

EX-PARTE COMMUNICATIONS & DISCLOSURE

There were no ex-parté communications or disclosures.

PUBLIC COMMENT

There were no comments from the public.

CONSENT CALENDAR

MOTION by Director Romero to approve the Consent Calendar consisting of Items 6.0 and 6.1.
SECOND by Director Quinto.

MOTION PASSED unanimously by a Roll Call vote.

STAFF REPORT

Staff Report Item 7 | Presenters | *RecycleMore Staff*

Executive Director Peter Holtzclaw reported that staff was finalizing a few Requests for Proposal (RFPs) that had been passed in the budget, with a current contract with R-3 Consulting for SB 1383 preparation, with a report back in September. There was also a non-disclosure agreement (NDA) and a draft contract for Recyclist, to be reviewed by RecycleMore and Republic Services counsel for an agreement with Recyclist, expected by September.

Source Reduction and Recycling Program Manager Andy Schneider reported that:

- 1) Staff continues to negotiate with Republic on acceptable contract language and a NDA for the Recyclist contract. Recyclist has agreed to honor the pricing in their previous quote.

Recycling and Solid Waste Program Manager Christina Leard reported that:

- 1) The Household Hazardous Waste (HHW) one-day event in Hercules on June 27 had been the first event of the year and the largest to date, with 1,032 participants as opposed to 559 in 2019. 426 mattresses had been collected, 58 staff had been present including RecycleMore and Republic staff, and 91,567 pounds of HHW had been collected, which included 14,000 pounds of e-waste. She explained that so many mattresses had been collected that two 53-foot trailers and one 28-foot trailer had been required. She presented aerial photos of the event. Of the 1,032 participants, 589 were from Hercules, 223 from Pinole, 138 from Rodeo, 53 from Crockett, 12 from Richmond, 6 from Port Costa, 5 from El Sobrante, 2 from Tormey, 1 from El Cerrito, and 3 from unincorporated Contra Costa County.
- 2) A graph to identify the HHW participation to date in 2020 by day of the week from the permanent Richmond and El Cerrito facilities had shown a steady participation until March 17 when the shelter in place order occurred and the Richmond facility remained open and the El Cerrito facility had closed. El Cerrito reopened on May 19 and were slowly getting back to its participation numbers while Richmond remained within its normal participation.
- 3) Upcoming HHW events had been planned for Saturday, August 29 at Hilltop Church of Christ in El Sobrante, and Saturday, September 19 at the Galileo Club in Richmond, both open from 8:00 A.M. to 1:00 P.M. Mattresses will be collected at both events.

Director Quinto thanked staff for managing the event and was pleased to see such a turnout for mattress collection. He congratulated Hercules for hosting the event.

Director Romero stated that while the City of Hercules had provided the location, both RecycleMore and Republic Services were to be congratulated for the success of the event. He looked forward to another HHW event in Hercules.

Ms. Leard commented that the increase in turnout was likely due to the sheltering in place when people were cleaning out their homes. As a result, there would likely be an increase in materials this year.

Agenda Item 8.0 – West Contra Costa Integrated Waste Management Authority Fiscal Year 2020-21 Budget | Presenter Peter Holtzclaw – Executive Director

Mr. Holtzclaw stated that at the last meeting the Board had approved the Fiscal Year 2020-21 Budget, although the resolution had not included the 3 percent COLA to staff. The current resolution included the 3 percent COLA and he requested the Board's official adoption of Resolution 20-03.



recyclemore
WEST CONTRA COSTA INTEGRATED
WASTE MANAGEMENT AUTHORITY

Agenda Report

Date: October 8, 2020
To: West Contra Costa Integrated Waste Management Authority Board
From: Peter Holtzclaw, Executive Director
Subject: Legislative Support for AB 2959

ACTION REQUESTED

Staff and Republic Services are asking that the RecycleMore Board offer their formal support for AB 2959.

BACKGROUND

As stated in a letter from a number of solid waste companies and environmental organizations (attached):

“AB 2959 provides a simple clarification to Public Resources Code (PRC) Section 40059.4.” This section of the Code was adopted as AB 3036 (Cooley) [Ch.832, Stat. 2018].

Summary

The basic purpose of this measure is to enable farm-to-farm transfers of agricultural byproducts from a grower or food processor to another farmer, for use as animal feed and that this limited and narrow practice may occur outside of an exclusive solid waste franchise agreement. The creation of PRC 40059.4 was not intended to apply to agricultural byproducts generated at a grocery store or restaurant.

This bill is important to the recyclers, composters and local jurisdictions because:

- The bill clarifies the provisions within AB 3036 and offers a legislative fix for which industrial generators of food scraps may send their food byproducts to animal feed, while also clearly stating that grocery stores and restaurants **are not** industrial generators and **are not** exempt from local franchise agreements.
- It protects franchise agreements and the franchise fees paid to local jurisdictions on the materials covered by those agreements.
- AB 2959 also ensures food generated by restaurants and grocery stores – which will be part of the regulated SB 1383 waste stream and reported as such for compliance purposes – will be subject to the jurisdiction’s reporting and compliance processes established to comply with that law.” Keeping this food waste stream within franchise agreements also ensures that local rates are not impacted by a loss of organics materials to non-franchised haulers and processors.

Background

Unfortunately, the provisions in AB 3036 have been misinterpreted by several businesses in a manner that attempts to violate local franchise agreements. These businesses now assert that restaurants and grocery

stores are now considered “industrial sources,” arguing that wastes from these sources is a processing “byproduct” and excluded from exclusive local agency franchise agreements. That was not the intent of the bill.

In a letter dated August 26, 2019 and sent to a representative of those businesses, Assembly Member Cooley stated:

“However, restaurants, grocery stores and supermarkets are not “industrial sources” under Public Resources Code section 40059.4, and there is nothing in the legislative history of AB 3036 to even remotely suggest such change in classification for these commercial establishments was intended. To be clear, the provisions of AB 3036 were not intended to encompass restaurants, grocery stores and supermarkets within municipalities, and plainly do not.”

The current definition of solid waste includes materials that never make it into the waste stream. Agricultural operations have historically managed their own waste materials in environmentally beneficial ways. For example, fruit and vegetable growers may send their waste materials to a rancher to be used as cattle feed. Wineries may operate their own on-site composting operations to manage trimmings and generate compost to improve the quality of their soil. These practices keep costs down and comply with the state's waste management goals by keeping the material out of landfills. Traditionally, these practices have operated outside of the solid waste management system.

Most jurisdictions in the state operate with some form of "franchise," or contract, that limits solid waste hauling within the jurisdiction to one or more companies. Franchises are often, but not always, accompanied by a local ordinance. Exclusive franchises specify one hauler within a jurisdiction. Non-exclusive franchises allow for more than one hauler, but establish specific requirements for hauling within the jurisdiction. Franchises can apply to residential, commercial, or industrial solid waste hauling and any combination thereof. In 1994, the California Supreme Court ruled that franchises do not prohibit individuals within the franchise area from selling recyclable materials, as those materials are not waste because they have value.

Additionally, state law specifies that individuals have the right to donate recyclable materials.

Clarification of Existing Law

This bill seeks to clarify the law to conform to the intent of AB 3036 (Cooley) which prohibits a local government's franchise agreement to manage solid waste from including the handling of byproducts from the processing of food or beverages. AB 3036 was focused on agricultural material that has traditionally been managed outside of the solid waste stream. According to the Assembly Floor analysis:

“This bill attempts to provide clarity how this agricultural material can be handled. Agricultural operations have historically managed their own waste materials in environmentally beneficial ways. For example, fruit and vegetable growers may send their waste materials to a rancher to be used as cattle feed. Wineries may operate their own on-site composting operations to manage trimmings and generate compost to improve the quality of their soil. These practices keep costs down and comply with the state's waste management goals by keeping the material out of landfills.”

What Does the Bill Do?

This bill removes supermarkets, grocers, restaurants, and other retail food establishments from the existing prohibition on the inclusion of “industrial sources” in local solid waste franchises, which would allow local jurisdictions to determine whether or not to include those facilities in their franchise agreements.

AB 2959 simply eliminates this confusion by specifically excluding retail food establishments from the industrial source definition.”

PROCUREMENT PROCESS

None.

FISCAL IMPACT

None.

Respectfully Submitted,

Peter Holtzclaw

Peter Holtzclaw
Executive Director

Attachment 1: Letter from solid waste companies and environmental organizations

Attachment 2: AB 2959 Support letter from Supervisor John Gioia’s office



We'll handle it from here.™



May 26, 2020

The Honorable Anthony Rendon
Speaker, California State Assembly
State Capitol, Room 219
Sacramento, CA 95814

RE: AB 2959 (Calderon) Solid waste: byproducts from the processing of food or beverages.

POSITION: Support

Dear Speaker Rendon:

The undersigned environmental and solid waste organizations write to respectfully request your support of AB 2959 (Calderon). AB 2959 provides a simple clarification to Public Resources Code (PRC) Section 40059.4. This section of the Code was adopted as AB 3036 (Cooley) [Ch. 832, Stat. 2018].

Summary

The basic purpose of this measure is to enable farm-to-farm transfers of agricultural byproducts from a grower or food processor to another farmer, for use as animal feed and that this limited and narrow practice may occur outside of an exclusive solid waste franchise agreement. The

creation of PRC 40059.4 was not intended to apply to agricultural byproducts generated at a grocery store or restaurant.

This bill is important to the recyclers, composters and local jurisdictions because:

- The bill clarifies the provisions within AB 3036 and offers a legislative fix for which industrial generators of food scraps may send their food byproducts to animal feed, while also clearly stating that grocery stores and restaurants **are not** industrial generators and **are not** exempt from local franchise agreements.
- It protects franchise agreements and the franchise fees paid to local jurisdictions on the materials covered by those agreements.
- AB 2959 also ensures food generated by restaurants and grocery stores – which will be part of the regulated SB 1383 waste stream and reported as such for compliance purposes – will be subject to the jurisdiction’s reporting and compliance processes established to comply with that law.”

Keeping this food waste stream within franchise agreements also ensures that local rates are not impacted by a loss of organics materials to non-franchised haulers and processors.

Background

Unfortunately, the provisions in AB 3036 have been misinterpreted by several businesses in a manner that attempts to violate local franchise agreements. These businesses now assert that restaurants and grocery stores are now considered “industrial sources”, arguing that wastes from these sources is a processing “byproduct” and excluded from exclusive local agency franchise agreements. That was not the intent of the bill.

In a letter dated August 26, 2019 and sent to a representative of those businesses, Assembly Member Cooley stated:

“However, restaurants, grocery stores and supermarkets are not “industrial sources” under Public Resources Code section 40059.4, and there is nothing in the legislative history of AB 3036 to even remotely suggest such change in classification for these commercial establishments was intended. To be clear, the provisions of AB 3036 were not intended to encompass restaurants, grocery stores and supermarkets within municipalities, and plainly do not.”

The current definition of solid waste includes materials that never make it into the waste stream. Agricultural operations have historically managed their own waste materials in environmentally beneficial ways. For example, fruit and vegetable growers may send their waste materials to a rancher to be used as cattle feed. Wineries may operate their own on-site composting operations to manage trimmings and generate compost to improve the quality of their soil. These practices keep costs down and comply with the state's waste management goals by keeping the material out of landfills. Traditionally, these practices have operated outside of the solid waste management system.

Most jurisdictions in the state operate with some form of "franchise," or contract, that limits solid waste hauling within the jurisdiction to one or more companies. Franchises are often, but not always, accompanied by a local ordinance. Exclusive franchises specify one hauler within a jurisdiction. Non-exclusive franchises allow for more than one hauler, but establish specific requirements for hauling within the jurisdiction. Franchises can apply to residential, commercial, or industrial solid waste hauling and any combination thereof. In 1994, the California Supreme Court ruled that franchises do not prohibit individuals within the franchise area from selling recyclable materials, as those materials are not waste because they have value. Additionally, state law specifies that individuals have the right to donate recyclable materials.

Clarification of Existing Law

This bill seeks to clarify the law to conform to the intent of AB 3036 (Cooley) which prohibits a local government's franchise agreement to manage solid waste from including the handling of byproducts from the processing of food or beverages. AB 3036 was focused on agricultural material that has traditionally been managed outside of the solid waste stream. According to the Assembly Floor analysis:

“This bill attempts to provide clarity how this agricultural material can be handled. Agricultural operations have historically managed their own waste materials in environmentally beneficial ways. For example, fruit and vegetable growers may send their waste materials to a rancher to be used as cattle feed. Wineries may operate their own on-site composting operations to manage trimmings and generate compost to improve the quality of their soil. These practices keep costs down and comply with the state's waste management goals by keeping the material out of landfills.”

What Does the Bill Do?

This bill removes supermarkets, grocers, restaurants, and other retail food establishments from the existing prohibition on the inclusion of “industrial sources” in local solid waste franchises, which would allow local jurisdictions to determine whether or not to include those facilities in their franchise agreements.

AB 2959 simply eliminates this confusion by specifically excluding retail food establishments from the industrial source definition.

Given the above reasons, we respectfully request your support for AB 2959 (Calderon). Thank you for considering our views.

Sincerely,



Chuck Helget
Director, Government Affairs
West and Southwest Areas



Christine Wolfe
Government Relations Manager
Recology Inc.



J. Kelly Astor
General Counsel
California Waste Haulers Council



Nick Lapis
Director of Advocacy
Californians Against Waste



Gary M. Clifford
Executive Vice President
Athens Services



Eddie Westmoreland
Western Region Vice President
Government Affairs
Waste Connections



David Fahrion
Chief Executive Officer
California Waste & Recycling Association

cc: Members, California State Assembly
The Honorable Ian Calderon

The Board of Supervisors

County Administration Building
651 Pine Street, Room 106
Martinez, California 94553

John Gioia, 1st District
Candace Andersen, 2nd District
Diane Burgis, 3rd District
Karen Mitchoff, 4th District
Federal D. Glover, 5th District

Contra Costa County



David Twa
Clerk of the Board
and
County Administrator
(925) 335-1900

July 1, 2020

The Honorable Ben Allen
Chair, Senate Environmental Quality Committee
State Capitol, Room 2205
Sacramento, CA 95814

RE: AB 2959 (Calderon) Solid Waste: Byproducts from Processing Food--SUPPORT

Dear Senator Allen:

As the Chair of the Board of Supervisors of Contra Costa County, I write to express our support for AB 2959 (Calderon), a bill that clarifies the entities that are exempted from solid waste franchise agreements for the hauling of food byproducts.

AB 2959 is essentially a clean-up bill that provides a clarification to Public Resources Code (PRC) Section 40059.4. This section of the Code was adopted as AB 3036 (Cooley) [Ch. 832, Stat. 2018]. The basic purpose of AB 3036 and AB 2959 is to enable farm-to-farm transfers of agricultural byproducts from a grower or food processor to another farmer, for use as animal feed and that this limited and narrow practice may occur outside of an exclusive solid waste franchise agreement.

AB 2959 is important to the recyclers, composters and local jurisdictions because:

1. The bill clarifies the provisions within AB 3036 and offers a legislative fix for which industrial generators of food scraps may send their food byproducts to animal feed, while also clearly stating that grocery stores and restaurants are not industrial generators and are not exempt from local franchise agreements.
2. It protects franchise agreements and the franchise fees paid to local jurisdictions on the materials covered by those agreements.
3. AB 2959 also ensures food generated by restaurants and grocery stores – which will be part of the regulated SB 1383 waste stream and reported as such for compliance purposes – will be subject to the jurisdiction's reporting and compliance processes established to comply with that law.

Keeping this food waste stream within franchise agreements also ensures that local rates are not impacted by a loss of organics materials to non-franchise haulers and processors.

For these reasons, we support AB 2959 and request your “AYE” vote when it is before your Committee for consideration.

Sincerely,



CANDACE ANDERSEN
Chair, Board of Supervisors

cc: Honorable Members of Senate Environmental Quality
Members, Board of Supervisors
David Twa, County Administrator
James Gross, Nielsen Merksamer



recyclemore
WEST CONTRA COSTA INTEGRATED
WASTE MANAGEMENT AUTHORITY

Agenda Report

Date: October 8, 2020
To: West Contra Costa Integrated Waste Management Authority Board
From: Peter Holtzclaw, Executive Director
Subject: Annual Agreement for Computer and Information Technology Maintenance Services

ACTION REQUESTED

Approve and authorize the Executive Director to enter into an agreement with Nerd Crossing, Inc. in an amount not to exceed \$11,940 for one year of computer and information technology maintenance services.

BACKGROUND

Since October 2018, Nerd Crossing has provided RecycleMore with computer and information technology (IT) maintenance services under an agreement approved by RecycleMore's Board after an RFP for Computer and IT services. Nerd Crossing has provided excellent computer and IT maintenance services since that time. The cost is currently \$680/month.

This agreement ends on October 31, 2020. Nerd Crossing has proposed an annual contract with a \$995 monthly cost. The reasons for this cost increase include a larger number of desk top and lap top computers requiring service and monitoring, more bundled services (including anti-virus and back-ups), and automated maintenance/patching.

FISCAL IMPACT

The FY 2020-2021 Operating Fund Budget includes sufficient professional services funds for this agreement's costs during FY 2020-2021.

RECOMMENDED ACTION

Approve and authorize the Executive Director to enter into an agreement with Nerd Crossing, Inc. in an amount not to exceed \$11,940 for one year of computer and information technology maintenance services.

Respectfully submitted,

Peter Holtzclaw

Peter Holtzclaw
Executive Director

Attachment 1: Nerd Crossing Proposal



Address: 400 Appian Way, El Sobrante, CA 94803
1475 N. Broadway, Walnut Creek, CA 94596

Agenda Item No. 6.2 - Attachment 1

Website: www.nerdcrossing.com

E-mail: info@nerdcrossing.com

Phone: 1-888-NERD-XING (1-888-637-3946)

Honest, High Quality Technology Services

West Contra Costa Integrated Waste Management Authority/RecycleMore
Peter Holtzclaw, Executive Director
3220 Blume Drive - Suite 198
Richmond, CA 94806
(510) 609-1215

September 30, 2020

Dear Peter,

We have enjoyed being your honest, reliable IT team and look forward to continuing to support you. As discussed, we are changing our support model that will help us better manage your environment, increase productivity and reduce your security risk. Please review the options below and let us know if you have any questions.

Cheers,

Jim

CEO/Chief Nerd





Address: 400 Appian Way, El Sobrante, CA 94803
1475 N. Broadway, Walnut Creek, CA 94596

Website: www.nerdcrossing.com

E-mail: info@nerdcrossing.com

Phone: 1-888-NERD-XING (1-888-637-3946)

Agenda Item No. 6.2 - Attachment 1

Honest, High Quality Technology Services

Monthly IT Support Plan

Nerd Crossing recommends a combination of routine monthly maintenance, remote helpdesk and on-site support to help protect your company and manage your on-going IT needs. Our award-winning team of friendly, reliable NERDS is available Monday-Friday from 9am-6pm to address most common computer and network problems in just minutes.

Monthly Maintenance

Protect your company and extend the lifetime of your systems with proactive monthly maintenance. Maintenance is typically done remotely and includes:

- Remote installation of operating system patches, software updates and/or fixes
- Preventative maintenance such as log review, clearing temporary files, virus scans, etc.
- Remote monitoring
- Monthly health check report

Remote Help Desk Support

We encourage your organization to use our reliable, friendly remote support to address any technical issues that may arise. Please submit issues to support@nerdcrossing.com so that official trouble tickets can be opened and tracked. Minimum remote calls will be 15 minutes. Hours do not rollover.

On-Site Support

Up to one monthly on-site visit is included and can be scheduled at Nerd Crossing's discretion to address issues that cannot be resolved remotely (e.g. hardware, network, etc.). Minimum on-site visit is two hours.

Devices supported:

- 10 desktops or laptops
- 1 physical server, 2 virtual machines
- 1 router, 1 switch, 1 access point

Option #1 – \$1,535/month

Plan includes:

- Remote maintenance, monitoring and anti-virus protection on all staff computers
- Managed Cloud Backups
- An additional four (4) prepaid hours of support. Hours do not rollover
- Up to one on-site visit; minimum on-site visit is two hours
- Any additional hours will be billable at our small business rate of \$165/hour

_____ *Initial to accept*





Address: 400 Appian Way, El Sobrante, CA 94803
1475 N. Broadway, Walnut Creek, CA 94596

Website: www.nerdcrossing.com

E-mail: info@nerdcrossing.com

Phone: 1-888-NERD-XING (1-888-637-3946)

Agenda Item No. 6.2 - Attachment 1

Honest, High Quality Technology Services

Option #2 – \$1,265/month

Plan includes:

- Remote maintenance, monitoring and anti-virus protection on all staff computers
- Managed Cloud Backups
- An additional two (2) prepaid hours of support. Hours do not rollover
- Up to one on-site visit; minimum on-site visit is two hours
- Any additional hours will be billable at our small business rate of \$165/hour

_____ *Initial to accept*

Option #3 – \$995/month

Plan includes:

- Remote maintenance, monitoring and anti-virus protection on all staff computers
- Managed Cloud Backups
- Any additional hours will be billable at our small business rate of \$165/hour

_____ *Initial to accept*

Note: Additional devices will be charged \$50/month for maintenance and anti-virus protection. Project work is not included and will be billable at \$165/hour. After hours support is not included and will be billable at our \$195/hour (two hour minimum).

SLAs during normal business hours (Monday-Friday 9am-6pm)

Severity 1 (High): Response time - within 1-2 hours

- Complete Server or Network Failure
- Team cannot work

Severity 2 (Medium): Response time - within 8 hours, same business day

- A system or network outage is causing issues for a large group
- It is widely disruptive to workflow

Severity 3 (Low): Response time - within 24-48 hours

- Isolated to an individual
- Not hugely disruptive but still requires response
- Any non-urgent issues





Address: 400 Appian Way, El Sobrante, CA 94803
1475 N. Broadway, Walnut Creek, CA 94596

Website: www.nerdcrossing.com

E-mail: info@nerdcrossing.com

Phone: 1-888-NERD-XING (1-888-637-3946)

Honest, High Quality Technology Services

Terms & Conditions

An annual contract is required. Services are billed monthly and are due by the first of each month. A 3% processing fee will be charged for any credit card payment. Outstanding balances are subject to an interest rate of 1.5% per month.

You may cancel services with a 60 day notice by emailing info@nerdcrossing.com. After one year, the contract will convert to month-to-month unless renewed by both parties.

This quote is valid until October 31, 2020.

I, _____, have reviewed the proposal from Nerd Crossing and agree to the outlined scope of work.

Signed _____ Title _____ Date _____





recyclemore
WEST CONTRA COSTA INTEGRATED
WASTE MANAGEMENT AUTHORITY

Agenda Report

Date: October 8, 2020
To: West Contra Costa Integrated Waste Management Authority Board
From: Peter Holtzclaw, Executive Director
Subject: Municipal Resource Group, LLC Contract Amendment #4 for Administrative Services

ACTION REQUESTED

Authorize the Executive Director to approve Amendment #4 to the existing agreement with Municipal Resource Group, LLC., for Human Resources and Financial Consulting Assistance, extending the agreement ending date to December 31, 2020 and increasing the agreement amount by \$33,000 from \$160,000, to a total of up to \$193,000.

BACKGROUND AND ANALYSIS

Municipal Resource Group (MRG) is currently providing administrative services in the areas of human resources and financial management for RecycleMore. At the June 13, 2019 Board meeting, the Board authorized the Executive Director to enter into an agreement with MRG in the amount of \$45,000 to provide administrative services, for a period of 5 months, from June 17, 2019 to November 15, 2019. The contract was amended in November 2019 to extend until March 31, 2020, with a total contract amount of \$95,000. The contract was amended a second time to extend until June 15, 2020. In June, 2020, the contract was amended a third time until October 1, 2020.

Staff is requesting Board approval to amend the MRG agreement to provide an additional 3 months of administrative services, through December 31, 2020. This request is made to allow MRG to continue to provide administrative services while recruitment for the Manager of Finance and Administration is in progress. Extending the MRG agreement to December 31, 2020 would allow about MRG to continue services and then help transition the new Manager of Finance and Administration once hired.

FISCAL IMPACT

This contract extension will be funded by salary savings from the budgeted position of Manager of Finance & Administration.

Respectfully submitted,

Peter Holtzclaw

Peter Holtzclaw
Executive Director

Attachment 1: Original Agreement with MRG dated June 17, 2019

AGREEMENT FOR SERVICES

This Agreement is made and entered into this 17th day of June, 2019 by and between the **West Contra Costa Integrated Waste Management Authority** (hereinafter referred to as "RECYCLEMORE"), and **Municipal Resource Group, LLC**, (hereinafter referred to as "CONSULTANT").

1. SCOPE OF SERVICES

See Exhibit "A": Proposal dated May 29, 2019

2. DELIVERABLES

The tasks detailed in the Scope of Services will be completed in a reasonable timeline in coordination between RECYCLEMORE and CONSULTANT.

3. RESPONSIBLE PERSONNEL AND DIRECTION

Mike Oliver will be charged with the completion of the CONSULTANT'S responsibilities under this Agreement. CONSULTANT shall report to and receive direction from Stan Hakes, Executive Director, or from future Interim Executive Director.

4. COMPENSATION

CONSULTANT agrees to perform the Scope of Services delineated herein, and RECYCLEMORE agrees to make payments for work completed under the following terms:

1. **Fees.** CONSULTANT fees shall not exceed \$43,000

5. TERM OF AGREEMENT

Unless otherwise agreed to in writing, the term of this Agreement shall be from June 18, 2019 through November 15, 2019.

6. AMENDMENT

This Agreement may be amended, modified or changed by the parties provided that modification or change is in writing and approved by the authorized representatives of the parties.

7. OWNER OF DOCUMENT/PROPRIETARY INTEREST

It is agreed that RECYCLEMORE has a proprietary interest in all material prepared by CONSULTANT under this Agreement, with the exception of promotional materials, and may retain, alter or use as it sees fit all portions of the material prepared for the completion of the project.

8. SUBCONTRACTORS

CONSULTANT may utilize professional subcontractors only as approved by RECYCLEMORE.

9. ADDITIONAL SERVICES

In the event RECYCLEMORE desires to retain CONSULTANT for the performance of additional services in connection with this Agreement, specification of such additional services and compensation therefore shall be made only by amendment to this Agreement in accordance with compensation rates to be negotiated at that time.

10. INDEPENDENT CONTRACTOR

It is specifically understood and agreed that in the making and performance of this contract, CONSULTANT is an independent contractor and is not and shall not be an employee, agent, or servant of RECYCLEMORE.

11. NONDISCRIMINATION

There shall be no discrimination against any employee who is employed in the work covered by this contract, or against any applicant for such employment because of age, race, religion, sex or national origin.

12. CONSULTANT CONFLICT OF INTEREST

CONSULTANT will comply with all conflict of interest laws and regulations including, without limitation, RECYCLEMORE's Conflict of Interest Code (on file in RECYCLEMORE Clerk's Office). It is incumbent upon the CONSULTANT or CONSULTANT'S firm to notify RECYCLEMORE of any staff changes relating to this Agreement.

13. ASSIGNMENT

CONSULTANT shall not assign any interest in this contract, and shall not transfer any interest in the same without the prior written consent of RECYCLEMORE.

14. AGREEMENT BINDING

This Agreement is binding on the heirs, successors and assigns of the parties hereto.

15. APPLICABLE LAW AND ATTORNEY'S FEES

This Agreement shall be construed and enforced in accordance with the laws of the State of California. Should any legal action be brought by a party for breach of this Agreement or to enforce any provisions of the Agreement, the prevailing party in such action shall be entitled to reasonable attorney's fees, court costs or any other costs as may be fixed by the court. Any action arising out of this Agreement shall be venued in the Superior Court of the State of California in and for the County of Contra Costa.

16. SEVERABILITY

If any one or more of the covenants and agreements or portions thereof shall be held by a court of competent jurisdiction in a final judicial action to be void, voidable or unenforceable, such covenant, or covenants, such agreement or agreements, or such portions thereof shall be null and void and shall be deemed severable from the remaining covenants and

agreements or portions thereof, and shall in no way affect the validity or enforceability of the remaining portions of this Agreement.

17. TERMINATION

- A. RECYCLEMORE may terminate this Agreement at any time, without cause, by giving the CONSULTANT one(1) (i.e., 30 calendar days) written notice of discontinuance and termination of Agreement.
- B. RECYCLEMORE may, at any time, at its discretion, abandon or suspend any portion of the work being done under the terms of this Agreement. In the event of abandonment or suspension of work for which professional services have been performed under this Agreement by CONSULTANT or in the event of the termination of this Agreement, the CONSULTANT shall immediately stop work on the project required by this Agreement, or shall stop work at the stage directed by RECYCLEMORE.
- C. In the event of Agreement termination, RECYCLEMORE shall pay CONSULTANT all sums then due and unpaid under the Agreement, including sums for work not completed, but in preparation, on a time and materials basis. Payment by RECYCLEMORE of such compensation shall be considered full and final settlement of all work performed by the CONSULTANT under this Agreement.

18. INSURANCE AND INDEMNIFICATION

- A. **Insurance Requirements.** Before beginning any work under this Agreement, CONSULTANT, at its own cost and expense, unless otherwise specified below, shall procure the types and amounts of insurance listed below against claims for injuries to persons or damages to property that may arise from or in connection with the performance of the work hereunder by the CONSULTANT and its agents, representatives, employees, and subcontractors. CONSULTANT shall maintain the insurance policies required by this section throughout the term of this Agreement. Verification of the required insurance shall be submitted and made part of this Agreement prior to execution.
- B. **Workers' Compensation.** CONSULTANT shall, at its sole cost and expense, maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly by CONSULTANT. The Statutory Workers' Compensation Insurance and Employer's Liability Insurance shall be provided with limits of not less than ONE MILLION DOLLARS (\$1,000,000.00) per accident. In the alternative, CONSULTANT may rely on a self-insurance program to meet those requirements, but only if the program of self-insurance complies fully with the provisions of the California Labor Code.
- C. **Commercial General and Automobile Liability Insurance.**
 - 1. **General Requirements.** CONSULTANT, at its own cost and expense, shall maintain commercial general and automobile liability insurance for the term of this Agreement in an amount not less than ONE MILLION DOLLARS

(\$1,000,000.00) per occurrence, combined single limit coverage for risks associated with the work contemplated by this Agreement. Such coverage shall include but shall not be limited to, protection against claims arising from bodily and personal injury, including death resulting therefrom, and damage to property resulting from activities contemplated under this Agreement, including the use of owned and non-owned automobiles.

2. **Minimum Scope of Coverage.** Commercial general coverage shall be at least as broad as Insurance Services Office Commercial General Liability occurrence form CG 0001 (most recent edition) covering comprehensive General Liability on an "occurrence" basis. Automobile coverage shall be at least as broad as Insurance Services Office Automobile Liability form CA 0001 (most recent edition), Code 1 (any auto). No endorsement shall be attached limiting the coverage.
- D. **Additional Requirements.** Each of the following shall be included in the insurance coverage or added as a certified endorsement to the policy:
1. The insurance shall cover on an occurrence or an accident basis, and not on a claims-made basis.
 2. Any failure of CONSULTANT to comply with reporting provisions of the policy shall not affect coverage provided to RECYCLEMORE and its officers, employees, agents, and volunteers.
- E. **Notice of Reduction in or Cancellation of Coverage.** A certified endorsement shall be attached to all insurance obtained pursuant to this Agreement stating that coverage shall not be suspended, voided, canceled by either party, or reduced in coverage or in limits, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to RECYCLEMORE.
- F. **Additional Insured; Primary Insurance.** A certified endorsement at least as broad as Insurance Services Office form number CG 20 10 (11/85 ed.) shall be attached to all policies stating that RECYCLEMORE and its officers, employees, agents, and volunteers shall be covered as additional insureds. A certified endorsement shall be attached to all policies stating that coverage is primary insurance with respect to RECYCLEMORE and its officers, officials, employees and volunteers, and that no insurance or self-insurance maintained by RECYCLEMORE shall be called upon to contribute to a loss under the coverage.
- G. **Variation.** RECYCLEMORE may approve a variation in the foregoing insurance requirements, upon a determination that the coverage, scope, limits, and forms of such insurance are either not commercially available, or that RECYCLEMORE's interests are otherwise fully protected.

19. Indemnification.

CONSULTANT shall indemnify, defend with counsel reasonably acceptable to RECYCLEMORE, and hold harmless RECYCLEMORE and its officials, officers, employees, agents, and volunteers from and against any and all losses, liability, claims, suits, actions, damages, and causes of action arising out of any personal injury, bodily injury, loss of life, or damage to property, or any violation of any federal, state, or municipal law or ordinance, to the extent caused, in whole or in part, by the willful misconduct or negligent acts or omissions of CONSULTANT or its employees, subcontractors, or agents, by acts for which they could be held strictly liable, or by the quality or character of their work.

With respect to third party claims against the CONSULTANT, the CONSULTANT waives any and all rights of any type of express or implied indemnity against the Indemnitees.

However, notwithstanding the foregoing, in accordance with California Civil Code Section 1668, nothing in this Agreement shall be construed to exempt RECYCLEMORE from its own fraud, willful injury to the person or property of another, or violation of law.

20. MISCELLANEOUS PROVISIONS

- A. Neither party shall hold the other responsible for damages or delay in performance caused by acts of God, strikes, lockouts, accidents or other events or conditions beyond the party's control.
- B. In the event any provisions of this agreement shall be held to be invalid and unenforceable, the remaining provisions shall be valid and binding upon the parties. One or more waivers by either party of any provisions, term, condition, or covenant shall not be construed by the other party as a waiver of a subsequent breach of the same by the other party.
- C. This agreement constitutes the entire agreement between the parties and there are no conditions, agreements or representations between the parties except as expressed in said document. It is not the intent of the parties to this agreement to form a partnership or joint venture.
- D. Where the terms and conditions of this Agreement and any attachments or exhibits hereto conflict, the parties expressly agree that the terms and conditions of this Agreement shall prevail and preside.
- E. The Consultant and any subcontractors shall obtain and maintain during the term of this Agreement valid Business Licenses from RECYCLEMORE.

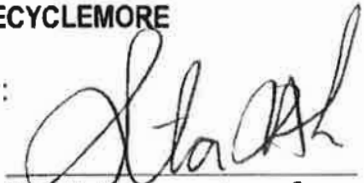
21. ATTACHMENTS

Exhibit A – Proposal from MRG dated May 29, 2019

IN WITNESS WHEREOF, RECYCLEMORE AND CONSULTANT have caused their authorized representatives to execute this Agreement.

RECYCLEMORE

By:



Stan Hakes

Executive Director

RECYCLEMORE Executive Director

6-17-19

Date

CONSULTANT

By:



Mike Oliver

President

June 17, 2019

Date



recyclemore
WEST CONTRA COSTA INTEGRATED
WASTE MANAGEMENT AUTHORITY

Agenda Report

Date: October 8, 2020
To: West Contra Costa Integrated Waste Management Authority Board
From: Peter Holtzclaw, Executive Director
Subject: Agreement with Recyclist Program Tracker Software

ACTION REQUESTED

Authorize the Executive Director to enter into an agreement with Recyclist in an amount not to exceed \$81,800 for a one-time set-up fee and a three-year subscription to Program Tracking Software for the Republic and El Cerrito service areas.

BACKGROUND

RecycleMore is responsible for compliance with current state laws AB 341 (Mandatory Commercial Recycling) and AB 1826 (Mandatory Commercial Organics Recycling), and the upcoming SB 1383 (Short-Lived Climate Pollutants: Methane Landfills). RecycleMore and Republic Services have devoted considerable staff time and effort to configure waste account data into a usable compliance document that is verifiable by CalRecycle. This effort is repeated each time account data is updated and is very time consuming and prone to errors. An effective compliance monitoring program also involves identifying covered generators, and conducting follow-up with commercial generators via mailings, phone calls and site visits. AB 1826 has gradually expanded to include over 1,000 covered accounts, and staff expects the majority of the Waste Reduction and Recycling Program Manager's duties to center around these compliance efforts indefinitely. RecycleMore staff is also preparing for the implementation and enforcement of SB 1383, which will require organics collection and monitoring for virtually all generators and will include enforcement responsibility for jurisdictions. SB 1383 will also involve complex record keeping for self-haul landscapers, businesses that may generate excess edible food, and for edible food recovery agencies. Many of the compliance documentation and record keeping functions must be addressed annually adding to the expected on-going work of JPA staff. SB 1383 functions begin in 2022, and jurisdictions are encouraged to begin planning and managing the groundwork of this complex program now.

ANALYSIS

RecycleMore staff made inquiries of how our neighboring jurisdictions are managing compliance with the current laws and how they are preparing for SB 1383. Staff spoke with two Republic Services franchises, one in the RecycleSmart - Central Contra Costa County JPA and the other in Union City. Both are currently contracted with a data tracking software platform called Recyclist, and both provided very positive reports on their experiences.

Agenda Item No. 8.0

RecycleMore staff also scheduled an online demonstration with Recyclist, along with a subsequent demonstration with Republic Services staff, and learned that it has the capabilities to manage all the account data and compliance monitoring that will be expected of the JPA. Recyclist is developed specifically for waste data compliance tracking and is configured for both the current and future laws. Recyclist staff has direct experience with Republic Services' account data and is able to configure our specific interface accordingly. Existing follow-up records are able to be input into the tracker and Recyclist ensures that the transition is completed successfully as part of a one-time start-up fee. Waste hauler account data is then uploaded into the system quarterly and current status reports are available on demand. There are a range of permissions to allow various users to access parts of the tracker, allowing RecycleMore, Republic Services and City of El Cerrito/East Bay Sanitary to update follow-up records as needed. Utilizing a data platform with access by all users would save hundreds of hours each year that we currently spend coordinating and communicating our individual follow-up activities. Another benefit the software offers is the ability to generate the compliance sections of the CalRecycle Electronic Annual Report automatically.

Throughout 2018, RecycleMore maintained separate compliance spreadsheets for each law, with tabs for each sector. We maintained separate electronic folders for compliance documents and for evidentiary photographs taken on site visits. Recyclist allows for all follow-up information to be stored in a single, cloud-based location for each account which will facilitate efficiency and accuracy for our on-going compliance work.

Recyclist also acts as a follow-up monitoring system. It automatically schedules follow-up visits to keep staff activities on track. It automatically sends follow-up emails to self-haul landscapers and other entities, reminding them of their annual reporting requirements. Because SB 1383 requires enforcement and violations for non-compliance, Recyclist also tracks progressive enforcement for each account.

As a cloud-based platform, Recyclist offers field input of site visit notes and photos and the ability to generate business follow-up communications from the field. It also allows rate table inputs to automatically calculate right-sizing proposals for businesses.

All parties (RecycleMore staff, member city staff, Republic, East Bay Sanitary, and the El Cerrito staff) agree that the purchase of the Recyclist software is a prudent decision. A sticking point has been ownership.

Initially, RecycleMore figured it would own the software, with Republic, El Cerrito and East Bay Sanitary inputting data as necessary, with summary results exported to the State (CalRecycle). Republic had, and continues to have, legitimate concerns about its proprietary commercial list becoming public, especially as the Post-Collection Agreement and numerous hauling franchises end in 2025. Conversely, many public staffers are wary of Republic owning compliance software, when compliance is RecycleMore's reason to exist.

RecycleMore has researched how Recyclist is used by other communities and there's no consensus.

- Most jurisdictions own the software, with haulers uploading their data, and no security breaches have occurred, since Recyclist can place restrictions on what data is exported to the state, to nullify any accidental release of proprietary commercial data.
- There are many instances where the public sector owns the software and a Republic subsidiary uploads data.

- Alternatively, Republic and Mount Diablo Recycling own the software next door in Central Contra Costa County, with the RecycleSmart staff accessing the software to compile summary compliance data. The same occurs in unincorporated Contra Costa County, with County staff similarly accessing, compiling and exporting data, again all within established parameters where only summary information is shared, not specific account information.

Currently, we have an agreement between all parties. RecycleMore and Republic will co-own the software as it pertains to the entire jurisdiction. Recyclist has the ability to wall off El Cerrito data from Republic, so only RecycleMore, El Cerrito and East Bay Sanitary will have access to data from this area. Only Republic and RecycleMore will have access to the rest of the jurisdiction. El Cerrito has specific language in its franchise agreement that does not allow its hauler (East Bay Sanitary) or the City to share customer accounts with other private entities, meaning Republic cannot be a party to this arrangement. This ensures that the parameters for exporting are fully transparent between Republic and RecycleMore, and that RecycleMore can engage in data-inputting alongside Republic staff. Only RecycleMore staff will have access to Republic's account data. Republic's proprietary data will be secure within the software and only summary data will export to CalRecycle and member cities in the Authority. Staff from these member cities will not have access to any of this account data - if they do require access, that will be handled separately through front-end franchise hauling agreements between Republic and those cities.

To insure everyone's data remains secure and discreet, RecycleMore has entered into a Non-Disclosure Agreement (NDA) with Republic, and has included language in the contract with Recyclist to appease El Cerrito and East Bay Sanitary's concerns. The NDA and Recyclist Contract will be provided before the Board Meeting on October 8, 2020.

PROCUREMENT PROCESS

RecycleMore staff researched the software platform market online and made some inquiries about seemingly similar products. Green Halo provided similar generator interface capabilities, but it was limited specifically to C&D diversion monitoring. Salesforce CRM could be utilized for compliance monitoring, but it is designed around business sales, and not specifically suited for managing compliance with these specific laws. StopWaste currently uses Salesforce as their CRM and explained that it was difficult to configure and not specifically designed for waste compliance work. Recyclist on the other hand was developed for waste compliance monitoring. Based on our research we feel it is the best product for our needs. Recyclist has provided a Sole Source document (Attachment 2).

AWARD AGREEMENT TO RECYCLIST

Considering that the data management and compliance monitoring expectations of CalRecycle are expected to increase over the next few years, RecycleMore recommends awarding an agreement to Recyclist for a three-year subscription to the Recyclist Program Tracker. Single year annual subscription fees are \$24,000. This is discounted to \$21,600 per year for a three-year subscription. Recyclist annual costs are based on population and can be adjusted if a member agency were to withdraw from the JPA. There is a one-time \$5,000 start-up fee as well as a \$3,000 charge to keep Republic data discrete from El Cerrito and East Bay Sanitary. El Cerrito data inputs would cost an additional \$500 for each data upload, proposed at twice a year. (See Attachment 1 - Recyclist Quote). This would make the three-year subscription rate \$81,800.

FISCAL IMPACT

The Board has directed staff to add \$225,000 to the operating budget for compliance activities, which would include program tracking software.

Respectfully Submitted,

Peter Holtzclaw

Peter Holtzclaw
Executive Director

Attachments:

1. Recyclist Quote
2. Sole Source Document
3. Draft Non-Disclosure Agreement (to be provided before 10/8/20 meeting)
4. Draft Contract (to be provided before 10/8/20 meeting)



QUOTE

CUSTOMER: RecycleMore and Republic Services of West Contra Costa County

DATE: June 17, 2020

EXPIRATION DATE: June 30, 2020

PRODUCT: Program Tracker for service area with population 500,000-1,000,000

FEES:

<i>1-year term</i>	<i>3-year term</i>
\$24,000/year	\$21,600/year

+

\$2,000/year for 1 additional hauler data set
(imported quarterly, \$500/year if imported annually)
 (El Cerrito/East Bay Sanitary)

*Single hauler quarterly data set imports included in base subscription
 \$500/import for each additional hauler data set, frequency can be adjusted*

+

\$3,000/year Limited Access Fee
(Enables Republic Services and El Cerrito to access only their own data.)

+

\$1,000/year Additional Reporting Jurisdiction Fee
*(If El Cerrito reports their EAR in conjunction with RecycleMore,
 this may not be applicable)*

+

\$5,000 One-Time Set-Up Fee

Program Tracker includes:

- Commercial & multi-family generator database for tracking:
 - Service levels
 - Contact information

- AB 1826 & AB 341 compliance (California customers)
- SB 1383 compliance planning (California customers)
- Log of all outreach activities
- CRM features to schedule and track outreach to commercial generators, including:
 - Site Visits
 - Phone Calls
 - Emails
 - Materials delivered
 - Photos taken
 - Task lists and calendars
 - Task reminders and summaries
- Estimate tool that enables staff to:
 - Document current service levels
 - Calculate cost estimates for multiple service scenarios
 - Input waste characterization audit data
 - Take photos
 - Email PDF reports directly to site managers
- Customization to meet unique customer needs, such as:
 - Tracking local programs and pilot projects
 - Compliance with state, regional, or local ordinances
 - Internal reporting (e.g., materials delivered, inventories)
 - Business and multi-family location mapping
 - Importing data from customer service / billing databases
 - Quarterly (single hauler) or annual (multiple haulers) importing of updated data to identify new accounts, closed accounts, and service level changes
 - Quarterly importing for multiple haulers available for an additional fee
- Reports on all of the above, in list and/or graph format, with ability to search, sort and filter, and to export to Excel, PDF, or image file.
- Cloud-based database that syncs data across all users in real time
- Web-based application, with mobile app for iOS and Android (requires internet connection)
- Secure web hosting with weekly backups
- Support via email and phone, Monday-Friday 9am-5pm PST

- Unlimited users
- Release of new features and improvements as they are developed

One-Time Set-Up Fee includes:

- Importing initial generator list(s) and service levels
- Importing historical outreach and compliance records
- Setting up user accounts
- Customizing database fields to meet customer needs
- Customizing reports to meet customer needs

PROGRAM TRACKER SOLE SOURCE

Recyclist's Program Tracker is a cloud-based platform designed specifically for municipal solid waste and recycling managers. The platform has been in continuous development since August 2015.

Recyclist has spent many hundreds of hours developing the platform, including architecting data, writing code, identifying data sources, communicating with CalRecycle to ensure correct compliance reporting, and developing industry-specific customer relationship management features.

To develop a comparable tool internally would easily consume significant amounts of time for both the recycling and IT staff. Between the two departments, it would likely be the equivalent of at least one FTE for a year. Beyond employee time, there would be external costs of data sourcing, server space/hosting and system administration. And then of course there would be ongoing maintenance and updates, easily 25%+ FTE. Timeframe would also be a factor here. Whereas Recyclist's platform is available immediately, an internal development process of a comparable product would likely take at least 12 months to develop.

Recyclist's platform comes as a Software as a Service, which means that all of the above is included in the annual subscription fee. Because the platform is in continual development, new features and improvements are released on a regular basis. As customers make requests for new features and reports, and as new regulations and reporting requirements are developed by the state, the company adds them to the platform, and makes them accessible to all customers. In this way, Recyclist customers all benefit from each other's experiences, with their individual approaches to managing commercial waste diversion informing this central platform in a synergistic manner that would be otherwise out of reach.

Recyclist is unique in providing this niche software product and has no known competitors providing similar services.

PEP SOLE SOURCE

Recyclist is a cloud-based public education and outreach platform designed specifically for municipal solid waste and recycling managers. With literally hundreds of pages of content about reusing, reducing, and recycling, Recyclist is the only turn-key solution that enables municipalities to get up and running with a world-class digital communications solution at a small fraction of the cost of creating and maintaining their own.

Recyclist's subscription service includes not only a website platform, but also a weekly feed of new content that municipalities can use to keep their communications fresh and relevant. The Recyclist editorial team is focused on California issues, legislation, and programs, and all content is edited for local consistency and relevancy before being delivered to any municipality.

Recyclist also offers newsletters, collection reminders, and content to publish to Facebook and Twitter, so it enables a municipality, through one clean simple interface, to manage the full range of digital communications channels.

Building a service similar to Recyclist for a single municipality would easily cost \$200,000+, and the ongoing support and editorial provided would likely be 20%-40% of a FTE. Recyclist offers a unique model in which budgets from multiple municipalities combine to allow each municipality to have a far stronger and more effective presence than would be possible individually.

CITY COUNTY PAYMENT PROGRAM LANGUAGE

In an important precedent for funding, a \$10,000 annual Recyclist subscription was approved by CalRecycle for the City of Lincoln as an expenditure for the Beverage Container Recycling Grant and Payment Program (the "City/County Payment Program") in 2015-16. These funds are distributed on a by-population basis to each of California's 540 jurisdictions. In 2013-14 Stockton received \$77,361 through this program.

CCT SOLE SOURCE

Recyclist's Business Monitoring & Compliance Tool is a cloud-based platform designed specifically for municipal solid waste and recycling managers. The platform has been in continuous development since August 2015.

Recyclist has spent many hundreds of hours developing the platform, including architecting data, writing code, identifying data sources, collaborating with CalRecycle to leverage Waste Characterization data for generation estimates, mapping business codes, and developing industry-specific customer relationship management features.

To develop a comparable tool internally would easily consume significant amounts of time for both the recycling and IT staff. Between the two departments, it would likely be the equivalent of at least one FTE for a year. Beyond employee time, there would be external costs of data sourcing, server space/hosting and system administration. And then of course there would be ongoing maintenance and updates, easily 25%+ FTE. Timeframe would also be a factor here. Whereas Recyclist's platform is available immediately, an internal development process of a comparable product would likely take at least 12 months to develop.

Recyclist's platform comes as a Software as a Service, which means that all of the above is

included in the annual subscription fee. Because the platform is in continual development, new features and improvements are released on a regular basis. In fact, the second version of the platform was just released in September 2016, based on initial customer feedback. As customers make requests for new features and reports, the company adds them to the platform, and makes them accessible to all customers. In this way, Recyclist customers all benefit from each other's experiences, with their individual approaches to managing commercial waste diversion informing this central platform in a synergistic manner that would be otherwise out of reach.

**The Non-Disclosure Agreement
(Attachment 3) and Recyclist
Contract (Attachment 4)
will be provided next week
prior to the October 8, 2020
Board Meeting.**



Agenda Report

Date: October 8, 2020
To: West Contra Costa Integrated Waste Management RecycleMore Board
From: Peter Holtzclaw, Executive Director
Subject: Workshop - Calendar Year 2021 Household Hazardous Waste Budget

ACTION REQUESTED

1. Conduct a Workshop on Calendar Year 2021 Household Hazardous Waste (HHW) Budget.
2. Provide direction to staff on actions needed, if any, for the Board to consider approval of the 2021 HHW Budget at the November 2020 Board meeting.

BACKGROUND

Republic Services (Republic), and each of its affiliates, provides Post-Collection Services to RecycleMore via the Post-Collection Agreement (PCA) between Republic and RecycleMore. This includes the services and facilities of Golden Bear Transfer Station, Keller Canyon Landfill, West Contra Costa Sanitary Landfill (WCCSL) Organics Processing Facility and West County Resource Recovery.

Per Article 5 of the PCA, Republic's sole compensation for services provided to RecycleMore is via the Blended Per Ton Rate. There are five (5) components which make up Republic's Blended Per Ton Rate. One important component is calculated based on the annual HHW Budget, which is discussed in this report.

Section 5.3.3 of the PCA stipulates that Republic and RecycleMore shall jointly prepare and submit a draft HHW drop-off services budget to RecycleMore Board of Directors annually for review and approval. Once approved, the HHW budget serves as the revenue requirement for the HHW portion of Republic's Blended Per Ton Rate. The specifics of the calculations of Republic's Blended Per Ton Rate and RecycleMore's Post-Collection Rate are discussed in a separate Agenda Report this evening.

HHW BUDGET

2021 HHW Budget Summary

Republic has submitted a draft HHW Budget of \$1,199,808 for 2021 (see financial table included as Attachment 1). The 2021 HHW Budget includes continued funding for:

- One day per week operation of a Satellite HHW Facility in El Cerrito;
- Four day per week (Wednesday through Saturday) HHW Collection Service at the Republic/West County Resource Recovery (WCRR) HHW Facility in North Richmond;

- Door-to-door services for senior residents and persons with disabilities and collection kiosk services to collect medical sharps and pharmaceuticals; and
- Three one day remote collection events in 2021. Like 2020, these funds would be used for one day HHW Collection events in either Hercules or Pinole, Richmond, and either San Pablo or El Sobrante.

The annual HHW Budget is set per the *2019 First Amendment to and Restatement of Side Letter Agreement: Budget and Balancing Account for Household Hazardous Waste Operations* which was approved by the Board in November 2019 (Attachment 2). The Side Letter states how each line of the HHW Budget is to be set each year. Most HHW Budget expenses (61% of 2021 Budget) are adjusted by 85% of CPI (a 1.96% increase for the 2021 HHW Budget) based on the Board-approved 2020 HHW Budget. The CPI adjustment to these expenses results in an overall increase of \$13,969.

The only expenses that are not adjusted by 85% of CPI are:

- RecycleMore Requested Program Expenses (31% of 2021 Budget) including the satellite HHW facility located in El Cerrito, the Sharps Program, and three One-Day HHW Collection Events, the budgets for which are all set via joint determination of Republic and RecycleMore (and for which actual expenses will vary based on actual participation);
- Balancing Account (negligible to 2021 Budget) which is calculated as the difference between the Board approved total HHW operating expenses and the actual HHW operating expenses reported by Republic via its 2019 HHW Annual Statement (Attachment 3);
- Operator Profit Margin (13% of 2021 Budget) which is calculated as 15% of the subtotal of operating expenses plus Balancing Account; and
- HHW Revenues (5% credit offset to 2021 Budget) which are estimated revenues from HHW services that Republic provides to agencies outside of RecycleMore's jurisdiction.

For 2021, Republic and RecycleMore staff agree that the following budgets for RecycleMore's Requested Program Expenses are appropriate:

- El Cerrito Satellite HHW Facility: \$211,308 - no change from 2020 HHW Budget;
- Sharps Program: \$42,000 - no change from 2020 HHW Budget; and
- One-Day HHW Collection Events: \$120,000 - increased by \$10,451 from 2020 HHW Budget amount of \$109,549 due to observations of increased participation (and thus expense) year-to-date in 2020.

The 2021 Balancing Account adjustment for 2021 HHW Budget is a \$153 credit reducing needed Blended Per Ton Rate revenues due to 2019 HHW Total Operating Expenses of \$1,138,010 (including Operator Profit Margin and HHW Revenues) being \$153 less than the 2019 HHW Budget of \$1,138,163 (as shown in Attachment 3).

2021 Operator Profit Margin is \$164,998, which is \$2,793 higher than the 2020 amount of \$162,205 and is based only on other changes in the HHW Budget. 2021 HHW Revenue is set at a \$65,000 credit reducing

needed Blended Per Ton Rate revenues and is set at the same amount as it was in 2020. 2019 actual revenues in this category were \$57,461.

RecycleMore also has \$43,000 in HHW grant funds which may be applied to 2020 and/or 2021 HHW expenses. Staff is currently in discussions with Republic regarding use of these funds. Use of these funds will be reflected in future HHW Annual Statements as offsets to actual expenses and thus will reduce the amounts of positive Balancing Account figures in future years.

FISCAL IMPACT

The proposed Calendar Year 2021 HHW Budget is \$1,199,808 which is \$21,259 (1.89%) more than the 2020 HHW Budget. By adopting the 2021 HHW Budget, the HHW Budget component of Republic's Blended Per Ton Rate would decrease from \$6.97 per ton to \$6.86 per ton. Though the HHW Budget itself would increase, the number of tons over which the HHW Budget is spread in the Blended Per Ton Rate has also increased, from 156,334 tons in 2020 to 162,164 tons in 2021, thereby reducing the amount of revenue that needs to be collected per ton.

CONCLUSION

The 2021 HHW Budget has been calculated in accordance with the 2019 First Amendment to and Restatement of Side Letter Agreement; the Budget will also continue all existing HHW services. Pending Board comments and direction, staff will make appropriate adjustments and bring back a final 2021 HHW Budget for approval in November.

Respectfully submitted,

Peter Holtzclaw

Peter Holtzclaw
Executive Director

Attachment 1: 2021 HHW Budget Compared to 2020 HHW Budget

Attachment 2: 2019 First Amendment to and Restatement of Side Letter Agreement: Budget and Balancing Account for Household Hazardous Waste Operations

Attachment 3: Republic 2019 HHW Annual Statement

Attachment 1
2021 HHW Budget Compared to 2020 HHW Budget

	2021 Requested Budget	\$ Change to 2020 Adopted Budget	% Change to 2020 Adopted Budget	2020 Adopted Budget
Wages & Benefits	\$ 134,674	\$ 2,589	1.96%	\$ 132,085
Program Supplies, Consumables and Outside Services	\$ 38,868	\$ 747	1.96%	\$ 38,121
HHW Facility Outside Services (Stericycle)	\$ 416,355	\$ 8,004	1.96%	\$ 408,351
Fuel	\$ 4,726	\$ 91	1.96%	\$ 4,635
Utilities	\$ 17,277	\$ 332	1.96%	\$ 16,945
Property Taxes	\$ 19,923	\$ 383	1.96%	\$ 19,540
Insurance	\$ 9,782	\$ 188	1.96%	\$ 9,594
Permit Fees	\$ 10,677	\$ 205	1.96%	\$ 10,472
Site Maintenance	\$ 41,110	\$ 790	1.96%	\$ 40,320
Accounting Support	\$ 33,286	\$ 640	1.96%	\$ 32,646
Satellite HHW Facility (El Cerrito Recycling Center)	\$ 211,308	\$ -	0.00%	\$ 211,308
Sharps Containers/Sharps & Pharmaceutical Disposal	\$ 42,000	\$ -	0.00%	\$ 42,000
Three Special One Day Collection Events	\$ 120,000	\$ 10,451	9.54%	\$ 109,549
Subtotal	\$ 1,099,986	\$ 24,420	2.27%	\$ 1,075,566
Balancing Account Add (Deduct)	\$ (153)	\$ (5,954)	-100.00%	\$ 5,801
Operator Profit Margin 15%	\$ 164,975	\$ 2,770	1.78%	\$ 162,205
HHW Revenue	\$ (65,000)	\$ -	0.00%	\$ (65,000)
Total Operating Expense	\$ 1,199,808	\$ 21,236	1.88%	\$ 1,178,572

Total HHW Program Expenses \$ 1,199,808

RSS @ 92.7% \$ 1,112,222

Total Tons (RSS) 162,164

Rate per Ton \$ 6.86

EL Cerrito @ 7.3% \$ 87,586

Total Tons (El Cerrito) 12,761

Rate per Ton \$ 6.86

**First Amendment to and Restatement of Side Letter of Agreement:
Budget and Balancing Account for Household Hazardous Waste Operations**

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Agreement

1. This Side Letter Agreement (“HHW Agreement”) is between the West Contra Costa Integrated Waste Management Authority (“Authority”), and West County Resource Recovery, Inc.; West Contra Costa Sanitary Landfill, Inc.; Golden Bear Transfer Services, Inc.; Richmond Sanitary Service, Inc.; and Keller Canyon Landfill Company operating subsidiaries of Republic Services, Inc.) (hereinafter collectively, “Contractor”). The Authority and Contractor may be referred to individually as “Party” or collectively as “Parties.”

Definitions

1.1 “Allowable Costs” shall have the meaning set forth in Exhibit A.

1.2 “HHW Program” means Household Hazardous Waste and Small Quantity Generator Hazardous Waste services provided by Contractor to pursuant to the PCA.

Unless otherwise defined herein, all capitalized terms shall have the same meaning as set forth in the PCA. If there is conflict between this Amended Agreement and the PCA, the terms of PCA shall prevail.

2. On October 10, 2013, the Authority and Contractor entered into a Post-Collection Recycling, and Disposal Services Agreement (“Post-Collection Agreement” or “Agreement”). Unless otherwise defined herein, all capitalized terms shall have the same meaning as set forth in the Post-Collection Agreement. If there is conflict between this HHW Agreement and the Post-Collection Agreement, the terms of this HHW Agreement shall prevail.

a. Section 4.1.7 of the Post-Collection Agreement provides that “Contractor shall contract with a vendor acceptable to the Authority for the operation of a permanent Household Hazardous Waste (HHW) drop-off facility (located at 101 Pittsburg Avenue, North Richmond) [“HHW Facility”] that shall serve the Member Agencies (Richmond, El Cerrito, San Pablo, Pinole, Hercules, and Contra Costa County unincorporated communities within the Authority service area). There are separate agreements with Contra Costa County to include the unincorporated communities adjacent to the Authority’s service area (Kensington, Rodeo, Crockett, Port Costa, and Tormey). The types of materials accepted, as well as days and hours of operation shall be determined by Authority, after good faith consultation with Contractor and County and may be

subject to change at any time by the Authority Board of Directors with input from Contractor and County, subject to reasonable implementation lead time and budget considerations.

b. Unincorporated communities adjacent to the Authority's service area, and known as Kensington, Rodeo, Crockett, Port Costa and Tormey ("KCPT") may receive some Authority HHW Program Services at the discretion of both the Authority and Contractor, shall be charged for all HHW Program services based on usage pursuant to a separate written agreement between the Authority, Contractor and third parties including KCPT. A "User" shall be any individual's use of HHW Program services, including but not limited to, the use of a Permanent or Satellite HHW Facility or participation in a one-day event conducted by Contractor as part of the HHW Program. Actual Allowable Costs will be divided by the total number of Users and the number of Users from KCPT Area jurisdictions. The KCPT Area jurisdictions will be charged in accordance with their proportionate share of total Users. Consolidated deliveries from more than one address or location, shall be treated as separate deliveries from each separate address or location. At the discretion of the Authority Board, a per use surcharge may also be imposed on users from outside the Authority's service area.

3. On January 1, 2014, Contractor initiated services under the Post-Collection Processing and Landfill Disposal Service Agreement with the City of El Cerrito ("El Cerrito Post-Collection Agreement"). Contractor's existing obligations to provide household hazardous waste services to the City of El Cerrito as a Member of the Authority at the HHW Facility are referenced in Section 4.1(e) of the El Cerrito Post-Collection Agreement. For the purposes of this HHW Agreement, Contractor shall be allowed to contract with a vendor acceptable to the Authority for the operation of one or more satellite Household Hazardous Waste facilities as they may be or are developed within the Authority's service area that shall serve the Authority's member agencies including the City of El Cerrito, and the unincorporated communities of Contra Costa County within Authority's service area. The other unincorporated areas of Contra Costa County outside the Authority service area shall be included by a separate agreement among Authority, Contractor, and County. The annual budget for HHW services and this HHW Agreement shall apply to any satellite HHW facility developed within the Authority's service area.

4. The Authority acknowledges that the Contractor has the right to utilize its assets and market its services. To the extent Contractor allows any additional ("out-of-area") jurisdictions to deliver HHW materials to the HHW Facility with the Authority as the generator of record, the Contractor and the Authority will meet and confer to develop an acceptable arrangement. The mutually acceptable arrangement will be included in the Republic annual HHW Budget submittal to the Board of Directors for review and consideration of approval.

5. Section 5.3.3 of the Post-Collection Agreement provides that Contractor and the Authority Contract Manager shall jointly prepare and submit a draft HHW budget to the Authority Board of Directors for its review and approval (HHW Budget). Section 5.3.3 further provides that the Board, “may approve that budget as submitted or may request modifications to the budget, including requesting either an increase in service levels or a reduction or elimination of Services to reduce costs.” Once approved, the HHW Budget shall serve as the revenue requirement for the HHW portion of the Rate for the coming year. The HHW component of the 2014 rate was established based on jointly estimated calendar year proposed cost of service of \$791,144. Section 5.3.3 further provides that “Contractor shall be entitled to an operating margin of eleven and fifty-five one hundredths percent (11.55%) for calendar year 2014 and fifteen percent (15%) in all subsequent Rate Years.”

6. The Parties agree that the costs of the HHW Facility are variable, due to factors such as variable days and hours of operation, labor costs and the costs of handling and properly disposing of the HHW materials received from the public. The Parties are interested in creating an equitable solution to the handling of those costs, in the event that costs exceed or fall short of budgeted amounts.

7. The intent of this HHW Agreement is to memorialize a procedure for establishing the HHW Budget for all subsequent Rate Years, using a balancing account approach.

8. The Parties therefore agree upon the following terms and conditions:

a. The Board of Directors shall, on an annual basis, approve an HHW Budget prior to December 1 for the following calendar year’s budget.

b. In establishing the HHW Budget for the following calendar year, the Parties shall consider Contractor’s actual prior year costs incurred in the operation of the HHW Facility. The line item accounts for prior year costs are identified in Exhibit A.

c. In establishing the HHW Budget, the Parties shall also agree upon certain operational parameters, including, but not limited to, the assumed number of part-time and full-time staff; the days and hours of all HHW facilities operations; and assumed volume of HHW materials received by type. These operational parameters will form the basis of annual allowable costs for the HHW Budget, as described in Exhibit A.

d. Unless the Parties are proposing changes to the operational parameters, some of the current year budget line items would be adjusted by the average monthly change in the San Francisco-San Jose-Oakland All Urban Consumers CPI (CPI) to arrive at the HHW Budget for the following calendar year as described in Exhibit A. Exhibit A shall identify those budgets items to be subject to the CPI adjustments.

e. Except in the event of an emergency or other exigent circumstance, neither Authority nor Contractor may adjust the operational parameters of the HHW Budget without prior written authorization of the Board of Directors. The

Authority and Contractor must mutually determine whether an emergency or other exigent circumstance exists.

f. If the HHW Budget parameters are changed without approval of the Board of Directors and those adjustments result in increased costs of operation, those increased costs shall not be allowable in consideration of the balancing account established below.

g. Once the HHW Budget is approved for the calendar year, neither Contractor nor the Authority shall add new categories of allowable costs in Exhibit A without the Authority verification and written authorization of the Board of Directors.

h. The previous approved Budgets in prior years have been approved by the Authority Board of Directors as follows:

- 2014 Budget \$791,144
- 2015 Budget \$836,818
- 2016 Budget \$857,284
- 2017 Budget \$978,684
- 2018 Budget \$1,058,785

Contractor will provide Authority with a reconciliation of actual expenses vs. budget amounts for 2014, 2015, 2016, and 2017. Contractor and Authority agree that the overall reconciliation for 2014 through 2017 could be in favor of Contractor; if so, Contractor would receive a direct payment or credit of no more than \$41,500. Contractor waives the right to any further payment, reimbursement, credit or other compensation after the Annual Statement line item reconciliation of actual expenses vs. budget amounts for 2014, 2015, 2016, and 2017 is completed.

Contractor will provide Authority with a reconciliation of actual expenses vs. budget amounts for 2018 by April 1, 2019. The reconciliation for years 2014, 2015, 2016, 2017 and 2018 shall include details of actual costs incurred and actual total revenues received compared to the approved budget in the operation of the HHW Facility for that calendar year, including any revenues allocated to the HHW Budget from jurisdictions other than the Member Agencies. The reconciliation shall include supporting documentation from Contractor's vendors and subcontractors. The reconciliation shall also be in a format as agreeable by the Authority in good faith consultation with the Contractor. Upon the Authority's request, Contractor shall provide any additional records not already provided with the reconciliation, that are relevant to the determination of the accuracy and appropriateness of the reported revenues and costs. Contractor shall grant such access to the relevant records within thirty (30) calendar days of such request. Contractor may provide electronic or hard copies of such records. The Authority acknowledges that some records may be "trade secrets" and must be kept confidential. Either the Authority

or the Contractor shall be entitled to recover any surplus/shortfall in actual revenues relative to actual allowable costs. The Authority or the Contractor shall recover such surplus/shortfall either by (a) a direct payment; or (b) as a credit/debit against the following year's rates.

i. To manage the HHW Budget, the Parties further agree to establish a balancing account effective January 1, 2019, for the remainder of the term of the Post-Collection Agreement.

j. The intent of the balancing account is to create an equitable arrangement to allow sufficient, but not excessive, revenues to cover actual costs and agreed-upon operating margin. The balancing account shall function as follows:

i. Contractor will provide Authority with a reconciliation of actual expenses vs. budget amounts for the previous budget year ("Annual Statement").

ii. The "Annual Statement" shall be developed as follows: Within one hundred twenty (120) days following the end of each calendar year, Contractor shall submit to the Authority its statement of actual costs incurred and actual total revenues received compared to the approved budget in the operation of the HHW Facility for that calendar year, including any revenues allocated to the HHW Budget from jurisdictions other than the Member Agencies. The Annual Statement shall include supporting documentation from Contractor's vendors and subcontractors. The Annual Statement shall also be in a format as agreeable by the Authority in good faith consultation with the Contractor.

iii. In reviewing the Annual Statement, the Authority Executive Director and the Contractor shall determine if actual allowable costs exceeded annual budgeted costs, and if actual revenues exceeded or fell short of budgeted revenues. Upon the Authority's request, Contractor shall provide any additional records not already provided with the Annual Statement, that are relevant to the determination of the accuracy and appropriateness of the reported revenues and costs. Contractor shall grant such access to the relevant records within thirty (30) calendar days of such request. Contractor may provide electronic or hard copies of such records. The Authority acknowledges that some records may be "trade secrets" and must be kept confidential. The Authority Executive Director may deny or reject an increase in the HHW Budget for the following year if Contractor fails to provide such requested records within thirty (30) calendar days. Beginning in Calendar Year 2020, Authority and Contractor agree that line item accounts for fuel, utilities, property tax, insurance, accounting support, permit fees, and site maintenance costs, as listed in Exhibit A, paragraph 4 and as included in the 2020 Board Approved HHW budget, are not subject to reconciliation. These seven-line items shall be subject to an annual CPI adjustment as

described in Exhibit A for all subsequent years and will be considered actual costs.

iv. The Authority shall review and either approve or reject the Annual Statement within sixty (60) days of receipt of the same. However, if any reported revenues and/or costs are disputed by the Authority, the Authority's approval of the Annual Statement may be delayed until such disputed items are resolved. Authority shall provide Contractor with a detailed statement outlining the areas of dispute. Contractor and the Authority shall then resolve any disputes pursuant to Section 8.17 of the Post-Collection Agreement.

v. Upon the Authority's approval of the Annual Statement, Contractor shall be allowed to recover any shortfall in actual expenses relative to the actual Allowable Costs and Authority shall be allowed to recover any surpluses from actual expenses relative to Allowable Costs.

Given that HHW Program budgeted Revenues are to equal budgeted Allowable Costs, any variances between actual HHW Program Revenues less actual HHW Program Allowable Costs must be reconciled annually in a true-up, as noted above. Therefore, if actual HHW Program Revenues exceed actual Allowable Costs for the year being reviewed, then the amount of the difference shall be "Excess Cost" and be reconciled by adding such Excess Cost to the HHW Program Revenue budgeted for the HHW Program expense Budget for the calendar year subsequent to the year being reviewed. The effect would be to reduce other HHW Program expenses needed to balance the HHW Program Revenues for the subsequent calendar year. The intended effect is to reduce the calculated HHW Program portion of Contractor's collection rate for such ensuing year, as collection rates are calculated based on the HHW Program Revenue necessary to balance the HHW Program Budget with Allowable Costs. For example:

If actual HHW Program Budget Revenues for calendar Year 2021 are \$1,200,000 and the actual Allowable Costs for calendar year 2021 are (\$1,100,000) then the difference would be a 2021 under budget carryover amount of \$100,000.

If HHW Program budget of calendar year 2022 are budgeted at \$1,300,000 then 2021 budget carryover amount of \$100,000 reduces necessary 2022 Revenue by (\$100,000) and, thus, other 2022 Revenues necessary to balance the budget are \$1,200,000.

This example balances the 2021 actual HHW Program budget and actual Allowable Costs by reducing the 2022 HHW Program Revenue necessary to balance the 2022 Budget by the amount of Excess Net Revenue from 2021.

Conversely, if actual Allowable Costs exceed actual HHW budget for the year being reviewed, then the amount of the difference shall be unbudgeted Allowable Costs and be reconciled by adding such unbudgeted Allowable Costs to the Allowable Costs budgeted for the HHW Program Budget for the year subsequent to the year being reviewed. The effect would be to increase the HHW Program budget in order to balance the HHW Program budget for the ensuing calendar with budgeted Allowable Costs. The effect is to increase the calculated HHW Program budget portion of Contractor's collection rate for the ensuing year, as collection rates shall be calculated based on the HHW Program budgeted expenses necessary to balance the HHW Program budget with Allowable Costs. For Example:

If actual the HHW Program budgets for calendar Year 2021 are \$1,200,000 and the actual Allowable Costs for calendar year are (\$1,250,000) then the unbudgeted Allowable Costs for 2022 would be (\$50,000)

If HHW Program Allowable Costs of calendar year 2022 are budgeted at \$1,300,000 then the 2021 unbudgeted Allowable Costs would be added in the amount of \$50,000 and, thus, the HHW Program expense budget necessary to balance the 2022 Budget would be \$1,350,000.

This example balances the 2021 actual budget and Allowable Costs by increasing the 2022 budgeted Allowable Costs necessary to balance the 2022 Budget.

The Authority shall review and either approve or reject the Annual Statement within sixty (60) days of receipt of the same. However, if any reported HHW Program Revenues and/or Allowable Costs are disputed by the Authority, the Authority's approval of the Annual Statement may be delayed until such disputed items are resolved. The Authority shall provide Contractor with a detailed statement outlining the areas of dispute. Contractor and the Authority shall then resolve any disputes pursuant to Section 8.17 of the Post-Collection Agreement.

vi. Pursuant to an annual true up, the Authority shall be entitled to recover any surplus as a result of lower expenses relative to actual Allowable Costs. The Authority shall recover such surplus as a credit against the following year's rates. The Contractor shall be entitled to recover any unbudgeted actual costs relative to Allowable Costs. The Contractor shall recover such unbudgeted Allowable Costs as an increase in the HHW budget for the following year.


9. On June 17, 2017 Contractor contracted with a vendor acceptable to the Authority and the City of El Cerrito for the operation of a satellite HHW facility located at 7501 Schmidt Lane in El Cerrito, California pursuant to an Agreement between Contractor, the Authority and El Cerrito ("El Cerrito Facility"). The El Cerrito Facility

serves the Member Agencies. The HHW budget for the El Cerrito Facility shall be part of the entire HHW Budget approved by the Authority Board of Directors. The HHW Budget for the El Cerrito Facility shall not include any non-allowable costs identified in Exhibit A.

10. This HHW Agreement shall expire upon completion of the final HHW Budget reconciliation which shall be conducted after expiration of the Post-Collection Agreement.


11. The terms and conditions set forth in this HHW Agreement have been mutually agreed upon by the Parties.

West Contra Costa Integrated Waste Management Authority

 Steve Duran, Interim Executive Director

Dated: Nov 21, 2019

West County Resource Recovery, Inc.; West Contra Costa Sanitary Landfill, Inc.; Golden Bear Transfer Services, Inc.; Richmond Sanitary Service, Inc.; and Keller Canyon Landfill Company


Michael Caprio, Area President

Dated: 11/26/19

Exhibit A: Allowable Costs

A. Allowable Costs

The costs of the Permanent and Satellite HHW Facilities are variable, due to factors such as variable days and hours of operation, labor costs and the costs of handling and properly disposing of the HHW materials received from the public. Therefore, the Parties commissioned an independent audit of costs and reviewed historical data, and based on said audit and review, the Parties define Allowable Costs and as follows:

Contractor shall calculate its cost of operations including the actual and direct costs of operating the HHW Programs, Permanent HHW Facility, any satellite HHW Facilities, special one-day collection events, and any additional HHW services/programs as necessary for the following allowable costs:

1. Direct wages and benefits paid to Contractor for an HHW supervisor, manager and similar staff members who directly oversee HHW programs, manage the budget in cooperation with the Authority and provide support to the program on site. For the 2020 Budget, the amount is \$132,085. For the 2021 budget, this amount will be increased by 85% of the CPI for each subsequent budget beginning with the 2021 budget until the end of the PC Agreement.
2. Maintenance supplies, spare parts, consumables and outside costs incurred directly to perform the HHW services required under the Post-Collection Agreement. For the 2020 budget, this amount is \$38,121. This amount will be increased by 85% of the CPI for each subsequent budget with the 2021 budget until the end of the PC Agreement.
3. HHW Facility Outside Services which are limited to the subcontracted services of Stericycle (or a replacement subcontractor approved by the Authority) for the receipt, handling, processing, and responsible disposal of the materials collected by the HHW program. Contractor shall separately account for and report the various components of this cost (i.e., labor, handling, transportation, material disposal, etc.) in both their budget request and Annual statement. For the 2020 budget, this amount is \$408,351. For the 2021 budget, this amount will be increased by 85% of the CPI for each subsequent budget beginning with the 2021 budget until the end of the PC Agreement.
4. The Contractor incurs facility and administrative costs in support of the HHW program. These costs are allowable as follows:
 - a. Fuel costs incurred in the operation of mobile equipment used specifically for the benefit of the HHW program. For the 2020 budget, this amount is

\$4,635. This amount will be increased by 85% of the CPI for each subsequent budget beginning with the 2021 budget until the end of the PC Agreement.

b. Utilities costs incurred by Contractor in the operation of the HHW program and facility. For the 2020 budget, this amount is \$16,945. This amount will be increased by 85% of the CPI for each subsequent budget beginning with the 2021 budget until the end of the PC Agreement.

c. Property taxes which represents a 7.29% allocation of the total property taxes paid by Contractor for the 101 Pittsburg Avenue, Richmond site. The 7.29% allocation is based on Contractor's representation of the square footage of the site occupied by the HHW facility. For the 2020 budget, the allocated amount to the HHW facility is \$19,540. This amount will be increased by 85% of the CPI for each subsequent budget beginning with the 2021 budget until the end of the PC Agreement.

d. Insurance costs directly attributable to the operation of the HHW program for the types and levels of coverage required by the Agreement. For the 2020 budget, this amount is \$9,594. This amount will be increased by 85% of the CPI for each subsequent budget beginning with the 2021 budget until the end of the PC Agreement.

e. Accounting and Financial management support to manage HHW revenues, process invoices, prepare the Annual Statement, respond to Authority inquiries and assist with budget management. For the 2020 budget, this amount is \$32,646. This amount will be increased by 85% of the CPI for each subsequent budget beginning with the 2021 budget until the end of the PC Agreement.

f. Costs to maintain components of the larger IRRF site that are shared with the HHW program. This includes, but is not limited to security, landscaping, janitorial, improvements/repair of main office building, repair of forklift or other equipment shared with HHW, site lighting, security cameras, internet access, site communication, perimeter fencing, entry gate, sweeping, exterminator, fire suppression system, etc. These costs represent approximately 18% of the cost to maintain the entire site. For the 2020 budget, this amount is \$40,320. This amount will be increased by 85% of the CPI for each subsequent budget beginning with the 2021 budget until the end of the PC Agreement.

g. Costs for permit fees for the entire IRRF site that are shared with the HHW program. This does not include HHW specific permits which are allowable under section 2, above. For the 2020 budget, this amount is \$10,472. This amount will be increased by 85% of the CPI for each subsequent budget beginning with the 2021 budget until the end of the PC Agreement.

5. JPA Requested Programs will be budgeted based on a budget for those programs as determined jointly by the Authority and Contractor.
6. Contractor expenses for Household Hazardous Waste, motor oil, and universal waste training, education, networking and related travel expenses not to exceed \$3,500 per year.
7. Capital costs or depreciation included in a Board approved annual HHW Budget.
8. All other unforeseen costs such as payment to repair damage, fines and penalties not due to Contractor's negligence. Both the Authority and Contractor agree to meet and confer in good faith towards a resolution.

B. Non-Allowable Costs

Non-allowable costs shall not be included in the Annual Statement and, if determined by the Authority to have been included in the Annual Statement, shall be deducted from actual costs. Non-allowable costs include, but are not limited to the following:

1. Any costs or portions of allocated costs associated with the Contractor's provision of similar services to "out of area" users of the HHW Facility that are not approved by Authority Board of Directors.
2. Labor and equipment costs for personnel and vehicles that are not specified in the operational parameters and assumptions that are approved as part of the HHW budget.
3. Payments or other compensation to managers, directors, and/or owners of Contractor.
4. Corporate overhead allocations or other charges for the Contractor's selling, general and/or administrative employees, except for insurance and other overhead included in a Board approved annual HHW budget.
5. Travel and entertainment expenses except for Household Hazardous Waste, motor oil and universal waste training, education, networking and related travel expenses.
6. Payments to repair damage to public or private property due to Contractor's negligence.
7. Fines or penalties due to Contractor's negligence.
8. Liquidated Damages assessed under the Agreement
9. Federal or State income taxes.

10. Charitable or political donations, except non-profit organization HHW fee waivers approved by RecycleMore staff.
11. Depreciation or interest expense for Collection vehicles, Containers or other equipment, offices and other facilities if such items are leased unless approved by the Board as part of the Budget.
12. Attorney's fees and other expenses incurred by Contractor in any dispute, negotiation, or court proceeding.
13. Attorney's fees and other expenses incurred by Contractor arising from any act or omission in violation of the Agreement.
14. Payments to Affiliates for products or services, in excess of the cost to the Affiliates for those products or services.
15. Goodwill.
16. Profit and/or profit-sharing distributions exceeding the operator's margin described in the Agreement.
17. Bad debt.

2019 Approved Budget 2019 Actual Expenses

RICHMOND

Personnel

Contract Manager	10,735		10,661	
HHW Operations Manager	89,204		89,454	
Forklift driver	27,500		27,652	
Total Personnel		127,440		127,766

Subcontracted Services

Stericycle		390,000		433,595
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Other Direct Supplies and Services

HHW Permits	4,822		4,873	
Other	39,242		27,603	
Total Direct Services and Supplies		44,064		32,476

Facility and Administrative Allocated Costs

Property Taxes	18,901		18,595	
Insurance	9,280		8,367	
Fuel	4,483		4,483	
Utilities	16,391		12,915	
Permit Fees	10,130		1,307	
Other	39,002		33,858	
Accounting support	31,579		31,579	

Total Facility and Administrative Allocated Costs		129,765		111,103
TOTAL RICHMOND		691,269		704,940

	2019 Approved Budget	2019 Actual Expenses
JPA REQUESTED SPECIAL PROGRAMS		
El Cerrito Satellite Facility		
Contract Manager	3,834	5,330
HHW Operations Manager	15,742	15,786
Stericycle	170,000	176,428
HHW Permits	4,120	6,498
Other	13,872	1,082
Total El Cerrito Satellite Facility	207,568	205,124
Sharps Containers/Sharps & Pharmaceutical Disposal		
Sharps Solutions	17,000	28,068
Barnett Medical	6,000	6,684
Total Sharps and Pharmaceuticals	23,000	34,752
Three One-Day Special Collection Events		
Stericycle	102,000	90,440
Other	5,000	4,283
Total Three One-Day Special Collection Events	107,000	94,723
TOTAL EXPENSES ALL PROGRAMS	1,028,837	1,039,540
Plus: 15% Operating Margin	154,326	155,931
Less: Other Revenues Received	(45,000)	(57,461)
TOTAL	1,138,163	1,138,010
reconciling...	1,028,837 (0)	1,028,837 (10,703)



Agenda Report

Date: October 8, 2020
To: West Contra Costa Integrated Waste Management Authority Board
From: Peter Holtzclaw, Executive Director
Subject: Workshop - Calendar Year 2021 Post-Collection Rates

ACTIONS REQUESTED

1. Conduct Workshop on Calendar Year 2021 Post-Collection Rates.
2. Provide direction to staff on actions needed, if any, for the Board to consider adopting new Calendar Year 2021 RecycleMore Post-Collection Rates at the November 2020 Board meeting.

EXECUTIVE SUMMARY

Staff and our consultant, R3 Consulting Group, Inc. (R3), have completed review of the proposed 2021 Blended Per Ton Rate adjustment from Republic Services (Republic), which is due annually per Section 5.3 of the Post-Collection Agreement (PCA) between RecycleMore and Republic. We have also calculated the 2021 RecycleMore Post-Collection Rates, which the RecycleMore Board sets annually, and are added to solid waste bills based on the Blended Per Ton Rate.

Pending the Board's direction regarding the annual HHW Budget, Authority revenue and Regulatory Compliance portions, Republic's 2021 Blended Per Ton Rate will increase by \$3.88 per ton, from the current 2020 Blended Per Ton Rate of \$106.26 to \$110.14, a 3.65% increase. The contributors to the increase in the Blended Per Ton Rate are as follows:

- \$1.59 per ton increase due to the annual 85% of CPI increase in the Material Specific portion – this portion is Republic's compensation for PCA services except HHW.
- \$1.50 per ton increase due to proposed increases in the Authority revenue portion – this portion is projected by RecycleMore to increase due to the need to comply with SB 1383.
- \$0.70 per ton increase due to reduction in the Recycling Rebate portion of the per ton rate – this portion is a "credit" to the rate, but that credit continues to decline proportionate to the continued recyclables market crisis.
- \$0.10 per ton increase due to adjustments to the Governmental Fees portion of the per ton rate – this portion compensates Republic for changes in government fees.

- \$0.10 per ton increase due to increase in the Regulatory Compliance portion of the per ton rate – this portion generates revenues for Republic’s CalRecycle compliance activities.
- \$0.11 per ton decrease for the HHW portion of the per ton rate – this portion is reduced despite small increases to the HHW budget because of an increase in PCA tonnage.

As shown in Attachment 2, the Proposed 2021 RecycleMore Post-Collection Rate Calculation, the Blended Per Ton Rate of \$110.14 results in increases for 35-gallon solid waste customers (the most common service level at 78% of customers) of \$1.65 per month. For commercial customers the amount per cubic yard increases by \$1.24, and for industrial customers the amount per ton increases by \$17.50.

FISCAL IMPACT

The Authority (RecycleMore) portion of the Blended Per Ton Rate included in the 2021 Post-Collection Rates would generate \$1,517,600 from Richmond Sanitary Service customers (all but El Cerrito) and \$119,426 from East Bay Sanitary customers (El Cerrito only) for a total of \$1,637,026 in 2021. The 3.65% rate increase is justified under current contractor cost structures as well as the unclear nature of future compliance requirements

BACKGROUND

Republic Services, and each of its affiliates, provides post-collection services to RecycleMore through an agreement between Republic and RecycleMore. This includes the services and facilities of Golden Bear Transfer Station, Keller Canyon Landfill, West Contra Costa Sanitary Landfill and West County Resource Recovery. Per Article 5 of the PCA, Republic’s sole compensation for services provided to RecycleMore is via the Blended Per Ton Rate. The Blended Per Ton Rate is charged by Republic to the solid waste hauler, Richmond Sanitary Service (a Republic affiliate), providing solid waste collection services to RecycleMore’s member agencies, except El Cerrito, which has its own post-collection agreement and sets its own post-collection rates. Each Member City oversees the collection rates charged by their franchised haulers.

One of RecycleMore’s responsibilities is to approve the maximum annual Post-Collection Rate which, when added to the collection rates established pursuant to each member agency’s collection franchise agreement, equals the total amount charged to solid waste ratepayers. The Board is asked to adopt a rate schedule that approves the Post-Collection Rates to be included in the total amounts charged to the residential, commercial and industrial solid waste customers effective January 1, 2021. Residential Post-Collection Rates are a monthly amount for each service level (20, 35, 65, and 95-gallons), Commercial Post-Collection Rates are a flat amount per cubic yard, and Industrial Post-Collection Rates (for those customers using debris boxes and compactors) are on a per-ton basis.

REPUBLIC’S 2021 BLENDED PER TON RATE

The annual adjustment to the Blended Per Ton Rate was received on time, prior to September 1. Staff and R3 have reviewed the annual adjustments and calculated 2021 Blended Per Ton Rates. After some minor adjustments to the calculations, staff and R3 have found that:

1. The CPI adjustment to the Material Specific portion was calculated accurately using the correct index, periods, and the agreed-upon 85% of the index, as per the terms and conditions of the PCA.

2. The adjustment to the HHW portion (which is set based on the HHW Budget) was found to be consistent with the terms and conditions of the PCA; however, the HHW Budget (Attachment 1) has not yet been approved by the Board. The Board will consider approval of the proposed 2021 HHW Budget at the November 12, 2020 Board meeting. This item is the subject of the October 8, 2020 Board Agenda Item Number 8.1
3. The adjustment to the Recycling Rebate portion was reviewed and determined to be consistent with terms and conditions of the PCA. The amount of the per ton rate “discount” attributed to the Recycling Rebate is reducing due to the detrimental effects that China’s National Sword policy has had on worldwide recycling markets.
4. The adjustment to the Governmental Fees portion was reviewed and found to be consistent with the terms and conditions of the PCA prior practice and with prior practice.
5. The Authority portion of the Blended Per Ton Rate is calculated correctly given RecycleMore’s proposed 2021 Authority revenues.

Republic also included a proposed \$250,000 in continued revenues for expenses relating to activities supporting compliance with State laws AB 1826 and SB 1383. The Board approved inclusion of such funding for the 2020 Blended Per Ton Rates in the amount of \$300,000. Continuing this funding into 2021 would provide revenues needed for CalRecycle compliance activities, including technical assistance contracts, necessary database management software, and other compliance needs. As SB 1383 has not officially become law yet, the specific regulatory programs needed to meet this law remain vague, but this amount gives the Authority the ability to implement necessary programs as their details become known.

RECYCLEMORE’S 2021 POST COLLECTION RATES

RecycleMore’s Post-Collection Rates are based on a calculation that starts with multiplying the Blended Per Ton Rate times the actual tons handled for the prior 12-month period ending September 30 (set by the PCA) yielding an annual revenue requirement. That annual revenue requirement is then allocated based on a subset of the same 12-month tonnages (not including recycling and organics) for the residential, commercial and industrial customer sectors. A listing of the residential and commercial units used in the calculations is provided as Attachment 3. A table showing the calculations of the 2021 Post-Collection Rates compared to previous year’s rates is included with this report as Attachment 4. Current numbers are for 12 months ending August 31 but will be updated to be 12 months ending September 30 for the November rate hearing.

The revenue requirement for each sector is divided by a “collection unit” based on subscription information provided by Republic of each September. As an example of how the calculation works, the residential Post-Collection Rate is set equivalent to the common 35-gallon service level. For that unit, the annual revenue requirement (currently \$8,497,974) is divided by the number of 35-gallon equivalent carts (currently 59,910) divided by 12 months, yielding the 2021 rate of \$11.82 per month. This is an increase of \$1.65 over the rate of \$10.17 in 2020. Similarly, monthly increases are calculated for the other residential subscription levels: the 20-gallon rate increases by \$0.94, the 64-gallon rate increases by \$3.07, and the 95-gallon rate increases by \$4.60.

For commercial customers, the unit basis is annual cubic yards (currently 368,637). The commercial revenue requirement of \$5,008,700 is divided by the annual cubic yardage, yielding the 2021 rate of \$13.59 per cubic yard, an increase of \$1.24 compared to current 2020 rates. For industrial customers, the unit basis is annual tons of non-recyclable/non-organic waste (currently 24,287). The industrial revenue requirement of \$4,353,906 is divided by the annual tonnage, yielding the 2021 rate of \$179.27 per ton, and an increase of \$17.50 over the prior year.

CONCLUSION

RecycleMore staff and R3 have thoroughly reviewed Republic's proposed calendar year 2021 post-collection rates and made recommendations contained in this Agenda Report. Staff asks that the Board provide direction to staff on actions needed, if any, for the Board to consider adopting new Calendar Year 2021 RecycleMore Post-Collection Rates at the November 2020 Board meeting.

Respectfully submitted,

Peter Holtzclaw

Peter Holtzclaw
Executive Director

Attachments:

1. 2021 HHW Budget Compared to 2020 HHW Budget
2. Proposed 2021 RecycleMore Post-Collection Rate Calculation
3. Detailed Can Count and Cubic Yard Information for 2021 Rate Calculation
4. Calculated 2021 Blended Per Ton Rate and Components Compared to Prior Years

Attachment 1
2021 HHW Budget Compared to 2020 HHW Budget

	2021 Requested Budget	\$ Change to 2020 Adopted Budget	% Change to 2020 Adopted Budget	2020 Adopted Budget
Wages & Benefits	\$ 134,674	\$ 2,589	1.96%	\$ 132,085
Program Supplies, Consumables and Outside Services	\$ 38,868	\$ 747	1.96%	\$ 38,121
HHW Facility Outside Services (Stericycle)	\$ 416,355	\$ 8,004	1.96%	\$ 408,351
Fuel	\$ 4,726	\$ 91	1.96%	\$ 4,635
Utilities	\$ 17,277	\$ 332	1.96%	\$ 16,945
Property Taxes	\$ 19,923	\$ 383	1.96%	\$ 19,540
Insurance	\$ 9,782	\$ 188	1.96%	\$ 9,594
Permit Fees	\$ 10,677	\$ 205	1.96%	\$ 10,472
Site Maintenance	\$ 41,110	\$ 790	1.96%	\$ 40,320
Accounting Support	\$ 33,286	\$ 640	1.96%	\$ 32,646
Satellite HHW Facility (El Cerrito Recycling Center)	\$ 211,308	\$ -	0.00%	\$ 211,308
Sharps Containers/Sharps & Pharmaceutical Disposal	\$ 42,000	\$ -	0.00%	\$ 42,000
Three Special One Day Collection Events	\$ 120,000	\$ 10,451	9.54%	\$ 109,549
Subtotal	\$ 1,099,986	\$ 24,420	2.27%	\$ 1,075,566
Balancing Account Add (Deduct)	\$ (153)	\$ (5,954)	-100.00%	\$ 5,801
Operator Profit Margin 15%	\$ 164,975	\$ 2,770	1.78%	\$ 162,205
HHW Revenue	\$ (65,000)	\$ -	0.00%	\$ (65,000)
Total Operating Expense	\$ 1,199,808	\$ 21,236	1.88%	\$ 1,178,572

Total HHW Program Expenses \$ 1,199,808

RSS @ 92.7% \$ 1,112,222

Total Tons (RSS) 162,164

Rate per Ton \$ 6.86

EL Cerrito @ 7.3% \$ 87,586

Total Tons (El Cerrito) 12,761

Rate per Ton \$ 6.86

Attachment 2

Proposed 2021 RecycleMore Post-Collection Rate Calculation

2021	\$ 110.14 Blended per ton x 162,164 total tons =				17,860,580		Annual Revenue
	Residential				Commercial	Industrial	
	20-Gallon	35-Gallon	60/65-Gallon	95/100-Gallon	Per Cubic Yard	Per Ton	TOTAL
2020							
2020 Rates	\$ 5.80	\$ 10.17	\$ 18.91	\$ 28.37	\$ 12.35	\$ 161.77	\$ 161.77
2020 Tonnage Basis	44,959				28,791	28,938	102,688
2020 % of Tons	44%				28%	28%	
2020 Unit Basis*	59,570				377,178	28,938	
2020 Revenue	\$ 7,273,118				\$ 4,657,638	\$ 4,681,370	\$ 16,612,126
2021							
2021 Rates	\$ 6.74	\$ 11.82	\$ 21.98	\$ 32.97	\$ 13.59	\$ 179.27	\$ 179.27
2021 Tonnage Basis	47,404				27,940	24,287	99,630
2021 % of Tons	48%				28%	24%	
2021 Unit Basis*	59,910				368,637	24,287	
2021 Revenue	\$ 8,497,974				\$ 5,008,700	\$ 4,353,906	\$ 17,860,580
Year-to-Year Change							
2020 Rate	\$ 5.80	\$ 10.17	\$ 18.91	\$ 28.37	\$ 12.35	\$ 161.77	\$ 161.77
2021 Rate	\$ 6.74	\$ 11.82	\$ 21.98	\$ 32.97	\$ 13.59	\$ 179.27	\$ 179.27
\$ Increase/(Decrease)	\$ 0.94	\$ 1.65	\$ 3.07	\$ 4.60	\$ 1.24	\$ 17.50	\$ 17.50

* The "unit basis" is: monthly service expressed in 35-gallon equivalents (Residential), annual cubic yards (Commercial), and annual tons (Industrial). Container counts are as of August 2020 and require updating to September 2020 prior to adoption.

**Attachment 3
Tons and Can Counts Reported by Republic**

08/01/2019 - 07/31/2020

	Solid Waste	Dry Waste	Organic	C&D	Recycling	Total
Richmond	53,058.67	5,303.71	16,339.15	3,329.39	13,398.90	91,429.82
San Pablo	12,969.11	802.58	3,754.86	191.66	3,321.00	21,039.21
Pinole	8,237.04	794.30	3,121.35	145.72	2,249.93	14,548.34
Hercules	7,363.93	588.06	2,903.74	874.74	2,761.93	14,492.40
County	10,190.26	322.66	5,905.29	51.89	4,183.97	20,654.06
RSS Total	91,819.00	7,811.31	32,024.40	4,593.40	25,915.72	162,163.83

	Solid Waste	Dry Waste	Organic	C&D	Recycling	Total
El Cerrito	7,495.58	90.26	4,709.88	465.62	-	12,761.34
WCCIWMA	162,163.83	0.9270	92.70%			
El Cerrito	12,761.34	0.0730	7.30%			
Total Tons	174,925.18					

Detailed Can Count and Cubic Yard Information

As of August 31, 2020
From Peter Nuti / RecycleMore

	Richmond	Hercules	County	Pinole	San Pablo	Total
Can Size:						
20 Gal	4,569	1,135	1,813	808	759	9,084
35 Gal	23,415	5,358	7,594	4,578	5,705	46,650
45 Gal	-	-	-	-	-	-
65 Gal	1,645	465	623	411	289	3,433
95/100 Gal	312	49	102	71	74	608
	29,941	7,007	10,132	5,868	6,827	59,775
# of IRRF Can Equivalent Per Month	29,950	7,007	10,071	6,001	6,882	59,910
Commercial Cubic Yards Per Month	16,968	2,083	2,534	3,863	5,272	30,720
Per Year	203,616	24,993	30,405	46,356	63,267	368,637

Attachment 4
Calculated 2021 Blended Per Ton Rate and Components Compared to Prior Years

	\$ Change	2021	2020	2019	2018	2017	2016	2015	2014
	2021 to 2010	Proposed	Actual	Actual	Actual	Actual	Actual	Actual	Initial
Material Specific	\$ 1.59	\$ 82.87	\$ 81.28	\$ 78.62	\$ 76.53	\$ 74.33	\$ 72.61	\$ 70.99	\$ 69.57
HHW	\$ (0.11)	\$ 6.86	\$ 6.97	\$ 6.78	\$ 6.22	\$ 6.04	\$ 5.75	\$ 6.02	\$ 5.76
Authority Budget	\$ 1.50	\$ 9.36	\$ 7.86	\$ 6.44	\$ 6.16	\$ 6.12	\$ 5.43	\$ 5.37	\$ 7.28
Authority Regulatory Compliance	\$ 0.10	\$ 1.43	\$ 1.33	NA	NA	NA	NA	NA	NA
Recycling Rebate	\$ 0.70	\$ (0.48)	\$ (1.18)	\$ (2.91)	\$ (6.15)	\$ (4.58)	\$ (4.56)	\$ (5.64)	\$ (5.71)
Governmental Fee	\$ 0.10	\$ 10.10	\$ 10.00	\$ 9.64	\$ 9.27	\$ 9.18	\$ 10.54	\$ 11.10	\$ 11.51
Total	\$ 3.88	\$ 110.14	\$ 106.26	\$ 98.57	\$ 92.03	\$ 91.08	\$ 89.77	\$ 87.84	\$ 88.41