



1850 Mt. Diablo Blvd., Ste. 320
Walnut Creek, CA 94596

Telephone: 925.906.1801 Fax: 925.906.1805
Email: authority@recyclesmart.org
Website: www.recyclesmart.org
Facebook: www.facebook.com/CCCSWA

BOARD OF DIRECTORS REGULAR MEETING

AGENDA

OCTOBER 24, 2024 – 3:00 P.M.

Walnut Creek City Hall, 3rd Floor Conference Room
(Use elevator by City Council Chambers)
1666 North Main Street, Walnut Creek

1. CALL TO ORDER, ROLL CALL, AND PLEDGE OF ALLEGIANCE

2. PUBLIC COMMENT ON ITEMS NOT ON THIS AGENDA

When addressing the Board, please state your name, company and/or address for the record. There is a three-minute limit to present your information. (The Board Chair may direct questions to any member of the audience as appropriate at any time during the meeting.)

3. CONSENT ITEMS

All items listed in the Consent Calendar may be acted upon in one motion. However, any item may be removed from the Consent Calendar by request by a member of the Board, public, or staff, and considered separately.

- a. Approve Minutes of the CCCSWA Board Meeting on September 26, 2024*
- b. Approve Town of Moraga's Request for Authority Funds Allocated to Member Agencies*

4. ACTION ITEMS

- a. Adopt Resolution No. 2024-03, in the form attached*
 - 1. Determining that the award of the recommended post-collection services agreements is not subject to the California Environmental Quality Act (CEQA) under Section 15061(b)(3) (Common Sense Exemption), and is exempt from CEQA pursuant to Section 15301 (Class 1) (Existing Facilities) and Section 15308 (Class 8) (Actions by Regulatory Agencies for Protection of the Environment); and

2. Awarding and authorizing the Board Chair to execute the following agreements between the Central Contra Costa Solid Waste Authority and:
 - i. Allied Waste Systems, Inc. for Commercial Food Scraps Pre-Processing, Transfer, and Transport Services;
 - ii. Contra Costa Waste Service, Inc. for Solid Waste and Commingled Organics Transfer and Transport Services;
 - iii. Mt. Diablo Paper Stock, Inc. for Recyclable Materials Processing Services;
 - iv. Keller Canyon Landfill Company for Solid Waste Disposal Services; and
 - v. Recology Blossom Valley Organics – North for Commingled Organics Composting Services.
- b. Issue RFP for Collection Services*
 Release the Collection Services RFP (Attachment A) and draft agreement (Attachment B) as soon as the post-collection agreements have been fully executed and signed by both parties.

5. INFORMATION ITEMS

These reports are provided for information only. No Board action is required.

- a. Executive Director’s Monthly Report*
- b. 2024 Final Legislation*
- c. Future Agenda Items*

6. BOARD COMMUNICATIONS AND ANNOUNCEMENTS

7. ADJOURNMENT

**Corresponding Agenda Report or Attachment is included in this Board packet.*

<u>ADDRESSING THE BOARD ON AN ITEM ON THE AGENDA</u>
Persons wishing to speak on PUBLIC HEARINGS and OTHER MATTERS listed on the agenda will be heard when the Chair calls for comments from the audience, except on public hearing items previously heard and closed to public comment. The Chair may specify the number of minutes each person will be permitted to speak based on the number of persons wishing to speak and the time available. After the public has commented, the item is closed to further public comment and brought to the Board for discussion and action. There is no further comment permitted from the audience unless invited by the Board.
<u>ADDRESSING THE BOARD ON AN ITEM NOT ON THE AGENDA</u>
In accordance with State law, the Board is prohibited from discussing items not calendared on the agenda. For that reason, members of the public wishing to discuss or present a matter to the Board other than a matter which is on the Agenda are requested to present the matter in writing to RecycleSmart Board Secretary at least one week prior to a regularly scheduled Board meeting date. If you are unable to do this, you may make an announcement to the Board of your concern under PUBLIC COMMENTS. Matters brought up which are not on the agenda may be referred to staff for action or calendared on a future agenda.
<u>AMERICANS WITH DISABILITIES ACT</u>
In accordance with the Americans With Disabilities Act and California Law, it is the policy of the Central Contra Costa Solid Waste Authority dba RecycleSmart to offer its public meetings in a manner that is readily accessible to everyone, including those with disabilities. If you are disabled and require special accommodations to participate, please contact RecycleSmart Board Secretary at least 48 hours in advance of the meeting at (925) 906-1801.

**REGULAR BOARD MEETING OF THE
CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY
HELD ON SEPTEMBER 26, 2024**

The Regular Board Meeting of the Central Contra Costa Solid Waste Authority's (CCCSWA's) Board of Directors convened at Walnut Creek City Hall, 3rd Floor Conference Room, 1666 North Main Street, Walnut Creek, Contra Costa County, State of California, on September 26, 2024. Chair Gina Dawson called the meeting to order at 2:00 P.M.

PRESENT: Board Members: Candace Andersen**, Vice Chair
Ken Carlson*
Gina Dawson, Chair
Matt Francois
Kerry Hillis
John McCormick
Renee Morgan
Janet Riley
Cindy Silva
Renata Sos
*Arrived after Roll Call **Director Andersen listened on the phone and did not participate in the meeting

ABSENT: Board Members: Newell Arnerich
Inga Miller

Staff members present: David Krueger, Executive Director; Janna McKay, Secretary to the Board; Grace Comas, Senior Accountant; Judith Silver, Senior Program Manager; Ashley Louisiana, Program Manager; Jennifer Faught, Contract Compliance Specialist; and Deborah L. Miller, CCCSWA Counsel.

1. CALL TO ORDER, ROLL CALL, AND PLEDGE OF ALLEGIANCE

Chair Dawson led the Pledge of Allegiance.

2. PUBLIC COMMENT ON ITEMS NOT ON THIS AGENDA

No written comments were submitted, or oral comments made, by any member of the public.

3. CONSENT ITEMS

- a. Approve Minutes of the Regular Board Meeting on July 25, 2024
- b. Approve Minutes of the Special Board Meeting on August 29, 2024
- c. Approve the New Agreement Between the Central Contra Costa Solid Waste Authority and East Bay Municipal Utility District for Food Waste Processing and Recycling Services

No written comments were submitted, or oral comments made, by any member of the public.

MOTION by Board Member Sos to approve Consent Items a, b and c, as submitted. SECOND by Board Member Riley.

MOTION PASSED unanimously by a voice vote.

4. PRESENTATIONS

Executive Director David Krueger requested that the Board consider Item 4b prior to Item 4a.

- b. Base Rate Application for Rate Year 11
David Krueger, Executive Director, RecycleSmart

Executive Director Krueger highlighted the timeline of the process and advised that this was Rate Year 11 and the rate years start on March 1, each year. He reported that Republic Services had submitted its rate application in August. In October staff will meet individually with the member agencies to set rates. Each member agency sets its own rates and the rates were different between the member agencies. Draft rates would be reviewed by the Board at the December Board meeting, between December and January there would be time to make changes, and in January the rates would be adopted and take effect in March. He clarified that RecycleSmart used a combination of rate adjustment methods. Some years a cost-based rate adjustment method was used while other years there would be an index-based method. Rate Years 11 and 12 would be the last two years of the Franchise Agreement, and both years would use the index-based rate adjustment method.

Mr. Krueger stated that Republic had submitted its calculations based on the index-based method. Republic's compensation is about 75 percent of the cost in the rates. According to the application submitted and based on the indices, Republic's compensation would increase by 3.4 percent. Due to the second and third amendments to the agreement, Republic would be eligible for a special rate adjustment if meets certain service quality metrics, which would be an additional 2.53 percent this year; therefore, there would be a 5.87 percent increase in Republic's compensation.

Mr. Krueger identified the other components of the rate, and explained that when factoring in the other components, plus Republic, there would be an overall average increase this year of 5.4 percent, which increase would vary by member agency. Each member agency also had a reserve fund to use to smooth rates and could offset rate increases or build the reserve for future offsetting.

As to the special adjustment for service quality, Mr. Krueger identified the previously approved metric requiring that Republic miss no more than 2,700 container pickups from residential subscribers on incomplete routes in a four-week period. For each four-week period the metric was met, Republic was entitled to a special rate increase. He provided information as to how Republic had met that metric, and explained that staff would now meet with the individual member agencies, city/town councils, and city/town managers to go over their rate options, which would be done in-house by RecycleSmart staff this year.

Mr. Krueger responded to questions from the Board and agreed to identify the rate increases for the last five years along with a history of the use of reserves. A concern was noted that Republic had not met its metrics during the summer and how that might affect the cost factor.

Mr. Krueger explained that RecycleSmart staff met with Republic on a regular basis and noted that summer was always a challenge for a number of reasons, including overheating problems with the vehicles. He added that summer was typically the worst time but this summer had improved over last summer.

There was a comment from the Board that consistency should be present no matter the time of year.

Board Member Sos thanked staff for taking over part of the work, and verified that Grace Comas, RecycleSmart's Senior Accountant, had saved the agency \$29,000 this year by doing the rate analysis in-house.

Mr. Krueger stated that staff would continue doing the multi-index rate adjustments in-house, although with a cost-based rate adjustment method, a consultant would be needed.

a. 2023-24 Annual Schools Program Report
Ruth Abbe, School Contractor

Ruth Abbe, School Contractor, presented the Annual Update on the School Recycling Program. She stated that progress was being made since the COVID years and reported that last year there had been 53 assemblies and classroom presentations and those programs alone had reached 4,663 students. The program worked with 68 public and private schools; 19 schools had an over 75 percent diversion rate while 34 schools were at a 50 to 74 percent diversion. The report identified the volume of tons that had been diverted from disposal, and 2,356 tons had been diverted. In addition, the Environmental Protection Agency Waste Assessment Model had been used to calculate the equivalent of 4,489 metric tons of greenhouse gases reduced by that diversion.

Ms. Abbe presented other highlights for the Schools Program, such as district-wide outreach and overall training with nutrition staff, the extra effort made with the San Ramon Valley Unified School District (SRVUSD) and school site audits, and an uptick in the diversion from SRVUSD schools had been found. The Schools Program was still doing SB 1383 compliance and all districts were in the process of contracting with White Pony Express in most cases for food recovery services. She also noted that the Wastebusters Award Program had been changed to acknowledge the hard work of some schools with an honorable mention and a stipend to further encourage that hard work.

Ms. Abbe emphasized the focus on diversion and explained how the diversion rate had increased over the last 20 plus years. She identified the current average diversion rate of 66 percent, which did not include SRVUSD, and explained that in addition to diversion, the work with the schools was to ensure everyone knew how to compost and recycle to be able to influence and support the sustainability of composting and recycling within the community.

Ms. Abbe highlighted the Student Green Teams that monitored recycling at lunch and the 2024 Student Intern Projects where there had been 15 RecycleSmart interns last year who produced a number of campaigns, social media, videos and special events to reduce trash. She described the struggle with disposable food ware and the pilot program last year at Campolindo High School using birch ware forks made out of wood, and she also pointed out the recipients of RecycleSmart's 2024 Student Scholarships.

Ms. Abbe reported that the focus for this school year was still a 75 percent diversion along with a community-based social marketing experiment at one of the high schools in the desire to change the culture with high schoolers to be more recycling conscious. There was also a desire to expand the reusable foodware project, particularly since many schools had received grants from the Department of Education to install dishwashers, which would result in practically no trash when reusable foodware was used.

Ms. Abbe thanked the Board for its support of the Schools Program and responded to questions from the Board. She stated that the City of San Ramon was paying for the Schools Program in SRVUSD; RecycleSmart programming such as the Wastebusters Award Program was in all 68 schools; there were site visits to all schools every year, although there was a focus on the schools that needed more help reaching the diversion goal; and stipends were awarded if specific criteria were met. She also highlighted the work of the Green Teams and noted other issues involved.

No written comments were submitted, or oral comments made, by any member of the public.

c. ACTION ITEMS

a. Recommendations Regarding New Collection Franchise RFP

1. Approve the Ad Hoc Committee's recommendation to include the business points that are contained in Attachments A & B in the Collection Services Request for Proposals (RFP) and draft agreement; and
2. Authorize staff to continue sole source negotiations with Mount Diablo Resource Recovery (MDRR) for Reuse & Cleanup services, and do not include those services in the Collection Services RFP.

Board Member Sos provided the status of the Design and Structure Ad Hoc Committee's recommendations related to the Collection Services RFP and draft agreement. She stated the Ad Hoc Committee, staff and consultants had been working on the RFP and she thanked all those involved. She explained that the Ad Hoc Committee recommendations would be done in two parts, with some business points presented today and the rest to be presented at the October 24, 2024 meeting when the issuance of the Collection RFP was expected to be approved.

The goal for the Collection RFP was to generate the maximum number of credible bids and the maximum amount of helpful information so that the greater the number of bids the better the chances of securing the best possible service for ratepayers at a competitive price.

Board Member Sos reported the Board had recently entered into a lease option for a site in Martinez that could serve as a truck yard for prospective haulers to allow a larger number of players vie for the collection business and obtain bids that would provide the Board with options to make a decision in the best interests of everyone involved. The Collection RFP was guided to balance predictability with flexibility so that the parties involved were clear about expectations around services and performance and include flexibility and adaptability to allow RecycleSmart to respond to the inevitable changes that could occur during the life of the agreement to the industry, technology and zero-emissions vehicles (ZEVs) and state law. The intent was also to provide maximum transparency around service, performance, rate setting and revenue.

The Board was asked to approve the recommended business points for inclusion in the Collection RFP and draft agreement, and authorize staff to continue sole source negotiations with MDRR over Reuse & Cleanup services.

Mr. Krueger provided a PowerPoint presentation and noted at the next Board meeting in October, the Board would award Post Collection Agreements and issue the Collection RFP, with proposals for collection due at the end of January 2025. The Collection Agreement would be awarded in August 2025, with the new Post Collection and Collection Agreements to begin on March 1, 2027, which would allow time for the proposer to purchase vehicles.

Mr. Krueger noted that the timing would overlap with the State of California's transition to zero-emissions vehicles, although he acknowledged that the technology was not quite there yet for refuse collection and the contract acknowledged that situation, and was intended to meet the state requirements and no more. There would also be a "pay as we go" ZEV implementation process, proposers would be allowed to use any vehicle fuels approved by the state, all new vehicles would not be required at the beginning of the agreement, there would be an option for used vehicles, and the agreement would be for a term of 15 years.

For containers, RecycleSmart would have the option to own the existing containers at the end of the current Franchise Agreement. Replacement containers would be "hauler neutral" with no company logo and the customer service phone number would be owned by RecycleSmart. The RFP is asking for alternative bids for the contractor to relabel or replace all carts. If approved, the contractor would be given a year to re-label or replace the carts. Rate adjustments in the new contract would match the rate year to the fiscal year, and cost-based rate adjustments would occur every three years with index-based rate adjustments in-between. Other changes would provide minimum service levels for commercial and multifamily organics and recycling, new container options for organics that would include an option for a 20-gallon cart, proposers to submit plans to detect and discourage contamination, available Saturday collection for multifamily and commercial customers, missed Friday collections to be picked up on Saturdays, there would be an option for used cooking oil collection, and RecycleSmart would provide most of the public outreach.

Mr. Krueger identified some alternative bids and wanted to get a price to see if they were worth doing, such as considering second organics and recycling carts for single-family homes at no additional charge; unlimited single-family organics and recycling; battery collection for multifamily dwellings; re-labeling all carts by June 30, 2028 or replacing all carts by June 30, 2028 depending upon the price; and weekend collection of downtown public litter containers.

Mr. Krueger clarified that what would not change was that bundled organics and recyclables services for all sectors would continue to be offered at no additional cost; the rate structure would be kept the same, although it might be revisited during the term of the new franchise and if so the hauler would be made whole; there would continue to be no liens for delinquent accounts; there was no mandatory service except in the County; no additions to the list of customers paying hard-to-serve rates and that list would be re-evaluated; and non-exclusive construction and demolition debris collection would be retained. For Reuse & Cleanup days, there would be sole source negotiations with MDRR with the current deadline of October 24, 2024, or those services would be added to the Collection RFP, with a new recommendation to continue sole source negotiations with MDRR and not add those services to the Collection RFP.

Potential changes to the Reuse & Cleanup days would be to add large bulky items such as appliances, furniture, mattresses or tires, reusable or not; one new on-call reuse pick-up per year in addition to the two existing reuse/cleanup days each year; expand the Reuse Program to multifamily dwellings and collect illegally dumped materials from public property. In addition, the Town of Canyon would be welcomed to the RecycleSmart service area.

Mr. Krueger recommended the Board approve the Ad Hoc Committee's recommendations to include the business points contained in Attachments A and B in the Collection Services RFP and draft agreement, and authorize staff to continue sole source negotiations with MDRR for Reuse & Cleanup services, and to not include those services in the Collection Services RFP.

Mr. Krueger responded to questions related to the state's requirements for ZEVs and whether the state might reduce requirements, and there was a concern that the ZEVs would be less reliable and create greater problems. There were also potential concerns with the inclusion of the Town of Canyon given that it was remote and had numerous hard-to-reach, steep locations and whether the appropriate equipment would be available to be able to serve that area.

Mr. Krueger noted that everyone in Canyon had a black cart but took their organics and recyclables to centralized drop-off locations, a situation that was likely to continue given the dramatic change in rates that would occur if provided with the same carts as other RecycleSmart locations.

Mr. Krueger responded to other questions and explained that if using existing carts, phone calls for missed pick-ups could go to Republic even if not the selected hauler, although the existing phone tree could be modified to address that situation. He verified that buying ZEV's would require a special rate adjustment in that year. To the concern that a larger truck yard might be needed to accommodate the extra space required to keep some of the fuels separate, he noted that some trucks could be fueled off-site and the truck property leased by RecycleSmart could be expanded to a larger space, as allowed by the lease. He also verified that RecycleSmart would not have to pay more than its fair share of ZEV trucks in its service area.

Mr. Krueger clarified, when asked about the recycling of some Starbuck coffee containers, that almost every jurisdiction treated those containers differently with respect to sorting, but that with RecycleSmart no coated paper was accepted in compost and a coffee cup was coated paper. The paper coffee cup would continue to be disposed in the black container. The Reusable Cup Program was noted as a potential answer to that situation.

DAVID RODRIGUEZ, Business Agent, Teamsters union Local 315, referred to the retention language in the RFP, stated that they would be talking to each company interested in the contract, and wanted to make sure the retention language was included in the RFP moving forward.

MOTION by Board Member Riley to approve the Ad Hoc Committee's recommendation to include the business points as contained in Attachments A & B in the Collection Services Request for Proposals (RFP) and draft agreement; and authorized staff to continue sole source negotiations with Mount Diablo Resource Recovery (MDRR) for Reuse & Cleanup services, and did not include those services in the Collection Services RFP.

SECOND by Board Member Silva.

MOTION PASSED unanimously by a voice vote.

d. INFORMATION ITEMS

These reports are provided for information only. No Board action is required.

- a. Executive Director's Monthly Report
- b. Articles of Interest
- c. Future Agenda Items

When asked, RecycleSmart staff clarified that the compost hub at Heather Farms had started at the beginning of September 2024, and Republic would donate 20 yards of compost the first Friday of every month.

e. BOARD COMMUNICATIONS AND ANNOUNCEMENTS

Board Member Sos invited everyone to join the Town of Moraga to celebrate its 50th Anniversary on September 28, 2024, starting with an old-fashioned parade from the Safeway shopping center at 10:00 A.M., followed at 11:00 A.M. with the Pear Festival and six hours of celebration with booths, food and entertainment.

Mr. Krueger stated that the annual audit (lid flipping) to see how people were doing with sorting would be done next week.

f. ADJOURNMENT

The Board adjourned at 4:38 P.M. to the regular meeting scheduled for Thursday, October 24, 2024 at 3:00 P.M. in the Walnut Creek Offices at Walnut Creek City Hall.

Respectfully submitted by:

Janna McKay, Executive Assistant/
Secretary to the Board of the
Central Contra Costa Solid Waste Authority,
County of Contra Costa, State of California



Agenda Report

TO: CCCSWA BOARD OF DIRECTORS
FROM: DAVID KRUEGER, EXECUTIVE DIRECTOR
DATE: OCTOBER 24, 2024

SUBJECT: TOWN OF MORAGA REQUEST FOR AUTHORITY FUNDS
ALLOCATED TO MEMBER AGENCIES

SUMMARY

In accordance with the Use of Authority Funds Allocated to Member Agencies Policy, Staff is presenting Town of Moraga's request for funds from their Reserve Fund to purchase recycled-content picnic tables & trash receptacles for Commons Area and Rancho Laguna, as described in Attachment A. The items in Attachment A meet and comply with the policy for Use of Reserve Funds. With Board approval of the request, Staff will make a payment to the Town of Moraga in the amount of \$197,000.

RECOMMENDED ACTION

1. Approve payment of \$197,000 to Town of Moraga for the items listed in Attachment A, in accordance with the Use of Authority Funds Allocated to Member Agencies Policy.

DISCUSSION

The Use of Authority Funds Allocated to Member Agencies Policy, approved by the Board in March 2016, states that to ensure compliance with California Constitutional requirements, member agency reserve funds distributed to member agencies are to be used in a manner consistent with the purpose or the mission of RecycleSmart. Although member agencies are not required to seek Authority approval for specific uses of distributed Authority funds, in an effort to control the consistency of expenses to RecycleSmart's mission, each member agency seeking funds must present a formal request to the Board of Directors. Attachment A is Town of Moraga's formal request for a distribution of funds, listing the planned uses of the funds, for Board approval.

ATTACHMENT

- A. Town of Moraga's Fund Withdrawal Request



REQUEST FOR WITHDRAWAL OF MEMBER AGENCY RESERVE FUNDS

Date of Request: October 17, 2024
Member Agency: Town of Moraga

List Item Description and Amount

Item #	Item Description	Amount
1	78.26% post-consumer recycled content composite lumber picnic tables for Moraga Commons Park	72,000.00
2	75.03% post-consumer recycled content recycling/trash containers for Moraga Commons Park	12,000.00
3	97.1% post-consumer recycled content picnic tables made from recycled wind turbine blades and composite lumber for Rancho Laguna Park. This also includes removal and disposal costs for the old tables, with plans to repurpose the saved wood and framing for future projects.	113,000.00
Total Withdrawal Amount		\$ 197,000.00

Board Approval Date: _____

Executive Director Signature: _____



Central Contra Costa Solid Waste Authority

Agenda Report

TO: CCCSWA BOARD OF DIRECTORS
FRANCHISE VENDOR SELECTION AD HOC COMMITTEE

FROM: DAVID KRUEGER, EXECUTIVE DIRECTOR

DATE: OCTOBER 24, 2024

SUBJECT: AWARD OF POST-COLLECTION SERVICES AGREEMENTS

SUMMARY

On March 28, 2024, the Authority issued a Request for Proposals (RFP) for post-collection services for solid waste, recyclable materials, and organic materials. The requested services included transfer, disposal, recyclables processing, composting, and commercial food scraps pre-processing. The Authority received proposals from five respondents. An evaluation committee of staff and consultants, overseen by the Franchise Vendor Selection Ad Hoc Committee (Committee), reviewed and evaluated the proposals and negotiated service agreements. The Committee recommends awarding five post-collection services agreements per the Recommended Action section below. The services provided through these agreements will commence on March 1, 2027.

RECOMMENDED ACTION

1. Adopt Resolution 2024-03, in the form attached:
 - A. Determining that the award of the recommended post-collection services agreements is not subject to the California Environmental Quality Act (CEQA) under Section 15061(b)(3) (Common Sense Exemption), and is exempt from CEQA pursuant to Section 15301 (Class 1) (Existing Facilities) and Section 15308 (Class 8) (Actions by Regulatory Agencies for Protection of the Environment); and
 - B. Awarding and Authorizing the Board Chair to execute the following agreements between the Central Contra Costa Solid Waste Authority and:
 - i. Allied Waste Systems, Inc. for Commercial Food Scraps Pre-Processing, Transfer, and Transport Services;
 - ii. Contra Costa Waste Service, Inc. for Solid Waste and Commingled Organics Transfer and Transport Services;

- iii. Mt. Diablo Paper Stock, Inc. for Recyclable Materials Processing Services;
- iv. Keller Canyon Landfill Company for Solid Waste Disposal Services; and
- v. Recology Blossom Valley Organics – North for Commingled Organics Composting Services.

The above recommended post-collection services agreements can be found here [link](#).

Note that Contra Costa Waste Service and Mt. Diablo Paper Stock are Mt. Diablo Resource Recovery (MDRR). Allied Waste Systems, Inc. and Keller Canyon Landfill Company are Republic Services (Republic). Recology Blossom Valley Organics – North (RBVON) is Recology.

DISCUSSION

Background

MDRR currently provides recyclable materials processing and Reuse Day collection and diversion services. Republic provides all other collection and post-collection services. On February 28, 2027, the current service agreements with Republic and MDRR will expire.

On May 25, 2023, the CCCSWA Board (Board) approved the recommendation from the Franchise Design Ad Hoc Committee to “direct staff to conduct a two-step procurement process for the new franchise agreement(s) that will go into effect on March 1, 2027: Step One, a procurement process for post-collection services; and Step Two, a separate competitive Request for Proposals (RFP) process for collection services.” If approved, the Recommended Actions above would conclude Step One.

The Board approved a strategy to contract separately for post-collection and collection services, in order to promote more competition for collection services. The barriers to entry for post-collection services are higher than for collection. However, while this strategy requires separate contracts for collection and post-collection services, it does not preclude the Board from awarding collection services to the same company that is awarded one or more post-collection services. All three of the companies recommended for award of post-collection services, and all five post-collection proposers, are encouraged to submit proposals for collection services during Step Two of the procurement process.

On June 22, 2023, the Board adopted a procurement process integrity policy to establish procedures regarding communications, gifts, and campaign contributions between potential proposers and Authority staff, consultants and Board. The policy can be found here <https://www.recyclesmart.org/rfp-collection-services/>.

On September 23, 2023, the Board established the following non-negotiable business terms for the post-collection services agreements:

1. Agreements for all post-collection services must be signed and executed before the release of the collection RFP.

2. Post-collection service providers must agree to charge the same rates to accept any franchised materials from our service area, regardless of which company(ies) the Authority selects to collect and/or transfer those materials during the term of their post-collection agreement(s).

The Board also directed staff to “inform all potential proposers that the Board will not consider any new or revised proposals, pricing, services, or business terms from any proposer once its competitors’ pricing and proposals have been made public.”

The Board directed staff to conduct sole source negotiations with Republic for disposal services, and concurrent negotiations with Republic and MDRR for transfer station services. However, these negotiations were not successful before the March 28, 2024, deadline, so the Board directed staff to add disposal and transfer station services to the post-collection RFP.

Post-Collection RFP

On March 28, 2024, the Authority issued a Request for Proposals (RFP) for post-collection services after February 28, 2027. The RFP can be found here [link](#). Proposers were invited to propose on one or more of the following post-collection services:

- Transfer station services for solid waste, recyclable materials, and commingled organics;
- Pre-processing and transfer services for commercial food scraps;
- Landfill disposal services;
- Recyclable materials processing services;
- Commingled organic materials composting services; and
- Mixed waste processing services.

On May 31, 2024, the Authority received the following proposals:

Proposer	Transfer Station	Solid Waste Disposal	Organics Composting	Recyclables Processing	Commercial Food Scraps	Mixed Waste Processing
Mt. Diablo Resource Recovery	X		X	X		
Recology		X	X			
Republic Services		X	X		X	
Waste Connections		X				
Waste Management	X	X		X		

The Authority received two transfer station proposals, four landfill proposals, three composting proposals, two recyclables processing proposals, and one commercial food scraps proposal. The Authority did not receive any proposals for mixed waste processing.

MDRR proposed composting services utilizing Republic as a subcontractor, with essentially the same services and pricing that Republic proposed on its own. Therefore, with the agreement of the Committee, staff negotiated directly with Republic for composting services and did not pursue MDRR’s composting proposal.

The current transfer station contractor, Republic, did not propose to provide transfer station services, except for commercial food scraps.

An evaluation team made up of Authority staff and consultants evaluated all of the proposals received. All proposers met the minimum qualifications set forth in the RFP. The evaluation team considered the following criteria when evaluating the proposals: environment, cost, service quality, markets, and technical proposal. As there was little differentiation between the proposals on the other criteria, the discussion of the proposals below focuses primarily on cost. In all cases the recommended proposal is the lowest-cost proposal, when transfer and transport costs and the proposed annual cost adjustment method are considered.

Transfer Station Proposals

The Authority received two proposals for transfer station services. MDRR proposed to transfer solid waste and commingled organics utilizing their transfer station at 1300 Loveridge Road in Pittsburg. Waste Management proposed to transfer solid waste utilizing their transfer station at 2615 Davis Street in San Leandro. Waste Management’s proposal is exclusively to transfer solid waste to their Redwood Landfill in Novato. MDRR proposed to transfer solid waste to any landfill selected by the Authority.

The table below compares MDRR and Waste Management’s transfer cost proposals. The table assumes Waste Management’s Redwood Landfill as the destination.

Solid Waste Transfer Cost Proposals		
Proposer	MDRR	Waste Management
Transfer Station	Pittsburg	Davis St.
Miles from Routes	20	24
Transfer \$/ton	\$62.42	\$86.00

Based on these cost proposals, as well as the cost of the Redwood Landfill versus other proposed landfills, the Committee recommends MDRR as the transfer station services provider for solid waste.

Neither MDRR nor Waste Management proposed to transfer recyclables. Both proposed to process recyclables: MDRR at 1300 Loveridge Road in Pittsburg, and Waste Management at 2615 Davis Street in San Leandro. Both recyclables processing proposals assumed that the Authority’s collection contractor would direct haul the recyclables to the processing facility in route vehicles, without using a transfer station. Currently, the Authority’s collection contractor (Republic) delivers recyclables to MDRR’s transfer station located at 4080 Mallard Dr. in Concord. MDRR did not propose to continue using their Concord facility for the new service agreements.

MDRR proposed to transfer commingled organic materials as well as solid waste. Staff negotiated the following transfer rates below with MDRR for each of the proposed landfills and composting facilities:

MDRR Cost to Transfer Materials to the Proposed Destination Facilities							
Facility Name	Keller Canyon	Potrero Hills	Hay Road	Redwood	West County	Forward	RBVON
Facility Type	Landfill	Landfill	Landfill	Landfill	Compost	Compost	Compost
Facility Owner	Republic Services	Waste Connections	Recology	Waste Management	Republic Services	Republic Services	Recology
Facility Location	Pittsburg	Suisun City	Vacaville	Novato	Richmond	Manteca	Vernalis
Miles from Transfer Station	6.3	41.7	39.1	56.2	32.2	51.3	50.8
Receive, Store, and Load (\$/ton)	\$35.47	\$35.47	\$35.47	\$35.47	\$35.47	\$35.47	\$35.47
Transport (\$/ton)	\$9.71	\$25.53	\$23.71	\$26.95	\$15.95	\$20.45	\$22.53
Total (\$/ton)	\$45.18	\$61.00	\$59.18	\$62.42	\$51.42	\$55.92	\$58.00

The dollar per ton cost to transport materials to each facility was calculated based on MDRR’s proposed transport cost of \$134.17 per hour, the projected roundtrip travel time to each facility and back, and each facility’s proposed vehicle turnaround time (time to weigh in, unload, and exit) at that facility.

Staff also obtained cost proposals from the compost facilities to pick up the commingled organics from MDRR’s transfer station. The proposals received for pick up were higher than the cost for MDRR to deliver the commingled organics.

MDRR’s proposed costs are reasonable when compared to industry benchmarks. Accordingly, the Committee recommends that the Board award to Contra Costa Waste Services, Inc. (MDRR) the agreement for solid waste and commingled organics transfer and transport services in the form that is linked above and in Attachment B.

Landfill Proposals

The Authority received four proposals for landfill disposal of solid waste. The proposals are summarized in the table below:

Cost Proposals for Disposal					
Proposer	Republic Services - A	Republic Services - B	Waste Connections	Recology	Waste Management
Landfill	Keller Canyon	Keller Canyon	Potrero Hills	Hay Road	Redwood
Miles from Transfer Station	6.3	6.3	41.7	39.1	56.2
Disposal \$/ton	\$48.03	\$45.00	\$37.62	\$46.00	\$70.00
Transfer \$/ton	\$45.18	\$45.18	\$61.00	\$59.18	\$62.42
Total \$/ton	\$93.21	\$90.18	\$98.62	\$105.18	\$132.42

While Waste Connections proposed the lowest cost per ton for disposal, the additional cost to transfer the Authority’s solid waste to Waste Connection’s Potrero Hills landfill in Suisun City makes the overall cost to use that landfill higher than to use Republic’s Keller Canyon Landfill outside of Pittsburg.

In response to staff’s request, Republic provided two disposal options: Option A has a higher initial disposal cost (\$48.03 / ton), but a longer initial term (15 years) and the cost escalates only by changes to the Consumer Price Index (CPI) each year. Option B has a lower initial disposal cost (\$45/ton), but a shorter initial term (10 years) and the cost is escalated by CPI with a 3.5% floor. This means that each year the rate would increase by at least 3.5%, even if CPI were less than 3.5%. Option B also has a 6% ceiling such that no annual increase can be more than 6% per year. If CPI were more than 6% per year, the excess percentage would roll over to the following year. The Committee considered both options, and recommends Option A. Based on analysis conducted by HF&H Consultants (HF&H), it is likely that Option A will be the most cost effective over the term of the agreement, due to the lack of a floor on the annual CPI adjustment.

Accordingly, the Committee recommends that the Board award to Keller Canyon Landfill Company (Republic) the agreement for solid waste disposal services in the form linked, utilizing Republic’s cost proposal Option A.

Composting Proposals

The Authority received three proposals for organics composting. As stated above, MDRR’s proposal utilized Republic as a subcontractor, and Republic submitted a separate, nearly identical composting proposal, so staff chose to negotiate directly with Republic instead of MDRR for composting. The other composting proposal received was from Recology.

Recology proposed to compost the Authority’s commingled organics at their RBVON facility in Vernalis, which is 50.8 miles from MDRR’s transfer station in Pittsburg. Republic proposed to compost 20,000 tons per year of the Authority’s commingled organics at their West County facility in Richmond, which is 32.2 miles from MDRR’s transfer station. Republic proposed to compost the remainder of the Authority’s commingled organics (approximately 48,000 tons per year) at their Forward facility outside of Manteca, which is 51.3 miles from MDRR’s transfer station. The Republic proposal below shows blended rates and distances based on the tons of organics that would be sent to each facility:

Cost Proposals for Composting		
Proposer	Recology	Republic
Composting Facility	RBVON	30% West County / 70% Forward
Miles from Transfer Station	50.8	45.68
Composting \$/ton	\$67.00	\$92.29
Transfer \$/ton	\$58.00	\$54.60
Total \$/ton	\$125.00	\$146.89

The RFP also asked composting proposers to assist the Authority’s Member Agencies in achieving compliance with the SB 1383 requirement to procure compost or other products made from recovered organics. Republic currently provides this compliance at no charge to the Authority. Neither proposer was willing to provide SB 1383 compost procurement compliance at no charge in the new agreement. Republic proposed to sell finished compost to the Authority for \$12 per ton. Recology proposed \$6 per ton. As a group, the Authority’s Member Agencies currently are required by SB 1383 to purchase 10,829 tons of compost per year. The Member Agencies do not have to directly use all of the compost, but can provide it to farmers and other large compost users.

At Republic's price of \$12/ton, such compost purchases would cost the Authority \$129,948 per year. At Recology's price of \$6/ton, it would cost \$64,974 per year.

Currently, the Authority's commingled organics are composted at Republic's Forward facility. A group of Authority representatives comprised of staff, consultants, and Board members toured both Republic's Forward composting facility and Recology's RBVON composting facility.

All proposed composting facilities can accept the commingled organic materials (yard trimmings, food scraps, uncoated food-soiled paper, clean wood) currently collected by the Authority. None of the composting facilities proposed to accept additional materials such as coated paper (e.g., coffee cups) or compostable plastics. The Authority currently allows customers to place their food scraps in BPI-certified compostable plastic bags, and the RFP required composting proposers to accept such bags. While both proposers agreed to accept BPI-certified compostable plastic bags, they stated that such bags do not completely break down in their composting process and are removed and disposed of as contaminants. The proposers agreed to compost the food scraps contained in the bags but could not compost the bags themselves.

The proposers reported the following diversion rates for commingled organics:

- Recology – RBVON = 74%
- Republic – Forward Compost = 68%
- Republic – West County Compost = 64%

Diversion is stated as a percentage of inbound tons, with any materials not being sent to landfill considered diverted. For all three facilities, most of the organics that weren't diverted were used as Alternative Daily Cover (ADC) or for other beneficial uses at a landfill. At all three facilities, finished compost is screened to standardize particle size and to remove larger, woody materials that have not completely broken down yet. Ideally, the woody materials that pass over the screen ("overs") can be incorporated back into the compost piles to decompose further. However, often the overs contain too much plastic and other contaminants to put them back into the compost piles, so they are sent to landfills as ADC instead. RBVON is able to re-incorporate some of its overs into their compost piles, which may be why their reported diversion rate is higher. During the tours both proposers discussed future plans to increase diversion of the overs.

The RBVON and West County compost facilities utilize the aerated static pile composting method. The Forward compost facility uses the open windrow method and is in the process of expanding to add aerated static piles in addition to the windrows.

Both proposers demonstrated adequate and appropriate markets for their finished compost. Compost from Republic's compost facilities is OMRI certified for use on organic crops, while compost from Recology's compost facility is not.

The Authority obtained pricing for MDRR to pre-process (sort to remove contaminants, grind) commingled organics before transferring them to the compost facilities. The Authority requested price discounts from the composting facilities if the organics were pre-processed at MDRR's transfer station. Both Recology and Republic offered price discounts for pre-processed organics that were less than the cost to have MDRR pre-process them, so that option is not recommended.

However, an itemized price for optional organics pre-processing will be included in the MDRR transfer agreement in case that service is ever needed in the future.

The Committee recommends that the Board award to Recology Blossom Valley Organics – North (Recology) the agreement for commingled organics composting services in the form linked.

Recyclable Materials Processing

The Authority received proposals for recyclables processing from MDRR and Waste Management. The RFP asked for base bids assuming that the proposer would accept and recover the minimum list of materials that the State (SB 54) will require all jurisdictions to recycle. The State list includes all of the recyclables currently accepted in the Authority’s recycling program, except for plastic bags and plastic containers #3, #4, #6, and #7. The RFP also encouraged proposers to submit alternative bids including additional materials. The base bid also assumed that the recyclables processor would remit 75% of the revenue from the sale of recyclables to the Authority. This 75% revenue share would include revenue from California Redemption Value (CRV) bottle bill payments in addition to scrap value. The table below summarizes the proposals received:

Recyclable Materials Processing Cost Proposals				
Proposer	MDRR - A	MDRR - B	Waste Management - A	Waste Management - B
Recycling Facility	Pittsburg	Pittsburg	Davis St.	Davis St.
Miles from Routes	20	20	24	24
Processing \$/ton	\$109.28	\$109.28	\$207.90	\$232.90
Estimated Revenue \$/ton	\$119.41	\$119.41	\$119.41	\$119.41
% of Revenue to Authority	75%	60%	75%	100%
Authority's Revenue \$/ton	\$89.56	\$71.65	\$89.56	\$119.41
Net cost to Authority	\$19.72	\$37.63	\$118.34	\$113.49

It is important to note that the revenue per inbound ton listed above is only an estimate, and that actual recyclables revenue will fluctuate over the term of the agreement.

MDRR proposed an alternative bid (MDRR Option B, above) in which they would conduct pilot programs to recycle film plastic (including plastic bags), multilayer plastic, polystyrene, textiles, milk cartons and aseptic packaging. To fund the pilot programs, MDRR proposed an alternative revenue sharing plan in which MDRR would provide 50% of the California Redemption Value (CRV) sales revenue and 90% of scrap value to the Authority. Staff calculated this to be equivalent to 60% of the recyclables revenue going to the Authority instead of the 75% specified in the base bid. MDRR’s proposed pilot programs would use a combination of curbside collection, drop-off, special collection and mail-back methods. Given the small quantity (tons per year) of additional materials to be recycled, and the reduced revenue share, staff and the Committee do not recommend MDRR’s alternative bid. There will be other opportunities over the term of the agreement to pilot new materials, and SB 54 may provide the necessary funding.

Waste Management offered an alternative bid (Waste Management Option B, above) in which they would provide the Authority with 100% of the revenue from the sale of recyclables. Both of Waste Management’s proposals include milk cartons, aseptic packaging, mixed rigid plastics, and plastic

containers #4 in addition to the minimum list of recyclables required by the State. These materials would all be recycled curbside in the blue containers. Note that Waste Management’s proposed recyclables processing facility at Davis Street would be a new facility and it is currently being constructed.

As stated above in the transfer station proposal section, both recyclables processing proposals assumed that the Authority’s collection contractor would deliver recyclable materials to the recycling facility directly from the collection routes, without the use of a transfer station. MDRR currently utilizes a transfer station in Concord to accept recyclables from Republic and transfer them to their processing facility in Pittsburg. MDRR did not propose to transfer recyclables in either their transfer station proposal or their recyclables processing facility proposal. In the RFP, proposers were only required to propose a transfer station if their destination facility were 25 miles or more from the Authority’s service area boundary. Neither proposed facility is located 25 miles or more from the Authority’s service area boundary. The Authority conducted an air quality, GHG, and VMT analysis (see CEQA Determination below) which concluded that the award of recommended post-collection services agreements will not create environmental impacts that exceed any significance thresholds. For reference, prior to 2015 the Authority’s organics were direct-hauled to Waste Management’s Davis Street Transfer Station in San Leandro (24 miles from Walnut Creek) and its recyclable materials were direct-hauled to Pacific Rim Recycling in Benicia (15 miles from Walnut Creek).

The Committee recommends the Board award to Mt. Diablo Paper Stock, Inc. (MDRR) the agreement for recyclables processing in the form linked, utilizing MDRR’s base bid, Option A.

Commercial Food Scraps Pre-Processing and Transfer to EBMUD

The Authority only received one proposal to pre-process commercial food scraps and transfer them to EBMUD’s wastewater treatment plant for anaerobic digestion. Republic currently provides this service and was the only proposer. Republic would continue to receive the commercial food scraps at their transfer station at 951 Waterbird Way in unincorporated Martinez. Republic uses a depackager (a Scott turbo separator or “Thor”) to remove the food scraps from plastic bags, separate them from the plastic and other contaminants, and reduce the food scraps to a slurry that is suitable for EBMUD’s digesters. Republic’s proposal is reasonable when compared to current costs and to benchmarks from other jurisdictions.

Commercial Food Scraps Cost Proposal	
Proposer	Republic Services
Facility	Martinez
Miles from Routes	14
Pre-Process - \$/Inbound ton	\$33.32
Transport to EBMUD - \$/Outbound ton	\$60.96

The costs above do not include the \$85 per ton to compensate EBMUD for digesting the food scraps. The Board approved a separate contract with EBMUD for that service at the September 26 Board meeting. The Authority will pay EBMUD directly.

Republic also proposed to compost commercial food scraps as a short-term contingency in the event that either EBMUD is temporarily unable to accept the Authority’s food scraps or Republic’s “Thor” depackager is down for repairs. Republic proposed \$159.33 per ton to compost processed commercial food scraps at their West County facility or \$204.17 per ton to compost unprocessed commercial food scraps at

their Forward facility. These rates are based on inbound tons at Republic’s transfer station in Martinez and include the cost of transferring the organics from the Martinez transfer station to the composting facilities. Republic offered discounted contingency commercial food scrap pricing if they are also awarded the commingled organics composting agreement. This discount was not sufficient to offset the difference between the commingled organics composting cost proposals submitted by Republic and Recology.

The Committee recommends the Board award to Allied Waste Systems, Inc. (Republic) the agreement for commercial food scraps pre-processing, transfer, and transport services in the form linked.

Agreement Terms

The recommended agreements have the following terms and compensation adjustment methods:

Recommended Agreement Terms			
Agreement	Initial Term	Extensions	Annual Rate Adjustments
Transfer	20 years, 4 months	Until 5-year notice	Multi-index, Cost-based every 5 years
Disposal	15 years, 4 months	Until 5-year notice	CPI
Composting	10 years, 4 months	1 year sole option + 1 year mutual	CPI
Recyclable Materials Processing	15 years, 4 months	1 year sole option + 4 years mutual	Multi-index, Cost-based every 5 years
Commercial Food Scraps	15 years, 4 months	Until 5-year notice	CPI

All of the recommended initial agreement terms contain an additional 4 months so that the Authority can match its rate year to its fiscal year. Currently the rate year is March 1 – February 28 and the fiscal year is July 1 – June 30. The rate year in new agreements will be July 1- June 30. This will facilitate the budget process for the Authority and its Member Agencies. The transition to fiscal years will be accomplished by an initial rate year that is 16 months long (March 1, 2027 – June 30, 2028).

The RFP specified a 15-year initial term for transfer services and a 10-year initial term for recyclable materials processing. MDRR proposed a 2.5% discount if the initial terms were 20 years for transfer and 15 years for recyclable materials processing. The Committee recommends accepting this proposal, and the 2.5% discount was factored into the cost proposal analyses for transfer and recyclable materials processing. In addition to the discount, there is value to the Authority in having a 20-year initial term for transfer services. The planned term of the next collection agreement is 15 years. When the next collection agreement ends, the Authority will still have at least 5 years left on the transfer agreement, assuring that all proposers for the subsequent collection agreement will have a local transfer station for their solid waste and commingled organics that must contractually accept those materials from the Authority at the same price regardless of who the collector is. This will ensure continued competition for collection services.

Having agreements that expire at different times has the advantage of simplifying the next procurement process. Future RFPs for post-collection services can be issued individually for each service as they expire.

In the table above, “sole option” indicates the amount of time the term could be extended by the Authority at its sole option, without negotiation, while “mutual” indicates an extension by mutual agreement of both parties, which could be subject to negotiation. The Authority always has the option to negotiate extensions beyond those provided for in the agreement.

The extension method for the recommended transfer, disposal, and commercial food scraps agreements is this: after the initial term, the agreement would continue until either party provides a 5-year notice to end the agreement. The agreement would end 5 years after the notice, but no earlier than the end of the initial term. Either party could give notice during the initial term, but that would not shorten the initial term. As an example, the Authority could give notice in first year of the disposal agreement, and the agreement would end at the expiration date of that initial term (15 years and 4 months). The Authority could give notice in the last year of the initial term of the disposal agreement, and the agreement would end 5 years after the notice date (15 years and 4 months + 5 years).

It is advantageous to the Authority to have long-term (15+ year) transfer and disposal agreements, and shorter (10-15 year) collection agreements. This aligns the services with their depreciation schedules (vehicles depreciated over 10 years, facilities over 15+ years) and ensures that the Authority has post-collection agreements in place whenever a collection agreement ends. The extension method described above facilitates long-term post-collection services agreements but also gives both parties the ability to cancel (after the end of the initial term) with notice if the agreement is no longer beneficial.

The compensation rates for all of the recommended agreements would be adjusted annually by CPI, except for the transfer and recyclable materials processing agreements. For those agreements, staff and MDRR negotiated a cost-based rate adjustment every 5 years, with multi-index adjustments for each of the other years. A multi-index adjustment is like a CPI adjustment except with different indices used for different types of costs (fuel, labor, vehicle maintenance, etc.) The cost-based adjustment aligns compensation with actual, audited costs. The Authority has historically used this same method (periodic cost-based adjustments with multi-index adjustments in each of the other years) for its collection agreements. The current collection agreement utilizes this method, and the proposed future collection agreement will utilize it as well. The main difference between the proposed MDRR adjustment method and the method for the collection agreement is that the collection agreement requires a cost-based adjustment every 3 years while the transfer and recyclables processing agreements would have a cost-based adjustment every 5 years. This recommended compensation adjustment method also mirrors MDRR’s existing practice for the other jurisdictions that utilize its transfer and recycling facility at 1300 Loveridge Road in Pittsburg.

For all of the recommended post-collection agreements, the Authority would pay the contractors directly. The collection contractor will bill the customers and collect the revenue. The collection contractor will then remit a portion of the rate revenue to the Authority, and the Authority would use this revenue to pay the post-collection contractors. The post-collection contractors would invoice the Authority monthly. This is the same payment methodology that the Authority currently uses to compensate MDRR for recyclables processing and Reuse Day services.

Financial Impact

The table below summarizes the financial impact (in 2024 dollars) of awarding the recommended agreements:

Post Collection Service	Tons / Year	Current		Recommended		Change			% of
		\$/Ton	\$/Year	\$/Ton	\$/Year	\$/Ton	\$/Year	%	Total Rate
Solid Waste Transfer and Disposal	80,900	\$83.19	\$6,730,052	\$93.21	\$7,540,663	\$10.02	\$810,611	12%	1%
Commingled Organics Transfer and Composting	68,314	\$85.36	\$5,831,295	\$125.00	\$8,539,540	\$39.64	\$2,708,245	46%	4%
Recyclables Processing Cost	34,366	\$74.96	\$2,576,100	\$109.28	\$3,755,553	\$34.32	\$1,179,452	46%	2%
Recyclables Revenue Share	34,366	-\$25.46	-\$875,000	-\$89.56	-\$3,077,763	-\$64.10	-\$2,202,763	-252%	-3%
Commercial Food Scraps Pre-processing and Transfer	4,788	\$100.87	\$482,944	\$63.80	\$305,461	-\$37.07	-\$177,483	-37%	0%
Total	188,368	\$78.28	\$14,745,391	\$90.59	\$17,063,454	\$12.31	\$2,318,063	16%	3%

Total RY 11 Rate Revenue Requirement: \$73,204,501.

Combined, the recommended new agreements represent a 16% increase in post-collection costs compared to current costs. This 16% increase compares the costs of the recommended post-collection proposals, in 2024 dollars, to the current cost of post-collection services. Both will increase by CPI or multi-index adjustment prior to 2027. As a percentage of the \$73M in total revenue to be raised by solid waste rates this rate year, this a 3% increase. Therefore, staff estimates a 3% average rate increase in 2027 as a result of the recommended post-collection agreements. That 3% would be in addition to any rate increase attributable to the new collection contract. Staff and HF&H believe that this is a reasonable increase because solid waste rates tend to re-set upwards to market rates at the end of a long contract. The post-collection cost increase is also understandable given the current shortage of composting capacity due to SB 1383.

CEQA Determination

The Authority examined under CEQA the potential environmental impacts of the recommended award of the post-collection services agreements.

At this time the Authority has not yet released the RFP for collection services, and the future collection services provider and the terms of collection services are not yet known with certainty. However, because the Authority anticipates awarding a collection services agreement, the Authority conservatively evaluated the potential environmental impacts of both the collection and post-collection actions. There are several variables of the existing collection process that could change once a recommended collection services provider is identified. In order to complete a comprehensive assessment, the Authority needed to make assumptions about a future collection scenario. For the purposes of the analysis, the Authority assumed that the existing variables for collections generally will remain as is. This assumption does not presume who the future collections service provider may be, but is a reasonable and conservative approach until further details are known. To the extent that the future collection agreement is different than the assumptions in the Authority’s analysis here, the Authority will consider those differences under CEQA at the time the collection agreement is recommended for Board action.

The main environmental issues related to the post-collection services agreements are the emissions generated by trucks used to collect and transport materials to the transfer station(s), from the transfer station(s) to the landfill, food waste facility, organics facility, or recycling facility, and an assessment of the different locations of facilities and the different travel distances to reach them. To complete a thorough analysis of these issues, the Authority engaged technical consultants to analyze the air quality impacts, greenhouse gas emissions (GHG), and vehicle miles travelled (VMT) that are expected to result under the collection and post-collection services agreements. The analysis examined the change in existing (baseline) conditions as compared to anticipated conditions under the collection and post-collection services agreements.

The air quality, GHG, and VMT analysis concludes that the award of recommended post-collection services agreements will not create environmental impacts that exceed any significance thresholds. Based on a review of the facts, circumstances, and the technical analysis prepared, staff determined that the award of post-collection services agreements is not subject to further CEQA action. This determination is made pursuant to CEQA Guidelines section 15061(b)(3) (common sense exemption), because it can be seen with certainty that there is no possibility that the award of the post-collection services agreements may have a significant effect on the environment. Staff has also concluded that the award of the post-collection services agreements is exempt from CEQA pursuant to CEQA Guidelines section 15301 (Class 1) (existing facilities) which applies to “the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use.” Lastly, staff has concluded that the proposed award of the post-collection services agreements is exempt from CEQA pursuant to CEQA Guidelines section 15308 (Class 8) (actions by regulatory agencies for protection of the environment) which applies to “actions taken by regulatory agencies, as authorized by state or local ordinance, to assure the maintenance, restoration, enhancement, or protection of the environment where the regulatory process involves procedures for protection of the environment.”

Accordingly, staff recommends that the Board determine that award of the recommended post-collection services agreements is not subject to CEQA under Section 15061(b)(3) (common sense exemption), and is exempt from CEQA pursuant to Section 15301 (Class 1) (existing facilities) and Section 15308 (Class 8) (actions by regulatory agencies for protection of the environment), based on the findings described herein.

ATTACHMENTS

- A. Resolution No. 2024-03
- B. Post-Collection Services Agreements can be found here [link](#)

CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY

RESOLUTION NO. 2024-03
RESOLUTION APPROVING AWARD OF POST-COLLECTION
SERVICES AGREEMENTS

THE CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY
(“AUTHORITY”) HEREBY FINDS, DETERMINES, AND RESOLVES AS
FOLLOWS:

WHEREAS, the State of California, by enactment of the California Integrated Waste Management Act of 1989 (“AB 939”) and subsequent modifications thereto, established a solid waste management process that requires cities and other local jurisdictions to implement source reduction, reuse, and recycling as integrated waste management practices; and

WHEREAS, the State of California has found and declared that the amount of refuse generated in California, coupled with diminishing disposal capacity and potential adverse environmental impacts from landfilling and the need to conserve natural resources, has created an urgent need for State and local agencies to enact and implement an aggressive integrated waste management program, and directed the responsible State agency, and all local agencies, to promote diversion and to maximize the use of feasible waste reduction, re-use, recycling, and composting options in order to reduce the amount of refuse that must be disposed; and

WHEREAS, the Authority has the authority to assume municipal solid waste and materials Diversion management responsibilities such as acquiring services, entering agreements, negotiating contracts, granting franchises, planning facilities, reviewing rates and Tipping Fees, and other related matters on behalf of the constituents of the Cities and Towns of Danville, Lafayette, Moraga, Orinda, and Walnut Creek, and the County of Contra Costa (“Member Agencies”); and

WHEREAS, the Authority has the authority to enter into exclusive service agreements for handling recyclable materials, organic materials, and solid waste, and to prescribe the terms and conditions of such agreements; and

WHEREAS, the Authority has found that collection, transfer, transport, processing, diversion, and disposal programs can most cost-effectively be carried out on a multi-jurisdictional basis; and

WHEREAS, the Authority currently has two agreements that work together to provide the collection, transfer, transport, processing, diversion, and disposal services in the service area, which expire February 28, 2025; and

WHEREAS, the Authority Board of Directors finds that the public health, safety, and well-being of the Authority, its Member Agencies, and their constituents requires the highest quality

collection, transfer, transport, processing, diversion, and disposal services from thorough, competent, and qualified companies pursuant to a long-term commitment; and

WHEREAS, the Authority conducted a competitive procurement process to solicit proposals for post-collection services for solid waste, recyclable materials, and organics materials; and

WHEREAS, an evaluation committee of staff and consultants, overseen by the Authority Board of Director's Franchise Vendor Selection Ad Hoc Committee, reviewed and evaluated the post-collections services proposals, identified preferred proposals for the services, and negotiated post-collection services agreements based on the preferred proposals; and

WHEREAS, the recommended post-collection services agreements were presented herewith to the Authority Board of Directors; and

WHEREAS, Authority staff and consultants examined under the California Environmental Quality Act (CEQA) the potential environmental impacts of the recommended award of the post-collection services agreements, and determined there is no substantial evidence that the award of the post-collection services agreements will have a significant effect on the environment, and, the award of the post-collection services agreements is not subject to the CEQA under Section 15061(b)(3) (Common Sense Exemption), and is exempt from CEQA pursuant to Section 15301 (Class 1) (Existing Facilities) and Section 15308 (Class 8) (Actions by Regulatory Agencies for Protection of the Environment).

NOW, THEREFORE, BE IT RESOLVED by the Authority Board of Directors:

RESOLVED, That the foregoing recitals are true and correct and made a part of this Resolution; and

FURTHER RESOLVED, That the Authority Board of Directors finds, on the basis of the whole record before it, that the recommended post-collection services agreements are in the best interests of the public health, safety, and well-being of the Authority, its Member Agencies, and their constituents, and are a fiscally prudent approach to securing the post-collection services; and

FURTHER RESOLVED, That the Authority Board of Directors finds, on the basis of the whole record before it, that there is no substantial evidence that the award of the post-collection services agreements will have a significant effect on the environment and the award of the post-collection services agreements is not subject to the California Environmental Quality Act (CEQA) under Section 15061(b)(3) (Common Sense Exemption), and is exempt from CEQA pursuant to Section 15301 (Class 1) (Existing Facilities) and Section 15308 (Class 8) (Actions by Regulatory Agencies for Protection of the Environment); and

FURTHER RESOLVED, That the Authority Board of Directs awards and authorizes the Board Chair to execute the following agreements, in the form presented to the Authority Board

and on file with the Authority Board Secretary, between the Central Contra Costa Solid Waste Authority and:

1. Allied Waste Systems , Inc. for Commercial Food Scraps Pre-Processing, Transfer, and Transport Services;
2. Contra Costa Waste Service, Inc. for Solid Waste and Commingled Organics Transfer and Transport Services;
3. Mt. Diablo Paper Stock, Inc. for Recyclable Materials Processing Services;
4. Keller Canyon Landfill Company for Solid Waste Disposal Services; and
5. Recology Blossom Valley Organics – North for Commingled Organics Composting Services.

APPROVED AND ADOPTED by the Authority Board of Directors this 24th day of October 2024 by the following vote:

AYES:	Members:	_____
NOES:	Members:	_____
ABSENT:	Members:	_____
ABSTAIN:	Members:	_____

 Gina Dawson, Chair
 Central Contra Costa Solid Waste Authority,
 County of Contra Costa, State of California

COUNTER-SIGNED:

APPROVED AS TO FORM:

 Janna McKay, Secretary of the Board,
 Central Contra Costa Solid Waste Authority,
 County of Contra Costa, State of California

 Deborah L. Miller, Counsel for the Central
 Contra Costa Solid Waste Authority,
 County of Contra Costa, State of California



Agenda Report

TO: CCCSWA BOARD OF DIRECTORS
FROM: DAVID KRUEGER, EXECUTIVE DIRECTOR
DATE: OCTOBER 24, 2024
SUBJECT: ISSUE RFP FOR COLLECTION SERVICES

SUMMARY

Per Board direction, staff and consultants have prepared a draft Request for Proposals (RFP) for collection services and a draft collection services franchise agreement. (These drafts are provided in full on the [RecycleSmart website](#). The drafts incorporate the business terms that were approved by the Board at the September meeting. Under this Board's franchise procurement process, the collection RFP may be released once the post-collection agreements have been signed by both parties. If staff's recommendations are approved by the Board on October 24th, and the post-collection agreements are fully executed, then the collection RFP will be released on October 25, 2024; the proposals will be due on February 7, 2025; and the collection agreement will be awarded in August, 2025. The services provided under the draft collection agreement will commence on March 1, 2027.

This report highlights the key aspects of the RFP, including the schedule, proposal evaluation criteria, hiring of any displaced Republic Services (Republic) employees by any new collector, and an approach to the development of the truck yard parcel.

RECOMMENDED ACTION

1. Release the Collection Services RFP (Attachment A) and draft agreement (Attachment B) as soon as the post-collection agreements have been fully executed and signed by both parties.

BACKGROUND

The current franchise agreements with Republic Services (Republic) for collection, transfer, transport, processing, diversion, and disposal services, and, separately, with Mt. Diablo Resource Recovery (MDRR) for recyclable materials transfer, transport, processing, and diversion services (including reusable item and household battery collection and processing) will expire on February 28, 2027.

On March 23, 2023, the CCCSWA Board of Directors (Board) created the Franchise Design Ad Hoc Committee to recommend the scope of requested services and the drafting of Request for Proposals (RFP) documents and franchise agreements. On January 25, 2024, the Board created the Franchise Vendor Selection Ad Hoc Committee to oversee the selection of the vendor(s) for the new franchise agreements, including proposal evaluation, contract negotiations, and recommendations to the full Board to award franchise agreements. These two Ad Hoc Committees have been working concurrently during this multi-step procurement process, with different areas of responsibility.

On May 25, 2023, the Board approved a recommendation from the Franchise Design Ad Hoc Committee to “direct staff to conduct a two-step procurement process for the new franchise agreement(s) that will go into effect on March 1, 2027: Step One, a procurement process for post-collection services; and Step Two, a separate competitive Request for Proposals (RFP) process for collection services.”

On June 22, 2023, the Board adopted the Franchise Procurement Process Integrity Policy, which can be found here <https://www.recyclesmart.org/rfp-collection-services/>. All communications regarding the collection RFP may only be made through the authorized channels described in the policy. Any potential proposers are asked to email any questions or comments about the collection RFP process to RFP2024@recyclesmart.org. Potential proposers are free to address the Board at public Board meetings.

On September 28, 2023, the Board directed staff to inform all potential proposers that the Board will not consider any new or revised proposals, pricing, services, or business terms from any proposer once its competitors’ pricing and proposals have been made public, and adopted a non-negotiable business term that agreements for all post-collection services must be signed and executed before the release of the collection RFP. Recommended awards for post-collection service agreements are discussed as Agenda Item 4.a. The post-collection agreements have been signed by the recommended proposers and will be signed by the Authority if the recommendation for Agenda Item 4.a. is approved.

At the September 26, 2024 Board meeting, the Board approved recommendations from the Franchise Design Ad Hoc Committee regarding the collection RFP and the draft franchise agreement. Key recommendations included:

- Contractor must meet State requirements to utilize Zero Emissions Vehicles (ZEV’s) but the Authority’s ratepayers should not incur additional costs to exceed those requirements
- The Authority will pay for no more than the Contractor’s statewide milestone percentage of ZEV’s during each rate year for the fleet operating in our service area (e.g. if the Contractor’s statewide fleet must be 25% ZEV’s then no more than 25% of the vehicles used to collect from the Authority’s service area should be ZEV’s)
- Phase in actual ZEV transition costs as they are incurred
- No requirement for all new vehicles
- No preference for vehicle fuel
- Continue to use the existing carts and bins that are currently in service
- 15-year term
- Cost-based rate adjustment in year four, then every three years, with multi-index rate adjustments in the years between

- Keep “bundled” rates for all sectors: Recyclables and organics services are provided at no additional costs, and rates are based on the level of solid waste service
- Obtain alternative bids on unlimited overages for single-family recyclables and organics services
- Contractor to provide five full-time Sustainability Advisors (recycling coordinators) dedicated to the Authority’s service area

DISCUSSION

Collection RFP

The draft collection RFP and collection franchise agreement and background information can be viewed on the [draft RFP webpage](#). If the Board approves the recommendation to issue the RFP, the webpage will be no longer marked as a draft, and the webpage address will be sent to a list of potential proposers.

The draft RFP contains the following schedule

ACTIVITY	COMPLETION DATE
Authority releases RFP for Collection and Processing Services	October 25, 2024
Deadline for submittal of written questions before the pre-proposal meeting	November 8, 2024
Mandatory in-person pre-proposal meeting Walnut Creek City Hall 1666 North Main Blvd., 3 rd Floor Conference Room Walnut Creek, CA 94596	November 15, 2024 10 a.m. – 11 a.m. PT
Deadline to submit additional written questions	December 6, 2024
Proposers submit proposals	February 7, 2025 3:00 p.m. PT
Authority conducts preliminary evaluation, clarifies proposal questions	February – March 2025
Authority conducts in-person interviews with one or more proposers	March 10-14, 2025
Authority completes negotiations with one or more proposers	April – August 2025
Authority Board approves selected contractor	August 2025
Selected contractor begins providing service	March 1, 2027

Evaluation Criteria

The draft RFP establishes the following evaluation criteria for collection proposals which will be evaluated by the Franchise Vendor Selection Ad Hoc Committee that, in turn, will make recommendations to the Board:

- **Environment.** Factors include, but are not limited to, ability to divert solid waste from disposal; expected improvements (or reductions) in air quality, greenhouse gas emissions, water quality, soil quality, and traffic impacts.
- **Service Quality.** Factors include, but are not limited to, demonstrated experience successfully providing similar services; ability to provide high-quality on-time collection services; demonstrated positive customer and public agency relations; demonstrated strength of management approach to deliver services; track record of disruptions due to operational issues, labor relations issues, litigation (initiated by or defended by company), regulatory action, or other factors; demonstrated adherence to contract terms; and demonstrated compliance with applicable law.
- **Cost.** Factors include, but are not limited to, proposed costs; estimated monetary value of requested exceptions to the draft Agreement; and demonstrated adherence to negotiated contract pricing and cost terms over the life of the contract.
- **Technical Proposal.** Factors include, but are not limited to, reasonableness and credibility of operating plans; sufficient resources (vehicles, drivers, mechanics, CSR's etc.) proposed to provide quality service; demonstrated culture of and commitment to health and safety; demonstrated ability to operate efficiently and employ innovation and technology; credibility, accuracy, and transparency in reporting systems; quality and condition of vehicles, and equipment, and commitment to maintain them in a state of good repair.

Note that cost is not the only evaluation criterion, and that the Authority is not obligated to select the lowest-cost proposal. The Authority is seeking to obtain the highest value for its rate-payers – namely, cost relative to the value of the services provided. For example, the Authority may select a proposal that is not the lowest cost but provides materially superior environmental and performance quality benefits with anticipated strong contractor adherence to contract terms and commitments. The Authority seeks to avoid entering into an agreement with an irresponsibly low bidder that has not proposed sufficient resources to provide on-time high quality collection services.

Hiring of Displaced Employees

At the September 26, 2024 Board Meeting, David Rodriguez, Business Agent for the Teamsters Union Local 315, provided public comment asking for employee retention language to be included in the collection RFP, so that if Republic was not awarded the collection agreement, the new collection contractor would be required to offer employment to any Republic drivers, mechanics or other union employees who were displaced. The Section 3.3 of draft RFP contains the following language related to employee retention:

Labor Policy. The Authority is aware of AB 1669 regarding bidding preferences for companies proposing to hire the displaced employees of the previous contractor. As described in Article 8.11.G of the Draft Franchise Agreement, the Authority will require all proposers to make such offers of employment. Therefore, no preference will be awarded based on this condition. Compensation data for the current service provider has been

included at the RFP website. Labor agreements and MOUs must be included with proposals as attachments to the final Franchise Agreement and future modifications shall be submitted to the Authority. The Authority believes that, in general, it is beneficial to its customers to retain route drivers from who are familiar with the routes in the Authority's service area.

Note that this language goes beyond State law (AB 1669) by requiring all proposers to offer employment to displaced employees, as opposed to merely providing a bidding preference for any proposers who choose to make such offers. Article 8.11.G of the draft collection franchise agreement contains the following language:

Hiring Displaced Employees. The Contractor shall offer employment to existing employees working under the Authority's current agreements that include the services being provided under this Agreement who become unemployed by reason of the change in contractors up until six (6) months after the Commencement Date; provided, however, that:

1. This requirement shall not be applicable to management or supervisory personnel.
2. The Contractor shall not be obligated to offer employment to more existing employees than the Contractor needs to perform the services required under this Agreement.
3. The Contractor shall not be obligated to offer employment to existing employees that are not working prior to the Commencement Date due to a leave of absence related to disability or workers' compensation claim.
4. The Contractor shall not be obligated to displace any of its current employees or modify its current job performance requirements or employee selection standards.
5. Additional employees, if needed by the Contractor, shall be obtained pursuant to procedures currently in effect under the collective bargaining agreement for covered employees.
6. Wages and benefits applicable to employees performing work under this Agreement shall be commensurate with current compensation or in accordance with existing agreements with represented labor groups.
7. Unless prohibited by law or denied by the affected bargaining unit, the Contractor shall honor the existing seniority of any displaced workers for all applicable purposes under the bargaining agreement.
8. The Contractor may enter into agreement(s) with subcontractors to provide services covered during the Implementation Period, subject to the prior written consent of the Authority and subcontractors shall be required to comply with the obligations stated in Sections 8.11.G.1 through 8.11.G.7, above.
9. The Contractor shall provide monthly reports during the Implementation Period in each of the three (3) months prior to the Commencement Date documenting the status of their offers to displaced employees, acceptance by those employees, and all applicable dates for training and start of work under this Agreement. Following the Commencement Date, the Contractor shall provide monthly reports documenting their retention status (still employed, resigned, terminated, on leave,

etc.) of each employee that was hired described herein and as further described in Exhibit D.

Development of the Truck Yard Parcel

At the August 29, 2024 Board Meeting, the Board approved a lease option agreement (Option to Ground Lease) with the owner of the South Parcel property adjacent to the Acme Landfill at 950 Waterbird Way in unincorporated Martinez. The Authority will make this property available to all collection RFP proposers to develop a truck yard (called a “Maintenance Yard” in the draft RFP and agreement) to store and maintain vehicles and containers. Proposers are not required to utilize the site. If the Authority selects a collection proposer who did propose to use the site, the Authority would then exercise its option to lease the site, and would sublease the site to the selected proposer.

The following approach to the development of the truck yard has been incorporated in the draft RFP. The principal question – which has to date not been considered by the Franchise Design Ad Hoc Committee or the full Board – is who would develop the truck yard if a proposer who proposed to use the site was awarded the collection agreement. The truck yard could be developed by either the Authority or by the selected collection contractor. HF&H Consultants estimates that developing the truck yard will cost between \$5 - \$15 million.

Staff and consultants recommend that the selected collection contractor develop the truck yard, for the following reasons:

- The collection contractor can design and build the truck yard to suit their needs.
- Competition through the collection RFP process will limit the development cost: Proposing an excessively expensive truck yard could cause a proposer’s overall collection proposal to be non-competitive.
- The collection contractor could most likely develop the truck yard more cost-effectively and expeditiously than the Authority.

There are two potential disadvantages to having the collection contractor, as opposed to the Authority, develop the site: The contractor will expect a return on the development capital, and the contractor would most likely depreciate the development cost over the 15-year term of the collection agreement as opposed to depreciating it over the 30-year useful live of the facility, increasing the annual cost to the Authority’s rate payers.

Staff and consultants recommend the following strategy to mitigate these disadvantages:

- The proposers will be required to propose a separate, lower profit margin on their truck yard development cost (e.g. 4% - 6%) than the profit margin that they will propose on their other costs related to the agreement (e.g. 10% - 20%).
- The proposers will be required to depreciate the truck yard development cost over 30 years, and the Authority would agree to buy out the undepreciated amount of the development cost at the end of the 15-year term of the collection agreement. This would essentially divide the cost of developing the truck yard between the Authority and the collection contractor, in roughly equal portions.

Approving this recommendation would not obligate the Authority to any expenditure at this time. It is possible that no proposers will propose to utilize the site, or that those who do so will not be selected. If any such proposals are received, they will be subject to negotiation. Once the proposals are received and negotiated, and the development cost of the truck yard is known, staff would return to the Board for direction on whether to continue pursuing the related proposal(s).

Another question that needs to be answered is whether the Authority would charge a collection contractor rent to utilize the site. Staff and consultants recommend that any rent charged to the collection contractor would be considered a pass-through cost, not subject to profit: If the South Parcel site is used as a truck yard, the Authority would pay rent to the owner of the site, and the collection contractor would collect from the rate-payers the funds necessary for the Authority to pay the rent, and the collection contractor would not realize a profit on those funds.

Section 3.6 of the draft RFP states the following about the truck yard (maintenance yard):

Maintenance Yard: The Authority requires that all proposers identify a site or potential sites to be used for staging equipment (vehicles, containers) and personnel and for performing equipment maintenance. The Authority is not requiring that such site(s) be located within the Authority's service area. Proposers may propose to sublease a site from the Authority for a maintenance yard. The Authority has an option to lease the South Parcel property (APN 380-030-044-8) adjacent to the Acme Landfill at 950 Waterbird Way in unincorporated Martinez. The property is appropriately zoned and is undeveloped, with no existing buildings, pavement, utilities, or improvements. The Authority may lease from 12 – 55 acres (as requested by the proposer) for a term of at least 15 years. The rent would be \$2,500 per acre per month, and would increase each year by CPI. The rent would be a "Direct Lease" pass-through cost (not subject to profit). Development of a maintenance yard at the South Parcel site would be performed by the collection contractor at its sole cost, and depreciated over 30 years, with the Authority's obligation to buy out the undepreciated amount of the initial development cost at the end of the 15-year base term. The development cost would be eligible for depreciation and interest expense recovery through the rate adjustment process described in Exhibit E of the Draft Franchise Agreement, but the depreciation and interest would not be eligible for the operating ratio calculation. Instead, the contractor may be entitled to a return on equity calculation in the rate adjustment model. All such compensation provisions shall be negotiated with any shortlisted proposer(s) that intends to use this site. The South Parcel is available to all proposers, but proposers are not required to utilize it and may propose to provide their own maintenance yard locations. Additional information about the South Parcel site and the lease option agreement between the Authority and the property owner are provided on the RFP webpage.

ATTACHMENTS

- A. Draft Collection RFP ([Available on RecycleSmart RFP webpage](#))
- B. Draft Collection Agreement ([Available on RecycleSmart RFP webpage](#))
- C. Draft Collection [RFP webpage](#)



Agenda Report

TO: CCCSWA BOARD OF DIRECTORS
FROM: DAVID KRUEGER, EXECUTIVE DIRECTOR
DATE: OCTOBER 24, 2024
SUBJECT: EXECUTIVE DIRECTOR'S MONTHLY REPORT

SUMMARY

Central Contra Costa Solid Waste Authority (Authority) staff performs high-level programmatic and administrative tasks each month to provide outreach and education to residents, businesses, and schools to increase diversion and instill waste prevention practices. Staff manages the franchise agreements and customer service in addition to monitoring monthly reporting by our service providers. Staff also interacts with Member Agency staff, community groups, and regional partners on a variety of topics including SB 1383, legislation, and industry best practices.

RECOMMENDED ACTION

1. This report is provided for information only. No Board action is required.

DISCUSSION

Notable Events:

- As described in the Third Amendment to the Republic franchise agreement, the new service quality metric is 2,700 or fewer missed container pickups from residential subscribers on incomplete routes in a four-week period. For each period in which the metric is met, Republic is entitled to a special rate increase of \$283,833. The following table shows the number of missed container collections and number of times Republic has met the metric for each of the seven periods. Meeting the metric for four periods out of the seven means that Republic will receive a special rate increase of \$1,135,332 (\$283,833 times four) in Rate Year 11 (March 1, 2025 – February 28, 2026).

Period	Week Beginning	Number of Missed Residential Collections	Metric Met (2,700 or fewer)
1	April 1	1,464	Yes
2	April 29	2,490	Yes
3	May 27	1,623	Yes
4	June 24	5,784	No
5	July 22	5,198	No
6	August 19	2,466	Yes
7	September 16	3,829	No

- The monthly Member Agency liaison meeting was held on October 10. Notes from the meeting are circulated to the liaisons. During the meeting, discussion items included the SB 1383-required route reviews that we just completed for 2024, an update on the franchise process, a review of the member agency public collection cans and requested service in the new collection contract, the upcoming AB 939 countywide working group meeting, and some recently passed legislation.

Member Agency Liaisons				
Member Agency	Name	Title	Email	Phone
County	David Brockbank	Conservation Programs Manager	David.Brockbank@dcd.cccounty.us	(925) 655-2911
Danville	Cat Bravo ¹	Management Analyst	cbravo@danville.ca.gov	(925) 314-3377
Lafayette	Anna Tolle	Planning Technician	ATolle@ci.lafayette.ca.us	(925) 299-3205
Orinda	Darin Hughes	Assistant Planner	dhughes@cityoforinda.org	(925)253- 4269
Moraga	Brian Horn	Senior Planner	bhorn@moraga.ca.us	(925) 888-7044
Walnut Creek	Candice Rankin Mumby	Sustainability Manager	rankinmumby@walnut-creek.org	(925) 943-5899 x2304

SB 1383 Completed and Ongoing Activities in October

The SB 1383 budget and activities are currently funded by CalRecycle SB 1383 local assistance grant funds.

- The Authority contracted with SCS Engineers to complete the required SB 1383 route reviews of the Authority’s 69 commercial and residential trash, recycling and organics routes. The lid flips took place during the week of September 30 – October 4. Fieldwork was completed successfully. Staff will provide more details about the study in December.

¹ Kristine Meidberg is covering for Cat Bravo while Cat is on maternity leave.

- Ongoing required Tier 1 and Tier 2 Commercial Edible Food Generator inspections are being performed by Contra Costa County Health Services through an Interagency Agreement. Priority generators are health facilities, hotels and Safeway grocery stores. For information about these requirements visit www.recyclesmart.org/foodgenerators. As of January 1, 2024, the Authority must issue penalties for non-compliance.
- The Authority entered into a Provider Services Agreement with Precision Design to create three short, sharable outreach videos for use on web and social media to highlight some local Food Recovery Organizations including Muffin People (Moraga), Contra Costa Fruit Rescue and White Pony Express, and encourage community members to volunteer for these organizations. This project is in response to required capacity planning survey results indicating volunteers are always in high demand.
- As highlighted in the September 2024 Executive Report, the Authority, Republic Services and the City of Walnut Creek are partnering to pilot a Compost Hub located at Heather Farm Park where compost is available to Authority residents on a regular basis at no cost for first-come, self-serve pickup. Staff and Republic Services will coordinate to drop off 20 cubic yards of compost on the first Friday of each month. The compost will count towards SB 1383 procurement on a population basis, as done currently with the annual giveaway events. For Compost Hub information visit: www.recyclesmart.org/freecompost.

Staff participated in or attended the following meetings in October:

- HF&H Emerging Industry Issues Seminar, October 2
- SB 1383 Bay Area Support Group, October 3
- Orinda Community Meeting, October 8
- Lafayette Environmental Task Force Meeting, October 10
- **Moraga Farmers Market (RecycleSmart and Republic Services outreach booth), October 13**
- Contra Costa County AB 939 Quarterly Managers Meeting, October 15
- California Product Stewardship Associates Call, October 16
- Recycling Markets Network (Alameda County) Quarterly Meeting, October 17
- **Danville Oktoberfest (RecycleSmart and Republic Services outreach booth), October 20**
- Staff AB 1234 Ethics Compliance Training, October 22
- California Organics Recycling Council Executive Team Annual Retreat, October 25
- SB 54 Advisory Board Meeting, October 25



Central Contra Costa Solid Waste Authority

Agenda Report

TO: CCCSWA BOARD OF DIRECTORS
FROM: JENNIFER FAUGHT, CONTRACT COMPLIANCE SPECIALIST
DATE: OCTOBER 24, 2024
SUBJECT: 2024 FINAL LEGISLATION

SUMMARY

The 2024 legislative year has come to an end. This year, the Authority tracked a total of twenty bills. The outcome of the bills is described below.

RECOMMENDED ACTION

1. This report is for information only. No Board action is required.

DISCUSSION

This year, 1,206 bills passed both houses to make it to the Governor's desk. The Governor vetoed 189 bills, and signed 1,017 into law, for a 15.7% veto rate. In April this year, following the Legislative Committee's recommendations, the Board authorized supporting, or supporting in concept, fifteen bills, and watching five bills. This report describes the outcome of these bills. The Governor's veto messages for two vetoed bills are attached to this staff report.

SUPPORT

1.	<p>AB 817 (Pacheco) – Open meetings: teleconferencing: subsidiary body</p> <p><i>Outcome: Died in Committee</i></p> <p>AB 817 was a Brown Act bill sponsored by CalCities that would have, until January 1, 2026, authorized a subsidiary body of a legislative body to use alternative teleconferencing provisions for meetings and would have imposed requirements for notice, agenda, and public participation for those meetings.</p>
2.	<p>AB 863 (Aguiar-Curry) – Carpet recycling: producer responsibility organizations: fines: succession: training</p> <p><i>Outcome: Signed into Law</i></p> <p>This bill makes a number of changes and updates to the CARE carpet recycling program, including increasing fines that can be imposed by CalRecycle for violations of the program, and allocating 8% of the funds collected by the carpet stewardship organization for workplace apprenticeship programs, among other changes.</p>

<p>3.</p>	<p>AB 2311 (Bennett) – Greenhouse Gas Reduction Fund: grant program: edible food</p> <p><i>Outcome: Died in Committee</i></p> <p>Would have expanded existing CalRecycle grants to include eligibility for transportation for edible food recovery projects, and the purchase or subscription to technology or software that improves the efficiency and tracking of edible food recovery.</p>
<p>4.</p>	<p>AB 2346 (Lee) – Organic waste reduction regulations: procurement of recovered organic waste products</p> <p><i>Outcome: Signed into Law</i></p> <p>Provides additional procurement options for local jurisdictions in meeting their SB 1383 requirements. The bill creates a pathway to allow mulch from tree-trimming and compost procured from community and on-farm compost operations to count towards a jurisdiction's procurement requirement. It also allows investments in certain organics infrastructure, including equipment used to apply compost and compost distribution centers to count towards procurement. The bill also contemplates adjusting the per capita procurement target via a local waste characterization study. This bill was sponsored by StopWaste.</p>
<p>5.</p>	<p>SB 537 (Becker) – Open meetings: multijurisdictional, cross-county agencies: teleconferences</p> <p><i>Outcome: Gut and amend; original bill did not move forward</i></p> <p>SB 537 was introduced in the first year of the two-year legislative session as a modification to the Brown Act to expand the conditions for teleconferencing. However, it was amended to cover a completely different topic (creation of a memorial in Los Angeles to Mexican Americans and Mexican immigrants who were forcibly deported from the United States during the Great Depression).</p>
<p>6.</p>	<p>SB 707 (Newman) –Responsible Textile Recovery Act of 2024</p> <p><i>Outcome: Signed into Law</i></p> <p>This bill makes California the first state to enact a textile Extended Producer Responsibility bill. This bill enacts a stewardship program known as the Responsible Textile Recovery Act of 2024, which would require a producer of apparel or textile articles to form and join a producer responsibility organization (PRO). The bill would require the PRO to be approved by CalRecycle pursuant to the requirements of the bill. The bill would require the department to adopt regulations to implement the program no earlier than July 1, 2028. The bill would require the PRO to submit to CalRecycle, for approval or disapproval, a complete plan for the collection, transportation, repair, sorting, and recycling, and the safe and proper management, of apparel and household textiles, in the state.</p>

7.	<p>SB 972 (Min) – Methane emissions: organic waste: landfills</p> <p><i>Outcome: Vetoed by Governor</i></p> <p>The bill would have required CalRecycle to develop procedures for local jurisdictions to request technical assistance from the department regarding the requirements of SB 1383, and to consider providing technical assistance before exercising its enforcement authority if the jurisdiction submitted a request for assistance.</p>
8.	<p>SB 1053 (Blakespear and Allen)/AB 2236 (Bauer-Kahan) – Solid Waste: recycled paper bags: standards: carryout bag prohibition</p> <p><i>Outcome: SB 1053 Signed into Law (AB 2236 did not need to move forward since the bills were identical)</i></p> <p>This bill prohibits the sale of all single-use carry-out bags at the point of sale of stores, as defined, except for paper bags made from 50% post-consumer recycled content. In particular, the bill was intended to close the “plastic bag loophole,” which allowed thicker plastic bags to be sold as reusable bags.</p>
9.	<p>SB 1143 (Allen) – Paint products: stewardship program</p> <p><i>Outcome: Signed into Law</i></p> <p>This bill started out as a comprehensive household hazardous waste stewardship bill, but in its final form it expanded the PaintCare program to cover more types of paint, such as aerosol coating products, paint thinner, paint colorant, paint additive, paint remover, surface sealant, surface preparation, surface adhesive, arts and crafts paint, automotive refinish paint, driveway sealer, faux finish or glaze, furniture oil, furniture paint, lime wash, lime paint, marine paint, antifouling paint, road and traffic marking paint, two-component paint, wood preservative, fire retardant paint, dry fog paint, chalkboard paint, and conductive paint, sold in containers of five gallons or less. The bill was sponsored by the National Stewardship Action Council.</p>
10.	<p>SB 1280 (Laird) – Waste Management: propane cylinders: reusable or refillable</p> <p><i>Outcome: Signed into Law</i></p> <p>On and after January 1, 2028, prohibits the sale or offer for sale of propane cylinders other than those propane cylinders that are reusable or refillable.</p>
11.	<p>SB 1384 (Dodd) – Powered wheelchairs: repair</p> <p><i>Outcome: Signed into Law</i></p> <p>Requires manufacturers of wheelchairs to provide parts and information to wheelchair owners and independent repair providers on the same terms as they provide them to authorized repair providers.</p>

SUPPORT IN CONCEPT

<p>12.</p>	<p>AB 2 (Ward) – Recycling: solar photovoltaic modules</p> <p><i>Outcome: Died in Committee</i></p> <p>Would have expanded the definition of “covered electronic device” to include a “customer-owned solar PV module,” as defined, thereby expanding the scope of the Electronic Waste Recycling Act of 2003 to include covered solar photovoltaic (PV) module products, for limited purposes, as provided. The bill would also have required CalRecycle to establish a covered solar PV recycling fee based on the reasonable regulatory costs to administer covered electronic waste recycling. Non-customer-owned panels would have had to be included in a plan that describes how they will be managed at the end of their useful life, who is responsible for managing them, and how they will be recycled, refurbished, or reused. Before it was parked, this bill was merged into AB 1238, below.</p>
<p>13.</p>	<p>AB 1238 (Ward) – Hazardous Waste: solar panels</p> <p><i>Outcome: Died in Committee</i></p> <p>This bill would have required CalRecycle to develop alternative management standards for managing photovoltaic modules (similar to how treated wood waste is managed) with the intention that more solar panels could be recycled in state. The bill would have specified parameters for the standards, including, but not limited to, promoting the safe collection, reuse, and recycling of the photovoltaic modules.</p>
<p>14.</p>	<p>AB 2762 (Friedman) -- Recycling: reusable beverage containers</p> <p><i>Outcome: Died in Committee</i></p> <p>In its final form this bill would have required manufacturers of beverages bottled and sold in California to increase the sale of beverages in reusable beverage containers by meeting certain rates, for both bottling in reusable containers and for the reuse of such containers.</p>
<p>15.</p>	<p>SB 615 (Allen) – Vehicle traction batteries</p> <p><i>Outcome: Vetoed by Governor</i></p> <p>The bill would have required vehicle traction batteries, as defined, in the state to be recovered, and when possible, reused, repaired, repurposed, or remanufactured and eventually recycled at the end of their useful life. The bill would also have required a battery supplier, as defined, to be responsible for, among other duties, ensuring the responsible end-of-life management of a vehicle traction battery if it is removed from a vehicle that is still in service, or if the battery is offered or returned to its battery supplier, reporting information regarding the sale, transfer, or receipt of a vehicle traction battery or module to the Department of Toxic Substances Control (DTSC). The bill would have imposed related duties on a secondary user and a secondary handler, as defined, including, among other duties, ensuring the responsible end-of-life management for a battery, or returning a vehicle traction battery to the battery supplier, and</p>

	<p>reporting information regarding the sale, transfer, or receipt of a vehicle traction battery or module to DTSC. The bill would also have required an auctioneer and salvage disposal auction, as defined, to report similar information regarding a vehicle traction battery to DTSC.</p>
--	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

WATCH

<p>16.</p>	<p>AB 660 (Irwin) – Food and beverage products: labeling, quality dates, safety dates, and sell-by dates</p> <p><i>Outcome: Signed into Law</i></p> <p>This bill requires, on and after July 1, 2026, a food manufacturer, processor, or retailer responsible for the labeling of food items for human consumption that chooses, or is otherwise required by law, to display a date label to communicate a quality or safety date on a food item manufactured on or after July 1, 2026, to use specified uniform terms on the date label, including either Best By (or BB), or Use By (or UB). The bill prohibits a person from selling or offering for sale in the state a food item for human consumption manufactured on or after July 1, 2026, that displays a quality or safety date label that is not labeled in accordance with that requirement or that is labeled with the phrase “sell by.” These requirements do not apply to infant formula, eggs, or beer and other malt beverages.</p>
<p>17.</p>	<p>AB 2577 (Irwin) – Organic waste: reduction regulations</p> <p><i>Outcome: Died in Committee</i></p> <p>Would have required CalRecycle to include product labeling requirements that reduce food waste in existing edible food recovery efforts.</p>
<p>18.</p>	<p>AB 2632 (Wilson) – Planning and zoning: thrift retail stores</p> <p><i>Outcome: Signed into Law</i></p> <p>Adds an article to the Government Code providing that cities may not treat a thrift retail store differently from a non-thrift retail store for purposes of zoning, development standards, including, but not limited to, height, size, parking requirements, or setbacks from adjacent uses, or permitting.</p>
<p>19.</p>	<p>SB 1167 (Blakespear) – Solid waste: single-use drinking vessels</p> <p><i>Outcome: Died in Committee</i></p> <p>Would have prohibited chain restaurants from providing single-use drinkware to customers who are consuming their beverage on the premises.</p>

20.	<p>SB 1426 (Blakespear) -- Waste reduction: undiverted materials</p> <p><i>Outcome: Died in Committee</i></p> <p>Would have made a change in the Public Resources Code to provide that if certain organic waste services are not offered through local ordinance or franchise, organics may be collected and processed by others; and that exclusivity in a franchise or permit cannot “exceed” the services required to be performed and actually performed.</p>
-----	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

ATTACHMENTS

- A. Governor’s Veto Letter for SB 615
- B. Governor’s Veto Letter for SB 972



OFFICE OF THE GOVERNOR

SEP 29 2024

To the Members of the California State Senate:

I am returning Senate Bill 615 without my signature.

This bill would require that all electric vehicle (EV) batteries in the state be reused, repaired, repurposed, or remanufactured, and eventually recycled at the end of their useful life. The Department of Toxic Substances Control (DTSC) would be responsible for adopting regulations to implement and enforce the bill's requirements, and for establishing a method for EV battery suppliers, secondary users, secondary handlers, and qualified facilities to report EV battery transactions.

I agree with the intent of this bill and the need to responsibly manufacture, recycle, and reuse EV batteries. As California continues to lead the revolution toward a zero-emission transportation future, with a requirement that all new vehicles sold in the state be zero-emission by 2035, responsibly tracking the sale, use, and reuse of these vehicle batteries will be critical. Effective EV battery stewardship also presents an exciting opportunity to develop new innovative industries that use repurposed or recycled batteries.

California has successfully implemented many reuse and recycling systems. These market-based solutions significantly reduce waste and create jobs by turning a challenging product into a resource. However, this legislation places a significant burden on DTSC to implement the policy, instead of building on the success of existing producer responsibility models. I encourage the author to continue working with stakeholders to explore if a producer responsibility



organization would yield more equilibrium among public agencies and industry in sharing the administrative burden required by this policy

For these reasons, I cannot sign this bill.

Sincerely,

Gavin Newsom

A large, stylized handwritten signature in black ink, appearing to be 'Gavin Newsom', is written over the printed name. The signature is highly fluid and somewhat abstract, with long, sweeping strokes.



OFFICE OF THE GOVERNOR

SEP. 20 2024

To the Members of the California State Senate:

I am returning Senate Bill 972 without my signature.

This bill requires the Department of Resources Recycling and Recovery (CalRecycle) to develop procedures for local jurisdictions to request technical assistance regarding the disposal of organic material in landfills. It also requires CalRecycle to consider providing technical assistance before exercising its enforcement authority, if a local jurisdiction has submitted a technical assistance request.

While I appreciate the author's intent to assist local jurisdictions in meeting California's organic waste reduction and diversion targets established in Senate Bill 1383 (Lara, 2016), this bill is unnecessary and duplicative of existing efforts. CalRecycle currently offers a suite of technical assistance materials and comprehensive staff assistance for all jurisdictions in the state specific to Senate Bill 1383. Further, the Local Assistance and Market Development branch within CalRecycle regularly meets with local jurisdictions, including monthly Senate Bill 1383 roundtables, and conducts annual site visits to provide customized assistance consistent with each jurisdiction's needs.

For this reason, I cannot sign this bill.

Sincerely,

Gavin Newsom





Future Agenda Items

TYPE	BOARD MEETING: 12/12/2024
C	Approve 10/24/2024 Minutes
A	Distribution of Funds in Excess of the Reserve
I	Annual Financial Audit for FY 2023-24
I	Executive Director's Monthly Report
I	Result of 2024 Route Audits
I	Republic's Collection Service Quality Metrics
I	2023 Annual Report to CalRecycle
P	Solid Waste Collection Rates for Rate Year 11

TYPE	BOARD MEETING: 1/23/2025 – Potential Board Retreat in Lafayette
C	Approve 12/12/2024 Minutes
A	Adoption of Solid Waste Collection Rates for Rate Year 11
I	Executive Director's Monthly Report
I	Republic's Collection Service Quality Metrics

TYPE	BOARD MEETING: 2/27/2025
C	Approve 01/23/2025 Minutes
C	Mid-Year 2025 Budget Actuals
I	Executive Director's Monthly Report
I	Republic's Collection Service Quality Metrics

TYPE

- C – Consent Item
- A – Action Item
- I – Information Item
- P – Presentation