



A Public Agency

# SBWMA Technical Advisory Committee (TAC) Meeting

Monday, March 14, 2016 at 11:30 a.m.

San Carlos Library  
Conference Room A  
610 Elm Street, San Carlos, CA 94070

## 1. Roll Call

## 2. Public Comment

Persons wishing to address the TAC on matters NOT on the posted agenda may do so.

Each speaker is limited to two minutes. If there are more than five individuals wishing to speak during public comment, the Chairman will draw five speaker cards from those submitted to speak during this time. The balance of the Public Comment speakers will be called upon at the end of the TAC Meeting.

If the item you are speaking on is not listed on the agenda, please be advised that the TAC may briefly respond to statements made or questions posed as allowed under The Brown Act (Government Code Section 54954.2). The TAC's general policy is to refer items to staff for attention, or have a matter placed on a future TAC agenda for a more comprehensive action or report and formal public discussion and input at that time.

## 3. Approval of Consent Calendar:

Consent Calendar item(s) are considered to be routine and will be enacted by one motion. There will be no separate discussion on these items unless members of the TAC, staff or public request specific items be removed for separate action. *Items removed from the Consent Calendar will be moved to the end of the agenda for separate discussion.*

A. Approve the October 8, 2015 TAC Meeting Minutes

## 4. Discussion of New Recycling Programs Affecting Member Agencies

- A. Presentation by Mattress Recycling Council on grant funds for cities for illegally dumped mattresses (Presentation)
- B. Staff update on AB 1826 Mandatory Organics Recycling (*Discussion item*)

## 5. Discuss the Plan and Recommended Process for Supporting Member Agencies with Negotiating a Potential Franchise Agreement Extension with Recology

- A. Member Agency Notice of Commitment to Participate in the Franchise Agreement Extension Negotiations (*Staff Update*)
- B. Formation of the Ad Hoc Committee to Review Negotiated Contract Amendments (*Discussion item*)
- C. Recology San Mateo County 2011 - 2015 Self-Review (*Discussion item*)

## 6. TAC Member Comments

## 7. Adjourn

MEMBER AGENCIES

ATHERTON \* BELMONT \* BURLINGAME \* EAST PALO ALTO \* FOSTER CITY \* HILLSBOROUGH \* MENLO PARK \* REDWOOD CITY  
\* SAN CARLOS \* SAN MATEO \* COUNTY OF SAN MATEO \* WEST BAY SANITARY DISTRICT





# CONSENT CALENDAR





**DRAFT MINUTES**

**SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY  
MEETING OF THE TECHNICAL ADVISORY COMMITTEE**

October 8, 2015 – 2:00 p.m.

San Carlos Library Conference Room A

**Call to Order: 2:05 PM**

**1. Roll Call**

Agency	Present	Absent	Agency	Present	Absent
Atherton	X		Menlo Park		X
Belmont	X		Redwood City		X
Burlingame	X		San Carlos		X
East Palo Alto		X	San Mateo	X	
Foster City	X		County of San Mateo	X	
Hillsborough	X		West Bay Sanitary District	X	

**2. Public Comment**

Persons wishing to address the Board on matters NOT on the posted agenda may do so.

Each speaker is limited to two minutes. If there are more than five individuals wishing to speak during public comment, the Chairman will draw five speaker cards from those submitted to speak during this time. The balance of the Public Comment speakers will be called upon at the end of the Board Meeting.

If the item you are speaking on is not listed on the agenda, please be advised that the Board may briefly respond to statements made or questions posed as allowed under The Brown Act (Government Code Section 54954.2). The Board's general policy is to refer items to staff for attention, or have a matter placed on a future Board agenda for a more comprehensive action or report and formal public discussion and input at that time.

None

**3. Approval of Consent Calendar:**

Consent Calendar item(s) are considered to be routine and will be enacted by one motion. There will be no separate discussion on these items unless members of the Board, staff or public request specific items be removed for separate action. *Items removed from the Consent Calendar will be moved to the end of the agenda for separate discussion.*

A. Adopt the September 10, 2015 TAC Meeting Minutes

A correction was made to the minutes via a phone call with Member Gibbons

Member Murray made a motion to approve the minutes with that correction

Member Porter seconded the motion

Voice Vote: All in Favor

**4. Consideration of Approval of Plan and Recommended Process for Supporting Member Agencies with Negotiating a Potential Franchise Agreement Extension with Recology San Mateo County**

Chair Oskoui noted that a subcommittee of TAC members met and discussed the process.

Executive Director McCarthy gave additional background noting that he suggested a smaller group discuss the pros and cons and get more detail. He then went over the amended and more detailed key assumptions, noting:

- This documents outlines a process for entering into negotiations with Recology for an extension for all Member Agencies. He noted that a Member Agency could decide not to move forward with an extension.
- JPA staff would help negotiate the future contract that would apply to all the member agencies, and Staff could assist with individual Member Agency changes as requested.
- For any changes that are being considered the JPA staff would provide rate/revenue analysis.
- The process would include as much time as possible in 2017 for giving individual presentations to City Councils.
- If a Member Agency decides not to move forward with a contract extension with Recology, the JPA staff would take the lead in managing the RFP process.

Member Cooke asked if the subcommittee discussed any assumptions around engagement.

Executive Director McCarthy answered that is was not discussed at the subcommittee level, but the process is designed to give each member agency plenty of time for engagement.

Member Ramirez asked why there is not one contract for the JPA with Recology.

Executive Director McCarthy gave a bit of history noted that for some reason a split in the rate application happened before his time at the JPA, and adding that elected officials want to have local control over the decisions.

Member Galli asked for clarification on the timeline and how many times it would go to Member Agencies Councils.

Member Porter noted that at some point each Agency needs to say whether they are in or out.

Chair Oskoui commented that each Agency needs their own timeline.

Member Galli noted that she had spoken with her Board Member and he is interested in moving forward with Recology, so she thought that Foster City's path might be more direct than the time line in the staff report.

Chair Oskoui noted that the outlined process did not include a path if the agency got to a point in the negotiations that lead to a deal breaker.

Executive Director McCarthy pointed out that all of those negotiations and cost projections will happen in 2016, so that there will be plenty of time for an RFP process if necessary.

Member Galli asked if there would be a drop dead date.

Executive Director McCarthy answered yes, but it's been left vague for the Board to be held accountable.

Motion: Member Porter made a motion to approve the recommended process for supporting Member Agencies with negotiating potential Franchise Agreement Extension with Recology.

Second: Member Murray

Voice Vote: All in favor

## 5. TAC Member Comments

The TAC Members had a discussion on rate alignment, and Executive Director McCarthy noted that he would send a link to the SF Environment pricing model as a reference.

## 6. Adjourn 2:46PM







DISCUSSION ON NEW  
RECYCLING  
PROGRAMS  
AFFECTING MEMBER  
AGENCIES





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**Presentation Item:**

Presentation by Mattress Recycling Council on grant funds for cities for illegally dumped mattresses

Agenda Item 4A

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Discussion only item, no report.

Presentation by the Mattress Recycling Council





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**Discussion Item:**

Staff Update on AB1826 Mandatory Organics Recycling

Agenda Item 4B

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Discussion only item, no report.

Staff Update on AB 1826





**A Public Agency**

DISCUSS THE PLAN  
AND RECOMMENDED  
PROCESS FOR  
SUPPORTING MEMBER  
AGENCIES WITH  
NEGOTIATING A  
POTENTIAL FRANCHISE  
AGREEMENT  
EXTENSION WITH  
RECOLOGY







## STAFF REPORT

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**To:** SBWMA TAC Members  
**From:** Cliff Feldman, Recycling Programs Manager  
**Date:** March 14, 2016 TAC Meeting  
**Subject:** Member Agency Notice of Commitment to Participate in the Franchise Agreement Extension Negotiations

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### Recommendation

It is recommended that the TAC recommend that the each SBWMA Member Agency's governing body provide notice to the SBWMA no later than May 16, 2016 of their intent to commit to participating in the Franchise Agreement extension negotiations per the Final Plan and Recommended Process for Supporting Member Agencies with Negotiating a Potential Franchise Agreement Extension with Recology San Mateo County (Recology) approved by the Board of Directors on January 28, 2016.

### Analysis

The Final Plan and Recommended Process for Supporting Member Agencies with Negotiating a Potential Franchise Agreement Extension with Recology (Plan) approved by the Board of Directors on January 28, 2016, prescribes a schedule that if adhered to is intended to result in negotiating amendments to the Franchise Agreements with Recology by the end of 2016. The Plan includes a key assumption that all Member Agencies intend to negotiate a Franchise Agreement extension with Recology. In addition, the timeline set forth in the Plan includes an April/May 2016 deadline for Member Agencies to express their intent to participate in the SBWMA led negotiations with Recology, as follows:

"April / May 2016 Member Agency governing bodies provide confirmation to the JPA of their intent to participate in the JPA's process to negotiate an extension of their Franchise Agreement with Recology. This commitment to the JPA's process to negotiate an extension with Recology does not preclude Member Agencies from pursuing their own concurrent competitive procurement process (i.e., RFP), nor does it preclude Member Agencies from individually negotiating aspects of their Franchise Agreements separately with Recology."

The active engagement and collaboration between JPA staff, Member Agency staff (including the TAC), Recology and the SBWMA Board is required to effectively implement the Plan in a timely manner. Meeting the Plan milestones in 2016 will provide Member Agencies sufficient time to schedule their governing body action early enough in 2017 to meet the deadline prescribed in their Franchise Agreement for action on extending said contract or not.

It is important to note that the Franchise Agreement amendments negotiated by the SBWMA are not binding on the Member Agencies. Nor does a Member Agency's commitment to participate in the SBWMA led negotiations preclude in any way the Member Agency from negotiating directly with Recology or pursuing its own competitive request for proposals procurement.

A model staff report (**Exhibit A**) has been prepared to assist Member Agencies with drafting a staff report recommending that their governing body provide notice to the SBWMA of their intent to participate in the Franchise Agreement negotiations per the Plan.

### **Background**

The Plan and Recommended Process for Supporting Member Agencies with Negotiating a Potential Franchise Agreement Extension with Recology was referred to the TAC by the Board of Directors at its May 28, 2015 meeting. A draft Plan was presented at the July 9, 2015 TAC meeting and comments and discussion ensued regarding the Plan. An ad hoc subcommittee of the TAC met on September 24, 2015 to discuss a revised draft of the Plan. On October 8, 2015 the TAC approved the revised draft of the Plan. This Plan was then presented to the Board for discussion at the November 19, 2015 Board meeting and subsequently approved by the Board the January 28, 2016 Board meeting.

The Plan is a “process and approach” plan and not a recommendation of whether or not to extend the current Member Agency Franchise Agreements with Recology San Mateo County (Recology).

Each of the Member Agencies has a Franchise Agreement with Recology which started on January 1, 2011 and ends at midnight on December 31, 2020. The Franchise Agreements state:

- **SECTION 3.02 TERM**

The Term of this Agreement shall begin on the Effective Date and shall end at midnight on December 31, 2020, unless earlier terminated, or extended as provided in Section 3.03. Contractor's obligation to Collect Solid Waste, Targeted Recyclable Materials and Organic Materials shall begin on January 1, 2011 at 12:01 a.m. and shall continue for the remainder of the Term.

- **SECTION 3.03 EXTENSION OF TERM**

During calendar year 2017, the Parties shall meet and confer on the possible extension of the Term.

The contract extension decision period was set for a defined period to allow sufficient time if needed to conduct a competitive procurement process if no contract extension was granted. Given the size and complexity of the service area it was determined that a three-year period (i.e., 2018-2020) was needed to complete a competitive procurement process and transition to a new service provider if appropriate.

The Plan addresses how JPA staff can best support the Member Agencies with this important decision individually and as a whole service area wide. The Plan recognizes that each Member Agency will individually decide whether to extend their Franchise Agreement with Recology and the final scope of services. The prior direction from the Board and past practice has been for the JPA to help facilitate and manage the process for selection of a franchised collection services provider, negotiate Franchise Agreement contract terms, and to provide overall contract administration support. Staff is committed to continue providing this support if tasked to do so.

### **Fiscal Impact**

There is no specific fiscal impact associated with this item.

**Attachment(s):**

Attachment A – Model Staff Report



## MODEL STAFF REPORT

To: \_\_\_\_\_  
 From: \_\_\_\_\_  
 Date: \_\_\_\_\_  
 Subject: Notification to SBWMA of *{insert agency name}* Commitment to Participate in the Franchise Agreement Extension Negotiations with Recology San Mateo County

### Recommendation

It is recommended that the *{insert Council/Board}* approve Resolution No. \_\_\_\_ attached hereto authorizing the following action:

Provide notice of the *{insert agency name}* commitment to participate in the SBWMA led negotiations to extend the term of the Franchise Agreement with Recology San Mateo County for Solid Waste, Recycling and Organic Materials Collection Services.

Or:

It is recommended that the *{insert City Manager, Public Works Director, etc.}* submit correspondence to the SBWMA conveying *{insert agency name}* commitment to participate in the SBWMA led negotiations to extend the term of the Franchise Agreement with Recology San Mateo County for Solid Waste, Recycling and Organic Materials Collection Services.

### Background

The *{insert agency name}* is one of twelve member agencies that comprise the Joint Powers Authority known as RethinkWaste or the South Bayside Waste Management Authority (SBWMA). The SBWMA was formed in 1982 to assist its member agencies with developing and maintaining solid waste management programs, policies, contracts and infrastructure. The SBWMA led the efforts, which *{insert agency name}* participated in, to conduct the first competitive procurement for solid waste, recycling and organic materials collection services for its member agencies from 2005 to 2010, which resulted in the individual member agencies executing ten-year Franchise Agreements with Recology San Mateo County (Recology).

Each of the SBWMA Member Agencies, including *{insert agency name}*, has a Franchise Agreement for Solid Waste, Recycling and Organic Materials Collection Services with Recology San Mateo County (Recology) which started on January 1, 2011 and ends at midnight on December 31, 2020. The Franchise Agreements state:

- **SECTION 3.02 TERM**  
 The Term of this Agreement shall begin on the Effective Date and shall end at midnight on December 31, 2020, unless earlier terminated, or extended as provided in Section 3.03. Contractor’s obligation to Collect Solid Waste, Targeted Recyclable Materials and Organic Materials shall begin on January 1, 2011 at 12:01 a.m. and shall continue for the remainder of the Term.
- **SECTION 3.03 EXTENSION OF TERM**  
 During calendar year 2017, the Parties shall meet and confer on the possible extension of the Term.

The contract extension decision period was set for a defined period to allow sufficient time if needed to conduct a competitive procurement process if no contract extension was granted. Given the size and complexity of the service area it was determined that a three-year period (i.e., 2018-2020) is needed to complete a competitive procurement process and transition to a new service provider if appropriate.

**Analysis**

On January 28, 2016, the SBWMA Board of Directors approved Resolution No. 2016-09 approving the Final Plan and Recommended Process for Supporting Member Agencies with Negotiating a Potential Franchise Agreement Extension with Recology (**Exhibit A** - Plan). This Plan prescribes that each SBWMA member agency that chooses to participate in the SBWMA led negotiations with Recology to extend the existing Franchise Agreement must provide notice of its commitment to participate by April or May 2016.

The Plan anticipates the negotiations with Recology to be concluded by the end of 2016 and the SBWMA Board of Directors will then consider approving the amended Franchise Agreement(s) at its January or February Board meeting for submittal to the member agencies to consider.

It is important to note that the Franchise Agreement amendments negotiated by the SBWMA are not binding on the {insert agency name}. Nor does the {insert agency name} commitment to participate in the SBWMA led negotiations preclude in any way the {insert agency name} from negotiating directly with Recology or pursuing its own competitive request for proposals procurement.

**Fiscal Impact**

There is no fiscal impact associated with this action.

**Attachments:**

Resolution \_\_\_\_\_

**Exhibit A** – SBWMA Final Plan and Recommended Process for Supporting Member Agencies with Negotiating a Potential Franchise Agreement Extension with Recology San Mateo County



RESOLUTION NO. \_\_\_\_\_

RESOLUTION OF THE {INSERT AGENCY NAME} PROVIDES NOTICE TO SBWMA OF ITS COMMITMENT TO PARTICIPATE IN THE SBWMA LED NEGOTIATIONS TO EXTEND THE TERM OF THE FRANCHISE AGREEMENT WITH RECOLOGY SAN MATEO COUNTY FOR SOLID WASTE, RECYCLING AND ORGANIC MATERIALS COLLECTION SERVICES

WHEREAS, the SBWMA is a joint powers authority organized under the Joint Exercise of Powers Act by cities and other local government agencies in San Mateo County (the "Member Agencies"), each of which oversees the collection of solid waste, organic materials and recyclable materials within its jurisdiction; and

WHEREAS, the SBWMA's adopted mission is to cost effectively design, implement and manage innovative waste reduction and recycling programs and facility infrastructure that fulfills its fiduciary responsibilities to its Member Agencies while achieving community environmental and economic goals.

WHEREAS, each of the SBWMA's Member Agencies has a Franchise Agreement for the collection of solid waste, organic materials and recyclable materials with Recology San Mateo County which started on January 1, 2011 and ends at midnight on December 31, 2020; and,

WHEREAS, the SBWMA Member Agency's Franchise Agreements with Recology San Mateo County include provisions that prescribe the term of the Agreement and the timeline to pursue an extension to the Agreement; and,

WHEREAS, the past practice has been for the SBWMA to help its Member Agencies facilitate and manage the process for selection of a franchised collection services provider, negotiate Franchise Agreement contract terms, and to provide overall contract administration support; and,

NOW, THEREFORE BE IT RESOLVED, that the {insert agency name} provides notice to the SBWMA of its commitment to participate in the SBWMA led negotiations to extend the term of the Franchise Agreement with Recology San Mateo County for Solid Waste, Recycling and Organic Materials Collection Services.

PASSED AND ADOPTED by the {insert Council/Board} of the {insert agency name}, County of San Mateo, State of California on this \_\_\_ day of \_\_\_\_\_, 2016, by the following vote:

I HEREBY CERTIFY that the foregoing Resolution No. \_\_\_\_\_ was duly and regularly adopted at a regular meeting of the {insert agency name} on \_\_\_\_\_, 2016.

ATTEST:

\_\_\_\_\_  
\_\_\_\_\_





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**Discussion Item:**

Formation of the Adhoc Committee to Review Negotiated Contract Amendments

Agenda Item 5B

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Discussion only item, no report.

*Formation of Ad Hoc Committee - Discussion Item Only*







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**Discussion Item:**

Recology San Mateo County 2011 - 2015 Self-Review

Agenda Item 5C

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Discussion only item, no report.

Recology Self Review - Discussion Item Only