



AGENCY: City Council  
MEETING DATE: September 13, 2021  
DEPARTMENT: City Manager  
PRESENTED BY: Tabatha Miller  
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## AGENDA ITEM SUMMARY

### **TITLE:**

**Receive Report and Consider Adoption of City Council Resolution Authorizing the City Manager to Enter Into Negotiations with C&S Waste Solutions of California, Inc. for Residential and Commercial Garbage, Recyclable Material and Organic Waste Collection**

### **ISSUE:**

The City of Fort Bragg's Franchise Agreement with USA Waste of California, Inc., dba Empire Waste Management (WM) was to expire on June 30, 2021. Originally, City and County staff intended to work together negotiating new agreements. Both the City and County wanted a short-term (12 to 18 months) extension of the current Agreements. At that time, WM indicated that they would not enter into a short-term extension of the Franchise Agreements and the minimum term they would consider was five years.

On December 8, 2020, the County Board of Supervisors made the decision to bid the Franchise Area 2 and the County's original Request for Proposal (RFP) was issued on January 26, 2021. In the meantime, the City of Fort Bragg attempted to negotiate with WM with little progress. As a result, a Special City Council meeting was scheduled for January 27, 2021, for the City Council to consider transitioning the solid waste franchise to C&S Waste Solutions as of July 1, 2021. No City Council discussion took place at that meeting but a representative from WM, Brad Cea, offered the City Council a one-year franchise agreement extension without any rate increases. The City Council approved the extension on February 8, 2021 and Amendment No. 7, extends the City's current Franchise Agreement with WM until June 30, 2022.

On June 14, 2021, the City Council approved issuing a Joint County of Mendocino and City of Fort Bragg RFP for Solid Waste Refuse Collections. On June 15, 2021, the Joint RFP was issued with a closing date of August 3, 2021. As expected, the City and the County received three responses from:

- C&S Waste Solutions of California, Inc. (C&S)
- Solid Waste of Willits, Inc. (SWOW)
- Waste Management Collection and Recycling, Inc. (WM)

The City Council Solid Waste Franchise Agreement Ad Hoc Committee, comprised of Mayor Bernie Norvell, Councilmember Lindy Peters and the City Manager, reviewed the responses and rated each proposal based on predetermined criteria. The Committee is recommending that the City Council authorize the City Manager to enter into negotiations with C&S Waste Solutions of California, Inc. for residential and commercial garbage, recyclable materials and organic waste collection under an exclusive 10-year Franchise Agreement. City Council will

approve the final negotiated Franchise Agreement.

Franchise Agreements

The current Solid Waste Franchise Agreement was executed on January 8, 2007 and originally contained a termination date of June 30, 2014. In August 2011, the Agreement was extended to June 30, 2021, to coincide with the County’s expiration. As mentioned above, an additional one-year extension was executed in February 2021 by the City and just after that by the County, so that both agreements now expire on June 30, 2022.

[California Public Resources Code Section 40059](#) provides the City with the authority to determine all aspects of solid waste handling as it is of local concern, including the frequency of and means of collection, transportation, level of services, charges and fees and extent of providing such services. Section 40059 also allows cities to determine how services are procured; it allows cities to obtain services by using partially exclusive or wholly exclusive franchises, contracts, licenses or permits with or without competitive bidding. This code section also provides the City with the authority to establish its own terms for procuring solid waste services by resolution or ordinance.

[Fort Bragg Municipal Code Chapter 6.08 – Refuse and Recyclable Collections, Section 6.08.020](#) provides that no one can engage in refuse and recycling collection in the City except under contract with the City. That contract can be exclusive or nonexclusive and the City may regulate all aspects of collection. The chapter also provides regulation on how solid waste is prepared, contained, stored and collected within City limits.

Joint County/City Request for Proposal (RFP)

The County Franchise Area 2 includes the Coastal Rate Zone, which is the unincorporated area from south of Westport to just south of Albion, excluding the City of Fort Bragg and inland approximately 15 miles; and the Inland Rate Zone includes unincorporated areas in the Ukiah Valley from Potter Valley to the south Mendocino county line. The City of Fort Bragg Franchise Area is the City’s corporate limits. Approximate customer accounts currently served by WM in Mendocino County are below:

Customer Type	Mendocino County Coastal Zone	Mendocino County Inland Zone	City of Fort Bragg	Total
Residential	3,760	4,444	1,845	10,049
Commercial	138	761	394	1,293

The joint RFP allowed proposers to propose on any or all of the three areas outlined above. The assumption was that the best pricing would be attained by awarding both the City and the County Franchises to the same provider. Services requested in the RFP were: 1) Base Services: Single Family and Multi-Family Residential and Commercial Garbage, Recyclable Material and Organic Waste Collection; 2) Additional services: Roll-Off Container Collection, Public Litter and Recyclable Collection for City Facilities and City owned trash receptacles, Diversion Education and Outreach, Edible Food Recovery Support, a Coastal Customer Service Center; and 3) Alternate Proposed Services: Bulky Items, Paper Shredding Events and a California Refund Value (CRV) center located on the coast.

The City Council Solid Waste Franchise Agreement Ad Hoc Committee, comprised of Mayor Bernie Norvell, Councilmember Lindy Peters and the City Manager, reviewed the three responses and rated each proposal on predetermined criteria as set forth below and in the sample form attached as Att. 2 – Rating Form.

RFP Section	Points Allocated
RFP Responsive	Pass/Fail
Qualifications	20
Technical Score	25
Sustainability	10
Pricing	45
<b>Total</b>	<b>100</b>

The chart below is a summary of the rating of the Solid Waste Franchise Agreement Ad Hoc Committee. C&S Waste Solutions’ overall score is 2.75 points more than Waste Management. The pricing score is based on the overall estimated revenue to the provider using the customer categories provided by the current provider.

RFP Section	WM	C&S	SWOW
RFP Responsive	Pass	Pass	Pass
Qualifications	17.90	18.29	12.57
Technical Score	21.43	21.19	17.14
Sustainability	9	9	8
Pricing	42.40	45.00	44.52
<b>Total</b>	<b>90.73</b>	<b>93.48</b>	<b>82.23</b>

The primary reason for bidding the franchise agreements together with the County was to attain the best overall rates for our solid waste customers. The best pricing for C&S and WM assumes that the successful responder will be awarded the Inland, Coastal and Fort Bragg areas. WM did provide a separate bid to provide services to just the City or just the County but those were more expensive and not used to calculate the pricing score. SWOW bid on providing service to the County’s Coastal Rate Zone and the City of Fort Bragg, but not the Inland Rate Zone. Mendocino County’s evaluation committee also chose C&S Waste Solutions as their recommended vendor. A request for authorization from the Board of Supervisors to enter into contract negotiations with C&S is on the agenda for the Board of Supervisors’ meeting on September 14, 2021.

C&S Waste Solutions

C&S Waste Solutions (C&S), based in Ukiah, is a group of companies with more than 20 years of experience in Northern California. The group of companies provide integrated waste services, including collection, transfer and disposal, recyclable collection and processing, green and wood waste collection and processing, landfill operations, sanitation services and scrap metal purchasing and marketing. They also have presence in southern Nevada. C&S currently provides services to the City of Ukiah, Lake County and Clearlake in our area.

C&S maintains a large facility in Ukiah that would support the facility proposed for the Fort Bragg Coastal area. The Ukiah facility includes the large Material Recovery Facility (MRF) that can process commingled paper, aluminum, PET, LDPE, HDPE plastics (1-7), glass, cans and cardboard. C&S also operates transfer stations in Ukiah and Lake County.

Staff checked references with each of those jurisdictions and were provided strong reviews. Additionally, staff spent approximately 50 minutes in a phone conversation with staff from Lake County inquiring about the level of services provided by C&S and the County staff's relationship with C&S. The responses received were very positive and provided honest feedback. Consistent in both the discussions with Lake County and the response from City of Ukiah is the strong support provided by C&S to those jurisdictions for compliance with the state mandated diversion programs, including AB341, SB939 and SB1383. Implementation of the requirements of SB939 and SB1383 are pending issues for the City.

C&S has secured property at 1280 N. Main Street, Fort Bragg to locate a direct (truck-to-truck) waste transfer operation, equipment storage and maintenance and a customer service center. The property is zoned Light Industrial and is not located in the Coastal Zone. The facility would serve as a direct-haul transfer facility. The collector trucks, which collect refuse, recyclables and green waste from City and County customers, will transfer the waste directly into hauling trucks, which will transport waste to the SWOW facility in Willits per the City's existing contracts. A direct-haul transfer facility will move material from one covered vehicle to another so the material is never placed on the floor or ground. Improvements to the property are subject to the permit requirements of the City of Fort Bragg, which are well underway. The waste transfer operations WM conducts at the Pudding Creek facility are very similar. Assuming both the City and the County execute Franchise Agreements with C&S, WM will no longer have a need for the Pudding Creek facility.

Presumably, solid waste will be collected at the same locations and in the same volume, although C&S's collection within City limits will operate differently. Waste Management uses three separate trucks to collect the refuse, recyclables and green waste and then transport it back to the Pudding Creek facility. C&S will use split-body side loading trucks that will allow it to collect recyclables and green waste in one pass per house, instead of two. In other words, instead of three trucks traveling to each residence on trash pickup day, only two trucks will be used by C&S. This will reduce the collector truck miles traveled in Fort Bragg. C&S's proposal includes new trucks and new bins, creating the presumption that the new trucks will improve air quality and operate more efficiently. Less collection trips will also reduce the wear and tear on City streets.

C&S's Diversion and Education and Outreach programs received high marks, as did the high-tech locally based customer service and collection systems. An experienced full-time Waste Diversion Coordinator will oversee the diversion programs. Additionally, Bob Thornsberry, former WM District Manager, will lead C&S's transition team.

Finally, the City Council Ad Hoc Solid Waste Franchise Committee was concerned for loss of employment by WM employees laid off as a result of the transition. One of the requirements in the RFP was a commitment by any selected provider to agree to retain the employees of the prior Vendor/Subcontractor for a period of not less ninety (90) days pursuant to sections 1072 and 1075 of the California Labor Code.

### Environmental Analysis

As part of the Use Permit application with the City of Fort Bragg, a complete CEQA review of the facility at 1280 N. Main Street is being conducted. The City has a proposal from First Carbon Solutions of Walnut Creek, CA to conduct a CEQA analysis of air quality, greenhouse gas impacts and noise analysis compared to the current provider. If the City Council authorizes the City Manager to enter into negotiations with C&S, the contract with First Carbon Solutions will be initiated.

### **RECOMMENDED ACTION:**

City Council Ad Hoc Solid Waste Franchise Committee recommends the City Council adopt the Resolution authorizing the City Manager to negotiate a Franchise Agreement with C&S Waste Solutions of California, Inc. If negotiations are successful, a final Franchise Agreement will be subject to City Council approval.

### **ALTERNATIVE ACTION(S):**

Do not approve the resolution and provide staff alternative direction.

### **FISCAL IMPACT:**

The fiscal impact to the City should be minimal, but will result in receiving an estimated 1.8% less in franchise fees than the WM RFP proposal.

### Rate Comparison

The chart on the next page provides selected proposed rates from the RFP respondents as a point of comparison. The figures on the right, compare the proposed C&S rates to the current rates charged by WM. Under the C&S proposal, the typical residential customer will see a fifteen percent (15%) reduction in monthly rates. A typical commercial customer will see a seven percent (7%) increase in rates. During interviews, C&S was asked about the shift in costs from residential to commercial customers and responded that their cost analysis found that residential customers were currently subsidizing commercial operations.

Residential - Single Family	SWOW	WM	C&S	Current WM			
				Rate	Difference	%	
Weekly Service							
20 Gallons	\$ 26.00	\$ 26.41	\$ 22.01	\$ 24.45	\$ (2.44)	-10.0%	
32 Gallons	\$ 38.00	\$ 42.07	\$ 33.11	\$ 38.95	\$ (5.84)	-15.0%	
64 Gallons	\$ 77.00	\$ 84.14	\$ 66.22	\$ 77.91	\$ (11.69)	-15.0%	
96 Gallons	\$ 115.00	\$ 126.24	\$ 99.36	\$ 116.89	\$ (17.53)	-15.0%	
Commercial & Multi-Family	SWOW	WM	C&S	Current WM			
1-Weekly Service							
32-Gallon Cart	\$38.00	\$37.93	\$39.99	\$37.37	\$ 2.62	7.0%	
64-Gallon Cart	\$77.00	\$75.85	\$79.96	\$74.73	\$ 5.23	7.0%	
96-Gallon Cart	\$115.00	\$113.79	\$119.95	\$112.11	\$ 7.84	7.0%	
1 CY Bin	\$225.03	\$228.41	\$240.78	\$225.03	\$ 15.75	7.0%	
1.5 CY Bin	\$299.91	\$306.31	\$322.90	\$301.78	\$ 21.12	7.0%	
2 CY Bin	\$385.53	\$395.26	\$416.68	\$389.42	\$ 27.26	7.0%	
3 CY Bin	\$452.41	\$463.83	\$488.97	\$456.98	\$ 31.99	7.0%	
4 CY Bin	\$722.72	\$722.72	\$761.88	\$712.04	\$ 49.84	7.0%	
6 CY Bin	\$954.80	\$927.66					
2 CY Compactor	\$452.41	\$625.77	\$678.17	\$616.52	\$ 61.65	10.0%	
3 CY Compactor	\$516.72	\$682.27	\$739.41	\$672.19	\$ 67.22	10.0%	
4 CY Compactor	\$578.29	\$806.65	\$874.20	\$794.73	\$ 79.47	10.0%	

Costs associated with the RFP process and selection including the services of HDR Engineering and First Carbon Solutions will be borne by the successful Responder, as part of executing the final Franchise Agreement.

**GREENHOUSE GAS EMISSIONS IMPACT:**

Changing solid waste providers by itself will have little impact on greenhouse gas emission; however, new equipment, trucks and split-body collector trucks will positively reduce greenhouse gas emissions.

**CONSISTENCY:**

Securing a long-term contract with a provider is consistent with Chapter 6.08: Refuse and Recyclable Collection – of the Fort Bragg Municipal Code.

**IMPLEMENTATION/TIMEFRAMES:**

Service requirements would be effective July 1, 2022.

**ATTACHMENTS:**

1. Resolution
2. RFP Rating Form

**NOTIFICATION:**

1. Solid Waste Franchise, **Notify Me Group**