

**RESOLUTION NO. 2018 - 18**

**RESOLUTION OF THE CITY OF SAN JUAN BAUTISTA APPROVING A RECOMMENDATION TO ENTER INTO EXCLUSIVE NEGOTIATIONS WITH RECOLOGY SAN BENITO COUNTY FOR A NEW FRANCHISE AGREEMENT FOR COLLECTION OF RECYCLABLES, ORGANICS AND SOLID WASTE, CONTINGENT UPON SPECIFIED CONDITIONS**

**WHEREAS**, the San Benito County Integrated Waste Management Regional Agency (“Regional Agency”) is comprised of the City of Hollister, City of San Juan Bautista and the County of San Benito and is a joint powers authority established in 1995 to cost effectively coordinate all integrated waste management programs within the guidelines imposed by the California Integrated Waste Management Board (CalRecycle); and

**WHEREAS**, the RA Members have a joint Franchise Agreement with Recology which resulted from an 18-month joint competitive procurement process conducted in 2006/2007 between the County, Hollister and San Juan Bautista which agreed to have one joint Franchise Agreement with a one contractor; and

**WHEREAS**, as noted in the recitals to the current Franchise Agreement, "the RA Members determined to offer proposers this exclusive agreement with respect to each of their jurisdictions to offer the Contractor economies of scale and increase contract administration efficiency and reduced contract administrative cost"; and

**WHEREAS**, in 2007, the Regional Agency Members approved the current joint Franchise Agreement with Recology for an eight-year term (November 20, 2007 to June 30, 2015); and

**WHEREAS**, the Franchise Agreement had an option for a three-year term extension (June 30, 2015 to June 30, 2018) and that extension was approved in September 2014. Therefore, the current Agreement expires June 30, 2018; and

**WHEREAS**, the Regional Agency completed a review of the current joint Franchise Agreement between the City of San Juan Bautista, City of Hollister and San Benito County and Recology San Benito County through a Franchise Agreement Ad Hoc Committee with representation from all three RA Members at meetings held on March 9<sup>th</sup>, May 14<sup>th</sup> and June 28<sup>th</sup>; and

**WHEREAS**, each RA Member adopted a similar resolution in August 2017 approving the final RFP documents, including a new Franchise Agreement, and authorized RA staff to release such documents to initiate the contractor selection process for a new Franchise Agreement; and

**WHEREAS**, the On August 29, 2017 the RA released the Collection Services RFP. By the November 14, 2017 deadline, the RA received three (3) responsive proposals from companies capable and qualified to provide the collection services described in the RFP. The proposers are GreenWaste Recovery, Recology San Benito County, and RJR Resource Recovery; and

**WHEREAS**, the approved RFP Evaluation Committee completed from mid-November 2017 to January 2018 a multi-step evaluation process to review the three proposals; and

**WHEREAS**, the RFP Evaluation Committee prepared a Report detailing its evaluation findings and proposal scoring and presented the Report to the Franchise Agreement Selection Committee on February 13, 2018; and

**WHEREAS**, the RFP Evaluation Committee prepared a Report detailing its evaluation findings and proposal scoring and presented the Report to the Franchise Agreement Selection Committee on February 13, 2018 and the Selection Committee recommended that the Report be presented to the Franchise Agreement Ad Hoc Committee; and

**WHEREAS**, the Franchise Agreement Ad Hoc Committee with elected officials from all three RA Members convened on March 8, 2018 to hear a presentation on the Evaluation Committee Report and receive public comment; and

**WHEREAS**, a joint meeting of the RA Members with elected officials from all three RA Members was held on March 22, 2018 to hear a presentation on the Evaluation Committee Report findings, receive public comment including brief presentations from the three proposers and discuss next steps in the Franchise Agreement contractor selection process; and

**WHEREAS**, on March 28, 2018 representatives from the RFP Evaluation Committee and Selection Committee met and the Selection Committee formulated its recommendation; and

**WHEREAS**, the City of San Juan Bautista finds the selection of a contractor is categorical exempt from the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines Sections 15061(b)(3), 15183, 15307, 15308, and 15273 (State CEQA Guidelines) in that the franchise activity can be seen with certainty to have no significant effect on the environment, as further described and explained in the accompanying April 17, 2018 agenda item to this Resolution, incorporated herein by the reference as if fully set forth herein; and

**WHEREAS**, each of the foregoing provides a separate and independent basis for an exemption and when viewed collectively provides an overall basis for an exemption, as further described and explained in the accompanying April 17, 2018 agenda item to this Resolution, incorporated herein by the reference as if fully set forth herein; and

**NOW, THEREFORE, BE IT RESOLVED**, by the City of San Juan Bautista:

1. Approve the Franchise Agreement Selection Committee recommendation to enter into exclusive negotiations with Recology San Benito County for a new Franchise Agreement for collection of recyclables, organics, and solid waste contingent upon the following items being addressed during negotiations:
  - Incorporating into the Franchise Agreement enhanced performance standards and liquidated damages related to meeting diversion requirements
  - Recology developing a detailed commercial recycling outreach plan to thoroughly outline how they will increase commercial diversion from the current commercial diversion rate of 6% and include two additional Recycling Outreach Coordinators in year 1 only of the contract at no cost to the ratepayers.
  - Recology modifying its proposed rates to reduce the commercial customer subsidy of residential customers while still maintaining the lowest proposed residential rates (for each of the three Regional Agency Members) compared to GWR and RJR RR
  - Recology agreeing to implement operational changes to reduce the carbon footprint of its proposed collection/hauling operations

If the above items are not successfully negotiated between the parties by June 15, 2018 then the Selection Committee would then recommend terminating negotiations with Recology.

2. Appoint a contract negotiations team consisting of the Selection Committee and Kevin McCarthy who serves as the technical lead for the Franchise RFP process.
3. Authorize the Mayor to sign this Resolution.

**BE IT FURTHER RESOLVED** that the City of San Juan Bautista has independently reviewed, considered, and confirmed the environmental determination and finds and determines that the action complies with CEQA and directs staff to file a Notice of Exemption.

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**PASSED AND ADOPTED** at a regular meeting of the City Council of the City of San Juan Bautista duly held on the 17<sup>th</sup> day of April, 2018, by the following vote:

**AYES: West, Martorana, Boch, Freeman, DeVries**

**NOES: None**

**ABSENT: None**

**ABSTAIN: None**

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Jim West, Mayor

**ATTEST:**

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Mackenzie Quaid, Acting City Clerk