



**CITY OF HAYWARD**  
**AGENDA REPORT**

AGENDA DATE 02/14/06  
AGENDA ITEM 5  
WORK SESSION ITEM \_\_\_\_\_

**TO:** Mayor and City Council  
**FROM:** Director of Public Works  
**SUBJECT:** Authorization to Develop Request for Proposals for Collection and Disposal of Solid Waste

**RECOMMENDATION:**

It is recommended that the City Council adopt the attached resolution exercising the option to extend the current franchise by one year, and authorizing staff to develop a request for proposals for collection and disposal services.

**DISCUSSION:**

As staff reported to Council last May, the City's Franchise Agreement with Waste Management of Alameda County (WMAC) will expire in May 2007. At that time, WMAC management expressed interest in entering into negotiations with the City to explore the possibility of extending the current agreement. The company had recently completed other similar negotiations with the City of Oakland and Oro Loma Sanitary District. Council authorized staff to enter into exclusive negotiations with WMAC to determine whether an agreement could be reached. Negotiations commenced shortly thereafter.

Due to a combination of internal and external factors, mostly related to the uncertainty and fluctuation in certain cost components, it has not been possible to reach agreement at this time. For example, WMAC reported that the demand for clean-up work and reconstruction related to the Gulf Coast hurricanes had forced the truck and heavy equipment manufacturers to devote much of their production to the hurricane-stricken regions, making the equipment scarce and expensive. The hurricanes also caused disruptions in fuel delivery from that region to the rest of the country, which had a negative cost impact on the already rising fuel costs. And, of course, fuel prices continue to fluctuate on a regular basis. Internally, WMAC management was in the midst of negotiations with some labor unions, so future labor costs could not be accurately projected.

Ultimately, WMAC determined that it could not present a proposal to City that included a specific cost of service element. In part, WMAC expressed concern that if it presented such a proposal, and the franchise were not extended, it's proposal would be in the public domain, thereby potentially placing WMAC at a competitive disadvantage during a subsequent RFP process. Consequently, a determination was made to stop further negotiations.

The current agreement includes a provision which enables the City, at its option, to extend the agreement by two one-year extensions. Staff believes it is appropriate to exercise this option and recommends a one-year extension. (Should it be necessary, a second one-year extension can be considered in the future.) Doing so will ensure there is sufficient time to complete a competitive procurement process, procure necessary equipment and otherwise prepare for a timely and orderly implementation of a new agreement. WMAC indicated that it would honor all terms of the contract if it were extended.

### **Possible Service Enhancements:**

A new contract offers an opportunity to enhance and expand services. Staff will explore improvements in recycling services for residents, businesses and institutions in order to assure that the 50 percent diversion rate currently mandated by the State continues to be satisfied. Based on the discussions at the Waste Management Authority, staff anticipates that further increases in the diversion rate may be required in Alameda County over the term of the new contract. For these reasons, the new contract will need to facilitate and expedite implementation of new diversion programs.

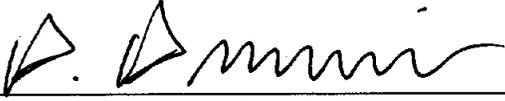
Staff plans to evaluate several program improvements currently offered in other jurisdictions in Alameda County. Programs include co-mingled collection of recyclables from single-family homes using carts rather than the current bins, the addition of food waste collection to residential services, and collection of commercial recyclables and organic waste. Staff plans to review services provided multi-family dwelling complexes in order to offer more convenient recycling services. Improvements to the annual bulky waste pick up program will also be analyzed. Low-emission trucks will be evaluated in order to recommend the most efficient alternatives to the trucks currently used. Since some of the anticipated service changes just described require use of carts, we will also analyze the most efficient options to either use some or all of the existing garbage and yard trimmings carts and recycling containers or require new ones.

### **Procurement Process:**

For the reasons cited above, staff is requesting authorization to start the competitive procurement process. Consultant expertise will be needed to assist in preparing the requests for proposals, evaluating those proposals, as necessary, completing the environmental documents, and preparing final contracts for Council consideration. Staff will return at a later date, likely in April, with a specific recommendation regarding such services.

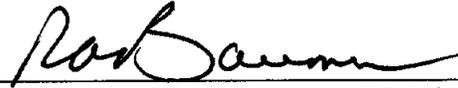
Due to the complex nature of evaluating competing proposals, great care will have to be taken in the preparation of the RFP document. The expertise provided by the consultant will be very important in this regard. Assuming a recommendation regarding consulting services is considered in April, a worksession will be scheduled thereafter to receive Council input and direction regarding which service components to include in the RFP. It is anticipated the worksession can be scheduled this Summer, and the RFP released in late Fall or early Winter. Finally, it is expected that a recommendation regarding a preferred provider can be presented in the Spring/Summer of 2007. A more precise timetable will be developed with the assistance of the consultant.

Prepared by:



Alex Ameri, Deputy Director of Public Works

Recommended by:



Robert A. Bauman, Director of Public Works

Approved by:



Jesús Armas, City Manager

# DRAFT

HAYWARD CITY COUNCIL

RESOLUTION NO. 06 - \_\_\_\_\_

*Mae*

*2/9/06*

Introduced by Council Member \_\_\_\_\_

**RESOLUTION EXERCISING THE OPTION TO EXTEND BY ONE YEAR THE CURRENT FRANCHISE AGREEMENT FOR SOLID WASTE AND RECYCLING SERVICES WITH WASTE MANAGEMENT OF ALAMEDA COUNTY**

BE IT RESOLVED by the City Council of the City of Hayward that the City Manager is hereby authorized and directed to exercise the option to extend the current franchise agreement for solid and recycling services with Waste Management of Alameda County by one year (to May 31, 2008).

BE IT FURTHER RESOLVED that the City Manager is hereby authorized to develop a request for proposals for collection and disposal services.

IN COUNCIL, HAYWARD, CALIFORNIA \_\_\_\_\_, 2006

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:  
MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS

ABSENT: COUNCIL MEMBERS

ATTEST: \_\_\_\_\_  
City Clerk of the City of Hayward

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney of the City of Hayward