TO: HONORABLE CITY COUNCIL
FROM: CITY MANAGER
DEPARTMENT: PUBLIC WORKS
DATE: JULY 21, 2008
CMR: 311:08

SUBJECT: APPROVAL OF AMENDMENT NO. ONE TO REFUSE ENTERPRISE FUND CONTRACT NO. C07119835 WITH HF&H CONSULTANTS IN THE ADDITIONAL AMOUNT OF $20,323 FOR SERVICES RELATING TO THE BEST AND FINAL OFFER PROCESS FOR THE NEW SOLID WASTE, RECYCLING, AND ORGANICS SERVICES AGREEMENT

RECOMMENDATION
Staff recommends that Council approve and authorize the City Manager or his designee to execute Amendment No. One to Contract No. C07119835 with Hilton Farnkopf & Hobson (HF&H) Consultants (Attachment A) to increase the compensation an additional amount not to exceed $20,323 to provide services relating to the Best And Final Offer process for the new solid waste, recycling, and organic services agreement. The total compensation shall not exceed $225,487 with these proposed additional services.

BACKGROUND
In March 2007, Council approved Contract No. C07119835 with HF&H Consultants (HF&H) (CMR: 154:07) to assist the City in the solicitation process for a new solid waste and recyclable services agreement. Staff has been working with HF&H in researching and developing recommendations for the Request for Proposals (RFP), creating the RFP documents for release, and analyzing the proposals and costs received.

In July 2007, Council adopted a Code of Conduct relating to the procurement process for the waste hauling contract. Resolution 8734 discourages councilmembers from conducting non-public meetings or conversations with potential proposers and requires that any such non-public meetings be disclosed within 30 days of the meeting. In accordance with this adopted Council policy and in accordance with purchasing best practices, a series of public meetings have been conducted to gather Council and community input on this significant procurement.

At the June 23, 2008 Council meeting, Council gave direction on the level of services to be included in the new solid waste, recycling, and organic services agreement. On August 4, 2008, staff will return to Council to report on the evaluation and ranking of the two proposals and to request a recommendation on the company with whom staff should negotiate a final agreement.
Staff then plans to return in September 2008, with a recommendation for approval and execution of the final agreement. New services are scheduled to begin July 1, 2009.

**DISCUSSION**
In order to lower costs and reduce the rate impact to customers, the Steering and Advisory Committee working on the new agreement decided to request a Best and Final Offer (BAFO) from the two proposers. The BAFO request provides the proposers with an opportunity to further refine their proposals and costs. It also provides an additional opportunity to maximize the competitive process between the proposers, thereby creating potential additional savings to the City.

The BAFO request is an extra step in the solicitation process that was not previously anticipated and results in the postponement of taking to Council the ranking of proposers and recommendation from July to August 2008. The BAFO process also affects the contract with HF&H because it is an additional step that was not in the original scope of work and therefore requires Council authorization for amending the contract. Amendment No. One (Attachment A), to contract CO7119835 provides for additional analysis and support needed from HF&H to review the BAFO from proposers and to analyze the BAFO impact on proposed costs for services.

**RESOURCE IMPACT**
Funds for this contract amendment are available in the Refuse Fund Budget.

**ENVIRONMENTAL REVIEW**
This is not a project under Section 21065 of the California Environmental Quality Act (CEQA). The City is preparing an environmental assessment in connection with award of the waste hauling contract.

**ATTACHMENTS**
Attachment A: Amendment No. One to Contract No. C07119835

PREPARED BY: ________________________________
PAULA BORGES FUJIMOTO
Executive Assistant

DEPARTMENT HEAD: ________________________________
GLENN ROBERTS
Director of Public Works

CITY MANAGER APPROVAL: ________________________________
KELLY MORARIU and STEVE EMSLIE
Deputy City Managers