TO: HONORABLE CITY COUNCIL
FROM: CITY MANAGER DEPARTMENT: PUBLIC WORKS
DATE: SEPTEMBER 15, 2008 CMR: 371:08
SUBJECT: UPDATE ON THE NEGOTIATIONS FOR A NEW AGREEMENT FOR SOLID WASTE, RECYCLING AND ORGANICS SERVICES

This is an informational report and no Council action is required.

BACKGROUND
The current agreement with the Palo Alto Sanitation Company (PASCO) to collect and transport solid waste and recyclables within the City of Palo Alto will end on June 30, 2009. The procurement process for a new agreement began in February 2008 with the release of the Request for Proposals (RFP). On May 5, 2008, proposals were received from two qualified companies: GreenWaste of Palo Alto (GreenWaste) and Norcal Waste Systems of Palo Alto.

At the Council meeting on June 23, 2008 (CMR:256:08), Council provided direction on the level of services to be included in the new agreement based on initial estimated highest cost impacts and projected annual diversion of materials.

On August 4, 2008 (CMR:329:08), Council approved staff’s recommendation to negotiate an agreement with GreenWaste to provide solid waste, recycling and organics services based on a comparison of proposers, services and cost impacts. This report provides an update on the negotiation process with GreenWaste.

DISCUSSION
Negotiations with GreenWaste are progressing smoothly as both City and GreenWaste staff meet regularly and work through a multitude of details to incorporate in the new agreement. Staff has met with GreenWaste 8 times since August 4th, and continues to meet at least twice weekly. These negotiations have focused on incorporating the following technical and procedural details into the final scope of work:

- Operation of the Drop-off Recycling Center;
- Use of the Geng Road Site;
- Use of the PASCO vehicles;
- Implementation of Zero Waste services;
- Transition Plan;
- Integration with the City’s new SAP billing system; and
- Incentive and disincentive clauses for new program diversion attainment.
The original schedule contemplated Council approval of the new contract in September. Both staff and GreenWaste have agreed that additional time is required to finalize the contract items and that it will not affect the transition timeline. Staff plans to return to Council next month with a recommendation for approval and execution of the final agreement. That action is now tentatively scheduled for October 6th, pending final resolution of the above listed items. New services are scheduled to begin July 1, 2009.

**POLICY IMPLICATIONS**
This report does not represent changes to existing City policies.

**ENVIRONMENTAL REVIEW**
This report is not a project under the California Environmental Quality Act (CEQA) and an environmental review is not necessary.

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