

Solid Waste Rate Setting and Audit Consultant Services Questions and Answers

Who are the permitted commercial haulers currently working in Elk Grove?

Aces Waste Services
Allied Waste Services
Atlas Disposal Industries
CA Waste Recovery Systems
Elk Grove Waste Management
Mini Drops
North Cal Hauling
North West Recyclers
Patrick's Construction Clean-Up
Quality Construction Cleanup
Waste Management
Waste Removal & Recycling

The RFP states "...the consultant will work with local jurisdictions which may include the City of Sacramento, the County of Sacramento, the Cities of Rancho Cordova, Citrus Heights, Folsom, West Sacramento, and Galt". In conducting the audit, what work will be done in conjunction with these jurisdictions?

The City of Elk Grove will serve as the lead agency. Participating agencies are to be extended the same terms and conditions as provided to the City. Participating agencies will issue their own specific contract or memorandum of understanding to secure services. Other local jurisdictions may elect to sign a contract based on our contract for similar work, and potentially the consultant selected will audit the same haulers during the same audit period for each jurisdiction that elected to participate in the audit. Each jurisdiction will decide to participate or not independent of the City of Elk Grove with the consultant firm independently.

Who is doing the commercial hauler audits for the jurisdictions the selected consultant will work with (City/County of Sacramento, Cities of Rancho Cordova, Citrus Heights, Folsom, West Sacramento, and Galt).

Local jurisdictions may elect to work together to audit the same hauler during the same time period. The consultant will then review all documents for the commercial hauler for more than just the City of Elk Grove. Jurisdictions interested in participation are solely making that decision of each location. An audit may be only the City of Elk Grove or it may be six jurisdictions working together. Each jurisdiction will have their own contract with the consultant.

Does the City have a schedule or deadlines for each task? If not, does it have desired commencement and conclusion dates for the entire project?

The time period related to work products for the annual rate increase connected to Allied Waste's residential Franchise Agreement are defined and all the work will need to be completed in order to

comply with all the Prop 218 notification requirements. Timeframes for the other tasks will be jointly developed as the work is assigned.

Did the City use a consultant to prepare its Source Reduction and Recycling Element following its incorporation?

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Did the City use a consultant to assist in the preparation of the RFP for solid waste collection/disposal/recycling services and/or the negotiation of the contract? If so, who did you use?

Legal Counsel was Constance Hornig, Attorney at Law. A number of consultants are working, or have worked, on the PHHWCF and MRF, including: Winzler & Kelly for engineering services; HDR/BVA for site identification, analysis, and recommendations; and EDAA, Inc., to draft the EIR associated with the Transfer Station long range planning project. We also have KNN as bond advisors.

What firms have received this Request for Proposal?

The City has posted the RFP on its website, so it is unknown how many firms may consider submitting a proposal. Certain firms known to provide these services were contacted, including Richardson and Company, R3, EMCON, SCS Engineers, Willdan Financial Services, HF& H and RW Beck.

In Task 1.6, you make the statement, "In brief review, the City bills customers bimonthly in advance while BFI invoices the City monthly in arrears." Can you explain BFI's role in more detail and how they factor in to this contract between the City and Allied?

BFI is ALLIED Waste.

The City of Elk Grove calculates and processes the payments to ALLIED for Solid Waste each month in the following manner:

Each time the City bills (in odd numbered months), the City will take the billed revenue for that two-month period and subtract the adjustments from the prior two months to get the total revenue. The City does this to accurately reflect the flow of revenue. Since the City bills two months in advance, credits and adjustments do not get processed until the next bill cycle is run.

Example: July 1st -- The City bills for July/August. The City will then subtract the May/June adjustments from the July/August revenue.

The payment amount will only adjust every two months along with the customer counts. The City's customer count only truly changes when they go through a billing. The City enters the new starts into their system so they can receive them, but they do not actually bill until the City runs the next bill cycle.

This method creates level payments that will be easier for both parties to track. The level payments are dependent on accurate data in each database. If a periodic audit finds that data is not correct in either parties' database, then a large number of changes will upset the level payments.

The City uses different rate codes in their billing system than ALLIED uses in their invoice system. ALLIED converts their rate codes to the City codes on the Invoice File. The number of customers included in the City's billings and the ALLIED invoices do not match. Often, addresses are included in one system and are not included in the other. The City pre-pays ALLIED for miscellaneous services provided to customers and then charges customers on the next bill cycle. All of these factors increase the likelihood of an error between the systems. The Audit function looks at the reconciliation between the two parties

Is Allied reporting that the 40% diversion requirement is being accomplished?

Yes, for the residential sector.

Does the community seem satisfied with the services provided and the rates charged?

Yes.

Does the City intend on soliciting for competitive proposals for solid waste collection, transportation, processing and marketing of recyclables upon the expiration of this agreement in 2011?

The City is in the process of concluding an extension to the residential services contract with Allied until 2018. The City considered changing to an exclusive commercial franchise system for collection in early 2009, but the City Council directed staff to continue with the current non-exclusive commercial arrangement in the City of Elk Grove. The City currently manages a registration system that allows haulers to provide business and commercial collection services in the City, but this will be changed to a non-exclusive Franchise Agreement in the future.

How should the budget for Tasks 1.6 be estimated since this service would only be performed when requested but such requests may occur periodically during the project term?

These cost would be handles as a negotiated lump sum on a per occurrence basis.

How many scenarios might be modeled in Task 2 and can you describe them?

Initial considerations would likely include 4 scenarios (or some other scenarios may develop):

- 1) the City moving forward to build the PHHWCF at our current Corp yard
- 2) the City could purchase land for just the PHHWCF and build the PHHWCF on a smaller parcel of land
- 3) the City could purchase all 20 acres and just build the PHHWCF and wait with the other land until the economy improves
- 4) the City could purchase all 20 acres and build the entire complex within the next four years.

What firms have been asked to submit a proposal?

The City has posted the RFP on its website, so it is unknown how many firms may consider submitting a proposal. Certain firms known to provide these services were contacted, including Richardson and Company, R3, EMCON, SCS Engineers, and RW Beck.

What consultant has the City been using for solid waste management services similar to those described in this RFP, the PHHWCF and the MRF?

The City has contracted with Richardson and Company, and the County of Sacramento to perform commercial hauler audits in the past. R3 has been reviewing the calculations of the annual rate increase to Allied. A number of consultants are working, or have worked, on the PHHWCF and MRF, including: Winzler & Kelly for engineering services; HDR/BVA for site identification, analysis, and recommendations; and EDAW, Inc., to draft the EIR associated with the Transfer Station long range planning project. We also have KNN as bond advisors.