



County of Monterey

Item No.

Board Report

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Legistar File Number: 24-481

June 25, 2024

Introduced: 6/13/2024

Current Status: Agenda Ready

Version: 1

Matter Type: General Agenda Item

- a. Receive a summary report on the analysis and recommendations regarding the Unified Franchise Agreement for solid waste collection and hauling in the unincorporated areas of Monterey County; and
- b. Provide direction to staff regarding next steps.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Receive a summary report on the analysis and recommendations regarding the Unified Franchise Agreement for solid waste collection and hauling in the unincorporated areas of Monterey County; and
- b. Provide direction to staff regarding next steps.

SUMMARY/DISCUSSION:

In 2010, the County entered into an agreement with Waste Management, Inc. for exclusive solid waste collection and hauling services within the boundaries of the unincorporated areas of the county. This agreement, known as the Unified Franchise Agreement (UFA), includes a term of ten years with the option to extend for five additional years. This option to extend was exercised in 2020 and the agreement current term end date is June 30, 2025. Monterey County Code Section 10.4.090 established the term limit for solid waste collection and hauling services:

10.41.090 Franchise agreement.

- A. The Board may grant to persons the exclusive rights to collect solid waste within specific areas and to deliver all collected solid waste to a designated facility for disposal by means of a franchise agreement. The franchise agreement shall provide specific terms for the operation of the franchise, including the duration of the franchise, which shall not exceed fifteen (15) years, and the payment of a franchise fee. Unless otherwise expressly provided in the terms of the franchise agreement, the provisions of this Chapter, including obtaining a permit, apply to any franchise agreement approved pursuant to this Section.
- B. The Board may only approve a franchise agreement, or renew a franchise agreement, after an open and competitive process for the award of a franchise agreement is completed as follows:
 1. On approval by the Board, the County will solicit proposals from persons engaged in the collection of solid waste. Prior to the issuance of requests for proposals, the Director of Health Services shall establish objective criteria to be used in evaluating and selecting the preferred person. The request for proposals shall include the criteria. The Director of Health Services or designee shall review all proposals and make such investigations, as the Director of Health Services deems necessary and

- appropriate to ensure that cost effective, quality service will be provided.
2. The Director of Health Services shall review and evaluate the proposals and recommend to the Board which, if any, proposer should be granted the franchise agreement. Upon the basis of the level of service proposed, proposed service fee, any historical evidence as to the quality of service, other evidence submitted and the results of any investigation, the Director of Health Services shall make a finding on the qualifications of each proposer. The Director of Health Services or designee shall recommend to the Board who should be granted the franchise agreement on the basis of his or her findings.

The Health Department-Environmental Health Bureau (EHB) as the Administrator of the UFA, contracted with an industry consultant to provide analysis of current services provided under the UFA, including the services and programs encompassing administrative, legal, and financial obligations and offer options to facilitate the decision-making process addressing a new franchise and agreement. The Executive Summary of this analysis is included with this staff report and is summarized by three options as follows:

Option One: Default Request For Proposal (RFP). Proceed with the release of an RFP for circulation within the region for prospective firms wishing to serve the county.

Option Two: Two (2) tiered Request For Quote/Bid by invitation only. Tier One: Proceed with the release of a request for qualifications (RFQ) that may be extended to any firm(s) of interest to the county, by invitation only, as the pre-qualifier for a potential opportunity to submit proposed rates. Tier Two would request Price Bids from those qualified through Tier One.

Option Three: Negotiate with incumbent franchisee. Resolve to adopt this alternative course of action at the earliest possible time cognizant of its advantages while remaining mindful that this option will necessitate that the maximum of 15 years franchise term be lifted by ordinance to allow the freedom required to engage in good faith negotiations for the enactment of a successor franchise.

The analysis summary recommendation is to consider adopting Option Three, as a viable alternative and the best potential option at this time, based on its merits as well as the recent RFP results experienced by Salinas Valley Solid Waste Authority and subsequent abandonment of its RFP.

The Director of Health Services and staff concur with the recommendation of Option Three, as the current franchisee has had a proven record of consistent delivery of services, responsiveness in times of emergencies and fair rates, as well as the investment of time and resources required of an RFP. Staff request the Board's direction regarding next steps.

This work supports the County of Monterey Health Department 2018-2024 Strategic Plan Goal(s) 2. enhance community health and safety through prevention. It also supports the following of the ten essential public health services, specifically, 6. enforce laws and regulations that protect health and ensure safety.

OTHER AGENCY INVOLVEMENT:

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The Office of County Counsel has reviewed this report.

FINANCING:

There is no impact to General Fund from approval of this action as no expenditures will be incurred. Provision has been made in the FY2024-25 Requested Budget for a potential resulting agreement.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Check the related Board of Supervisors Strategic Initiatives:

Economic Development:

- Through collaboration, strengthen economic development to ensure a diversified and healthy economy.

Administration:

- Promote an organization that practices efficient and effective resource management and is recognized for responsiveness, strong customer orientation, accountability, and transparency.

Health & Human Services:

- Improve health and quality of life through County supported policies, programs, and services; promoting access to equitable opportunities for healthy choices and healthy environments in collaboration with communities.

Infrastructure:

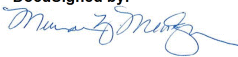
- Plan and develop a sustainable, physical infrastructure that improves the quality of life for County residents and supports economic development results.

Public Safety:

- Create a safe environment for people to achieve their potential, leading businesses and communities to thrive and grow by reducing violent crimes as well as crimes in general.

Prepared by: Robin Kimball, Management Analyst III, 796-1297

Approved by:

DocuSigned by:

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Date 6/17/2024 | 8:53 AM PDT

On behalf of Elsa Mendoza Jimenez

Elsa Mendoza Jimenez, Director of Health Services, 755-4621

Attachment:

Board Report

2023 Franchised Solid Waste Program Review Executive Summary

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