

## Introduction

In November 2007, the SBWMA issued a Request for Proposals to provide collection of solid waste (garbage), recyclable materials, and organic materials (yard trimmings and food scraps) and related services to the Member Agencies. Proposals were received in March 2008 and Recology San Mateo County (RSMC) was selected by the SBWMA Board of Directors as the contractor to provide new collection services commencing on January 1, 2011, upon expiration of the current Franchise Agreements with Allied Waste/Republic Services. The SBWMA subsequently assisted the Member Agencies with negotiating Franchise Agreements and these were then executed with the new collection services scheduled to commence on January 1, 2011. The term of the Franchise Agreements is ten years until December 31, 2020.

In order to effectively inform Member Agency representatives of the terms of the Franchise Agreements, SBWMA has prepared fourteen (14) documents summarizing the key sections of the Franchise Agreements. The format for the individual document summaries varies depending upon the contract provisions being summarized. For most of the summaries, the format includes the description of the services, Member Agency responsibilities, RSMC responsibilities, SBWMA responsibilities, the costs associated with the service, and the practical implications of the applicable Franchise Agreement provisions.

This Executive Summary is intended to provide a broad overview of the contract provisions described in the individual summary documents, as identified below. The summaries included in this binder are meant to be informational and should not be relied on to make any legal determinations by the Member Agencies, RSMC, SBWMA or the public. The specific Franchise Agreement for the respective Member Agency should be the sole source of reference for these types of determinations.

## Contents

The following are the individual summary documents prepared for the key provisions of the Franchise Agreement. The summaries are numbered 1 through 14. The title of each individual summary is followed by the specific section or sections of the Franchise Agreement summarized.

1. Executive Summary
2. Scope of Core Collection Services (Section 5.02 through 5.06)
3. Scope of Supplemental Collection Services (Section 5.07 through 5.14)
4. Brief Summary of Key Roles and Responsibilities of Agency and RSMC (Various Sections)
5. Service Standards (Article 8)
6. Summary of Annual Due Dates and Milestones (Various Sections)
7. Contract Compliance Checklist (Various Sections)
8. Scope of Monthly, Quarterly and Annual Reports (Article 9)
9. Customer Service and Public Education Campaign (Sections 7.02 and 7.03)
10. Commercial Recycling Program (Sections 7.04, 7.05 and 7.06)
11. Events Recycling (Section 5.08 and Attachment C)
12. Performance Incentives and Disincentives (Article 9 and Attachment I)
13. Liquidated Damages (Article 9 and Attachment J)
14. Contractor's Compensation and Annual Rate Setting (Articles 10 and 11, Attachments K and N)

## 2. Scope of Core Collection Services (Section 5.02 through 5.06)

**Description of the Service:** The scope of core collection services includes regular weekly collection of recyclables, organics (yard trimmings and food scraps) and solid waste (garbage) by RSMC. These core services include bulky item collection services for residents (twice annually) and agencies (annually). These services are described in detail in the sections of the Franchise Agreement identified below:

1. Solid Waste Collection (Section 5.02)
2. Targeted Recyclable Materials Collection (Section 5.03)
3. Organic Materials Collection (Section 5.04)
4. Single-Family and Multi-Family Twice Annual On-Call Curbside Bulky Item Collection Service (Section 5.5)
5. Agency Facility Annual On-Call Bulky Item Collection Service (Section 5.6)

## 3. Scope of Supplemental Collection Services (Section 5.07 through 5.14)

**Description of the Service:** The scope of supplemental collection services includes programs and services provided by RSMC other than the core collection services (i.e., regular weekly collection of recyclables, organics [yard trimmings and food waste], and solid waste [garbage]). These supplemental programs and services include some that are provided on an ongoing basis at no additional cost (e.g., abandoned waste cleanup) and others that Member Agencies must subscribe to (e.g., a second document destruction event) or offer to provide its residents (e.g., a third or more on-call bulky item pick up) that will be provided for the costs specified. These services are described in detail in the sections of the Franchise Agreement identified below:

1. Confidential Document Destruction Service Event (Section 5.07)
2. Collection for Large Venues and Events (Section 5.08)
3. Abandoned Waste Cleanup Collection Service (Section 5.09)
4. Coats for Kids Program (Section 5.10)
5. Compost Give-Away (Section 5.11)
6. Fee for Service On-Call Bulky Item Collection (Section 5.12)
7. Community Drop-Off Events (Section 5.13)
8. Week-Long Agency-Wide Bulky Items Collection Service Event (Section 5.14)

## 4. Brief Summary of Key Roles and Responsibilities of Agency and RSMC (Various Sections)

**Description:** The summary of the key roles and responsibilities of the Member Agencies and RSMC identifies the general responsibilities outlined in Articles 5 through 11 of the Franchise Agreement, as identified below:

1. Collection Services (Article 5)
2. Transportation (Article 6)
3. Other Services (Article 7)
4. Requirements for Operations, Equipment and Personnel (Article 8)
5. Record Keeping and Reporting (Article 9)
6. Franchise Fee and Other Fees (Article 10)
7. Contractor's Compensation, Pass-Through Costs, and Rates (Article 11)

## 5. Service Standards (Article 8)

**Description:** The service standards included in the Franchise Agreement identify the specific service requirements to be provided by RSMC in their provision of collection services. These standards apply to the collection hours, vehicles, containers, personnel and other collection provisions, as described in detail in the sections of the Franchise Agreement identified below:

1. Collection Hours and Schedules (Section 8.01)
2. Collection Standards (Section 8.02)
3. Unloading Materials at the Designated Transfer and Processing Facility (Section 8.03)
4. Vehicles (Section 8.04)
5. Containers (Section 8.05)
6. Personnel (Section 8.06)
7. Hazardous Waste Inspection and Handling (Section 8.07)
8. Communication and Cooperation with Agency (Section 8.08)
9. Cooperation with Designated Transfer and Processing Facility Operator (Section 8.09)
10. Buy-Recycled Policy (Section 8.10)
11. Annual Performance Hearing (Section 8.11)

## 6. Summary of Annual Due Dates and Milestones (Various Sections)

**Description:** The term of the Franchise Agreement is from January 1, 2011 to December 31, 2020. During the term of the Franchise Agreement, a number of annual due dates and milestones are identified for RSMC, Member Agencies and SBWMA. These milestones and annual due dates are described in detail in the following sections of the Franchise Agreement:

1. Potential Franchise Agreement Extension (Section 3.03)
2. Customer Billing Review (Section 7.01[E])
3. Customer Service Operations Plan (Section 7.02[J])
4. Public Education and Promotion (Section 7.03[B])
5. Carbon Footprint Measuring (Section 7.10)
6. Annual Route Assessment (Section 7.12)
7. Collection Hours and Schedules (Section 8.01[B])
8. Vehicle Inventory and Operations (Section 8.04[D and F])
9. Annual Performance Hearing (Section 8.11)
10. Annual Reports (Section 9.07)
11. Annual Revenue Reconciliation Process (Section 11.03)
12. Annual Compensation Application (Section 11.04)
13. Rate-Setting Process (Section 11.07)
14. Faithful Performance Bond (Section 13.04)

## 7. Contract Compliance Checklist (Various Sections)

**Description:** The contractor compliance checklist identifies the key contractor compliance requirements related to the provision of solid waste, targeted recyclable materials collection, organic materials collection, and other services identified in the Franchise Agreement.

## 8. Scope of Monthly, Quarterly and Annual Reports (Article 9)

**Description:** The record keeping and reporting requirements of Article 9 identify the general record keeping provisions and monthly, quarterly and annual reporting requirements identified in the Franchise Agreement.

## 9. Customer Service and Public Education Campaign (Sections 7.02 and 7.03)

**Description:** The customer service component of the Franchise Agreement identifies the professional level of customer service expected to be provided by RSMC in their daily interactions with their customers. The public education and promotion services include maintaining a high level of public education and awareness regarding the solid waste services and diversion goals of the Member Agencies, as described in the sections below:

1. Customer Service (Section 7.02)

2. Public Education and Promotion (Section 7.03)

## 10. Commercial Recycling Program (Sections 7.04, 7.05 and 7.06)

**Description of the Service:** The commercial recycling program scope of services includes a commercial recycling promotion program and a multi-family recycling promotion program that will be implemented by RSMC. RSMC will also be responsible for providing the supporting data necessary for Member Agencies and SBWMA to periodically prepare waste generation/characterization studies that identify the composition and contamination levels of collected materials. The recycling program is described in detail in the sections of the Franchise Agreement identified below:

1. Commercial Recycling Promotion Program (Section 7.04)
2. Multi-Family Recycling Promotion (Section 7.05)
3. Waste Generation/Characterization Studies (Section 7.06)

## 11. Events Recycling (Section 5.08 and Attachment C)

**Description of the Service:** This service requires RSMC to comply with the recycled material purchasing requirements identified in the Franchise Agreement. This service is described in detail in Section 5.08 of the Franchise Agreement.

## 12. Performance Incentives and Disincentives (Article 9 and Attachment I)

**Description:** The performance incentives and disincentives provisions of the Franchise Agreement provide financial incentives for RSMC to provide excellent services consistent with the terms and performance standards of the Franchise Agreement. These provisions are described in detail in the sections of the Franchise Agreement identified below:

1. Determination and Payment of Performance Incentives and Disincentives (Section 9.06 P and Section 9.07 G)
2. List of Performance Incentives and Disincentives (Appendix I)

## 13. Liquidated Damages (Article 9 and Attachment J)

**Description:** The liquidated damages provisions of the Franchise Agreement require RSMC to pay fees associated with non-compliance with the performance standards of the Franchise Agreement. These provisions are described in detail in the sections of the Franchise Agreement identified below:

1. Quarterly and Annual Reports - Determination and Payment of Liquidated Damages (Section 9.06 G and Section 9.07 F)
2. List of Non-Performance Events (Section 14.07 and Appendix J)

## 14. Contractor's Compensation and Annual Rate Setting (Articles 10 and 11, Attachments K and N)

**Description of the Service:** Articles 10 and 11 identify the franchise fee payment, contractor's compensation and annual rate adjustment process. The payment by RSMC of franchise fees and other fees to Member Agencies is required for Member Agencies to recover the costs of services related to solid waste management, recycling, and cleanliness of public streets. RSMC's compensation includes three components: annual cost of operations, profit, and contractor pass-through costs. The compensation provisions identified in Article 11 and Attachments K and N of the Franchise Agreement identify the process for determining RSMC's compensation based on these three components and an annual rate adjustment process.