

SENT VIA EMAIL

April 19, 2017

Kristina Owens
Administrative Operations Manager
Town of Windsor, and

The Honorable Dominic Foppoli,
Vice Mayor
Town of Windsor, and

Richard Tagore-Erwin
R3 Consulting Group, and

Councilmembers:
Mark Millan
Bruce Okrepkie

Linda Kelly
Town Manager
Town of Windsor, and

Sam Salmon
Town of Windsor, and

The Honorable Deborah Fudge
Mayor
Town of Windsor, and

Robin Donoghue
Town Attorney
Town of Windsor

Recommendation for Award of Proposed Collection Service Agreement for Exclusive Residential and Commercial Garbage, Recyclable Materials, and Organic Waste Collection Services

Dear Ms. Owens, Mr. Tagore-Erwin, Ms. Kelly, Ms. Fudge, Mr. Foppoli, Mr. Millan, Mr. Okrepkie, Mr. Salmon, and Ms. Donoghue:

Sonoma County Resource Recovery, LLC (SCRR) is comprised of leading Northern California waste services companies Marin Sanitary Service, South San Francisco Scavenger, Garden City Sanitation, and the Walbridge Group, which have roots dating back well over 100 years. We brought our unrivaled experience and came together to create an environmentally and financially sustainable waste services program specifically for Windsor. We thoughtfully responded to the Town's *RFP* service specifications with great care, developing and putting forward a quality proposal featuring world class services delivered efficiently, safely, economically, and with integrity.

The idea of submitting a proposal that revolves primarily around quality is both central to our ethos and in this case, we believed it essential to be truly responsive to Windsor's *RFP*. The result was a proposal that is not in every area cheapest, but by all accounts, as evidenced through the scoring presented by staff, is the best.

Both sides, well into the post-proposal process, negotiated in good faith. We believed that by continually doing as asked and meeting every compromise, we would have the ability to continue working with the Town to refine and finalize service offerings and rates. After we completed what we thought were the final negotiations, we were surprised to find we were not the recommended service provider. The final decision was based purely on price.

As you can see in staff's report included in your council packet, our proposal was ranked highest by considerable margins in all but one category, and best overall. Our proposal delivers a competitive, economical solution that also meets the specific needs of your community.

In reviewing all relevant documentation including the staff report, our competitor's proposal, and our own, we would like to draw your attention to the following distinctions to help you with the important decision you have before you. These are just a few of the reasons we believe you should make a decision in favor of our proposal, a decision that honors your process and desired outcomes, tonight.

Based in Windsor

Our proposal features an office and operations base in Windsor. We worked with Bill Den Beste to identify property to park our trucks, house our employees, and have an adequate place to receive our Windsor customers, in Windsor. For Windsor, this means:

- Through tax revenues and local spending, we will support the community we work and live in. We intend, as stated in our proposal, to utilize Windsor vendors to purchase parts, supplies, and services to the greatest possible extent. We are excited to become a part of your community and will support it 100 percent.
- Both our proposed Operations Manager and our Outreach Specialist are longtime Windsor area residents and highly qualified.
- We are not contracting out street sweeping services. We will buy or lease our own street sweepers and create more good jobs in Windsor. Those sweepers will be parked in our Windsor yard, dedicated to Windsor operations and ready to dispatch immediately during storms, other emergencies, and after Windsor events.
- Windsor will have its own dedicated website. The Town will have lots of input into the look, feel, and functionality of its website, which will be continually refreshed as needed.

Education

Our approach to recycling and waste diversion begins with education. We introduced a holistic, customer-centric approach to outreach and education, grounded in experience, proven effective, and launched in close collaboration with the Town. We consider face-to-face interaction with our customers the best way to ensure a high level of service, satisfied customers, high diversion, and low contamination rates. A few of the many stand-out initiatives we will provide include:

- Initial outreach materials and all collateral are specific to generator type, i.e. single-family residential, multi-family, and commercial.
- Our outreach program starts this summer with a professional booth staged at Town events, such as the Farmer's Market to get the word out about the transition and what to expect and meet our customers.
- We will provide recycling technical assistance to every multi-family and commercial business in Windsor. We will meet with each customer, examine their waste generation rates, waste stream composition, and site parameters to propose the best solution which also will dramatically increase resource recovery participation from the outset of the program.
- Our program features a fun, tried and true school assembly program.
- Our initiatives are designed to bring Windsor into compliance with all State mandates, including AB 939, AB 341, AB 818, AB 1826, and others.
- We noticed that the recommended proposer included customer initiatives that include the levy of fines on Windsor's residential, multi-family, and commercial customers for contamination and

overages after the second occurrence, as well as mandatory service level increases, but it doesn't appear that revenues from these activities are reflected in their revenue targets.

- The distinction between this approach and our own is that our comprehensive outreach program is designed to produce cleaner material streams up-front, without any need for backend fines. We don't fine our customers, require service increases for minor or occasional infractions, or disbar them from receiving service; we educate, train, and communicate with them.

Operational Considerations

- The data available through the *RFP* was not entirely accurate as acknowledged by staff and consultants.
- We are very confident about our projected volumes due to the thorough investigation we made of existing routes—including route shadowing, landfill tonnages, and personnel interviews.
- With respect to the above, it is worth noting that the current contractor's proposed rates are quite high. This is likely due to a reconciliation with real material volumes collected. However, as documented in the staff report, the recommended proposer's operational assumptions relating to material volumes are significantly less than ours. This carries considerable risk.
- Whether now or in the future, Windsor must reconcile rates to material volumes collected and services provided. Our approach—with rates based more closely on actual volumes, a holistic program of upfront customer communication, and the provision of tools to customers to reduce and manage materials—will produce a more sustainable program of which everyone can be proud.
- Our team has experience transitioning a contract from your outgoing service provider. We provided a detailed plan for building a customer database based in that experience. We also have successfully implemented larger contracts in the same amount of time. We are best prepared to tackle this job.
- Differing considerably from your current provider, our routes make drivers whole without making them work extensive overtime. We've done this through employing more routes, fewer routes hours per driver, and higher driver wages. We have modeled all routes on not more than nine-hour work days. This also increases safety.
- The *RFP* stated a parameter relating to technology: "...provide services that are easily able to be tracked."
 - Unlike the recommended proposer, SCRR's sophisticated on-route data capture technology integrates with its back-office operations so that performance verification can be known the same day; no back-end reporting or manipulation of data is required.
 - This level of transparency and accountability is easily increased through granting Town staff a portal so that staff can observe our route activity at any time.

Reduced Carbon Emissions and Street Wear and Tear

- Our roundtrip to Marin Recycling Center is only 70 miles.
- We use mapping software combined with extensive route checking and balancing to create highly efficient routes.
- We propose all new equipment and have never proposed placing minimally refurbished equipment into service in any contract.
- Our original proposal included not only CNG collection vehicles, but also the siting and development of a CNG fueling station with public access in Windsor. This was removed as the conversation over lowering rates began.

Recycling Processing Capacity

- SCRR has several other recycling processing facilities that its affiliates control which will provide redundancy and contingency processing capacity. These are named in our proposal.
- Our partner, Marin Sanitary Service, through its Marin Recycling Center, is known for its thorough approach to processing operations and pristine material streams. The Company is also known for the strong influence its processing operations had on the formation of California's landmark recycling legislation, AB 939.

Rates

- There are distinctions to be made between cost, price, and rate-making. In this particular approach, the consultant asked us to propose rates. We have done our best to do so, but final rate-making has yet to be done. The rates you see in the staff report are proposed rates that can surely be further refined based upon Town sensitivities.
- As shown in the staff report, our rates in many cases are lowest.
- Where our rates most diverge is with respect to commercial recycling. There are many potential challenges to be aware of associated with low or no recycling charges:
 - When recycling is free or significantly lower than waste collection, customers minimize waste collection and subscribe to higher levels of recycling collection, effectively pushing waste into recycling containers, generating high contamination rates. This goes against the stated policy of the Town's ten percent residual waste target. We took that parameter seriously and generated a program that will produce ten percent or less of residual waste in the recyclable materials stream.
 - When recycling markets enter a down-cycle, these programs and associated rates often become unsustainable financially, and either a rate review is requested to compensate or sometimes—in absence of the ability to do that—the contractor will dump the contract and leave town.
 - Our proposal includes dual-stream recycling and the use of split carts to ensure a quality material stream. This approach increases rate stability assures our materials maintain price and access to markets even during market down-turns.

In summary, we read deeply into the Town's requests. We answered those requests with a quality proposal to ensure Windsor will have sustainable program without extraordinary rate increases that will make the Town proud, a contractor who will truly be based in Windsor, a transparent contractor with high integrity and environmentally clean and compliant operations, whose performance verification is automated, a contractor whose assumptions are based on the most solid data available, a contractor who will conduct a holistic, proactive customer education campaign beginning this summer and continuing consistently throughout the contract term.

We are asking the Town Council to please direct staff to finalize the subject contract with our company, Sonoma County Resource Recovery, LLC. We appreciate the long hours and effort of your staff to bring this important project this far. It is critical that the Town Council vote for the change its *RFP* sought.

Sincerely,

Kevin Walbridge, President
Sonoma County Resource Recovery, LLC