



City of San Juan Bautista

The "City of History"

AGENDA

CITY COUNCIL MEETING

CITY HALL COUNCIL CHAMBERS
311 Second Street
San Juan Bautista, California

TUESDAY ~ April 17, 2018

In compliance with the American with Disabilities Act, if you need special assistance to attend or participate in the meeting, please call the City Clerk's Office at (831) 623-4661, extension 13 at least 48 hours prior to the meeting.

Any writings or documents provided to a majority of the City Council regarding any item on this agenda will be made available for public inspection at the meeting and in the City Clerk's office located at City Hall, 311 Second Street, San Juan Bautista, California during normal business hours.

1. Call to Order

Pledge of Allegiance
Roll Call

6:00 PM

2. Public Comment

The public may address the City Council on items not on the agenda during the "Public Comment" portion of the meeting. Persons wishing to address the City Council will be limited to three (3) minutes. Because the item is not on the agenda, the City Council can take no action on the matter in this meeting. The City Council will hear all public comments and then, if they so desire, they will make comments, ask for clarifications from staff, or request the item be placed on a future agenda for further discussion and/or action.

3. Consent Items

All matters listed under the Consent Agenda may be enacted by one motion authorizing actions indicated for those items so designated. There will be no separate discussion of these items unless requested by a member of the City Council, a staff member, or a citizen.

- A. Approve Affidavit of Posting Agenda**
- B. Approve Resolution 2018-XX Adopting a Code of Ethics Policy**
- C. Approve Resolution 2018-XX Appointing Michael LaForge as Alternate Representative to the Public Agency Risk Sharing Authority of California (PARSAC) Board of Directors**
- D. Approve Resolution 2018-XX for Photocopier Lease in City Hall**
- E. Adopt Ordinance 2018-04 Revising the Appointment Process for Planning Commissioners**
- F. Approve Resolution 2018-XX Ordering Preparation of an Engineer's Report for Fiscal Year 2018-19 for Valle Vista Landscape and Lighting Maintenance Assessment District No. 1**
- G. Adopt 2016 California Building Codes as the Building Codes for the City of San Juan Bautista**
- H. Approve Resolution 2018-XX Adding City Manager Michael LaForge to the Designated Signers on the City's Bank Accounts at Union Bank**
- I. Waive Reading of Ordinances and Resolutions on Tonight's Agenda Beyond Title**

- 4. Presentations, Informational Items and Reports**
 - A. Peak Day Proclamation**
 - B. Treasurer's Report**
 - C. Monthly Construction Progress Report**
 - D. Fiscal Year 2019 Budget Calendar and Capital Plan Revision 1**
 - E. City Manager's Administrative Report**
 - F. Reports from City Council Appointees to Regional Organizations and Committees**
 - G. Strategic Plan Committee Report**
- 5. Public Hearing Items**
 - A. Consider an Ordinance Adding Chapter "Cannabis Facilities Regulatory Permit" to Title 5 "Public Health, Safety and Welfare" of the San Juan Bautista Municipal Code**
 - i. Staff Report: Deborah Mall, City Attorney
 - ii. Open the public hearing
 - iii. Close the public hearing
 - iv. Possible Action:
Motion to introduce an Ordinance of the City Council of the City of San Juan Bautista adding Chapter "Cannabis Facilities Regulatory Permit" to Title 5 "Public Health, Safety and Welfare" of the San Juan Bautista Municipal Code
- 6. Action Items**
 - A. Consider Franchise Agreement Selection Committee Recommendation to Enter into Exclusive Negotiations with Recology San Benito County for a New Franchise Agreement for Collection of Recyclables, Organics, and Solid Waste**
 - i. Staff Report: Michael LaForge, City Manager
 - ii. Public Comment
 - iii. Possible Action:
Motion to adopt Resolution 2018-XX approving a recommendation to enter into exclusive negotiations with Recology San Benito County for a new franchise agreement for collection of recyclables, organics and solid waste, contingent upon specified conditions.
 - B. Proposal to Charge for Parking at Kathleen Manning's Lots**
 - i. Staff Report: Michael LaForge, City Manager
 - ii. Public Comment
 - iii. Possible Action:
Authorize the City Manager to accept parking fees on private property during special events.
 - C. Permission to Surplus Street Sweeper**
 - i. Staff Report: Michael LaForge, City Manager
 - ii. Public Comment
 - iii. Possible Action:
Motion to approve surplus of a street sweeper.

D. Accept Security Contract with Level One Security

- i. Staff Report: Michael LaForge, City Manager
- ii. Public Comment
- iii. Possible Action:
 - a) Motion to adopt Resolution 2018-XX approving an agreement for security services with Level One and authorize the City Manager to execute the contract.

7. Discussion Items

A. Location of Electric Vehicle Charging Stations in the City

8. Comments

- A. City Council**
- B. City Manager**
- C. City Attorney**

9. Adjournment

AFFIDAVIT OF POSTING

I, TRISH PAETZ, DO NOW DECLARE, UNDER THE PENALTIES OF PERJURY THAT I AM THE DEPUTY CITY CLERK FOR THE CITY OF SAN JUAN BAUTISTA, AND THAT I POSTED THREE (3) TRUE COPIES OF THE ATTACHED CITY COUNCIL MEETING AGENDA. I FURTHER DECLARE THAT I POSTED SAID AGENDA ON THE 11th DAY OF APRIL 2018, AND I POSTED THEM IN THE FOLLOWING LOCATIONS IN SAID CITY OF SAN JUAN BAUTISTA, COUNTY OF SAN BENITO, CALIFORNIA.

1. ON THE BULLETIN BOARD AT CITY HALL, 311 SECOND STREET.
2. ON THE BULLETIN BOARD AT THE CITY LIBRARY, 801 SECOND STREET.
3. ON THE BULLETIN BOARD AT THE ENTRANCE TO THE UNITED STATES POST OFFICE, 301 THE ALAMEDA

SIGNED AT SAN JUAN BAUTISTA, COUNTY OF SAN BENITO, CALIFORNIA,
ON THE 11th DAY OF APRIL 2018.



TRISH PAETZ, DEPUTY CITY CLERK

RESOLUTION NO. 2018-XX

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN JUAN BAUTISTA
ADOPTING A CODE OF ETHICS FOR CITY COUNCIL, BOARDS AND
COMMISSIONS**

WHEREAS, the Citizens of San Juan Bautista are entitled to have fair, ethical and accountable local government, and

WHEREAS, San Juan Bautista maintains a commitment to excellence and effective functioning of democratic government, and

WHEREAS, integrity of officials of local government is key to effective and fair operation of government.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of San Juan Bautista hereby adopts a Code of Ethics which pertains to members of the City Council and all members of the City's Boards and Commissions.

PASSED AND ADOPTED by the City Council of the City of San Juan Bautista at a regular meeting duly held on the 17th day of April, 2018 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Mayor Jim West

ATTEST:

Mackenzie Quaid, City Clerk

Preamble

The citizens and businesses of San Juan Bautista are entitled to have fair, ethical and transparent local government which has earned the public's full confidence for integrity. In keeping with the City of San Juan Bautista's commitment to excellence, the effective functioning of democratic government therefore requires that:

- Public officials both elected and appointed will comply with both the letter and spirit of the laws and policies affecting the operations of government.
- Public officials shall be independent, impartial, fair and transparent in their judgment and actions.
- Public office shall be used for public good and not for personal gain.
- Public deliberations and processes shall be conducted openly, unless legally confidential, in an atmosphere of respect and civility.

This Code of Ethics as adopted by the San Juan Bautista City Council applies to members of the City Council and of the City's boards and commissions to assure public confidence in the integrity of local government and its effective and fair operation:

1. Acts in the Public Interest

Members will work for the public interest of San Juan Bautista and not for any private or personal interest and the members will assure fair and equal treatment of all persons, claims and transactions coming before the San Juan Bautista City Council, boards and commissions.

2. Comply with the Law

Members shall comply with the laws of the Federal government, State of California and the City of San Juan Bautista in the performance of their public duties. These laws include but are not limited to the United States and California Constitutions, Fair Political Practices laws pertaining to conflicts of interest, election campaigns, financial disclosures, employer responsibilities and open processes of government. Members must disclose any potential conflicts and/or recuse themselves if a conflict of interest is presented.

3. Conduct of Members

The professional and personal conduct of members must be above reproach and avoid even the appearance of impropriety in all public situations, regarding City business. Members shall refrain from abusive conduct, personal charges or verbal attacks upon the character or motives of other members of the Council, boards, commissions, the public and staff of San Juan Bautista.

4. Respect for Process

Members shall perform their duties in accordance with the processes and rules of order established by the City council, boards and commissions governing the deliberation of public policy issues, meaningful involvement of the public and implementation of policy decisions of the City Council by staff.

5. Conduct of Public Meetings

Members shall prepare themselves for public issues, listen courteously and attentively to all public discussions before the body and focus on the business at hand. They shall refrain from interrupting other speakers, making personal comments not germane to the business of the body or otherwise interfering with the orderly conduct of meetings.

6. Decisions Based on Merit

Members shall base their decisions on the merits and substance of the matter at hand rather than on unrelated considerations.

7. Communication

Members shall publicly share substantive information that is relevant to a matter under consideration, which they may have received from sources outside of the public decision-making process. They must disclose any relevant information that was given or requested by them about the matter under consideration.

8. Conflict of Interest

In order to assure their independence and impartiality on behalf of the common good, members shall not use their official positions to influence government decisions in which they have a material financial interest or where they have an organizational responsibility or personal relationship which may give the appearance of a conflict of interest. In accordance with the law, members shall disclose investment interests in real property, sources of income and they shall abstain from participating in deliberations and decision making where conflicts may exist.

9. Gifts and Favors

Members shall refrain from accepting any gifts, favors or promises of future benefits, which might compromise their independence of judgment, or action, or give the appearance of being compromised.

10. Confidential Information

Members shall respect the confidentiality of information concerning property, personnel or affairs of the City. They shall neither disclose confidential information without proper legal authorization nor use such information to advance their personal financial or private interests.

11. Use of Public Resources

Members shall not use public resources unavailable to the public, in general, such as City staff time, equipment, supplies or facilities for private gain or personal purposes.

12. Representation of Public Interests

In keeping with their role as stewards of the public interest, members shall not appear on behalf of the private interests of third parties before the Council or any board, commission or proceeding of the City, nor shall members of boards and commissions appear before the body or before the Council on behalf of the private interests of third parties on matters related to the areas of service of the body.

13. Advocacy

Members shall represent the official policies or positions of the City Council, board or commission to the best of their ability when designated as delegates for this purpose. When presenting their individual opinions and positions, members shall explicitly state they do not represent the body or the City of San Juan Bautista, nor will they allow inference that they do.

14. Policy Role of Members

Members shall respect and adhere to the council – manager structure of San Juan Bautista City government as outlined by the San Juan Bautista Municipal Code. In this structure the City Council determines the policies of the City with the advice information and analysis provided by the public boards and commissions and City staff. Except as provided by the City Municipal Code, members shall not interfere with the administrative functions of the City or the professional duties of City staff nor shall they impair the ability of staff to implement Council policy decisions.

15. Independence of Boards and Commissions

Because of the value of the independent advice of boards and commissions to the public decision-making process members of Council shall refrain from using their position to unduly influence the deliberations or outcomes of board and commission proceedings.

16. Positive Workplace Environment

Members shall support the maintenance of a positive and constructive work place for the City employees and for the citizens and businesses dealing with the City.

17. Implementation

The San Juan Bautista Code of Ethics is intended to be self-enforcing and is an expression of standards of conduct for members expected by the City. It therefore becomes most effective when members are thoroughly familiar with it and embrace its provisions.

For this reason, ethical standards shall be included in the regular orientations for candidates for City Council, applicants to boards and commissions, and newly elected and appointed officials. Members entering office shall sign a statement affirming they have read and understand the City of San Juan Bautista Code of Ethics. The Code of Ethics shall be reviewed annually by the City Council, boards and commissions, and the City Council shall consider recommendations from boards and commissions and update as necessary.

18. Compliance and Enforcement

The Boards Chairs, Commission Chairs and the Mayor have the additional responsibility to intervene when actions of members that appear to be in violation of the Code of Ethics are brought to their attention. The City Council may impose sanctions on members whose conduct does not comply with the City's ethical standards, such as reprimand, formal censure, loss of seniority or committee assignment or budget restriction. Under the City's Municipal Code, the City Council may also remove members of boards and commissions from office. A violation of this Code of Ethics shall not be considered as a basis for challenging the validity of a council board or commission decision.

RESOLUTION NO. 2018-XX

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF SAN JUAN BAUTISTA
TO APPOINT A REPRESENTATIVE TO THE PUBLIC AGENCY RISK
SHARING AUTHORITY OF CALIFORNIA BOARD OF DIRECTORS**

WHEREAS, the City of San Juan Bautista (“the City”) is a party to the Revised and Restated Joint Powers Agreement creating the Public Agency Risk Sharing Authority of California, dated November 19, 1993 (the “Joint Powers Agreement”), and, as such, is a Member Agency of the Public Agency Risk Sharing Authority of California (“PARSAC”), as that term is defined in the Joint Powers Agreement, and

WHEREAS, pursuant to the Joint Powers Agreement, each Member Agency of PARSAC is required to appoint a Director and an Alternate Director to act in the Director’s absence, to represent the City as if the City itself were present and acting on the PARSAC Board of Directors for all matters which come before such Board of Directors and also for the Director to be eligible for serving on the PARSAC Executive Committee;

NOW, THEREFORE, BE IT RESOLVED, that this City Council hereby appoints (1) Trish Paetz to serve as its Director on the PARSAC Board of Directors to act on behalf of the City, a Member Agency of PARSAC, on all matters to come before the Board of Directors as if the City itself were present and acting at such meeting, and for such Director to be eligible for serving on the PARSAC Executive Committee; and appoints (2) Michael LaForge to serve as Alternate Director in the absence of the Director.

RESOLVED FURTHER, that the City Manager, or a designee, be instructed to inform the Secretary of PARSAC of the above appointment by sending a copy of this Resolution to PARSAC’s business office.

PASSED AND ADOPTED by the City Council of the City of San Juan Bautista at a regular meeting duly held on the 17th day of April, 2018 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Mayor Jim West

Mackenzie Quaid, City Clerk

CITY OF SAN JUAN BAUTISTA

STAFF REPORT

To: City Council
From: Trish Paetz, Administrative Services Manager
Date: April 9, 2018
Subject: Approve New Lease Agreement for Photocopier
for City Hall

Action Item

Approve a new lease for a photocopier for City Hall and authorize the City Manager to sign lease agreement for five years.

Background

The City's current five year Xerox lease agreement with Image Source has ended and the City needs to either go into a new lease on the old equipment or open a new lease for new equipment.

Staff reviewed lease options for three photocopiers; Xerox, Cannon and Kyocera. Each unit performs all the same copier, printer, scanner, and fax functions as the current Xerox. Output speed and maintenance agreement options are relatively the same as we are accustomed to, but staff desires the added machine capability of folding the water bills to insert into a business envelope, and this option was requested of each vendor.

KBA Docusys is the Cannon/Kyocera distributor. Locally, Hazel Hawkins Hospital and San Benito County Superior Courts contract with KBA. The court house IT manager spoke glowingly about KBA's customer service and the Cannon copiers they lease.

Recommendation

While staff was very satisfied with the first Xerox machines lease, Image Source fell short in their customer service at the beginning of the current lease, and the current copier's performance has not met expectations. And while we could expect the highest picture resolution from a Cannon copier, Cannon does not include the option of an add-on folder.

For these reasons, staff recommends entering into a five year lease with KBA Docusys for a Kyocera copier.

Fiscal Impact

A new Kyocera copier work center and maintenance agreement will average approximately \$467/month compared to the existing Xerox WorkCentre which averages \$450/month.

	<u>Current</u>	<u>Contract</u>			
		<u>*Cannon</u>	<u>**Xerox</u>	<u>*Kyocera**</u>	
Base	204.68	218	250.26	230	
blk/wht	0.0072	0.007	0.0072	0.007	per copy
color	0.0553	0.055	0.0553	0.055	per copy
Aver/mo.	450.26	458.56	493.18	467.47	

**Proposal includes folding capability

*Includes \$5 discount if contract finalized in April

Annual average: blk/wht copies - 6,442. color copies - 3,554

blk/wht	45.09	46.38	42
color	195.47	196.54	195.47
Base	218	250.26	230
	458.56	493.18	467.47

ORDINANCE NO. 2018-04

**ORDINANCE OF THE CITY COUNCIL OF THE
CITY OF SAN JUAN BAUTISTA DELETING THE CURRENT SECTION 2-3-110, IN ITS
ENTIRETY AND ADDING A NEW SECTION 2-3-110 TO THE SAN JUAN BAUTISTA
MUNICIPAL CODE REVISING THE "QUALIFICATIONS-APPOINTMENT- TERM" OF
PLANNING COMMISSIONERS**

-o0o-

WHEREAS, on February 20, 2018, the City Council considered the process for appointment of members to the Planning Commission and directed the City Attorney to provide the City Council with an Ordinance to change the process for appointment of members to the Planning Commission so that each member is appointed by the City Council rather than by individual City Council members.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN JUAN
BAUTISTA HEREBY ORDAINS AS FOLLOWS:**

SECTION 1. Section 2-3-110 is deleted in its entirety and is replaced with a new Section 2-3 -110, which is hereby added to the San Juan Bautista Municipal Code, to read as follows:

2-3-110 Qualifications – Appointment- Term.

(A) Members of the Planning Commission shall be residents and registered voters of the City of San Juan Bautista and shall not be officers or management-level employees of the City at the time of their appointment and continuously during their terms of office. A Commissioner who has moved residence from the City shall be considered to have resigned from the Commission office.

(B) The City Council shall interview and appoint all members to the Planning Commission.

(C) Planning Commission member terms shall be four (4) years, which terms shall be staggered. The Council may, upon expiration of the Planning

Commission member's term, reappoint a Planning Commission member for a successive, consecutive term, without an interview.

(D) Any vacancy in the Planning Commission from whatever cause arising, including expiration of term, shall be filled by appointment by the Council. Upon a vacancy occurring, leaving an unexpired portion of a term, any appointment to fill such vacancy shall be for the unexpired portion of such term

SECTION 2. Severability. The City Council declares that each section, subsection, paragraph, subparagraph, sentence, clause and phrase of this ordinance is severable and independent of every other section, subsection, paragraph, subparagraph, sentence, clause, and phrase of this ordinance. If any section, subsection, paragraph, subparagraph, sentence, clause or phrase of this ordinance is held invalid, the City Council declares that it would have adopted the remaining provisions of this ordinance irrespective of the portion held invalid, and further declares its express intent that the remaining portions of this ordinance should remain in effect after the invalid portion has been eliminated.

SECTION 3. Environmental assessment. The City Council declares that the approval of this ordinance is not subject to the California Environmental Quality Act ("CEQA") because pursuant to CEQA Guidelines Sections 15060 (c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment); and, 15060 (c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly. Alternatively the approval of this ordinance is not a "Project" under CEQA Regulation Section 15061(b)(3) because it has no potential for causing a significant effect on the environment.

SECTION 4. Effective date. This ordinance shall go into effect thirty days after the date of its adoption.

THE FOREGOING ORDINANCE was first read at a regular meeting of the San Juan Bautista City Council on the 20th day of March, 2018, and was adopted at a regular meeting of the San Juan Bautista City Council on the

___ day of _____, 2018, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Jim West, Mayor

ATTEST:

Mackenzie Quaid, City Clerk

APPROVED AS TO FORM:

Deborah Mall, City Attorney

RESOLUTION NO. 2018-XX

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
SAN JUAN BAUTISTA ORDERING PREPARATION OF AN ENGINEER'S REPORT
FOR FISCAL YEAR 2018-19 FOR VALLE VISTA LANDSCAPE AND LIGHTING
MAINTENANCE ASSESSMENT DISTRICT NO. 1**

WHEREAS, pursuant to the Landscaping and Lighting Act of 1972 (Streets & Highways Code Section 22500 *et seq.*) ("Act"), the City levies an annual assessment in connection with its Valle Vista Landscape and Lighting Maintenance Assessment District No. 1 ("District"); and

WHEREAS, the City Council desires to initiate proceedings for the Fiscal Year 2017-18 levy of the assessment in connection with the District.

NOW, THEREFORE, IT IS HEREBY RESOLVED by the City Council of the City of San Juan Bautista as follows:

1. That City Engineer Patrick Dobbins be and is hereby appointed as Engineer of Work to perform all engineering work in the conduct of said proceedings.
2. That the improvements to be maintained, and operations and services in connection with the District shall be substantially unchanged from those provided for in Fiscal Years 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, and 2016-17: the maintenance, operation and servicing of street lighting and street landscaping within the district, as well as the maintenance, operation and servicing of lighting and landscaping associated with the detention basin, sanitary sewer pump station, and public park located within the district.
3. That the Engineer of Work hereby is directed to prepare and to file a report in compliance with Sections 22565 *et seq.* of the Act.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of San Juan Bautista duly held on the 17th day of April, 2018, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Jim West, Mayor

Mackenzie Quaid, Acting City Clerk

CITY OF SAN JUAN BAUTISTA

CITY COUNCIL

STAFF REPORT

DATE: April 17, 2018

SUBJECT: Adoption of 2016 California Building Codes

RECOMMENDATION:

Accept as an informational item that the City of San Juan Bautista is now implementing the 2016 California Building Codes. The City was formerly using the 1997 Building Codes. These are uniform Building Codes used throughout the State and the Country and are reviewed by building professionals and updated every three years.

BACKGROUND:

The California Building Standards Commission is authorized to administer the many processes related to the development, adoption, approval, publication, and implementation of the California Building Codes. Title 24 of the California Building Standards Code serves as the State's basis for the design and construction of buildings in California. California's building codes are published in their entirety every three years. The 2016 California Building Codes and corresponding updated Plan Check and Building Permit fees went into effect on January 1, 2017, but were not recognized by the City at the time. The City of San Juan Bautista is now implementing the 2016 Building Codes and assessing current permit fees.

The San Juan Bautista Municipal code provides for the adoption of updated California Building Codes as they are released:

10-1-110 Codes adopted by reference.

For the purpose of establishing proper regulations for building construction and for installation of plumbing and electrical systems the following codes or portions thereof, hereinafter set forth are hereby adopted and made a portion of this Chapter by reference without further publication or posting thereof.

The 2016 California Building Codes are now being implement by the City's plan check engineers and inspectors.

In addition to implementing the current Building Codes, the City is now also applying the 2016 Building Code Fee Schedule. The updated fee schedule will assist the City with achieving full Planning and Building services cost recovery. It is not fully known how these cost and revenue numbers will bear out, but with the recently updated Planning Services fee schedule, and this effort, the City will be in better financial state.

In prior years the City was achieving about 50% full-cost recovery of development review services. The updated Fee Schedule will increase a 2,500 square foot single family home Plan Check and Inspection fee from approximately \$2,500 to \$5,800, but these are regionally and State adopted rates and are used by most California agencies.

By initiating these updates, the City can now track Community Development staff costs and revenues quarterly and report to Council. Further adjustments can be made to ensure that General Fund dollars are not being used to support development services.

RESOLUTION 2018-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN JUAN BAUTISTA AUTHORIZING CHANGES TO THE DESIGNATED SIGNERS ON THE CITY'S BANK ACCOUNTS AT UNION BANK

WHEREAS, Roger Grimsley is no longer an employee of the City of San Juan Bautista,
and

WHEREAS, Michaela LaForge was appointed by the City Council as the City Manager
for the City of San Juan Bautista.

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL hereby
requests Union Bank remove Roger Grimsley from the City bank accounts, and add
Michaela LaForge as an authorized signer on City bank accounts.

FURTHER, the City Council hereby confirms that the total list of signatories consists
of Charles Geiger, Michaela LaForge, Charles Anthony Boch, Jim West and John
Freeman, and all previously authorized check signers are hereby revoked. This shall be in
effect for the checking account, and

FURTHER, the City Council hereby authorizes Wendy Cumming, CPA to have access
to bank information but *not* added as a check signer.

PASSED AND ADOPTED this 17th day of April 2018 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

Mayor Jim West

Mackenzie Quaid, Acting City Clerk

WAIVER OF READING OF ORDINANCES

State law requires that an ordinance be read in its entirety prior to adoption unless the City Council waives reading beyond the title. Reading an entire ordinance at the meeting is extremely time-consuming; reading of the title alone usually gives the audience sufficient understanding of what the Council is considering.

To ensure that this waiver is consistently approved by the Council, Council should make the waiver at each meeting, thus, you should do it at this point on the Consent Agenda. The Council then does not have to worry about making this motion when each ordinance comes up on the agenda.

GC36934

City of San Juan Bautista
Revenues ~ Budget Vs. Actual
For the Nine Month Period Ended March 31, 2018

4/11/2018

REVENUES					
	<u>Fund</u>	<u>Actuals</u>	<u>Annual Budget</u>	<u>Difference</u>	<u>%</u>
General Fund		777,368	1,201,950	424,582	65%
Special Revenue Funds:					
	Community Development	87,061	161,000	73,939	54%
	COPS	75,000	100,000	25,000	75%
	Rest. & Roads Fund	17,789	16,500	(1,289)	108%
	Valle Vista LLD	11,849	22,720	10,871	52%
	Rancho Vista CFD	-	-	-	
	Gas Tax Fund	32,682	332,512	299,830	10%
Enterprise Funds:					
	Water				
	Operations	619,142	754,200	135,058	82%
	Capital	25,238	294,820	269,582	9%
	Sewer				
	Operations	665,273	857,000	191,727	78%
	Capital	12,409	528,500	516,091	2%
TOTAL Funds		1,546,443	3,067,252	1,520,809	50%

City of San Juan Bautista
Expenditures ~ Budget Vs. Actual
For the Nine Month Period Ended March 31, 2018

Item #4B
City Council Meeting

EXPENDITURES				
Fund	Actuals	Annual Budget	Difference	%
General Fund:				
City Council	26,898	34,995	8,097	77%
City Attorney	21,004	48,000	26,996	44%
City Manager	25,527	29,577	4,050	86%
City Clerk	69,115	98,027	28,912	71%
City Treasurer	312	2,600	2,288	12%
Finance and Accounting	95,138	133,252	38,114	71%
City Library	32,787	67,095	34,308	49%
Fire Department	188,097	241,452	53,355	78%
Law Enforcement	113,676	282,260	168,584	40%
Animal Control	3,500	10,000	6,500	35%
Public Works - Streets	104,452	223,951	119,499	47%
Public Works - Parks and Grounds	114,241	119,289	5,048	96%
General Government	38,956	95,221	56,265	41%
Total General Fund Expenditures	833,703	1,385,719	552,016	60%
Special Revenue Funds:				
Community Development:				
Engineering	9,161	125,848	116,687	7%
Building	45,291	26,519	(18,772)	171%
Planning	162,640	151,795	(10,845)	107%
COPS	72,017	100,000	27,983	72%
Rest. & Roads Fund	-	42,000	42,000	0%
Valle Vista LLD	12,110	22,720	10,610	53%
Rancho Vista CFD	10,257	-	(10,257)	
Gas Tax Fund	12,681	357,000	344,319	4%
Internal Service Funds	2,891	121,000	118,109	2%
Enterprise Funds:				
Water:				
Operations	605,273	894,736	289,463	68%
Capital	60,743	872,721	811,978	7%
Sewer				
Operations	672,455	896,327	223,872	75%
Capital	54,202	902,136	847,934	6%
TOTAL Funds	2,553,424	5,898,521	3,345,097	43%

City of San Juan Bautista Warrant Listing

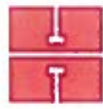
As of March 31, 2018

Date	Num	Name	Amount
101.000 - Union Bank			
101.001 - Operating Acct. 1948			
03/09/2018	211512	at&t	-253.92
03/12/2018	211513	4Leaf, Inc.	-8,758.00
03/12/2018	211514	A Tool Shed, Inc.	-610.50
03/12/2018	211515	Abbott's Pro Power	-105.12
03/12/2018	211516	ACWA Health Benefits Authority	-6,834.26
03/12/2018	211517	Araceli Espinoza.	-700.00
03/12/2018	211518	at&t	-70.27
03/12/2018	211519	AVAYA	-210.98
03/12/2018	211520	Charter Communications	-466.56
03/12/2018	211521	David Taussig & Associates, Inc.	-9,327.60
03/12/2018	211522	De Lage Landen Public Finance	-969.18
03/12/2018	211523	Design Line & Granger	-363.72
03/12/2018	211524	Extreme Air Inc.	-1,390.00
03/12/2018	211525	Green Line	-1,445.00
03/12/2018	211526	J.V. Orta's Rent A Fence	-222.75
03/12/2018	211527	Judy's Gifts & Awards	-15.02
03/12/2018	211528	Level 1 Private Security.	-6,496.00
03/12/2018	211529	Mission Linen Service	-86.40
03/12/2018	211530	P G & E	-9,193.25
03/12/2018	211531	REACH San Benito Parks Foundation	-136.23
03/12/2018	211532	San Juan Bautista Committee.	-5,000.00
03/12/2018	211533	U.S. Postmaster	-338.00
03/12/2018	211534	US Bank	-5,342.07
03/12/2018	211535	Wendy L. Cumming, CPA	-3,335.00
03/12/2018	211536	Xerox	-423.45
03/27/2018	211537	Kenneth Slater	-119.00
03/27/2018	211538	4Leaf, Inc.	-16,331.85
03/27/2018	211539	A Tool Shed, Inc.	-39.60
03/27/2018	211540	AFLAC	-150.57
03/27/2018	211541	Bracewell Engineering, Inc.	-24,145.00
03/27/2018	211542	Diane Hanania.	-353.61
03/27/2018	211543	FedEx	-53.49
03/27/2018	211544	First Alarm	-440.37
03/27/2018	211545	Goldfarb & Lipman LLP	-826.00
03/27/2018	211546	Hector Mendoza	-3,508.71
03/27/2018	211547	Hollister Auto Parts, Inc.	-99.90
03/27/2018	211548	KS State Bank	-5,818.30
03/27/2018	211549	Level 1 Private Security.	-7,192.00
03/27/2018	211550	Lorena Gutierrez.	-700.00
03/27/2018	211551	Martin Amaya.	-700.00
03/27/2018	211552	Mc Kinnon Lumber Co., Inc.	-974.55
03/27/2018	211553	Mission Linen Service	-205.68
03/27/2018	211554	New SV Media	-222.50

**City of San Juan Bautista
Warrant Listing**

As of March 31, 2018

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
03/27/2018	211555	Padron Designz.	-324.00
03/27/2018	211556	Paul Champion	-1,325.00
03/27/2018	211557	Pinnacle Strategy	-1,000.00
03/27/2018	211558	Ready Refresh	-48.14
03/27/2018	211559	San Benito County Water District	-3,386.52
03/27/2018	211560	Sentry Alarm System	-417.00
03/27/2018	211561	Smith & Enright Landscaping	-2,156.00
03/27/2018	211562	Sprint	-152.99
03/27/2018	211563	Valero Marketing & Supply	-329.44
03/27/2018	211564	Alonso Felix.	-700.00
03/27/2018	211565	Charter Communications	-373.65
03/27/2018	211566	Curt Hancock	-400.00
03/27/2018	211567	Luz Gonzalez.	-71.06
03/27/2018	211568	Staples	-192.42
03/27/2018	211569	Tri-County Fire Protection, Inc.	-44.64
03/27/2018	211570	Wells Fargo Bank, N.A.	-206,151.90
Total 101.001 - Operating Acct. 1948			<u>-341,047.17</u>
Total 101.000 - Union Bank			<u>-341,047.17</u>
TOTAL			<u><u>-341,047.17</u></u>



Memorandum

To: Michaelae La Forge, City Manager, City of San Juan Bautista

From: John Fair, PE, City Engineer (contract)

Date: April 17, 2018

Subject: **City Engineer Activity Report (Rancho Vista and Copper Leaf)**

Recent efforts and activities from March 10, 2018, through April 9, 2018 for the two active subdivisions in San Juan Batista, Rancho Vista and Copper Leaf, include the following work:

RANCHO VISTA SUBDIVISION March 10, 2018 through April 9, 2018

SUMMARY

This reporting had two periods of rain that created five non-work days. March first and second and again later in the month, March twenty-first through the twenty-third. The pollution prevention measures worked well and no soil runoff escaped from either of the two sites



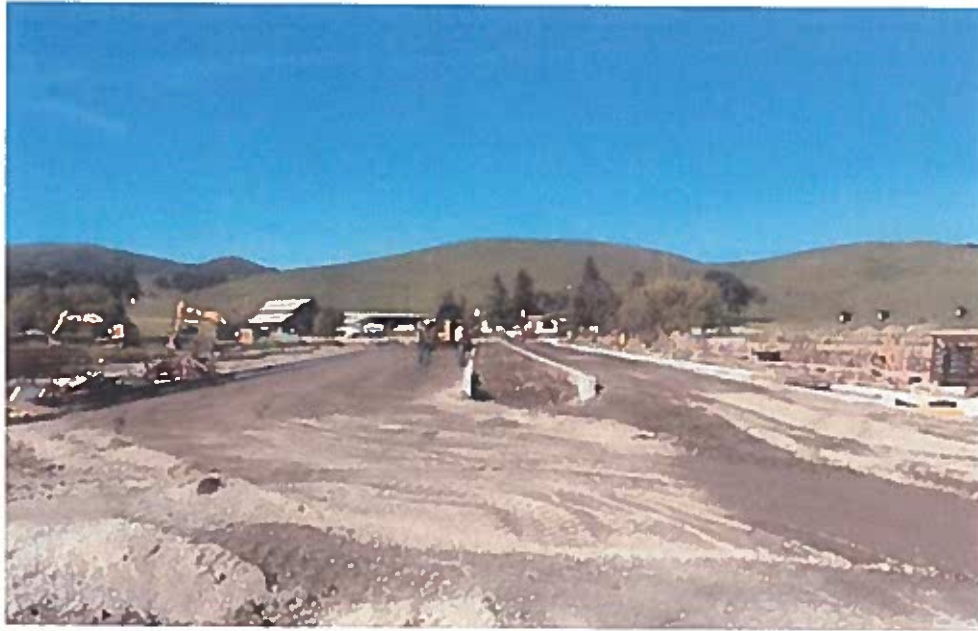
The installation of the electrical underground continues inside the subdivision.



With the pavement being complete for the most part locating manholes and water valves are being raised to grade.



Placing curb and gutter and sidewalks continues throughout the project



The construction of the main entrance to the housing tract continues toward completion with the placement of aggregate base on Levagnino Drive.



The Developer is changing from construction of the subdivision to the sales of homes. While the sales office is not open yet all is at the ready to begin.



COPPER LEAF SUBDIVISION **March 10, 2018 through April 9, 2018**

SUMMARY

The weather conditions during the month also affected the progress of the project. But the pollution prevention devices performed well and no soil went off site as a result of rain.



Well # 5 turn on into the City water system, which allowed the "do not drink order" from State Drinking Water Standards Board to be lifted.



The Well #5 is currently powered by a portable generator and will continue in that state until the power for the Copperleaf Subdivision is connected. There is, a time a delay for getting the permanent power connected to the site. Staff and developer is working with PG&E to have the issue resolved.



Well #2 abandonment waits for PG&E to remove the power drop and service pole from the well site. The Well would then be correctly abandoned and the site filled bring it to the new grade. The remaining interior street improvements could be installed.

STAFF REPORT

DATE: March 20, 2018

**SUBJECT: CANNABIS BUSINESS ORDINANCE, CANNABIS PERMIT APPLICATION & RULES
AND REGULATIONS**

FROM: Subcommittee on Cannabis Regulations

RECOMMENDED ACTION:

Review the proposed ordinance and rules and regulations, as well as the schedule for future action; and provide input to the subcommittee for its final recommendations

BACKGROUND:

In August of 2017, the City Council gave staff direction to pursue a Cannabis Business Ordinance and explore the development of regulatory framework for a cannabis business ordinance to regulate the industry at the local level. The City Council hired an independent consultant to work with the ad-hoc committee consisting of Councilmember Martorana and Councilmember Devries.

The committee along with the consultant have worked on and developed a proposed ordinance, permit application and rules & regulations and presented a draft ordinance to the public on December 6th, 2017. The Study Session involved a presentation from the consultant on the draft ordinance with a verbal presentation by the ad-hoc committee members as well. The committee members received feedback from the community on the ordinance. After carefully reviewing the public comments the ad-hoc committee made some changes to the proposed ordinance.

In February, the ordinance was presented before the Planning Commission for their review and input. On a 4-1 vote, the Planning Commission recommended that the City Council consider expanding the ordinance to allow all permit types to be included in Commercial Zoning. Currently, the ordinance allows all permit types in Industrial Zoning and only testing facilities in Commercial Zoning. The Commission was mindful that the State rules restrict the location of cannabis businesses around sensitive land uses such as those frequented by youth. Accordingly, the properties that are commercially zoned that might be considered for cannabis businesses are the 3+ acres located at the City's gateway on Muckelemei Street and Highway 156.

Following adoption of the regulatory ordinance, it will be necessary to consider amendments to the Zoning Ordinance to specifically address the locations where the various cannabis license types would be permitted. The Subcommittee recommends that all such businesses be allowed only with a Conditional Use Permit.

Application, Rules, Regulations and Operating Procedures

The adoption of a cannabis business ordinance allows cannabis business activity within the City of San Juan Bautista. The Rules & Regulations provide the regulatory framework on how they will operate and the application process that is required for approval of regulatory permit. This includes:

- Application process and scoring
- Alarms and closed-circuit television
- Fire Suppression requirements
- Access to facility
- Odor Control and mitigation
- Security Personnel
- Background Checks for employees and owners
- Signage
- And more

FISCAL IMPACT:

It is intended that the cost of processing applications and enforcing conditions will be borne by the businesses themselves through fees and charges.

It is also possible to establish a revenue structure to generate money to pay for general city services and capital projects. The Subcommittee evaluated two models: 1) generating revenue from negotiated development agreements or 2) generating revenue from a locally imposed tax measure which would require voter approval.

Revenues to the city have not been determined but examples of potential revenues are provided below. In addition, the ad-hoc committee is proposing a cannabis tax to be placed on the November 2018 general election ballot. That decision will be made in the coming months.

Example #1: A single Cultivation operation can generate taxes based on the square feet of the cultivation footprint. A Type 3 Permit for a fully enclosed cultivation operation is limited to 22,000 sq-ft. If only one permit for this size grow would be approved by the city, the taxes generated at a modest \$7/sq-ft tax would be: $22,000 \times \$7 = \$154,000$ per year.

Example #2: A single retail operation can generate taxes based on Gross Receipts. Gross receipts are difficult to project because sales depend on the type of retail operation (storefront would generate more sales). If one retail location generates \$500,000 in sales per year: $\$500,000 \times 5\% = \$25,000$ per year.

Example #3: A single manufacturing facility can generate taxes based on Gross Receipts. For example, an edible company can generate \$5 Million in wholesale transactions. $\$5,000,000 \times 5\% = \$250,000$ per year.

NEXT STEPS:

SCHEDULE:

April 2018	Introduce Ordinance; Adopt Rules and Regulations
May 2018	Adopt Ordinance effective 30 days after publication.
June 2019	Planning Commission reviews conforming changes to the Zoning code
July 2019	City Council introduces ordinance to amend Zoning Code
July 2019	City Council places cannabis tax measure on the November ballot
Aug 2019	City Council adopts amendments to the Zoning Code
Sept 2019	City opens application process for cannabis licensees
Nov 2019	Vote on cannabis tax measure
Dec 2019	Planning Commission hearings on CUP's
Jan 2020	Council approves licensees

Any proposed changes will be made and will be brought back to the City Council for first reading of the ordinance at your April meeting, along with any changes to the application and Rules & Regulations.

ORDINANCE NO. 2018-XX

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SAN JUAN BAUTISTA
ADDING CHAPTER "CANNABIS FACILITIES REGULATORY PERMIT" TO
TITLE 5 "PUBLIC HEALTH, SAFETY AND WELFARE" OF THE SAN JUAN
BAUTISTA MUNICIPAL CODE**

Section 1. EVIDENCE

The City Council has considered all of the evidence submitted into the administrative record, which includes, but is not limited to, public comments, both written and oral, received and/or submitted at, or prior to the City Council's consideration of this Ordinance.

Section 2. ADDING CHAPTER 5.31 "CANNABIS FACILITIES REGULATORY PERMIT" TO TITLE 5 "PUBLIC HEALTH, SAFETY AND WELFARE" OF THE SAN JUAN BAUTISTA MUNICIPAL CODE

Title 5 "PUBLIC HEALTH, SAFETY AND WELFARE" of the San Juan Bautista Municipal Code shall be amended to read in its entirety as follows:

**Chapter 5.31
CANNABIS FACILITIES REGULATORY
PERMIT**

Sections:

- 5.31.010 Purpose and Intent
- 5.31.020 Cannabis Facilities
- 5.31.030 Definitions
- 5.31.040 City Council Review and Approval
- 5.31.050 Regulatory Permit Required
- 5.31.060 Background Check
- 5.31.070 Grounds for Denial
- 5.31.080 Fees and Charges
- 5.31.090 Development Agreement
- 5.31.100 Cessation of Operations

- 5.31.110 Change in Location; Updated Registration Form
- 5.31.120 Renewal or Revocation of Regulatory Permit
- 5.31.130 Limitations on City's Liability
- 5.31.140 Additional Terms and Conditions
- 5.31.150 Signage
- 5.31.160 Cultivation, Dispensary, and Manufacturing Locations
- 5.31.170 Dispensing of Cannabis
- 5.31.180 Delivery of Cannabis
- 5.31.190 Packaging of Cannabis
- 5.31.200 Cannabis Facility Operations
- 5.31.210 Public Health and Safety
- 5.31.220 Records
- 5.31.230 Audit
- 5.31.240 Community Relations
- 5.31.250 Compliance
- 5.31.260 Inspection and Enforcement
- 5.31.270 Appeals
- 5.31.280 Violations
- 5.31.290 Implementation Procedures
- 5.31.300 Cannabis Permit Types

5.31.010 Purpose and Intent.

- A. If cannabis facilities were permitted to be established or if existing business were permitted to act as cannabis facilities without appropriate regulation, such uses might be established in areas that would conflict with the requirements of the General Plan, be inconsistent with surrounding uses, or be detrimental to the public health, safety and welfare, or the operation of such facilities may be in conflict with applicable State law and regulations. The City Council desires to enact reasonable regulations pertaining to recreational and medical cannabis dispensaries, cultivation, testing, distribution and manufacturing facilities to ensure that recreational and medicinal users have regulated access, while at the same time ensuring that such uses do not conflict with the General Plan, are not inconsistent with surrounding uses, and are not detrimental to the public health, safety and welfare, and the operation of such facilities is in compliance with applicable State law and regulations.
- B. Cannabis facilities shall be permitted, upon application and approval of a regulatory permit in accordance with the criteria and procedures set forth in this Code.
- C. The criteria, procedures, standards, requirements, regulations, and provisions set forth in this Code shall be interpreted and applied consistent with all applicable State laws and regulations. To the extent any criteria, procedure, standard, requirement, regulation, or provision of this Code conflicts with or contradicts any applicable State law or regulation, or establishes a criteria, procedure, standard, requirement, or regulation that does not meet the minimum standards of any applicable State law or regulation, the requirements of the applicable State law or regulation shall take precedence.

5.31.020 Cannabis Facilities.

A. A “cannabis facility” is any location in the City where (or from which) cannabis products are cultivated, manufactured, processed, stored, tested, labeled, delivered, distributed, or sold for the purpose of commercial medicinal or recreational sale; however:

1. A cannabis facility shall not include a vehicle (i) originating from a cannabis dispensary licensed or permitted by a jurisdiction outside the City and (ii) engaged in the delivery of cannabis or cannabis products in compliance with the requirements contained in Section 5.31.180.

2. A cannabis facility shall not include a vehicle (i) originating from a cannabis facility permitted under this Chapter and (ii) engaged in the transportation of cannabis products to another cannabis facility permitted under this Chapter or to another cannabis facility licensed or permitted by a jurisdiction outside the City.

B. Cannabis facilities that may be permitted under this Chapter include but not limited to: “cannabis dispensaries”, “cannabis cultivation facilities”, “cannabis manufacturing facilities”, “cannabis testing facilities”, and “cannabis distribution facilities”.

C. A “cannabis dispensary” is a facility where cannabis, cannabis products, or devices for the use of cannabis or cannabis products are offered, either individually or in any combination, for retail sale, including non-storefront retail that restricts access to the general public and offers cannabis or cannabis products through delivery.

D. A “cannabis cultivation facility” is a facility where cannabis is planted, grown, harvested, cloned, dried, cured, graded, processed or trimmed (or any combination of those activities).

E. A “cannabis manufacturing facility” is a facility where cannabis products are produced, prepared, propagated, or compounded, directly or indirectly, by extraction methods, independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis.

F. A “cannabis distribution facility” is a facility used to facilitate the procurement, sale, and transport of cannabis or cannabis products between cannabis facilities.

G. A “cannabis testing center” is a facility that offers or performs tests of cannabis or cannabis products.

H. An “applicant” is a person or persons applying for a permit to operate a cannabis facility issued pursuant to this Chapter and includes all of the below:

1. The person seeking a permit to operate a cannabis facility under this Chapter.

2. Any individual (or person) who has ownership interest greater than 10%, financial interest (including a security interest, lien, or encumbrance) in the person seeking to operate a cannabis facility or its operation under this Chapter.

3. Any individual (or person) who has the power to direct, or cause to be directed, the management or control of the person seeking to operate a cannabis facility under this Chapter.

I. A “manager” means any human individual to whom a cannabis facility has delegated discretionary powers to organize, direct, carry on, or control its operations and employed by the business.

J. An” owner” is the legal registered approved applicant defined under this chapter.

5.31.030 Definitions.

Words and phrases not specifically defined in this Code shall have the meaning ascribed to them as defined in the following sources:

- A. The Compassionate Use Act of 1996 (codified as Section 11362.5 of the Health and Safety Code);
- B. The Cannabis Program Act (codified as Sections 11362.7 through 11362.83 of the Health and Safety Code);
- C. The California Attorney General’s Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use (August 2008); and
- D. The Medicinal and Adult-Use Cannabis Regulation and Safety Act as enacted by Senate Bill 94 “Trailer Bill”.

5.31.040 City Council Review and Approval.

A. The issuance and/or renewal of a regulatory permit as required by this Chapter shall be subject to the prior review and approval by the City Council.

B. In addition to the requirements set forth in this Chapter, as a condition of issuance or renewal of a regulatory permit as required by this Chapter, the City Council may impose such additional terms and conditions on the issuance or renewal of the regulatory permit and the operation of the facility as the City Council deems appropriate.

C. The development agreement and operations plan required by this Chapter and the design and layout of a cannabis facility authorized under this Chapter, shall be subject to the review and approval of the City Council prior to the issuance or renewal of a regulatory permit under this Chapter.

D. If the City Manager or designee revokes a regulatory permit as allowed by this Chapter, as soon thereafter as is reasonable under the circumstances, the City Council shall be informed of such revocation and the City Council shall review and approve such

revocation. If the City Council does not approve the revocation, the City Manager or designee shall reinstate such regulatory permit upon such additional terms and conditions as the City Council deems appropriate.

- E. Any permit contemplated or required in herein Chapter, despite provisions in Section 5.31.060 to the contrary, will be entirely within jurisdiction of City Council.

5.31.050 Regulatory Permit Required.

- A. Cannabis facilities are prohibited unless permitted in accordance with this chapter.
- B. It shall be unlawful for any person to operate a cannabis facility without a regulatory permit from the State of California and the City Council or designee under the terms and conditions set forth in this Chapter.
- C. Each regulatory permit shall expire one year from its date of issuance. The date of issuance may be effective upon an applicant obtaining a certificate of occupancy in the event of new construction for a licensee under this Chapter, at the discretion of the City. Renewal of regulatory permits shall be as provided for in Section 5.42.120.
- D. Regulatory permits are not transferrable and any attempt to assign or transfer such permits shall render the permit null and void.
- E. The City may only permit two cannabis retail Type 10 permits at a time. The number of the remaining types of cannabis facilities permitted in the City may be limited or restricted by resolution of the City Council.
- F. If the number of each type of cannabis facility permitted in the City is limited, applications for the required regulatory permit may be submitted during those applications periods as may be designated from time to time by the City Council or designee. Each application submitted and deemed complete by the City during the application period will be evaluated for priority for processing based on certain criteria set forth in a point system approved by the City Council. It is permissible for the point system to provide additional point values to City residents. All applications so evaluated and scored will be ranked from the most to the least points. Applications for any available regulatory permit will be processed based on this ranking. Once all available regulatory permits have been issued, the remaining applicants will be placed on a wait list, ranked from the most to the least points.
- G. The legal representative shall file an application for a regulatory permit with the City Manager or designee upon forms provided by the City and shall pay an "application fee" and a "processing fee" as required by this Chapter and as established by resolution adopted by the City Council as amended from time to time. A separate application shall be made for each type of cannabis facility permit, i.e., dispensary, cultivation, manufacturing, testing, and distributing facility, for each license classification specified in Sections 5.31.020; and for each location at which a cannabis facility will operate. An application for a regulatory permit for each type of

cannabis facility shall include, but shall not be limited to, the following information:

1. The legal name, and any other names, under which the cannabis facility will operate.
2. The address of the location and the on-site telephone number, if known, of the cannabis facility.
3. The following information for each applicant and manager of the cannabis facility:
 - a. Complete legal name and any alias(es), address, and telephone number;
 - b. Date and place of birth;
 - c. Copy of a valid California government issued photo identification card or license;
 - d. A list of all criminal convictions, other than infractions for traffic violations, the jurisdiction of the conviction(s) and, the circumstances thereof;
 - e. One set of fingerprints;
 - f. A detailed explanation of the applicant's or the manager's involvement with any other cannabis facility (including medical or non-medical cannabis facilities located outside of the City), including, but not limited to, the name and address of the cannabis facility; the capacity in which the applicant or the manager is or was involved with the cannabis facility; whether the cannabis facility is or was the subject of any criminal investigation or prosecution, civil investigation, administrative action or civil lawsuit; whether the applicant or the manager or the cannabis facility with which the applicant or the manager is or was associated has ever been denied, or is in the process of being denied registration, a permit, a license or any other authorization required to operate a cannabis facility in any other city, county, or state; and whether the applicant or the manager or the cannabis facility with which the applicant and the manager is or was associated has ever had a registration, license, permit or any other authorization required to operate a cannabis facility in any other city, county, or state, suspended or revoked, and the reasons therefore; and
 - g. A detailed explanation of the applicant's or the manager's involvement with any other business in the City, including, but not limited to, the name and address of such business; the type of business; the capacity in which the applicant or the manager is or was involved with the business; whether the business is or was the subject of any criminal investigation or prosecution, civil investigation, administrative action or civil lawsuit; whether an owner or manager of the business with which the applicant or the manager is or was

associated has ever been denied, or is in the process of being denied registration, a permit, a license or any other authorization required to operate a business requiring licensing through the State in any other city, county, or state; and whether an applicant or a manager of the business with which the applicant or the manager is or was associated has ever had a registration, license, permit or any other authorization required to operate a business that requires a license in the State, or any other city, county, or state, suspended or revoked, and the reasons therefore.

4. An operations plan which shall be in conformance with the requirements of this Chapter and shall include, at a minimum:
 - a. A list of the names, addresses, telephone numbers, and responsibilities of each applicant and manager of the cannabis facility.
 - b. The hours and days of operation for the cannabis facility.
 - c. A site plan and floor plan of the facility denoting the layout of all areas of the cannabis facility, including, as applicable, storage, cultivation, reception/waiting, dispensing, manufacturing, and all ancillary support spaces, and the relationship of the facility to adjacent properties and land uses.
 - d. A security plan, including lighting, alarms, fencing, and video cameras, to ensure the safety of persons, and to protect the premises from theft, vandalism, and fire. The security plan shall address both interior and exterior areas of the facility and its premises.
 - e. The cannabis cultivation and manufacturing procedures to be utilized at the facility, including, as applicable, a description of how chemicals and fertilizers will be stored, handled, and used; extraction and infusion methods; the transportation process; inventory procedures; track and trace program and procedures; quality control procedures; and testing procedures.
 - f. Procedures for identifying, managing, and disposing of contaminated, adulterated, deteriorated or excess cannabis or cannabis products.
 - g. An odor management plan detailing the reasonable steps that will be taken by facility to ensure that the odor of cannabis and other physical impacts on neighboring properties will be minimized.

- h. Policies and procedures for adopting, monitoring, implementing, and enforcing all requirements of this Chapter.
- 5. The cannabis facility's seller's permit number or indication that the cannabis facility is currently applying for a seller's permit.
- 6. The name and address of the owner and lessor of the premises and a copy of the lease or other such proof of the legal right to occupy and use the premises and a statement from the owner or agent of the owner of the real property where the facility will be located demonstrating the landowner has acknowledged and consented to permit dispensary, cultivation, distribution, or manufacturing activities to be conducted on the property by the cannabis facility.
- 7. The name and account number of all savings accounts, checking accounts, investment accounts, and trusts associated with the operation of the cannabis facility.
- 8. A map with a minimum scale of 1" = 75' showing streets names, lot boundaries, sensitive uses, and uses on properties adjacent to the cannabis facility.
- 9. Authorization for the City Manager or designee to seek verification of the information contained within the application, including, but not limited to, a criminal history investigation with the California Department of Justice and any other law enforcement agencies.
- 10. Evidence that the organization, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit, and includes the plural as well as the singular number, all such entities agree to operate under such terms and conditions outlined in their operations plan as approved.
- 11. A statement in writing by the applicant that he or she certifies under penalty of perjury that all the information contained in the application is complete, true, and accurate.
- 12. Any such additional and further information as is deemed necessary by the City Manager or designee to administer this Section or to show that the cannabis facility and its ownership and operation is in compliance with the provisions of this Chapter.

5.31.060 Background Check.

Applicants for a regulatory permit for a cannabis facility, every manager of a cannabis facility, and any employee or individual who participates in the dispensing, cultivation, manufacturing, or transporting of cannabis or who participates in the daily operations of the cannabis facility shall be required to submit to a Fingerprint-Based Criminal History Records Check.

5.31.070 Grounds for Denial.

- A. The City Council or designee may reject an application upon making one or more of the following findings:
1. Any applicant made one or more false or misleading statements or omissions on the registration application or during the application process;
 2. The applicant fails to meet the requirements of this Chapter or any regulation adopted pursuant to this Chapter;
 3. The cannabis facility or its location is in violation of any building, zoning, health, safety, or other provision of this code, or of any state or local law which substantially affects the public health, welfare, safety, or morals, or the facility or its location is not permitted in the proposed area, or the issuing or continuation of a regulatory permit would be contrary to the public health, welfare, safety, or morals;
 4. Any applicant, manager, or employee of the cannabis facility is under Twenty-One (21) years of age;
 5. Any applicant has been convicted of an offense that is substantially related to the qualifications, functions, or duties of the business or profession for which the application is made, except that if the licensing authority determines that the applicant is otherwise suitable to be issued a permit and granting the permit would not compromise public safety, the licensing authority shall conduct a thorough review of the nature of the crime, conviction, circumstances, and evidence of rehabilitation of the applicant, and shall evaluate the suitability of the applicant to be issued a permit based on the evidence found through the review. In determining which offenses are substantially related to the qualifications, functions, or duties of the business or profession for which the application is made, the licensing authority shall include, but not be limited to, the following:
 - a. A felony conviction for the illegal possession for sale, manufacture, or transportation of a controlled substance excluding cannabis related convictions.
 - b. A violent felony conviction, as specified in subdivision (c) of Section 667.5 of the Penal Code.
 - c. A serious felony conviction, as specified in subdivision (c) of Section

1192.7 of the Penal Code.

- d. A felony conviction involving fraud, deceit, or embezzlement;
 - 6. Any applicant or manager has been sanctioned by a licensing authority or a city, county, or city and county for unlicensed operation of a cannabis facility or has had a license revoked under this Chapter in the three years immediately preceding the date the application is filed with the licensing authority.
 - 7. The applicant did not pay to the City the required application and processing fees as set forth in Section 5.31.080.
 - 8. Failure to enter into a satisfactory Development Agreement pursuant to 5.31.090.
- B. The City Council or designee may place reasonable conditions upon registration if grounds exist for denial of the registration and those grounds may be removed by the imposition of those conditions.

5.31.080 Fees and Charges.

A. Prior to operating in the City, the cannabis facility shall timely and fully pay all fees associated with the registration and operation of the facility. The fees shall be as set forth in the schedule of fees and charges established by resolution of the City Council, including, but not limited to the following:

- B. "Application fee" for accepting a registration application; due and payable in full at the time a registration application is submitted;
- C. "Processing fee" for the cost to the City of processing a registration application and reviewing, investigating, and scoring each application in accordance with the point system to determine eligibility for issuance of a regulatory permit; due and payable in full at the time a registration application is submitted;
- D. "Permit issuance fee" for the cost to the City of preparing a development agreement, City Council review and approval of the development agreement and the regulatory permit, and preparation and issuance of the regulatory permit as authorized by the City Council, due and payable in full at the time the City issues a regulatory permit;
- E. "Amended registration fee" for the cost to the City of reviewing amendments or changes to the registration form previously filed on behalf of the cannabis facility; due and payable in full at the time amendments or changes to a registration form are submitted to the City;
- F. "Regulatory permit renewal fee" for the cost to the City of processing an application to renew a regulatory permit; due and payable in full at the time application is made to renew a regulatory permit; and

G. Any fees for inspection or investigation that are not included within the other fee associated with registration; due and payable in full upon request of the City.

5.31.090 Development Agreement.

Prior to operating in the City and as a condition of issuance of a regulatory permit, each cannabis facility shall enter into a development agreement with the City setting forth the terms and conditions under which the cannabis facility will operate that are in addition to the requirements of this Chapter, including, but not limited to, public outreach and education, community service, payment of fees and other charges as mutually agreed, and such other terms and conditions that will protect and promote the public health, safety, and welfare.

5.31.100 Cessation of Operations.

In the event a cannabis facility that receives a regulatory permit ceases to operate for any reason, the City Council or designee shall consider the next qualified applicant on the waiting list and, at the discretion of the City Council or designee, provide an opportunity for new applicants to be considered for a permit.

5.31.110 Change in Location; Updated Registration Form.

A. Any time the location specified in the regulatory permit is changed, the cannabis facility shall re-apply with the City Manager or designee. The process and the fees for re- application shall be the same as the process and fees set forth for registration in Sections 5.31.050 and 5.31.080.

B. Within fifteen calendar days of any other change in the information provided in the registration form or any change in status of compliance with the provisions of this Chapter, including any change in the cannabis facility's ownership or management, the cannabis facility shall file an updated registration form with the City Manager or designee for review along with a registration amendment fee, as set forth in Section 5.31.080.

5.31.120 Renewal or Revocation of Regulatory Permit.

A. No regulatory permit issued under this Chapter may be renewed unless:

1. A new registration form has been filed with the City Manager or designee as set forth in Section 5.31.050 a minimum of sixty (60) days prior to the expiration date of the regulatory permit;
2. The annual renewal registration fee, as set forth in Section 5.31.080 of this Chapter, has been paid to the City; and
3. The cannabis facility and its owners and managers all meet the requirements of this Chapter for registration.

B. The City Council or designee may elect not to renew a regulatory permit issued under

this Chapter if:

1. The cannabis facility and its applicants or managers have not complied at all times with all the requirements for registration as set forth in this Chapter;
2. Any of the conditions or circumstances of Sections 5.31.070.A or 5.31.260.D, singularly or in combination, of this Chapter have occurred; or
3. The City Council or designee is aware of any other facts or circumstances, which indicate that renewal of the regulatory permit will be detrimental to the health, safety, or welfare of the residents of the City.

C. The City Council or designee may revoke a regulatory permit issued under this Chapter, upon such notice as deemed appropriate by the City Council or designee, if:

1. The cannabis facility and its applicants or managers have not complied at all times with all the requirements for registration as set forth in this Chapter;
2. Any of the conditions or circumstances of Sections 5.31.070.A or 5.31.260.D, singularly or in combination, of this Chapter have occurred; or
3. The City Council or designee is aware of any other facts or circumstances, which indicate that continued operation of the cannabis facility will be detrimental to the health, safety, or welfare of the residents of the City.

5.31.130 Limitations on City's Liability.

A. To the fullest extent permitted by law, the City shall not assume any liability whatsoever, with respect to approving any regulatory permit pursuant to this Chapter or the operation of any cannabis facility approved pursuant to this Chapter.

B. As a condition of approval of a regulatory permit as provided in this Chapter, the applicants of the cannabis facility shall:

1. Execute an agreement indemnifying the City from any claims, damages, injuries, or liabilities of any kind associated with the registration or operation of the cannabis facility or the prosecution of the cannabis facility, its applicants, managers, or employees, or its qualified patients or primary caregivers for violation of federal or State laws;
2. Maintain insurance in the amounts and of the types that are acceptable to the City Council or designee;
3. Name the City as an additionally insured on all City required insurance policies;
4. Agree to defend, at its sole expense, any action against the City, its agents, officers, and employees related to the approval of a regulatory permit; and

5. Agree to reimburse the City for any court costs and attorney fees that the City may be required to pay as a result of any legal challenge related to the City's approval of a regulatory permit. The City may, at its sole discretion, participate at its own expense in the defense of any such action, but such participation shall not relieve the operator of its obligation hereunder.

5.31.140 Additional Terms and Conditions.

Based on the information set forth in the application, the City Council or designee may impose reasonable terms and conditions on the proposed operations of the cannabis facility in addition to those specified in this Chapter.

5.31.150 Signage.

Exterior signage for the facility shall be limited to one exterior building sign not to exceed sixteen square feet in area, and door and/or window signage not to exceed ten square feet in area; such signs shall not be directly illuminated. Signage shall otherwise be reviewed and approved by the City according to the City of San Juan Bautista Sign Ordinance.

5.31.160 Cultivation, Dispensary, Manufacturing, Distribution and Testing Locations.

- A. A cannabis dispensary may be located in Industrial zones only.
- B. A cannabis cultivation facility may be located in Industrial zones only.
- C. A cannabis manufacturing facility may be located in Industrial zones only.
- D. A cannabis testing facility may be located in Industrial zones only.
- E. A cannabis distribution facility may be located in Industrial zones only.
- F. All cannabis facilities shall be setback a minimum of 600 feet from, a school, measured in a straight and direct horizontal line from the parcel boundary line of the cannabis facility to the parcel boundary line of the school. For the purposes of this Section, "school" means any public or private school providing instruction in kindergarten or grades 1 to 12, inclusive, but does not include any private school in which education is primarily conducted in private homes.
- G. All cannabis facilities shall be additionally setback a minimum of 150 feet from a conforming residential use or a licensed rehabilitation facility, measured in a straight and direct horizontal line from the closest wall of the cannabis facility to the closest

exterior wall of the conforming residential.

H. All cannabis cultivation shall be conducted only in the interior of an indoor structure and all cultivation operations including all cannabis plants at any stage of growth shall not be visible from the exterior of any structure, facility, or building containing the cultivation of cannabis.

1. For the purposes of this Section, “indoor structure” means a building, or other structure (or space within a building, or other structure) that (i) has an improved and permanent foundation spanning the entire surface underlying the building, or other structure, (ii) has a complete roof enclosure, transparent or non-transparent, supported by connecting hard sided walls extending from an improved and permanent foundation to the roof, (iii) is secure against unauthorized entry, (iv) provides complete visual screening, (v) complies with all odor control and other design standards required by this Chapter (including any regulations adopted pursuant to this Chapter), (vi) is accessible only through one or more lockable doors, and (vii) is inaccessible to minors.

I. Designation of zoning districts does not give owner or lessor of real property any rights to operate under this Chapter, or provide that any permit applied for under this Chapter shall be allowed. The City shall consider the existing surrounding uses in analyzing impacts of facility, and can deny use in any zoning district if City feels impacts on existing conforming uses are unreasonable. The herein Chapter is intended to allow for activities and uses that are unique and whose effect on the surrounding environment cannot be determined prior to being proposed for a particular location. At the time of application, a review of the location, design, configuration, and potential impact of the proposed use shall be conducted by comparing it to established development standards and individual aspects of application.

J. The permit for a cannabis facility shall apply to a single premise only.

5.31.170 Dispensing of Cannabis.

A. Cannabis retail transactions shall only occur inside the premises of the cannabis dispensary. The foregoing notwithstanding, a cannabis dispensary will engage in the delivery of cannabis or cannabis products as provided for in Section 5.31.180.

B. No cannabis sale, transfer, dispensing, or distribution of any kind shall be made to an individual under the age of twenty-one (21) unless the individual is a registered patient, and no such individual shall be allowed in any cannabis facility.

5.31.180 Delivery of Cannabis.

- A. “Delivery” means the retail sale or transfer of cannabis or cannabis products to a recreational user or qualified patient using a motor vehicle other than a “motorcycle” as that term is defined in Division 1 of the Vehicle Code.
- B. A permitted cannabis dispensary may only engage in the delivery of cannabis or cannabis products subject to any regulations promulgated pursuant to this Chapter.
- C. Any person engaging in the delivery of cannabis or cannabis products with a vehicle originating from outside the City shall:
 - 1. Be licensed or permitted by the jurisdiction from which the vehicle originates;
 - 2. Obtain a City of San Juan Bautista Business license; and
 - 3. Comply with the requirements of the Business and Professions Code and any regulations promulgated pursuant to this Chapter.
- D. The delivery of cannabis or cannabis products shall only be during the normal operating hours in permit or license.
- E. A list of the names and cellular telephone contact numbers for all individuals delivering cannabis or cannabis products shall be provided to the City. Such list shall at all times be kept current and up to date.

5.31.190 Packaging of Cannabis.

- A. Prior to retail sale or transfer, cannabis and cannabis products shall be packaged and labeled as required by regulations issued by the State pursuant thereto.
- B. If edible cannabis products are offered for sale, the cannabis dispensary facility shall first secure any approval from the County of San Benito Health Department required for handling food products.
- C. Edible products distributed or sold by any cannabis facility shall not be produced, manufactured, stored, or packaged in private homes.

5.31.200 Cannabis Facility Operations.

- A. Cannabis dispensaries may only deliver between the hours of 9:00 a.m. and 8:00 p.m. and may deliver as many as seven days per week.
- B. The sale, dispensing, or consumption of alcoholic beverages on or about the cannabis

facility or in the parking area for the facility is prohibited.

- C. Facility operator will report any loitering within one hundred feet of the premises. The loitering by persons outside the facility, either on the premises or within one hundred feet of the premises, is prohibited.
- D. A copy of the regulatory permit issued by the City and any licenses or certifications issued by the State, and any conditions thereof, shall be posted on the premises in a prominent place, readily viewable.
- E. A cannabis facility shall take all necessary and reasonable steps to prevent:
 - 1. The distribution of cannabis to minors;
 - 2. Revenue from the sale or distribution of cannabis from going to criminal enterprises, gangs and cartels;
 - 3. The diversion of cannabis from California to any other state;
 - 4. State-authorized cannabis activity from being used as a cover or pretext for the trafficking of other illegal drugs or other illegal activity;
 - 5. Violence and the use of firearms in the cultivation, manufacture, and distribution of cannabis;
 - 6. Drugged driving and the exacerbation of other adverse public health consequences associated with cannabis use;
 - 7. Growing of cannabis on public lands and the attendant public safety and environmental dangers posed by cannabis production on public lands; and
 - 8. **Preventing** cannabis possession or use on federal property.

Any violation of this provision shall result in the immediate suspension of any permit authorized under this Chapter, and pending investigation and a hearing, shall result in revocation of the permit at the election of the City Manager or designee.

5.31.210 Public Health and Safety.

- A. Each cannabis facility shall operate in a reasonable manner such that the effects on the health or safety of nearby properties through creation of mold, mildew, dust, glare, heat, noise, noxious gasses, odor, smoke, traffic, vibration, or other impacts cultivation, manufacture, dispensing, delivery, or distribution of cannabis or cannabis products are minimized.

- B. The cultivation, manufacture, dispensing, delivery, and distribution of cannabis or cannabis products shall not create hazards due to the use or storage of materials, processes, products, chemicals, fertilizers, or wastes.
- C. The interior and exterior of the cannabis facility, including driveways, sidewalks, parking strips, fire access roads and streets on or adjacent to the premises shall be kept in a clean and safe condition.
- D. Exterior lighting on the premises and location shall ensure the safety of the public and the members and employees of the facility while not disturbing surrounding areas.

5.31.220 Records.

- A. Cannabis facilities shall maintain an inventory control and reporting system that accurately documents the present location, amounts, and descriptions of all cannabis products throughout the distribution chain until purchased. The inventory control and reporting system shall comply with the State of California's Rules & Regulations.
- B. Cannabis facilities shall have an electronic point of sale system that produces historical transactional data for review by the City Manager or designee for compliance and auditing purposes.
- C. Each cannabis facility shall maintain at the premises all records and documents required by this Chapter and all the information and records listed below and as otherwise required by applicable State law or regulation:
 - 1. The name, address, and telephone number(s) of the owner, landlord and/or lessee of the location;
 - 2. Up-to-date information for all savings accounts, checking accounts, investment accounts and trusts associated with the operation of the cannabis facility;
 - 3. Complete and up-to-date records regarding the amount of cannabis cultivated, produced, manufactured, harvested, stored, or packaged at each cannabis facility;
 - 4. Complete and up-to-date records regarding cannabis transfers throughout the distribution chain from cultivation, to manufacturing, to its dispensing location, including the date and time of the transfer; the name and address of the cultivation and manufacturing facility and the name and address of the supplier if different from the cultivation or manufacturing facility; the amount, form, type, batch and lot number of cannabis transferred; the time of departure from the distribution, cultivation or manufacturing facility; the time of arrival at the dispensing location; the names of the employees transporting the product; and the name of the employee who received the product at the dispensing location;
 - 5. Complete and up-to-date records documenting each transfer of cannabis from the

cannabis dispensing location to customers including the amount provided, the form or product category in which the cannabis was provided, the date and time provided, the name of the employee making the delivery, and the amount of transaction;

6. All receipts of the cannabis facility, including but not limited to expenditures incurred by the cannabis facility for the cultivation, manufacture, dispensing, distribution, and delivery of cannabis;
 7. Proof of completed registration with the City Manager or designee in conformance with this Chapter;
 8. Records demonstrating compliance with State and federal rules and regulations regarding reporting and taxation of income received; and
 9. All cannabis facilities shall perform an inventory each month and shall record the total quantity of each form of cannabis on the premises.
- D. All records required by this Section shall be maintained by the cannabis facility for a period of seven years and shall be made available to the City Council or designee and any City official charged with enforcing the provisions of this code upon request.

5.31.230 Financial Statements.

No later than sixty (60) days after licensees' close of business year (calendar or fiscal), each cannabis facility shall file with the City Manager a summary of its financial operations for the previous calendar year, completed in accordance with generally accepted auditing and accounting principles. The statement shall include but not be limited to a discussion, analysis, and verification of each of the records required to be maintained pursuant to this Chapter. The information contained in the statement shall be made available to the City Council or designee in standard electronic format as designated by the City Council or designee.

5.31.240 Community Relations.

- A. Each cannabis facility shall provide the City Manager or designee with the name, telephone number, and email address of an on-site community relations or staff person or other representative to whom the City can provide notice if there are operating problems associated with the cannabis facility or refer members of the public who may have any concerns or complaints regarding the operation of the cannabis facility. Each cannabis facility shall also provide the above information to all businesses and residences located within 500-foot radius of the cannabis facility.

5.31.250 Compliance.

- A. All cannabis facilities shall pay any applicable sales, use, business or other tax, and all license, registration, or other fees pursuant to federal, State, and local law.

- B. Nothing in this Chapter shall be construed as authorizing any actions, which violate State or local law with regard to the cultivation, transportation, manufacture, provision, sale, transfer, distribution or disposition of cannabis.

5.31.260 Inspections and Enforcement.

- A. The City Manager or their designees shall have the right to enter all cannabis facilities unannounced during the facility's hours of operation for the purpose of making reasonable inspections to observe and enforce compliance with this Chapter, to inspect and copy records required to be maintained under this Chapter, or to inspect, view, and copy recordings made by security cameras, all without requirement for a search warrant, subpoena, or court order.
- B. Operation of a cannabis facility in non-compliance with any conditions of approval or the provisions of this Chapter shall constitute a violation of the Municipal Code and shall be enforced pursuant to the provisions of this code.
- C. The City Council or designee may summarily suspend or revoke a cannabis regulatory permit, or disqualify an applicant from the registration process, or elect not to renew a regulatory permit if any of the following, singularly or in combination, occur:
1. The City Manager or designee determines that the cannabis facility has failed to comply with any requirement of this Chapter or any condition of approval or a circumstance or situation has been created that would have permitted the City Manager or designee to deny the regulatory permit under Section 5.31.060 or elect not to renew or revoke the regulatory permit under Section 5.31.120;
 2. The cannabis facility has conducted itself or is being conducted in a manner that creates or results in a public nuisance;
 3. The cannabis facility ceased operations for more than 90 calendar days, including during change of ownership proceedings;
 4. Ownership is changed without the new owners applying for and securing a regulatory permit under this Chapter;
 5. The cannabis facility relocates to a different location or premises; and
 6. The cannabis facility fails to allow inspection and/or copying of the security recordings, the activity logs and records required under this Chapter, or the premise by authorized City officials.
 7. The cannabis facility fails to notify City of change of management.

5.31.270 Appeals.

Any decision regarding or pertaining to the regulatory permit process set forth in this Chapter, or any action taken by the City Manager or designee pursuant hereto, may be appealed to the City Council. Such appeal shall be taken by filing with the City Clerk,

within ten (10) days after notice of the action or decision complained of has been issued, a written statement setting forth the grounds for the appeal. The City Clerk shall transmit the written statement to the City Council and at its next regular meeting the council shall set a time and place for a hearing on the appeal. Notice of the time and place of such hearing shall be mailed to the appellant. The decision of the City Council on such appeal shall be final and binding on all parties concerned.

5.31.280 Violations.

- A. Any violation of any of the provisions of this Chapter is unlawful and a public nuisance and will be subject to an Administrative Citation.
- B. Any violation of any of the provisions of this Chapter shall give the City the right to issue an administrative citation, and/or assess an administrative fine of up to one thousand dollars (\$1,000.00) for each violation of this Ordinance.
- C. A separate offense occurs for each day any violation of this Chapter is continued and/or maintained.
- D. The remedies provided herein are not to be construed as exclusive remedies, and in the event of violation, the City may pursue any proceedings or remedies otherwise provided by law.

5.31.290 Implementation Procedures.

- A. The City Council or designee shall develop written regulations governing the implementation of the cannabis facility regulatory permit process authorized by this Chapter. Such written regulations shall be approved by the City Council before they shall become effective. The City Council may impose such conditions of approval as it deems appropriate.
- B. Applications for a regulatory permit authorized by this Chapter shall not be accepted by the City Manager or designee, nor a regulatory permit issued, until the written implementing regulations required under this Section have been approved by the City Council for the type of cannabis facility permit for which application is sought.
- C. The City Manager or designee may develop written regulations governing the conduct of the cannabis facilities and the delivery of cannabis or cannabis products. The City Council shall approve regulations for one or several types of permits and the regulations for each type of permit shall operate independently of and not be dependent on the approval of regulations for any other type of permit authorized by this Chapter.

5.31.300 Cannabis Permit Types.

- (A) The following M-permits and A-Permits are created under this Chapter:

Tier	Classification/Type	Area
Type 1A	Cultivation: Specialty indoor	501-5,000 ft
Type 1B	Cultivation: Specialty mixed-light	2,501-5,000 ft
Type 1C-i	Cultivation: Specialty cottage indoor	up to 500 ft
Type 1C-m	Cultivation: Specialty cottage mixed-light	up to 2,500 ft
Type 2A	Cultivation: Small indoor	5,001-10,000 ft
Type 2B	Cultivation: Small mixed-light	5,001-10,000 ft
Type 3A	Cultivation: Indoor	10,001-22,000 ft
Type 3B	Cultivation: Mixed-light	10,001-22,000 ft
Type 4	Cultivation: Nursery	up to 22,000 ft
Type 6	Manufacturing Level 1	non-volatile
Type 7	Manufacturing Level 2	Using volatile solvents
Type 8	Testing Laboratory	N/A
Type 10	Retail	N/A
Type 11	Distributor	N/A
Type 12	Microbusiness	Up to 10,000 ft

Section 3. SEVERABILITY

The City Council declares that, should any provision, section, paragraph, sentence, or word of this Ordinance be rendered or declared invalid by any final court action in a court of competent jurisdiction or by reason of any preemptive legislation, the remaining provisions, sections, paragraphs, sentences, or words of this Ordinance as hereby adopted shall remain in full force and effect.

Section 4. EXECUTION AND CERTIFICATION

The City Clerk is directed to do all things necessary to cause the execution of this Ordinance immediately upon its adoption and shall thereafter certify to the passage of this Ordinance and cause the same to be published and posted according to law.

Section 5. EFFECTIVE DATE

Pursuant to Section 36937 of the California Government Code, this Ordinance shall take effect thirty (30) days after its final passage and adoption by the City Council.

INTRODUCED at a regular meeting of the City Council of the City of San Juan Bautista held on the (XX)th day of (month), 2018.

PASSED AND ADOPTED as an Ordinance of the City Council of the City of San Juan Bautista at a regular meeting of the City Council held on the (day)th day of (month), 2018, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

**STAFF REPORT
CITY COUNCIL AGENDA**

DATE: April 17, 2018
STUDY SESSION DATE:

AGENDA ITEM:
MEETING DATE: April 17, 2018

TITLE OF ITEM: Franchise Agreement Selection Committee Recommendation to Enter into Exclusive Negotiations with Recology San Benito County for a New Franchise Agreement for Collection of Recyclables, Organics, and Solid Waste.

BRIEF DESCRIPTION: The City Council is being asked to approve the selection of Recology San Benito County as the future service provider under a new Franchise Agreement expected to take effect November 1, 2018. The current Franchise Agreement expires after June 30, 2018, but a short-term extension will be brought forward for approval by each RA Member at an upcoming meeting to enable sufficient time for the transition to new services.

The Franchise Agreement Selection Committee consisting of, San Juan Bautista City Manager Michael LaForge, Hollister City Manager Bill Avera, and County CAO Ray Espinosa recommend entering into exclusive negotiations with Recology San Benito County for a new Franchise Agreement for Collection of Recyclables, Organics, and Solid Waste. This recommendation is based on a review of the Franchise RFP Evaluation Committee Report dated March 22, 2018 (see **Attachment A**) and holding three meetings with members of the Evaluation Committee. The Selection Committee recommendation is based on the following rationale:

- Recology proposed the lowest residential rates
- Recology, as the incumbent service provider with an existing corporation yard and extensive knowledge of existing routes and customers, has the simplest implementation and transition plan for rollout of the new collection services; this translates to the lowest risk of any significant issues arising during the transition
- Recology has a strong track record of delivering quality customer service and significant, positive engagement with and support for local community organizations

The final negotiated Franchise Agreement, including final proposed solid waste and organics rates, will be brought back to each Regional Agency (RA) Member for consideration for approval.

STAFF RECOMMENDATION: Adopt Resolution 2018-___ that the City Council:

1. Approve the Franchise Agreement Selection Committee recommendation to enter into exclusive negotiations with Recology San Benito County for a new Franchise Agreement for collection of recyclables, organics, and solid waste contingent upon the following items being addressed during negotiations:
 - Incorporating into the Franchise Agreement enhanced performance standards and liquidated damages related to meeting diversion requirements

- Recology developing a detailed commercial recycling outreach plan to thoroughly outline how they will increase commercial diversion from the current commercial diversion rate of 6% and include two additional Recycling Outreach Coordinators in year 1 only of the contract at no cost to the ratepayers.
- Recology modifying its proposed rates to reduce the commercial customer subsidy of residential customers while still maintaining the lowest proposed residential rates (for each of the three Regional Agency Members) compared to GWR and RJR RR
- Recology agreeing to implement operational changes to reduce the carbon footprint of its proposed collection/hauling operations

If the above items are not successfully negotiated between the parties then the Selection Committee would then recommend terminating negotiations with Recology and entering into exclusive negotiations with GWR.

2. Appointing a contract negotiations team consisting of the Selection Committee and Kevin McCarthy who serves as the technical lead for the Franchise RFP process.
3. Authorize the Chair to sign the Resolution.

DEPARTMENT SUMMARY: A joint meeting of the RA Members was held on March 22, 2018 to hear a presentation on the Evaluation Committee Report findings and discuss next steps in the Franchise Agreement contractor selection process. The meeting was attended by, San Juan Bautista Council Members Boch and Freeman, Hollister Mayor Velazquez and Council Member Klauer, and all five County Supervisors.

The Franchise Agreement Ad Hoc Committee heard a similar presentation on March 8, 2018. This meeting was attended by San Juan Bautista Mayor West and Council Member Boch, Board Chair Botelho and Board Vice-Chair Muenzer, and Hollister Council Member Klauer.

Extensive question and answer occurred at each meeting along with public comment. Each of the three firms submitting proposals in response the RFP were also given time to make a brief presentation at the March 22, 2018 joint RA Member meeting.

Proposal Evaluation Process

On August 29, 2017 the RA released the Collection Services RFP. By the November 14, 2017 deadline, the RA received three (3) responsive proposals from companies capable and qualified to provide the collection services described in the RFP. The proposers are:

- GreenWaste Recovery (GWR)
- Recology San Benito County
- *RJR Resource Recovery (RJR RR) (i.e., RJR Recycling, Atlas Disposal, and Garden City Sanitation)

**This new firm was created for the purposes of responding to this RFP. The firm is one-third owned by each of the companies listed above.*

The Franchise Agreement Ad hoc Committee approved the formation of an Evaluation Committee to review each of the submitted proposals. The Regional Agency's Evaluation

Committee consisted of: San Benito County staff (Louie Valdez), a representative from another solid waste JPA – Salinas Valley Solid Waste Authority General Manager/CAO (Patrick Mathews), Integrated Waste Management Program Manager (contract staff) Kathleen Gallagher, and County Integrated Waste Management Technical Expertise contract staff Kevin McCarthy.

CONSIDERATION OF ALTERNATIVES:

CEQA DETERMINATION: The selection of a franchise hauler would constitute action to maintain and protect the environment by reducing waste disposed to the landfill and lessening need for landfill expansion, and diverting material to recycling and composting at existing facilities, thereby reducing greenhouse gas emissions such as methane, and by running new collection vehicles on compressed natural gas or other more cleanly burning fuel to reduce pollutant emissions and improve air quality over existing conditions. It would partially involve the restructuring of charges by a public agency for meeting operating expenses and purchasing equipment. The project would diminish environmental damage that could occur without the project and would not simultaneously create new, different environmental impacts. For these reasons the project is categorically exempt from CEQA per §15601(b)(3), §15307, §15308, and §15183, and statutorily exempt under §15273.

Accordingly, staff seeks the board to make the requisite findings and to direct staff to file a Notice of [KM1] Exemption in compliance with the California Environmental Quality Act.

FINANCIAL IMPACT: The County as lead agency completes many waste management requirements on behalf of the RA Members including administering a single Franchise Agreement for all three RA Members. A Cost Sharing Agreement details the cost management structure for the RA; these costs are outside of the General Fund and separately managed and paid for by fees included in the solid waste rates. Implementation of the new Franchise Agreement will include one new fee, a household hazardous waste (HHW) fee, that will cover HHW program costs for the RA Members. Other fees may be added during contract negotiations such as a litter abatement fee to cover street sweeping costs.

Residential and commercial ratepayers will experience an increase in solid waste rates compared to current rates, though residential rates will be lower than the forecasted solid waste rates under the current Franchise Agreement. Information on proposed rates can be found in Attachment A, Tables P-2, P-5, and P-7.

Implementation of the new Franchise Agreement will increase franchise fees paid to the City of San Juan Bautista from the current annual fees (2017 actual) of \$32,726 to an estimated \$52,914 in year 1 of the Agreement.

RESOLUTION NO. 2018 - _

RESOLUTION OF THE CITY OF SAN JUAN BAUTISTA APPROVING A RECOMMENDATION TO ENTER INTO EXCLUSIVE NEGOTIATIONS WITH RECOLOGY SAN BENITO COUNTY FOR A NEW FRANCHISE AGREEMENT FOR COLLECTION OF RECYCLABLES, ORGANICS AND SOLID WASTE, CONTINGENT UPON SPECIFIED CONDITIONS

WHEREAS, the San Benito County Integrated Waste Management Regional Agency ("Regional Agency") is comprised of the City of Hollister, City of San Juan Bautista and the County of San Benito and is a joint powers authority established in 1995 to cost effectively coordinate all integrated waste management programs within the guidelines imposed by the California Integrated Waste Management Board (CalRecycle); and

WHEREAS, the RA Members have a joint Franchise Agreement with Recology which resulted from an 18-month joint competitive procurement process conducted in 2006/2007 between the County, Hollister and San Juan Bautista which agreed to have one joint Franchise Agreement with a one contractor; and

WHEREAS, as noted in the recitals to the current Franchise Agreement, "the RA Members determined to offer proposers this exclusive agreement with respect to each of their jurisdictions to offer the Contractor economies of scale and increase contract administration efficiency and reduced contract administrative cost"; and

WHEREAS, in 2007, the Regional Agency Members approved the current joint Franchise Agreement with Recology for an eight-year term (November 20, 2007 to June 30, 2015); and

WHEREAS, the Franchise Agreement had an option for a three-year term extension (June 30, 2015 to June 30, 2018) and that extension was approved in September 2014. Therefore, the current Agreement expires June 30, 2018; and

WHEREAS, the Regional Agency completed a review of the current joint Franchise Agreement between the City of San Juan Bautista, City of Hollister and San Benito County and Recology San Benito County through a Franchise Agreement Ad Hoc Committee with representation from all three RA Members at meetings held on March 9th, May 14th and June 28th; and

WHEREAS, each RA Member adopted a similar resolution in August 2017 approving the final RFP documents, including a new Franchise Agreement, and authorized RA staff to release such documents to initiate the contractor selection process for a new Franchise Agreement; and

WHEREAS, the On August 29, 2017 the RA released the Collection Services RFP. By the November 14, 2017 deadline, the RA received three (3) responsive proposals from companies capable and qualified to provide the collection services described in the RFP. The proposers are GreenWaste Recovery, Recology San Benito County, and RJR Resource Recovery; and

WHEREAS, the approved RFP Evaluation Committee completed from mid-November 2017 to January 2018 a multi-step evaluation process to review the three proposals; and

WHEREAS, the RFP Evaluation Committee prepared a Report detailing its evaluation findings and proposal scoring and presented the Report to the Franchise Agreement Selection Committee on February 13, 2018; and

WHEREAS, the RFP Evaluation Committee prepared a Report detailing its evaluation findings and proposal scoring and presented the Report to the Franchise Agreement Selection Committee on February 13, 2018 and the Selection Committee recommended that the Report be presented to the Franchise Agreement Ad Hoc Committee; and

WHEREAS, the Franchise Agreement Ad Hoc Committee with elected officials from all three RA Members convened on March 8, 2018 to hear a presentation on the Evaluation Committee Report and receive public comment; and

WHEREAS, a joint meeting of the RA Members with elected officials from all three RA Members was held on March 22, 2018 to hear a presentation on the Evaluation Committee Report findings, receive public comment including brief presentations from the three proposers and discuss next steps in the Franchise Agreement contractor selection process; and

WHEREAS, on March 28, 2018 representatives from the RFP Evaluation Committee and Selection Committee met and the Selection Committee formulated its recommendation; and

WHEREAS, the City of San Juan Bautista finds the selection of a contractor is categorical exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Sections 15061(b)(3), 15183, 15307, 15308, and 15273 (State CEQA Guidelines) in that the franchise activity can be seen with certainty to have no significant effect on the environment, as further described and explained in the accompanying April 17, 2018 agenda item to this Resolution, incorporated herein by the reference as if fully set forth herein; and

WHEREAS, each of the foregoing provides a separate and independent basis for an exemption and when viewed collectively provides an overall basis for an exemption, as further described and explained in the accompanying April 17, 2018 agenda item to this Resolution, incorporated herein by the reference as if fully set forth herein; and

NOW, THEREFORE, BE IT RESOLVED, by the City of San Juan Bautista:

1. Approve the Franchise Agreement Selection Committee recommendation to enter into exclusive negotiations with Recology San Benito County for a new Franchise Agreement for collection of recyclables, organics, and solid waste contingent upon the following items being addressed during negotiations:
 - Incorporating into the Franchise Agreement enhanced performance standards and liquidated damages related to meeting diversion requirements
 - Recology developing a detailed commercial recycling outreach plan to thoroughly outline how they will increase commercial diversion from the current commercial diversion rate of 6% and include two additional Recycling Outreach Coordinators in year 1 only of the contract at no cost to the ratepayers.
 - Recology modifying its proposed rates to reduce the commercial customer subsidy of residential customers while still maintaining the lowest proposed residential rates (for each of the three Regional Agency Members) compared to GWR and RJR RR
 - Recology agreeing to implement operational changes to reduce the carbon footprint of its proposed collection/hauling operations

If the above items are not successfully negotiated between the parties then the Selection Committee would then recommend terminating negotiations with Recology and entering into exclusive negotiations with GWR.

2. Appoint a contract negotiations team consisting of the Selection Committee and Kevin McCarthy who serves as the technical lead for the Franchise RFP process.
3. Authorize the Mayor to sign the Resolution.

BE IT FURTHER RESOLVED that the City of San Juan Bautista has independently reviewed, considered, and confirmed the environmental determination and finds and determines that the action complies with CEQA and directs staff to file a Notice of Exemption.

* * * * *

PASSED AND ADOPTED at a regular meeting of the City Council of the City of San Juan Bautista duly held on the 17th day of April, 2018, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Jim West, Mayor

ATTEST:

Mackenzie Quaid, Acting City Clerk

Evaluation Committee Report

Evaluation and Scoring of Proposals in Response to RFP for Franchised Collection Services for Recyclables, Organics and Solid Waste for the County of San Benito, City of Hollister, and City of San Juan Bautista



City of **HOLLISTER**
CALIFORNIA



Presented to the Selection Committee (Ray Espinosa, Bill Avera, Michael LaForge, and Ed Tewes) 2/13/18

Presentation to the Franchise Ad hoc Committee 3/8/18

Presentation to the Joint Regional Agency Members on March 22, 2018

San Benito County Integrated Waste Management Regional Agency

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1. OVERVIEW AND BACKGROUND

This report from the Franchise RFP Evaluation Committee provides the evaluation and scoring results for the three companies that submitted proposals in response to the Collection Services RFP issued on August 29, 2017. The report details our evaluation of each company's qualifications and experience, technical proposal for collection services, cost proposal, contract exceptions, environmental enhancements, and optional organic materials collection services. The scoring results can be found in Table B on page 10 of this report.

The overall goals stated for this RFP process include:

- *Provide quality programs, service & terms at best cost*
- *Ensure programs meet state mandates¹, industry standards and industry best practices*
- *Ensure each RA Member continues to approve separate garbage rates for their jurisdiction*

Regional Agency Member Approval to Conduct a Joint Request for Proposal (RFP) Process

The joint franchise agreement between the County of San Benito, City of Hollister, and City of San Juan Bautista, collectively the Regional Agency (RA) Members, and Recology San Benito County, is due to expire after June 30, 2018. All three RA Members agreed to participate in a joint franchise RFP process including development of a new franchise agreement. This joint process was approved by the City of San Juan Bautista on November 17, 2016, by the County Board of Supervisors on December 13, 2016, and by City of Hollister on June 5, 2017.

Franchise Agreement Ad Hoc Committee Convened to Review /Approve Key Decisions

A Franchise Agreement Ad Hoc Committee was convened to review key decision options related to the franchise agreement RFP process and review/approve the scope of services and franchise agreement terms and conditions. The Committee was comprised of Supervisor Jerry Muenzer, Supervisor Anthony Botelho, San Juan Bautista Council Member Tony Boch, San Juan Bautista (former) City Manager Roger Grimsley, and Hollister Council Member's Ray Friend and Vice-Mayor Karson Klauer. The Committee met on March 9th, and May 24, 2017 to review decision options and the franchise agreement scope of work. At the May 24th meeting, unanimous direction was given to pursue a joint RFP process. A final meeting was held on June 28th with direction given to move forward with development of the final RFP documents for approval by the RA Members.

Regional Agency Member Approval of Final RFP Documents

In August 2017, each RA Member adopted a similar resolution approving the final RFP documents, including a new franchise agreement, and authorized RA staff to release such documents to initiate the contractor selection process for a new franchise agreement.

AB 939 State Mandated Recycling Requirements

One key goal of the RFP process is to significantly increase recycling for RA Members to meet the AB 939 requirement

State mandate (AB 939) requires jurisdictions to reduce waste to landfill by 50% by recycling, food/organics recycling/composting, reuse and source reduction. CalRecycle is the state department that monitors and enforces AB 939 and other solid waste mandates. CalRecycle may place a jurisdiction on a compliance schedule and/or impose fines for non-compliance.

www.calrecycle.ca.gov

¹ State mandate AB 939 requires jurisdictions to divert 50% of waste from landfill, AB 341 requires mandatory recycling for businesses, AB 1826 requires businesses to recycle organic/food waste, and SB 1383 targets 50% organics reduction from landfill by 2020 and 75% reduction by 2025. See for additional waste reduction mandates:

<http://www.calrecycle.ca.gov/Laws/Legislation/CalHist/default.htm>.

of 50% diversion from landfill and other waste reduction mandates. CalRecycle, the state department that monitors and enforces solid waste mandates, notified our Regional Agency JPA that we have a trend of increasing disposed tons in the last three years and a low commercial recycling rate. CalRecycle staff determined that the Regional Agency JPA is on a 'good faith effort' and provided direction to increase recycling, particularly in commercial recycling and other areas to reduce waste to landfill. *In January 2017, CalRecycle sent a notification to all jurisdictions that stated "it is imperative that CalRecycle fully exercise its authority to ensure that jurisdictions' specified disposal reduction and recycling programs are in compliance with state law. To ensure that mandated statewide goals are met, AB 341 and AB 1826 specifically authorize CalRecycle to conduct reviews of jurisdictions' mandatory commercial recycling programs and mandatory commercial organics recycling programs at any time. This means that a jurisdiction may be formally reviewed at any time outside of and in addition to the regular review cycle. Per PRC 42649.82, select rural jurisdictions that submitted a resolution to CalRecycle are exempt from the requirements of AB 1826. In 2020, if the statewide disposal of organic waste has not been reduced by 50 percent the exemptions will be repealed".* Appendix A provides the detailed list of goals and objectives for the RFP process and future franchised collection services².

Highlights of New Franchise Agreement - New Recycling Programs to Meet State Mandates

The following summarizes the new and expanded programs, services and contract improvements in the new Franchise Agreement to be implemented effective July 1, 2018.

A. New and Enhanced Recycling Collection Programs for Residents to Meet State Mandates

- **Weekly Yard Waste Collection³ for residents⁴**. This program will help meet state mandate SB 1383.
- **New Weekly Organics/Food Scraps Collection** for residents to simply place food scraps right into their yard waste bin (no new container is needed -all yard waste/organics/food scraps - even pizza boxes, paper plates, paper towels!) are collected in one bin). This program is needed to meet state mandate SB 1383.
- **Improved/Expanded On-Call Bulky Item Collection (at no additional cost)** for residents to place mattresses, electronics, appliances, broken furniture, etc. at their curbside for collection up to 2 times per year on a day of their choice. (In the current franchise agreement, residents must pay a significant, separate charge for this service. This charge ranges from \$37.02 to \$58.26 per pick-up depending upon what is picked-up).
- **Free Compost Giveaway Events for Residents (at no additional cost)**

Residents can receive free compost at a compost

giveaway event up to three times each year for each RA Member upon RA Member request. Twenty (20)

Food waste and other organic wastes are the largest component that is landfilled from San Benito County jurisdictions. Approximately 19-21% of landfilled waste is food/organics.

AB 1826 and SB 1383 require jurisdictions and businesses to implement organics recycling programs. The new organics recycling programs in the franchise agreement will help meet mandates and reduce food waste to landfill.

www.calrecycle.ca.gov

² The Ad hoc Committee reviewed key decision options related to the franchise agreement RFP process and reviewed/approved the scope of services, programs and franchise agreement terms and conditions.

³ Service areas for the County that are currently "voluntary" and "discretionary" will continue in new franchise agreement.

⁴ This service is included in the core service package (the current franchise has this service as an 'extra charge' on resident's bills).

cubic yards of free compost will be made available for use by residents or for the RA Members use (for parks, etc.)

- **Free Electronic Recycling and Confidential Shred Event for Residents (at no additional cost)**
Residents can get free electronic recycling and free confidential document shredding up to three times each year on a date decided by the RA and contractor. The location of the event is to be determined.
- **Free Quarterly Bulky Item Collection Events** will continue at the landfill where residents can bring their bulky items to recycle or dispose for free.
- **Free Household Hazardous Waste Dropoff/Collection** will continue every month (3rd Saturday of each month)

B. New and/or Enhanced Programs/Services for Regional Agency Member City and County Facilities

Each RA Members' City and County Facilities will receive these services at no additional cost:

- **New Recycling and Garbage Containers Collection at Parks, Corporation Yards, Fire Stations and other RA Member facilities**
New recycling and garbage container collection at RA Member's facilities, parks, municipal offices, corporation yards, parking lots, fire stations, and other RA Member-owned properties at RA Members request.
- **New Recycling, Organics and Garbage Containers at Street/Public Locations**
New recycling and garbage container collection at locations such as downtown streets as requested by the RA Members.
- **New Recycling Services at Community Events (e.g., Motorcycle Rally, County Fair, farmers markets, historical and cultural events, etc. with expanded services)**

Community event services include:

- a. Event Recycling /Organics/Garbage Collection Stations
- b. Collection Station Monitors
- c. New Recycling/Organics/Garbage Collection Containers
- d. Recycling/Waste Reduction Education Booth (staffed by contractor)

New Recycling Services for Community events will include recycling, organics and garbage collection services, recycling containers, educational signs, staffing, education and reporting to meet AB 2176 reporting requirements.

- e. Reporting to State CalRecycle Agency as required by AB 2176

C. New and/or Enhanced Commercial Recycling Collection Programs for Businesses and Multi-Family Locations at no additional cost

- Businesses will receive substantially expanded **commercial recycling technical assistance and outreach to help them increase recycling and reduce waste at no additional cost (included in solid waste rates)**. This program is also available for the **Multi-family locations**. These commercial recycling services are critical to meeting state mandates AB 939, SB 1016, AB 341 and AB 1826.
- Businesses will receive a **new collection service for organic waste** (mainly food scraps) to meet AB 1826 and SB 1383 state mandates. This service will be offered at a discounted price compared to solid waste collection services.

D. New /Enhanced Public Education and Outreach Programs for Residents, Businesses and Multi-Family

- Residents, businesses, multifamily accounts will receive improved public education and outreach to help them know all the recycling/waste reduction options available to them. The substantially enhanced **public**

education and outreach requirements support the expanded diversion programs and help meet state mandates AB 939, AB 341 and SB 1016. For commercial accounts, the focus will be to maximize diversion which will result in cost savings in solid waste charges.

E. Franchise Agreement's New Contract Terms and Conditions

- **Term of Agreement (Article 4)** – Ten-year term with option for extension, by written agreement of the Parties, twice for succeeding terms of two (2) years each, if Contractor in compliance with all terms and conditions of this Agreement, including the Diversion requirements.
- **Requirements for Operations, Equipment and Personnel** – Added requirement (per Article 6, Section 6.4.A) that all collection vehicles shall operate on compressed natural gas (CNG). The Agreement and RFP anticipate allowing proposers to provide an alternative proposal for use of other alternative fuels such as renewable diesel, etc.

More environmentally friendly fuels for collection vehicles such as Compressed Natural Gas (CNG) or renewable diesel can help RA Members meet AB 32's greenhouse gas reduction requirements.

- **Worker Retention Policy and Compliance and Wages and Benefits Requirements** -

The contractor is required to comply with a worker retention policy. More specifically, the "Contractor shall conduct outreach, complete interviews and offer employment to eligible employees. Contractor will not be required to hire for more positions than the maximum anticipated positions needed to provide the services required by this Agreement or hire employees for positions if those employees have not been successfully executing duties like those needed by Contractor to provide the services required by this Agreement." This language is consistent with language in other Franchise Agreements was shared with Teamsters Local 350 during the RFP and franchise agreement drafting process and they offered no edits.

The contractor is required to provide employees with wages and benefits equaling no less than the wages and benefits included in the collective bargaining agreements in place in 2018 or at roll-out of the new collection services program.

- **Operation and Maintenance Yard Requirements** - As with the current Agreement, the new Agreement requires that the Contractor have an operation and maintenance yard within a certain number of miles of the County Administration building; in the new Agreement, its 30 miles vs. 25 miles in the current Agreement. If the Contractor's yard is outside the County boundaries the Contractor will pay an in-lieu property tax payment which is currently \$9,955.17 per year and indexed at 2% adjustment each year.
- **Franchise Fees and AB 939 and HHW Fees** –
Added new fees for AB 939 compliance⁵, household hazardous waste (HHW) fee to fund Countywide HHW programs⁶, and a litter abatement fee to cover litter and NPDES storm

New revenue for RA members from new fees such as AB 939 compliance fee, household hazardous waste (HHW) fee and other fees to cover program costs for RA members.

⁵ Funds AB 939 programs for residents and businesses such as recycling events, drop off events, etc. to increase diversion from landfill. Existing law authorizes jurisdictions to charge AB 939 fees to cover program costs and are common in franchise agreements.

⁶ HHW programs include the monthly free household hazardous waste events for residents, and collection/safe disposal of

water requirements related to litter in waterways. These fees will cover the RA Member and/or County-wide specific programs costs. Final fee amounts to be determined during negotiations with the selected franchise hauler and input from RA Members.

- **Grant and Acceptance of Franchise** – Added a provision that requires (Article 3, Section 3.4) the contractor to pay to the County on behalf of the RA Members up to eighty-five thousand dollars (\$85,000) to offset the costs for contract staff to develop the RFP and Franchise Agreement, manage procurement process and to negotiate the final Agreement on behalf of the RA Members.
- **New Containers for Residents and Businesses** -The Agreement requires use of all new carts, bins, and drop boxes to service all Customers.
- **Fuel Efficient/More Sustainable Trucks**-The Agreement requires the Contractor to provide a fleet of new collection vehicles sufficient in number and capacity to efficiently perform the work required in strict accordance with its terms. Contractor shall have available sufficient back-up vehicles for each type of Collection vehicle used to respond to scheduled and unscheduled maintenance, service requests, complaints, and emergencies. Such back-up vehicles may be used vehicles.
- **Improved Customer Service, Record Keeping, and Reporting and Billing Requirements** – Updated reporting requirements to meet industry standards, including the reporting of liquidated damages on a quarterly basis. The current and new Agreement requires the Contractor to provide at least one location in each RA Member’s jurisdiction, acceptable to the RA Member, where customers can pay their bills in person.

F. New Performance Standards and Incentives/Performance Liquidated Damages

- **45% Measured Diversion Requirements to Meet State Mandates** – Added enforceable diversion requirements (Article 5, Section 5.12) to assist the RA Members with meeting state diversion mandates (AB 939, AB 341, AB 1826, etc.). Currently, there are no consequences associated with the Contractor not meeting the diversion goals.

Of key importance is the added performance incentives and disincentives (Franchise Agreement Attachment H) related to meeting an overall measured diversion requirement minimum of 45%.

- **Improved method to correct service issues**- Updated liquidated damage provisions (Article 11, Section 11.6) to match industry standards.

medical sharps throughout county. These programs reduce illegal dumping of hazardous waste.

2. PROPOSAL EVALUATION PROCESS

On August 29, 2017 the RA released the Collection Services RFP. By the November 14, 2017 deadline, the RA received three (3) responsive proposals from companies capable and qualified to provide the collection services described in the RFP. The proposers are:

- GreenWaste Recovery (GWR)
- Recology San Benito County
- *RJR Resource Recovery (RJR RR) (i.e., RJR Recycling, Atlas Disposal, and Garden City Sanitation)

**This new firm was created for the purposes of responding to this RFP. The firm is one-third owned by each of the companies listed above.*

Between the time of the RFP release and the submittal of proposals, there were three RFP addendums released that addressed written questions provided by the proposers and provided some updated technical data (e.g., yard waste route information, public event details, updated service levels for RA Member facilities, and updated cost forms) to potential proposers. The RFP addendums were emailed to the potential proposers on September 18th, October 4th, and November 3rd and all proposers acknowledged receipt of them.

2.1 Evaluation Process

The Franchise Agreement Ad hoc Committee approved the formation of an Evaluation Committee to review each of the submitted proposals. The Regional Agency's Evaluation Committee consists of: San Benito County staff (Louie Valdez), a representative from another solid waste JPA – Salinas Valley Solid Waste Authority General Manager/CAO (Patrick Mathews), Integrated Waste Management Program Manager (contract staff) Kathleen Gallagher, and County Integrated Waste Management Technical Expertise contract staff Kevin McCarthy. **The Evaluation Committee was supported by a team of technical reviewers from the County Counsel's office (Sean Collins and Barbara Thompson), County Resource Management Agency – IWM Department staff (Hannah Francis), County Finance, outside legal counsel Tamara Galanter (Shute, Mihaly & Weinberger LLP), and Enrique Vazquez from the consulting firm Sloan Vazquez McAfee. Technical reviewers reviewed specific aspects of the proposals, such as the County Counsel's office and outside legal counsel reviewed contract exceptions and provided feedback to the Evaluation Committee.**

The Evaluation Team, with support from the technical reviewers, thoroughly evaluated each of the three proposals for completeness (per the RFP requirements), and accuracy and followed the evaluation process detailed in Section 6.1.2 of the RFP. Once proposals were initially reviewed, there was an iterative process with active engagement with each proposer to address questions, request follow-up information if applicable, conduct interviews and complete on-site visits.

During the Proposal Evaluation Process, the Evaluation Committee was supported by a team of technical reviewers from the County Counsel's office, Resource Management Agency – IWM Department staff, County Finance, and outside legal counsel (Shute, Mihaly & Weinberger LLP).

Specific milestones in the evaluation process included:

1. Proposals as submitted on November 14, 2017.
2. Initial review of proposals for completeness. Between 11/16-11/20/17 requests were made and information provided by Recology and RJR RR to address missing item(s) or item(s) to correct in their respective proposals.
3. Detailed technical questions were sent to each proposer on December 1st with responses due back by December 11th.
4. 30-minute public presentations were made by each proposer on December 13th re: their company qualifications and technical proposal. No cost related information was shared in the presentations.
5. Follow-up technical questions were sent out on December 18th and responses due back by December 21st.
6. 60-minute technical Interviews were conducted with each of the three proposers on December 19, 2017.
7. Site visits were conducted for each proposer to see a currently operating corporation yard. Each visit included a site walk and the proposer demonstrating how their customer service and/or route operational software worked. Tours were conducted at two locations associated with RJR RR: Garden City Sanitation (Santa Clara facility) on January 8th which also included a tour of their SAFE production facility which receives pre-processed food scraps and converts it into an ingredient for animal feed; and RJR Environmental (Hollister), one of the other partners that comprise RJR RR, recycling facility was toured on January 11th to see the proposed location for a new corporation yard. Recology's Gilroy corporation yard, which currently services San Benito County, was toured on January 11th along with their nearby South Valley Organics composting facility. Finally, GreenWaste Recovery's Watsonville facility, corporation yard and transfer station, was toured on January 16th.
8. Supplemental or new alternative cost proposal information was requested of each proposer re: the use of renewable diesel to power their collection fleets.
9. On January 9th each proposer was sent correspondence communicating the opportunity for them to provide a Final and Best Base Cost Proposal with such proposals due January 15th. Each proposer was also made aware of previous identified cost items to address and provided updated clerical wage and benefit information to include in their proposal.

2.2 Evaluation Criteria and Proposal Scoring

Each Evaluation Committee member separately completed the numerically scoring and ranked each proposal using the approved (by the Franchise Ad Hoc Committee and each RA Member) evaluation criteria summarized in **Table A** on the following page.⁷ The scoring was completed separately by each evaluator and not jointly with another evaluator. Completed scoring sheets were sent by each evaluator to Resource Management Agency - IWM Staff Hannah Francis for consolidation and preparation of the final scoring table. Certain aspects of the scoring (e.g., cost competitiveness, and number and materiality of the contract exceptions) were determined based on feedback from the technical reviewer team described in Section 2.1. For example, the cost proposal total points of 225 were allocated 50/50 between the two sub criteria of "competitiveness" and "reasonableness". Each evaluator used the same scoring for cost competitiveness based on ranking the proposers from lowest total cost (revenue requirement) to highest total cost (revenue requirement).

⁷ The Ad hoc Committee reviewed and approved the evaluation criteria in **Table A** on the next page.

As shown in Table O, Recology had the lowest total cost, followed by RJR RR and then GWR; the cost difference between the lowest to highest was only 1.6%.

The explanation of the scoring of number and materiality of the contract exceptions can be found on p. 29 of this Report.

Table A: Evaluation Criteria and Maximum Evaluation Score

<u>Criteria</u>	<u>Maximum Evaluation Score</u>	<u>% of Total Points</u>
Responsiveness to RFP	Pass/fail	N/A
Company qualifications and experience	175	25%
Proposal for collection services (includes both base and optional services)	175	25%
Cost proposal (Includes both <u>base and optional services</u>)	225	32%
Number and Materiality of Suggested Changes to Franchise Agreement	75	11%
Environmental Enhancements	50	7%
Total Maximum Score	700	100%

Specific evaluation criteria and sub-criteria are found in Section 6.2 of the RFP and are included in **Appendix B**.

3. PROPOSAL SCORING RESULTS

The Evaluation Committee has scored GWR as the highest ranked proposer as result of an exhaustive evaluation process detailed further in this document. Using the Committee's approved evaluation criteria, GWR received the highest number of points based on a combination of factors including:

- **GWR Responsiveness to the RFP.** The entirety of GWR's responses including their original proposal, their written answers to the technical questions, their written responses to the cost and rate specific questions, and their technical interview were the most complete and comprehensive when compared to the other two proposals. GWR had 100% compliance with RFP Proposal Requirements and all RFP scope of service items were addressed in their original submittal.
- **GWR provided the highest diversion (recycling) levels above and beyond the required minimum performance standard of 45% diversion in the Franchise Agreement.** GWR forecasted the highest overall diversion and detailed how they would achieve the rigorous requirements in the Agreement, including using additional outreach staffing levels in year 1 of the Agreement.
- **GWR's proposal clearly demonstrated the ability to cost effectively provide quality collection services and programs to meet state diversion mandates (AB 939, AB 1826, AB 341, etc.).** GWR provided a detailed and comprehensive approach as to how they would implement improved programs to increase the currently low performing commercial and multi-family recycling programs⁸. GWR demonstrated a strong understanding of how to implement effective on-site technical assistance and outreach to businesses and multi-family accounts to increase diversion.
- **GWR's base proposal included the additional service of commercial organics (food) collection services for businesses on the contract start date.** GWR provided this service in its base proposal to ensure it meets and exceeds the diversion requirements in the franchise agreement (commercial organics collection was an optional service for proposers). Providing this service for businesses will assist in meeting the state mandates because organics is the largest component of waste that is still landfilled. Additionally, businesses will benefit from the reduced costs of organics recycling at the start of the Agreement.
- **GWR's proposal provided the most sustainable customer rate model with minimal subsidy (<5%) of residential rates by commercial rates.** GWR also provided detailed information regarding the financial incentives for businesses and multi-family (commercial) customers who downsize their garbage service levels to meet the required diversion mandates. **GWR provided the lowest commercial organics rates which will be important for businesses to easily participate in this new program.**
- **GWR's proposal detailed a very specific public education and outreach plan for residents and businesses to meet the requirements in the franchise agreement.** GWR provided detailed examples of how they would deliver residential outreach and education and commercial recycling technical assistance with trained staff and provide community event recycling and organic collection services.
- **GWR's proposal provided a thorough implementation plan for rollout of new services, including specific plans for their proposed corporation yard in the service area.**
- **GWR had the fewest franchise agreement/contract exceptions of the three proposers which will greatly simplify the time, effort and expense associated with negotiated a final Agreement.**

⁸ The current commercial recycling rate is 6%.

Proposers' evaluation scores are presented in **Table B - Proposer Evaluation Score**, which shows scores for each proposer for each of the criteria. Bolded scores reflect the best score within each criterion.

Table B: Proposal Evaluation Score

Evaluation Criteria	Total Points/Evaluation Criteria			Max. Total Score	Average Points/Evaluation Criteria		
	Green Waste Recovery	Recology	RJR Resource Recovery		Green Waste Recovery	Recology	RJR Resource Recovery
6.2.1 Proposal Submittal Responsiveness- Pass/Fail	N/A	N/A	N/A	N/A	N/A	N/A	N/A
6.2.2 Company's Qualifications and Experience	651.5	652.5	525	175	162.875	163.125	131.25
6.2.3 Proposal for Collection Services	660	590.5	577	175	165	147.625	144.25
6.2.4 Cost Proposal	858	826.25	792.75	225	214.5	206.5625	198.1875
6.2.6 Number and Materiality of Exceptions	280.5	261	223	75	70.125	65.25	55.75
6.2.7 Environmental Enhancements	110	130	92	50	27.5	32.5	23
Total Points	2560	2460.25	2209.75	700	640	615.0625	552.4375
Ranking*	1	2	3		1	2	3
% of Total Points					91.4%	87.9%	78.9%
* Each of the four evaluators that scored and ranked the proposers had the same rank order as the overall ranking order shown above.							

- GWR had the highest overall score and ranking and the highest score on individual evaluation criteria related to technical proposal, cost proposal, and number and materiality of contact exceptions.
- Recology had the highest score on individual evaluation criteria related to qualifications and experience and environmental enhancements.

4. PROPOSAL EVALUATION DETAILS

This section of the Report provides the rationale for scoring and ranking of the proposers based on evaluation results for key evaluation criteria. This report focuses on unique differences between the firms and is not intended as a summary of all evaluation details and findings; only the most critical information is highlighted.

4.1 Proposer Key Attributes

Table C provides a summary of the key attributes of each firm proposing to provide franchised collection services in the Regional Agency. Each firm or partners of the firm have capabilities that would benefit the Regional Agency.

Table C: Proposer Key Attributes

Proposer	Key Attributes
GWR	<ul style="list-style-type: none">• Successful innovator in the Bay area over the past 20+ years in material processing operations such as Construction and Demolition (C&D) recycling and processing, organics collection and composting, etc. and marketing a diverse array of finished organics products.• GWR was formed in 1991 and is delivering franchised collection services in neighboring communities in the Counties of Monterey, Santa Cruz and Santa Clara and for Santa Cruz County and the southern portion of Santa Clara County.• Operate large-scale composting operation, Z-Best Composting, approximately 11 miles from downtown Hollister.• Completed 16 new franchise agreement transitions in 10 years.• Operate a large-scale material recovery facility (MRF) in San Jose with capacity to process recyclables from San Benito County.
Recology San Benito County	<ul style="list-style-type: none">• Current hauler for the Regional Agency since 2008 and the unincorp. County areas since 2002.• 100% employee owned company that has grown into the 9th largest company in the U.S. waste industry. Recology delivers franchised services to the nearby communities of Gilroy, Morgan Hill, and the eastern portion of Santa Clara County.• Operate a small to medium size composting operation in Gilroy approximately 15 miles from downtown Hollister.• Recology management and staff participate in and contribute to many local organizations and community events in the RA service area.• Operate an existing corp. yard in Gilroy with a pre-existing CNG fueling facility.
RJR RR	<ul style="list-style-type: none">• Partner company RJR Recycling has operated recovery operations in the County since 2003 and is Hollister based. They currently process source separated recyclable materials from local businesses and schools.• Partner company Garden City Sanitation have a long-standing record of innovation and embrace new technology to improve operational and customer service delivery.• Partner company Atlas Disposal won an award in 2011 to develop North America's first Food Waste-to-Transportation fuel production facility to turn organic waste into natural gas for their fleet and other customers in the region.• Garden City Sanitation and its affiliates has extensive experience managing franchise contracts in the greater Bay area including but not limited to San Jose, Santa Clara, Los Altos, Milpitas, Alameda, Livermore, and Windsor.• Garden City Sanitation and affiliates have also completed many service transitions including but not limited to San Jose, Los Altos, Milpitas, Alameda, Livermore, and Windsor.

4.2 Proposal Submittal Responsiveness/Compliance with RFP Requirements

This evaluation criterion was rated simply as a Pass or Fail. While not all the proposers were totally compliant with all the RFP requirements, it was determined that all three were either fully compliant or substantially compliant; all were given a “Pass” grade. However, the deficiencies in proposals submitted by Recology and RJR RR were considered in the overall evaluation process. More specifically, the following assessment was made relative to the proposer’s compliance with the RFP requirements:

- **GWR** - 100% compliance with RFP Proposal Requirements. All RFP scope of service items were addressed.
- **Recology** – Fully complied with 8 of 9 (89%) sections in the required proposal outline (RFP Section 5.1) but left out a description of certain scope items including: single family dwelling (SFD) scope of services items that relate to providing additional recycling carts, overages, household batteries, used motor oil and filters, and seasonal programs like holiday tree collection. This missing information was requested in follow-up technical questions and provided by Recology.
- **RJR RR** – Fully complied with 6 of 9 (67%) sections in the required proposal outline. Proposal requirements specifically not met were regarding Section 2: “Proposal for Required Services” did not follow the required Proposal Outline per Section 5.1 of the RFP. Also, did not detail their contract exceptions in the required format as detailed in the RFP, did not provide past performance record information for the three separate entities that comprise the new company, and they did not provide a description of certain scope items including: RA Member Services, RA Member public location services, RA Member community events, free compost event services, E-Waste and Shred event services, Public drop box service, and abandoned solid waste collection. This missing information was requested in follow-up technical questions and provided by RJR.

4.3 Company Qualifications and Experience

Collection and Management Experience

As noted in **Table C**, all three firms or the partners of the firms have substantial franchised collection service experience and service initiation experience (whether as an incumbent service provider or replacing the current service provider). All three firms are qualified to deliver the services requested in the RFP and detailed in the franchise agreement. Some of the key differentiators between the firms are as follows:

- Recology is the incumbent service provider and has the most direct hands-on experience in the service area. Recology has a very experienced management team familiar with the service area.
- GWR is managing franchise agreements larger than the Regional Agency service area in the neighboring Counties of Monterey, Santa Cruz and Santa Clara Counties. They also have extensive processing infrastructure that can be leveraged to handle recyclables and organics from San Benito County.
- RJR RR’s partners Garden City Sanitation and Atlas Disposal has extensive franchise experience either through current contracts they hold or previous contracts they managed when working with other firms. However, the local partner RJR while having extensive local knowledge of the service area does not have any direct experience managing an exclusive municipal franchise. Further, the three partner companies in RJR RR have not all teamed together on a municipal franchise contract prior to this effort.

Table D provides a side-by-side comparison of the experience levels of each proposer's General Manager(GM) slated to manage this contract.

Table D: Experience for Proposed General Manager

Proposer	Experience
GWR	Colin Beall - 30-years solid waste industry experience managing union and non-union personnel. Became the Collection Operations Manager for GreenWaste in 1991. Currently manages franchises agreements with City of San Jose (yard waste/ public litter container collection, street sweeping, and neighborhood clean-up events), two unincorp. areas of Santa Clara County, Burbank Sanitary District, Los Altos Hills, Portola Valley and Woodside.
Recology San Benito County	Phil Couchee - 25-years solid waste industry experience managing primarily union employees. He has been managing the current franchise since 2007. Also, manages the franchise agreements with Gilroy and Morgan Hill. Previously, managed franchise agreements with Saratoga, Los Gatos, Campbell and Monte Sereno.
RJR RR	Robert Rodriguez, II - 10-years of experience in the solid waste industry managing non-franchise recycling and solid waste collection services. The other RJR partner companies (i.e., Garden City and Atlas Disposal) have extensive experience managing solid waste franchises. Mr. Rodriguez has no experience managing an exclusive municipal franchise nor managing a unionized workforce. In a response to a question re: this, it was noted that Mr. Rodriguez is enrolled in a Next Generation Management and Leadership program offered through the California Refuse Recycling Council (CRRC) and will graduate in May 2018.

Besides the GM position, there are other critical management positions to consider in evaluating the three proposers. Table E summarizes these other management positions for each proposer.

Table E: Other Management Positions

Proposer	Staffing Details
GWR	GM and other management staff are 100% dedicated to franchise. Route Supervisor, Maintenance Supervisor, and Customer Service Manager positions to be filled. Proposed Recycling Outreach Manager has hands-on, relevant experience with other franchise contracts, but this is his first supervisorial position.
Recology San Benito County	Key existing personnel such as the General Manager, Operations Manager, Shop Manager and Office Manager, are not solely dedicated to the franchise as they also support the franchises with Gilroy and Morgan Hill; <u>only 29% of their time is allocated to this franchise</u> . This is the current arrangement. Recycling Outreach Manager position to be filled.
RJR RR	GM and other management staff are 100% dedicated to franchise. Staffing plan assumes the Operations Manager will perform route supervisor functions, while also splitting dispatch duties with the Customer Service Manager. There is no designated route supervisor. Operations Manager and Recycling Outreach Coordinator positions to be filled. Proposed Recycling Outreach Manager has extensive overall industry and outreach experience but hasn't managed field-level outreach activities for a franchise contract in many years. In a response to a question, there was reference to more recent work rolling out a food scraps diversion program for Sacramento City Unified School District.

Jurisdiction Satisfaction

Each of the proposers provided municipal franchise references. The Evaluation team conducted phone interviews with a total of 15 references and completed five reference interviews for each proposer by the deadline. The phone interview was to complete a survey with the full survey results summarized in **Appendix C**. Below is a summary of the survey results.

Questions:	Company	N/A	Response % Unsatisfactory	Response % Satisfactory	Response % Extremely Satisfactory
Overall Opinion: Overall, how would you rate the performance of your franchise recycling and solid waste collection service provider?	GWR	0	0	20%	80%
	Recology	0	0	20%	80%
	RJR RR	0	0	20%	80%

All three proposers rated highly in overall satisfaction. The more detailed survey results in **Appendix C** show that Recology and RJR (were all Garden City Sanitation references) had somewhat higher satisfaction results than GWR on the other phone survey questions.

Labor Agreement and Wages

All proposers met the requirement to use current Teamster Local 350 collective bargaining agreement wages and benefit rates in their cost proposals. All proposers took no exception to the worker retention requirements in the franchise agreement.

GWR noted in their proposal that if they are awarded the contract they will negotiate new labor agreements prior to the commencement of services and that a memorandum of understanding (MOU) was signed with Teamsters Local 350. Recology currently is holder of the labor agreements with Teamsters Local 350. RJR RR stated in a response to a question re: whether they had signed an MOU that no MOU had been signed, but they “are not opposed to signing at a later date.”

As noted later in the document, the proposed driver headcount by all three firms is higher than the current existing driver headcount at Recology.

4.4 Proposal for Collection Services

There were more notable differences between the three proposers when evaluating their technical proposals for collection services.

Base Proposals

Table F summarizes to what degree the “Base proposal” requirements were met by each proposer.

Table F: Base Proposal Submittals

Proposer	Base Proposal Requirements Met?
GWR	Yes. Also, included in its base proposal the additional service of Commercial Organics (food) collection services on the contract start date. This was “Option 1” for proposers, but GWR included this service to ensure it meets and exceeds the diversion requirements in the franchise agreement. As discussed later under the review of the cost proposals, GWR also provided substantially lower rates for the commercial and multi-family organics collection services.
Recology	Yes.
RJR RR	Yes. Also, proposed to provide residents with a kitchen pail for collecting food scraps in their home.

Diversion Ability/Plan

Each proposer was required to provide a diversion plan to meet a minimum overall measured diversion rate of 45%. It's important to note that the current overall measured diversion rate (per Recology's 2017 Annual Report) is 28% with the residential sector at 43% and commercial sector at 6%. **Table G** below summarizes the diversion rates forecasted by each proposer. All three proposers met the minimum diversion requirement of 45%, but GWR forecasted the highest overall diversion rates in year 1 and year 10 of the contract largely due to higher commercial diversion rates. The Public Education Program details on the next page reinforce GWR having a detailed plan with additional staffing to achieve the higher diversion rates.

Table G: Diversion Ability/Plan

<u>Proposer</u>	<u>Forecasted Diversion Rates ("Measured Diversion Rates")</u>		
	<u>Year 1</u>	<u>Year 4</u>	<u>Year 10</u>
GWR	Overall: 47.5% <u>Commercial diversion rate:</u> <u>32.4%.</u>	Overall: 53.5%	Overall: 60%
Recology San Benito County	Overall: 45.1% <u>Commercial diversion rate:</u> <u>18.6%.</u>	Overall: 51.1%	Not provided
RJR RR	Overall: 46.5% <u>Commercial diversion rate:</u> <u>23.1%.</u>	Overall: 51.7%	Overall: 54.1%
<ul style="list-style-type: none">• Current residential diversion rate is 43%• Current commercial diversion rate is 6%• Current overall diversion is 28% <p>New contract standard is minimum overall measured diversion rate is 45%.</p> <p>Note: process residue has not been deducted from the diversion figures referenced</p>			

Public Education and Promotion Program

Greatly expanded public education and outreach activities are a critical component of the franchise agreement and efforts to stay in compliance with current and future state diversion mandates. All proposers were required to propose two dedicated, full-time outreach staff. Table H below summarizes outreach staffing assumptions and outreach plan detail by each proposer.

Table H: Recycling Outreach Staffing Assumptions and Outreach Plan Detail

Proposer	Recycling Outreach Staffing Levels	Public Education Plan Details
GWR	4 staff. (Recycling Manager and Recycling Coordinator) and <u>2 additional Recycling Coordinators in first year only. 2 staff ongoing after year 1.</u>	Dedicated <u>26 pages</u> in proposal to the Public Education and Outreach requirements, including thoroughly addressing the public education plan requirements in the franchise agreement.
Recology San Benito County	2 staff (Recycling Manager and Recycling Coordinator).	Dedicated <u>5 pages</u> in proposal tailored substantially to the Public Education and Outreach requirements.
RJR RR	2 staff (Recycling Manager and Recycling Coordinator).	Dedicated <u>5 pages</u> in proposal to the Public Education and Outreach requirements with most of the text not customized to meet the RFP requirements.

GWR: Dedicated 26 pages in their proposal to the Public Education and Outreach requirements, including thoroughly addressing public education plan requirements in the franchise agreement. In response to questions, provided detailed examples of how they would deliver commercial recycling technical assistance, noting common barriers to overcome and lessons learned. GWR also provided four sample reports that addressed: technical assistance service change tool, technical assistance rates by volume, example of an AB 341 report, and example of outreach notes for tracking customer activity. These reports highlighted the lengths to which GWR has gone to incorporate commercial recycling technical assistance into their operations. Response to questions provided a detailed plan for deployment of a social media plan to include Twitter, Instagram and Facebook platforms.

Recology: Dedicated 5 pages in their proposal tailored substantially to Public Education and Outreach requirements. Also, provided details on how their Recycling Outreach Staff (called Waste Zero Specialists) are trained and on which topics. In response to questions, provided more detailed examples of how they would deliver commercial recycling technical assistance. The elements of Commercial/MFD outreach plan submitted by Recology remained unchanged from the firm's current approach. No new elements or resources were specified (e.g. field tools such as iPads/tablets with preloaded reports and forms to complete, customized reports to take into field when visiting businesses, etc.) other than 100%-time dedication for 2 outreach staff as required in the RFP. Response to questions provided a sample social media plan that included Twitter, and Facebook.

RJR RR: Dedicated 5 pages in their proposal to Public Education and Outreach requirements with most of the text not customized to meet the RFP requirements. In response to questions, they provided an example of a detailed Public Education Plan that Garden City Sanitation submitted to the City of Livermore in 2010; the Plan is similar to one included in the Franchise Agreement. RJR offered innovation in terms of field use of "Recyclist" software to confirm contact and current service information, review site needs, and propose new services to increase diversion. Response to questions confirmed they will be using social media tools but provided little detail. References were provided to existing websites used in other contracts. RJR also demonstrates innovation in its proposed camera system on its trucks which allows live streaming capability to monitor materials collected at residents and businesses for any excess contamination levels in collected recyclables and organics.

Facilities for Equipment, Maintenance and Administration

This section primarily addresses corp. yard requirements and the plans submitted by each proposer as summarized in Table I. GWR and RJR RR are proposing new corp. yard facilities near Hollister in unincorporated San Benito County whereas Recology will use its existing corp. yard in Gilroy.

Table I: Corporation Yard Details

Proposer	Corporation Yard Details
GWR	GreenWaste is in contract to purchase property located at <u>2321 Fallon Road, Hollister</u> , for use as its new corporation yard; this facility is approx. <u>4.7 miles from downtown Hollister</u> . Building renovations will occur along with adding the new CNG fueling station. <u>Proposed</u> corporation yard has the basic infrastructure in-place to provide: collection vehicle, employee and visitor parking; equipment and container storage; vehicle and equipment maintenance facilities; vehicle and container cleaning; vehicle CNG fueling facility; and admin. office and customer service functions. The facility will also be permitted to operate as a medium volume (<100 tpd) transfer/processing facility.
Recology San Benito County	Recology will utilize its <u>existing</u> corporation yard in Gilroy which is approx. <u>15.1 miles from downtown Hollister</u> . This facility includes: collection vehicle, employee and visitor parking; equipment and container storage; vehicle and equipment maintenance facilities; vehicle and container cleaning; vehicle CNG fueling facility; and admin. office and customer service functions.
RJR RR	RJR RR will use its existing location in Hollister and build a new corporation yard operation at <u>1771 San Felipe Road, Hollister</u> to provide: collection vehicle, employee and visitor parking; equipment and container storage; vehicle and equipment maintenance facilities; vehicle and container cleaning; and admin. office and customer service functions. This facility is approx. <u>2.2 miles from downtown Hollister</u> . A new 120'x75' admin. and truck maintenance building will be constructed. Truck fueling operations are yet to be determined because final plans/arrangements are not in place; RJR stated they expect to have decision on CNG facility within 90 days of contract award. The facility is already permitted to operate as a medium volume (<100 tpd) transfer/processing facility.

GWR and RJR RR's proposed corp. yard locations are closer-in to the populated areas and will reduce the amount of time the driver is off-route ("windshield" time) compared to Recology; GWR and RJR RR drivers have shorter drive times to their routes and back each day. **This in part explains the lower proposed driver headcount by GWR and RJR RR.**

GWR and RJR RR's corp. yards will also have the capability to serve as a transfer station for the recyclables collected (by residential and commercial recycling route trucks) in the service area. This means GWR and RJR RR recycling route drivers will spend far less time off-route than Recology drivers. Recology is proposing to direct haul their collected recyclables from the routes to the Monterey Regional Waste Management District materials recovery facility (MRF) in Marina. **This in part explains the lower proposed driver headcount by GWR and RJR RR.**

Finally, siting a corp. yard in the County will provide one-time financial benefits (e.g., new sales tax revenue from the purchase of equipment) and ongoing financial benefits (e.g., increased property tax payments) for the County.

Collection Vehicle Fleet

Table J summarizes some of the technology that will be deployed in each collection vehicle proposed by each proposer. Below Table J is another table summarizing the number and type of collection vehicles proposed. GWR and RJR are proposing more sophisticated systems that while they add cost to the purchase of the vehicle they allow for a greater-degree of real-time monitoring of their collection vehicle operations; this offers potential productivity gains and enhanced customer service. All of the proposers utilize computerize routing software to design/create/adjust the routing of their collection vehicles.

Table J: Collection Vehicle Fleet

Proposer	Collection Vehicle Fleet
GWR	All collection vehicles will be equipped with EyeRide 400 + GPS and camera system (4 cameras) to "track and monitor operations. It also offers video recording and streaming, wireless communications, audio support, geofencing, speed limit, idle monitoring, and route deviation." Vehicles are also equipped with sign boards for public education messaging. <u>Fully automated side loader used for residential accounts with 29 cu. yard capacity costs \$385,000.</u>
Recology San Benito County	All collection vehicles equipped with an on-board video safety system technology; this is not a live stream system. No GPS tracking of vehicles. <u>Fully automated side loader with 28 cu. yard capacity costs \$364,000.</u>
RJR RR	All collection vehicles will be equipped with software and hardware that allows for real-time tracking of all vehicles and vehicle operations, and 6 cameras with video recording and streaming. The software, ACMS, integrates customer service, billing, routing and scale services. One of the cameras is on the hopper which allows for real-time observation of the cart and bin contents that are emptied into the hopper. <u>Fully automated side loader with 31 cu. yard capacity costs \$390,606.</u>

The three companies are proposing similar total number of collection vehicles as shown in the table below.

Summary of Collection Vehicles (Base Proposal)						
Proposer/Type of Vehicle	Fully Automated Side Loaders	Rear Loader	Front Loader	Rolloff	Flat Bed	Total
GWR	9	1	4	1	1	16
Recology San Benito County	12		3	1	1	17
RJR RR	11	0	3	2	1	17

Staffing Levels

Table K below summarizes proposed staffing levels by each of the three proposers with some notable differences as follows:

- GWR and RJR RR are proposing significantly fewer drivers than Recology at 15.55 and 17.88, but still more drivers than the existing number of Recology drivers at 15.
- GWR is proposing higher staffing levels for customer service and for recycling outreach staff.
- GWR and RJR are proposing higher management staffing largely due to Recology only allocating 29% of their existing management staff time to this Franchise Agreement; the balance of Recology's management staff time is allocated to Morgan Hill and Gilroy.

Table K: Proposed Staffing (Total Full-Time Equivalent)

<u>Proposed Staffing (Total Full-Time Equivalent)</u>						
<i>"Drivers"</i> includes route drivers, cart and bin delivery/repair drivers, on-call collection/bulky waste collection drivers. <i>"Mechanics"</i> includes staff responsible for collection and support vehicle and container maintenance and repair. <i>"Customer Service Staff"</i> includes all customer service staff (i.e., customer service representatives). <i>"Public Education and Outreach"</i> includes Outreach Manager and Recycling Outreach Coordinator. <i>"Management and Administration"</i> includes General Manager, Operations Manager, Accounting, etc.						
	<u>Drivers*</u>	<u>Mechanics</u>	<u>Customer Service Staff</u>	<u>Outreach**</u>	<u>Management and Administration</u>	<u>Total Staff</u>
GreenWaste Recovery	15.55	3.30	3.30	4 in Year 1, 2 thereafter	3.0	27.15
Recology	22.76	3.12	2.16	2	2.32	32.36
RJR RR	17.88	2.63	1.76	2	4.0	28.27
Source: Cost Forms 1.3 Direct Labor and 1.4 Indirect Wages. Notes: *Includes any driver headcount shown for container management, repair and maintenance. **RFP required a minimum of one Recycling Outreach Manager and one Recycling Outreach Coordinator. GWR included two extra Recycling Outreach Coordinators in year 1 of the contract to increase commercial diversion. <u>Recology existing driver headcount is 15 drivers.</u>						

As previously explained under the corp. yard discussion, GWR and RJR RR have lower driver headcount due in part to reduced driver non-productive time; this time is referred to as off-route time and includes the time the driver travels to and from the corp. yard to their route and to locations to unload their collected materials.

Table L on the next page captures some of the critical differences in off-route time for residential route drivers in terms of where they unload collected materials.

Table L: Residential Processing/Disposal Locations for Collected Materials

Residential Processing/Disposal Locations for Collected Materials			
	Solid Waste	Recyclables	Organics
GWR	John Smith Rd. Landfill	Unloaded at corp. yard in Hollister.	Z-Best. <u>10.2 miles</u> one-way from downtown Hollister.
Recology San Benito County	John Smith Rd. Landfill	Unloaded at MRWMD MRF in Marina. <u>29.8 miles one-way from downtown Hollister.</u>	South Valley Organics. <u>14.2 miles</u> one-way from downtown Hollister.
RJR RR	John Smith Rd. Landfill	Unloaded at corp. yard in Hollister.	Z-Best. <u>10.2 miles</u> one-way from downtown Hollister.

Proposed Implementation Plan/Transition Plan

Another critical element to the success of a new franchise agreement is the proposed implementation plan for rolling out new collection services. For all three proposers, even the current service provider Recology, there will be a transition period for hiring new staff, procuring new collection vehicles and containers (carts and bins), developing new public education materials, etc. GWR and RJR are also tasked with the development of new corp. yards. Though, GWRs propose facility already has many of the basic infrastructure components for a corporation yard in-place. Also, and as noted in the RFP schedule, there may be need for a short-term extension of the current franchise agreement given the limited time between the expected contract award and final contract negotiations and the June 30, 2018 contract expiration.

Table M below summarizes each proposer's proposed implementation plan and any issues of note. GWR provided the most thorough implementation plan with 18 pages of details as opposed to a 4-page plan from Recology and a 3-page plan from RJR RR. Each of the proposers provided an implementation schedule with detailed milestones. All three proposers provided schedules based on execution of a franchise agreement by the end of March and all proposed several key milestones being met after the July 1, 2018 contract start date; all three proposers expect to have new containers in place but not the new trucks. And GWR and RJR will be phasing in a new corp. yard over a four to twelve-month period.

Table M: Proposed Implementation Plan/Transition Plan

Proposer	Proposed Implementation Plan/Transition Plan
GWR	<u>18-page implementation plan.</u> Prepared to initiate services on July 1, 2018 with an operating corp. yard in Hollister providing truck maintenance and parking, and administrative and customer service functions. Other significant aspects of corp. yard operations are to be phased in such as the deployment of the new CNG collection vehicles. GWR will use existing spare collection vehicles (from their Santa Cruz County operations) until the CNG vehicles are available. These used collection vehicles will be fueled with renewable diesel. New carts and bins will be distributed prior to contract start, however, if used commercial bins are purchased from Recology there will be phase-in for bin refurbishment. Finally, a proposed CNG fueling station is not likely to be operational until the 1 st quarter of 2019 so portable CNG fueling will be utilized as CNG vehicles come online before the permanent fueling station is in place.
Recology San Benito County	<u>4-page implementation plan.</u> Existing corp. yard in place so no transition with facility operations. New carts and bins will be distributed prior to contract start. Recology has proposed a long lead time of 12 months to procure, test, and deploy CNG collection vehicles. They will use existing diesel fueled

	<p>collection vehicles in the interim but will switch over to using renewable diesel upon contract start date.</p> <p>Recology also stated there will be no change to service days for residential customers at the start of the contract.</p>
RJR RR	<p><u>3-page implementation plan.</u> Significant aspects of corp. yard construction and subsequent operations are to be phased in. Besides collection vehicles not being available by July 1st, they also proposed delivery of residential carts and commercial containers between August and October. In responding to these issues in writing, RJR stated their collection vehicle contingency plan is to utilize a refuse vehicle rental company and, potentially, existing affiliated spare vehicles if the new vehicles couldn't be procured in time. Upon further review, RJR said in writing that their vendors "have guaranteed to meet the July 1st service start date" for supplying new carts and bins. RJR further stated, "it would be our hope that a short-term extension would be negotiated with the current provider in order to facilitate a more seamless implementation for the community – as referenced within the RFP."</p>

4.5 Cost Proposal

The base and optional cost proposals were reviewed for their reasonableness and accuracy. "Reasonableness" is defined in the RFP evaluation criteria (see RFP Section 6.2.4) as the "logical relationship between proposed costs and operational assumptions for the base cost proposal and the cost proposal for additional RA Members services." Numbers shown in the tables below reflect the final and best offer provided by each proposer. Table N below summarizes the cost proposals submitted by each proposer, both in terms of total costs and proposed rates. Table O on the next page provides a detailed breakout of each proposer's base and optional costs noting that GWR incorporated the optional organics collection services proposal (Option 1: universal rollout of collection services on July 1, 2018) into its base proposal. As the evaluation committee recommends that the base proposal plus the optional organics proposal (Option 1 universal rollout at contract start) is the best service package to meet state mandates, the cost comparison tables include these costs. Also, the evaluation committee recommends that the commercial organics be provided at the beginning of the agreement due to its cost-effectiveness and significant public education campaign at the start of the new agreement.

Table N: Cost Proposal Summary

Proposer	Cost Proposal Summary
GWR	<ul style="list-style-type: none"> Overall, GWR had the highest total costs ("net rate revenue" for all three jurisdictions combined), approximately 5.4% higher than Recology's. This difference drops to 1.6% when you add in Recology's proposed costs for Option 1 for universal rollout of MFD and Commercial organic materials collection services. <u>Proposed the same residential rates for all three jurisdictions. Proposed the same commercial rates for Hollister and the County and different commercial rates for SJB.</u> Proposed rates reflect minimal subsidy between residential and commercial rates; residential rate revenue was 5.3% lower than costs and commercial rate revenue was 5.2% above costs. Had the second lowest residential cart rates across all three RA Members. Proposed the lowest commercial bin rates in San Juan Bautista and second lowest in Hollister and the County. Proposed rates for organic materials collection services substantially below those proposed by Recology and RJR RR. See Tables P1-P7 for a comparison of residential and commercial rates.
Recology San Benito County	<ul style="list-style-type: none"> Proposed the lowest overall costs ("net rate revenue") for its base proposal. They proposed the highest direct labor hours and costs which was offset by the lower overhead costs and the lowest pass through costs. Costs reflected a \$113.2k cost reduction for processing recyclables. <u>Proposed different residential and commercial rates</u> for each jurisdiction except commercial cart rates are the same. Proposed rates that reflect a significant subsidy of residential rates by commercial rates; residential rate revenue was 21.9% lower than costs and commercial rate revenue was 58.1% above costs. Had the lowest residential cart rates across all three RA Members and the highest commercial bin rates for Hollister and the County. See Tables P1-P7 for rate comparisons.
RJR RR	<ul style="list-style-type: none"> Overall, RJR's total costs ("net rate revenue"), are approximately 4% higher than Recology's. This difference drops to 0.2% when you add in Recology's proposed costs for Option 1 for universal rollout of MFD and Commercial organic materials collection services. <u>Proposed different residential and commercial rates for each jurisdiction.</u> Proposed rates that reflect a significant subsidy of residential rates by commercial rates; residential rate revenue was 16.1% lower than costs and commercial rate revenue was 63.8% above costs. Had the highest residential cart rates across all three RA Members. Had the lowest commercial bin rates for Hollister and the County. See Tables P1-P7 for rate comparisons.

Remember that the RA Members will be approving the collection rates proposed by the haulers, not collection costs. The collection rates are detailed on the following pages. Commercial rates that subsidize residential rates noted in Table N are problematic as it exposes the hauler (proposer) to significant shortfalls in rate revenue as

commercial customers increase their recycling and organics (food scrap) diversion efforts; it's important to note that the current commercial recycling rate is 6% and commercial recycling will need to increase significantly to meet diversion requirements. Increasing diversion is a stated primary goal of the new franchise services. While significant differences exist in line item cost details between the three proposers the evaluation team believed that in total the proposed final and best costs were reasonable. Table O below provides a comparison of each proposer's revenue requirement (costs). Appendix D provides additional cost summary and rate comparison tables.

Table O: Base Cost Proposal Comparison + Commercial Organics (Option 1)

Base Cost Proposal Comparison + Optional Organics #1				% Differences	
	GWR*	Recology	RJR RR	GWR vs. Recology	RJR vs. Recology
Direct Wages & Benefits:	\$2,175,979	\$2,991,490	\$2,618,442	-27.3%	-12.5%
Route Vehicle Depreciation:	\$540,625	\$593,000	\$589,231	-8.8%	-0.6%
Vehicle Repair & Maintenance					
Wages & Benefits	\$478,324	\$408,333	\$405,186		
Parts & Supplies	\$344,421	\$492,790	\$276,241		
Fuel	\$174,911	\$374,068	\$706,714		
Depreciation	\$124,000	\$0	\$24,420		
Subtotal Vehicle R&M:	\$1,121,656	\$1,275,190	\$1,412,561	-12.0%	10.8%
Container Repair & Maintenance					
Wages & Benefits	\$85,710	\$43,973	\$141,434		
Parts & Supplies	\$77,810	\$142,457	\$11,900		
Container Depreciation	\$305,157	\$281,239	\$303,774		
Other Depreciation	\$27,750	\$0	\$14,500		
Subtotal Container R&M:	\$496,426	\$467,668	\$471,608	6.1%	0.8%
Other Indirect Costs:	\$204,408	\$182,253	\$131,800	12.2%	-27.7%
Management & Administrative					
Wages & Benefits	\$952,883	\$762,636	\$854,985		
Other G&A Costs	\$1,080,444	\$838,151	\$709,070		
Other Depreciation	\$117,333	\$31,250	\$20,992		
Subtotal Management & Admin.:	\$2,150,660	\$1,632,037	\$1,585,048	31.8%	-2.9%
Other Community Services:	\$34,000	\$21,195	\$16,903	60.4%	-20.3%
TOTAL OPERATIONS COSTS	\$6,723,754	\$7,162,834	\$6,825,593	-6.1%	-4.7%
Pass-Through Costs					
Disposal/Processing Costs	\$1,427,625	\$1,277,958	\$1,703,637		
Interest Expense (vehicle, container, other)	\$484,335	\$0	\$340,315		
Other Costs	\$33,500	\$43,455	\$33,500		
Total Pass-Through Costs:	\$1,945,460	\$1,321,413	\$2,077,452	47.2%	57.2%
Profit Assumption:	\$1,216,815	\$891,810	\$843,612	36.4%	-5.4%
TOTAL REVENUE REQUIREMENT (Base)	\$9,886,029	\$9,376,057**	\$9,746,656	5.4%	4.0%
TOTAL REVENUE REQUIREMENT (Commercial Organics Option #1)	\$0	\$350,249	\$2,903		
TOTAL REVENUE REQUIREMENT (Base + Commercial Organics Option #1)	\$9,886,029	\$9,726,306	\$9,749,559	1.6%	0.2%

*GWR's base proposal includes commercial organic materials collection services on 7/1/18.

** Number varies by \$12,783 in Recology's final Cost Form 1.0 due to not including processing and disposal expense for on-call C&D services. This was confirmed with Recology and they agree with revised #.

Rate Comparison Tables

The forecasted current rates shown below represent Recology's current rates from 2016 forecasted to 2018 using the contractually prescribed indices in the franchise agreement. Recology's current rates are for 2016 as they unilaterally waived a rate increase in 2017 and 2018 rates have not been set yet. Also, the forecasted rates with yard waste service is shown as that will be the standard service provided under the new franchise; currently yard waste service is subscription based. A side by side comparison of residential and commercial rates by RA Member can be found in Tables P1-P7 below and on the following pages.

Recology proposed the lowest residential rates for all three jurisdictions, but the highest commercial bin rates for Hollister and the County. GreenWaste Recovery proposed the lowest overall commercial rates (inclusive of solid waste and organics collection services).

Proposed Single-Family Monthly Rates and Special Charges: These monthly rates cover collection services for weekly pick-up of solid waste, recyclables and organics with 2x per year bulky item pick-up also included.

Table P1: Hollister Proposed Single-Family Monthly Rates and Special Charges

Hollister		Forecasted Current Rates	Forecasted Current Rates w/YW Service	GWR		Recology		RJR	
Service Levels	% of Current Accounts at Service Level	Monthly	Monthly	Monthly	% Change	Monthly	% Change	Monthly	% Change
20-gallon cart (every other week)		\$15.30		\$22.00	43.8%	\$21.55	40.8%	\$25.16	64.4%
20-gallon cart	4.1%	\$16.84	\$26.50	\$25.75	-2.8%	\$23.05	-13.0%	\$27.39	3.4%
32-gallon cart	53.0%	\$19.57	\$29.23	\$31.15	6.6%	\$25.85	-11.6%	\$31.93	9.2%
64-gallon cart	39.4%	\$38.22	\$47.88	\$62.30	30.1%	\$45.35	-5.3%	\$64.25	34.2%
96-gallon cart	3.5%	\$56.87	\$66.53	\$93.45	40.5%	\$64.85	-2.5%	\$97.01	45.8%
Low Income									
20-gallon cart				\$22.00		\$17.29		\$21.91	
32-gallon cart				\$27.50		\$19.39		\$25.54	
Additional Solid Waste Cart									
20-gallon cart				\$27.00		\$20.00		\$22.46	
32-gallon cart				\$31.00		\$25.00		\$26.18	
64-gallon cart				\$61.00		\$35.00		\$52.69	
96-gallon cart				\$92.00		\$45.00		\$79.55	
Additional Recycling Cart									
64-gallon cart				\$5.00		\$4.50		\$8.35	
96-gallon cart				\$5.00		\$5.50		\$12.61	
Additional Organics Cart									
64-gallon cart				\$31.15		\$22.68		\$32.13	
96-gallon cart				\$46.73		\$32.43		\$48.51	
Bulky Item									
Additional charge for service in excess of up to two (2) cubic yards of Reusable Materials, up to five (5) E-Waste items, AND up to two (2) Appliance or Bulky Item.				\$45.00		\$39.00		\$50.00	
Additional charge for collection events beyond two (2) times per year.				\$65.00		\$120.00		\$145.00	
Note: Forecasted current rates and forecasted current rates with yard waste (yw) service were derived from taking Recology's 2016 solid waste rates and forecasting them forward to 7/1/18 using the prescribed indices in the current franchise agreement.									

Table P2: San Juan Bautista Proposed Single-Family Monthly Rates and Special Charges

San Juan Bautista		Forecasted Current Rates	Forecasted Current Rates w/YW Service	GWR		Recology		RJR RR	
Service Levels	% of Current Accounts at Service Level	Monthly	Monthly	Monthly	% Change	Monthly	% Change	Monthly	% Change
20-gallon cart (every other week)		\$16.13		\$22.00	36.4%	\$23.88	48.0%	\$25.94	60.8%
20-gallon cart	9.0%	\$17.66	\$27.48	\$25.75	-6.3%	\$25.38	-7.7%	\$28.16	2.5%
32-gallon cart	66.5%	\$20.38	\$30.20	\$31.15	3.1%	\$28.18	-6.7%	\$32.74	8.4%
64-gallon cart	23.0%	\$38.91	\$48.73	\$62.30	27.8%	\$47.68	-2.2%	\$64.91	33.2%
96-gallon cart	1.5%	\$57.42	\$67.24	\$93.45	39.0%	\$67.18	-0.1%	\$97.08	44.4%
Low Income									
20-gallon cart				\$22.00		\$19.03		\$22.53	
32-gallon cart				\$27.50		\$21.13		\$26.19	
Additional Solid Waste Cart									
20-gallon cart				\$27.00		\$20.00		\$23.09	
32-gallon cart				\$31.00		\$25.00		\$26.85	
64-gallon cart				\$61.00		\$35.00		\$53.23	
96-gallon cart				\$92.00		\$45.00		\$79.61	
Additional Recycling Cart									
64-gallon cart				\$5.00		\$4.50		\$8.44	
96-gallon cart				\$5.00		\$5.50		\$12.62	
Additional Organics Cart									
64-gallon cart				\$31.15		\$23.84		\$32.46	
96-gallon cart				\$46.73		\$33.59		\$48.54	
Bulky Item									
Additional charge for service in excess of up to two (2) cubic yards of Reusable Materials, up to five (5) E-Waste items, AND up to two (2) Appliance or Bulky Item.				\$45.00		\$39.00		\$10.00	
Additional charge for collection events beyond two (2) times per year.				\$65.00		\$120.00		\$40.00	
Note: Forecasted current rates and forecasted current rates with yard waste (yw) service were derived from taking Recology's 2016 solid waste rates and forecasting them forward to 7/1/18 using the prescribed indices in the current franchise agreement.									

Table P3: San Benito County Proposed Single-Family Monthly Rates and Special Charges

San Benito County		Current Rates	Forecasted Current Rates w/YW Service	GWR		Recology		RJR RR	
Service Levels	% of Current Accounts at Service Level	Monthly	Monthly	Monthly	% Change	Monthly	% Change	Monthly	% Change
20-gallon cart (every other week)		\$16.03		\$22.00	37.2%	\$24.14	50.6%	\$25.85	61.3%
20-gallon cart	4.4%	\$17.48	\$27.58	\$25.75	-6.6%	\$25.64	-7.1%	\$27.99	1.5%
32-gallon cart	55.1%	\$20.38	\$30.48	\$31.15	2.2%	\$28.44	-6.7%	\$32.72	7.3%
64-gallon cart	35.0%	\$36.15	\$46.25	\$62.30	34.7%	\$47.94	3.6%	\$62.25	34.6%
96-gallon cart	5.5%	\$53.90	\$64.00	\$93.45	46.0%	\$67.44	5.4%	\$93.72	46.4%
Low Income									
20-gallon cart				\$22.00		\$19.23		\$22.39	
32-gallon cart				\$27.50		\$21.33		\$26.18	
Additional Solid Waste Cart									
20-gallon cart				\$27.00		\$20.00		\$22.95	
32-gallon cart				\$31.00		\$25.00		\$26.83	
64-gallon cart				\$61.00		\$35.00		\$51.05	
96-gallon cart				\$92.00		\$45.00		\$76.85	
Additional Recycling Cart									
64-gallon cart				\$5.00		\$4.50		\$8.09	
96-gallon cart				\$5.00		\$5.50		\$12.18	
Additional Organics Cart									
64-gallon cart				\$31.15		\$23.97		\$31.13	
96-gallon cart				\$46.73		\$33.72		\$46.86	
Bulky Item									
Additional charge for service in excess of up to two (2) cubic yards of Reusable Materials, up to five (5) E-Waste items, AND up to two (2) Appliance or Bulky Item.				\$45.00		\$39.00		\$10.00	
Additional charge for collection events beyond two (2) times per year.				\$65.00		\$120.00		\$40.00	
Note: Forecasted current rates and forecasted current rates with yard waste (yw) service were derived from taking Recology's 2016 solid waste rates and forecasting them forward to 7/1/18 using the prescribed indices in the current franchise agreement.									

Proposed Weekly Commercial and Multi-Family Solid Waste Rates: These weekly rates cover collection services for weekly pick-up of solid waste, and recyclables. Separate charges apply for organics collection services.

Table P4: Hollister Commercial and Multi-Family Weekly Solid Waste Collection Services (Recycling Services Included)

Hollister								
	% of Current Accounts at Service Level	Forecasted Current Rates	GWR		Recology		RJR RR	
Container Type/Size or Service Type		1x per Week	1x per Week	% Change	1x per Week	% Change	1x per Week	% Change
1 cubic yard bin	4.6%	\$105.29	\$150.00	42.5%	\$166.50	58.1%	\$148.28	40.8%
2 cubic yard bin	27.2%	\$133.20	\$210.00	57.7%	\$211.46	58.8%	\$188.52	41.5%
3 cubic yard bin	11.1%	\$191.26	\$285.00	49.0%	\$304.70	59.3%	\$270.86	41.6%
4 cubic yard bin	14.0%	\$257.83	\$375.00	45.4%	\$409.59	58.9%	\$365.11	41.6%
32 gallon cart	5.4%							
64 gallon cart	6.7%	\$38.22	\$61.00	59.6%	\$45.35	18.7%	\$83.53	118.5%
96 gallon cart	7.5%	\$56.87	\$81.00	42.4%	\$64.85	14.0%	\$126.11	121.8%

Note: Forecasted current rates were derived from taking Recology's 2016 solid waste rates and forecasting them forward to 7/1/18 using the prescribed indices in the current franchise agreement.

Table P5: San Juan Bautista Commercial and Multi-Family Weekly Solid Waste Collection Services (Recycling Services Included)

San Juan Bautista								
	% of Current Accounts at Service Level	Forecasted Current Rates	GWR		Recology		RJR RR	
Container Type/Size or Service Type		1x per Week	1x per Week	% Change	1x per Week	% Change	1x per Week	% Change
1 cubic yard bin	8.9%	\$148.10	\$156.00	5.3%	\$189.81	28.2%	\$208.07	40.5%
2 cubic yard bin	24.4%	\$171.90	\$218.40	27.1%	\$241.06	40.2%	\$242.65	41.2%
3 cubic yard bin	11.1%	\$212.23	\$296.40	39.7%	\$347.35	63.7%	\$300.28	41.5%
4 cubic yard bin	4.4%	\$284.33	\$390.00	37.2%	\$466.93	64.2%	\$402.28	41.5%
32 gallon cart	15.6%							
64 gallon cart	15.6%	\$38.91	\$61.00	56.8%	\$45.35	16.6%	\$84.38	116.9%
96 gallon cart	11.1%	\$57.42	\$81.00	41.1%	\$64.85	12.9%	\$126.20	119.8%

Note: Forecasted current rates were derived from taking Recology's 2016 solid waste rates and forecasting them forward to 7/1/18 using the prescribed indices in the current franchise agreement.

Table P6: San Benito County Commercial and Multi-Family Weekly Solid Waste Collection Services (Recycling Services Included)

San Benito County								
	% of Current Accounts at Service Level	Forecasted Current Rates	GWR		Recology		RJR RR	
Container Type/Size or Service Type		1x per Week	1x per Week	% Change	1x per Week	% Change	1x per Week	% Change
1 cubic yard bin	7.2%	\$116.66	\$156.00	33.7%	\$183.15	57.0%	\$164.07	40.6%
2 cubic yard bin	31.5%	\$133.46	\$210.00	57.4%	\$232.60	74.3%	\$188.74	41.4%
3 cubic yard bin	18.4%	\$193.78	\$285.00	47.1%	\$335.16	73.0%	\$274.16	41.5%
4 cubic yard bin	10.4%	\$259.60	\$375.00	44.5%	\$450.55	73.6%	\$367.29	41.5%
32 gallon cart	0.5%							
64 gallon cart	2.7%	\$36.15	\$61.00	68.7%	\$45.35	25.4%	\$80.93	123.9%
96 gallon cart	1.2%	\$53.90	\$81.00	50.3%	\$64.85	20.3%	\$121.84	126.0%

Note: Forecasted current rates were derived from taking Recology's 2016 solid waste rates and forecasting them forward to 7/1/18 using the prescribed indices in the current franchise agreement.

Proposed Weekly Commercial and Multi-Family Organics Rates: These weekly rates cover collection services for weekly pick-up of organics (food scraps).

Table P7: Commercial and Multi-Family Weekly Organics Collection Services

	Commercial & Multi-Family Weekly Organic Material Collection Services																	
	Hollister:	GWR	Recology		RJR		SJB:	GWR	Recology		RJR		County:	GWR	Recology		RJR	
Container Type/Size or Service Type		1x per Week	1x per Week	% Diff. Vs. GWR	1x per Week	% Diff. Vs. GWR		1x per Week	1x per Week	% Diff. Vs. GWR	1x per Week	% Diff. Vs. GWR		1x per Week	1x per Week	% Diff. Vs. GWR	1x per Week	% Diff. Vs. GWR
1 cubic yard bin		\$75.00	\$143.19	90.9%	\$127.21	69.61%		\$75.00	\$163.24	117.65%	\$178.50	138.00%		\$75.00	\$157.51	110.01%	\$140.75	87.67%
2 cubic yard bin		\$105.00	\$181.85	73.2%	\$161.73	54.03%		\$105.00	\$207.31	97.44%	\$208.16	98.25%		\$105.00	\$200.04	90.51%	\$161.92	54.21%
64 gallon cart		\$30.50	\$49.35	61.8%	\$60.13	97.14%		\$30.50	\$56.26	84.45%	\$60.77	99.25%		\$30.50	\$54.28	77.98%	\$58.18	90.75%
96 gallon cart		\$40.50	\$68.73	69.7%	\$92.64	128.75%		\$40.50	\$78.35	93.47%	\$92.84	129.23%		\$40.50	\$75.60	86.68%	\$200.00	393.83%

4.6 Number and Materiality of Exceptions

The number and materiality of contract exceptions were evaluated by the County Counsel's office, outside legal counsel Tamara Galanter (Shute, Mihaly & Weinberger LLP), and Kevin McCarthy, Technical Expertise (contract). This group used a point system to score the materiality of exceptions and provided input to the Evaluation team as captured in Table Q and the text that follows:

Table Q: Number and Materiality of Exceptions

Proposer Materiality and Number of Exceptions						
<u>Contractor</u>	<u>Minor Exceptions (0 points)</u>	<u>Minor Exceptions (-1 points)</u>	<u>Major Exceptions (-2 points)</u>	<u>Total # of Exceptions for Which Points Were Deducted</u>	<u>Total # of Exceptions</u>	<u>Total Points Deducted</u>
GWR	2	1	1	2	4	3
Recology	2	3	2	5	7	7
RJR RR	21	7 ¹	5	12	33	16.5

¹ One minor exception received a 0.5 deduction as opposed to a 1-point deduction.

Points were awarded as follows:

- 1) Deduct points shown above related to the materiality of exceptions as follows:

GWR = 75 points – 3 = 72 points

Recology = 75 points – 7 = 68 points

RJR RR = 75 points – 16.5 = 58.5 points

- 2) Based on the table above, the rank order of the proposers from least # of exceptions to highest # of exceptions is as follows:

GWR

Recology

RJR RR

- 3) Evaluators were then given the discretion to deduct any additional points based on the number of exceptions.

4.7 Environmental Enhancements

Each proposer was provided the opportunity to provide environmental enhancements as part of their service delivery; this was an opportunity to earn additional points as part of the evaluation process. Table R summarizes the proposed environmental enhancements by proposer.

Table R: Proposed Environmental Enhancements

Proposer	Proposed Environmental Enhancements
GWR	<ul style="list-style-type: none">• Future processing of MFD and Commercial loads at Z-Best facility in Gilroy for recovery of organic wastes; this is an organics and mixed waste processing operation that is being permitted at their facility. Pricing TBD.• Partnering with Hollister Goodwill Store to encourage donation/reuse opportunities.• Greenhouse Gas emissions inventory and reporting through the CA Climate Registry. Future San Benito County operations will be included in their GHG inventory and reporting.
Recology San Benito County	<ul style="list-style-type: none">• Partnering with the San Benito County Community Food Bank to develop an edible garden. Recology will work with the Food Bank to plant fruit trees, vegetables, and flowers and help tend to the garden.• Partnering with Pat's Place, a reuse store in Hollister, to bring reusable items collected to them. All proceeds from the resale of any items brought (by Recology) to the store will be given to the Community Food Bank. Recology will also make a quarterly donation to Pat's Place and/or the Food Bank to help cover the cost of staff time utilized for the sorting and handling of the materials dropped off by Recology.• Sponsor a San Benito County Recycles! Poster contest for all local students in public or private schools K-12. The winning poster would be depicted on the side of Recology's collection vehicles.
RJR RR	<ul style="list-style-type: none">• Curbside collected textiles and reusables from the bulky item collection program will be donated to the local Salvation Army, a local children's home, or other San Benito County charities.• Will provide a "carbon footprint" of their collection operations.• Referenced their proposed food scrap program to manufacture food waste into an ingredient for animal feed (Santa Clara based operation referred to as SOS or SAFE technology); this is part of one their alternative proposal for a split residential cart (MSW/food scraps).

APPENDIX A – RFP Goals and Objectives

- Integrity, Competition in Selection Process, and Industry-Standard Contract Terms
- Conduct the RFP process with integrity and transparency
- Maintain the association of the RA Members
- Select a contractor that meet RA Members' needs
- Enter into contracts with fair terms and conditions
- Set high performance standards and use incentives/disincentives to achieve standards related to diversion from landfill disposal
- Stimulate competition among proposing companies
- Cost-Effective Programs
 - Provide cost-effective operations
 - Minimize fiscal impact on ratepayers
- Emphasize innovative, responsive management
- Ensure consistent, reliable and high-quality service
- Conserve and protect resources/assets
 - Minimize impacts on air, water, and natural resources
 - Encourage highest and best use of recycled materials
 - Handle as much material locally as possible
 - Meet or exceed AB 939's 50% diversion mandate
- Community benefits
 - Continue programs and services that work well
 - Demonstrate proactive waste reduction/recycling philosophy
 - Include involvement of local recyclers/reuse as applicable
 - Support local market development where possible
 - Educate the public
 - Educate and involve the community
- Integrate collection services with local facilities if applicable
- Flexibility of collection methods

APPENDIX B - Evaluation Criteria and Sub-Categories

Evaluation Criteria (taken in entirety from Section 6.2 of RFP)

The potential factors (“sub-criteria”) that may be considered, but are not limited to, by the Evaluation committee members when developing the score for each criterion is presented below.

6.2.1 Responsiveness (Pass/Fail)

Proposer must be fully compliant with the RFP and procurement procedures as demonstrated by submittal of all elements required by Sections 3 and 5 of this RFP; full completion of all cost proposal forms required in Section 5.6; compliance with process guidelines presented in Section 4; and adherence to the code of conduct signed by the proposer.

6.2.2 Company Qualifications and Experience (175 points)

1. **Collection Experience.** Demonstrated experience of company providing the requested or similar services to other jurisdictions. If the proposer is a joint venture, demonstrated experience of parties working together.
2. **Service Initiation Experience.** Demonstrated experience of company’s ability to implement new collection services and new franchise agreements and obligations that are like the RA Member services in comparable sized communities.
3. **Management and Customer Service Systems.** Demonstrated capabilities of the company’s existing management and customer service systems’ abilities to track and monitor contract compliance, quality of collection service, and call center responsiveness and to report data required (see Section 7.3 of the Franchise Agreement). In the event the company proposes use of a new or modified system, the extent to which such system has the potential to meet the RA Member needs and contract requirements will be evaluated.
4. **Key Personnel Qualifications.** Extent and relevance of the qualifications and experience of key personnel proposed for the transition team and on-going management of the RA Member collection operations.
5. **Past Performance Record.** Review of company’s history with litigation and regulatory action (e.g., nature of past and pending civil, legal, regulatory, and criminal actions; history and nature of payments of liquidated damages); regulatory compliance related to equipment and facilities including compliance with land use permits, storm water discharge permits, state highway requirements, etc.).
6. **Financial Stability.** Financial strength and ability of company to acquire equipment and provide financial assurance of performance based on review of its audited financial statements and its proposed financing plan and the relationship of the RA Members Franchise Agreement to the company’s total annual revenues.
7. **Jurisdiction Satisfaction.** Satisfaction of company’s references with the services received in the past 10 years (including, but not limited to, implementation, customer service, call center, billing, payment of fees, reporting, and the handling of contractual issues).

6.2.3 Proposal for Collection Services (175 points)

1. **Collection Approach** – Reasonableness and reliability of the proposed collection methods (e.g., technology, equipment, and containers); reasonableness of productivity and operating assumptions (i.e., number of routes, route drivers, route hours, stops per route, and other operating statistics), if applicable; and reasonableness of assumptions.
2. **Diversion Ability** – The nature, reliability, and innovation of proposed diversion programs and potential of such programs to divert solid waste from landfill disposal and meet the diversion requirements of Section 5.12 of the Franchise Agreement.
3. **Public Education and Promotion Program** – Compatibility of the proposed education program, staffing level, and program ideas with the needs of the REGIONAL AGENCY and RA Members and the requirements of Section 5.11 and Attachment B-8 of the Franchise Agreement; and, the quality of public education samples relative to other proposers.
4. **Customer Service** – Compatibility of customer service approach, staffing levels, and training programs and capabilities of the call center and customer service software system with the needs of the RA Members and the requirements of Section 7.2 of the Franchise Agreement.
5. **Billing System** – Compatibility of billing approach, and procedures for handling customer billing activities per Section 7.1 of the Franchise Agreement.
6. **Facilities for Equipment, Maintenance, and Administration.** Compatibility of plan for providing the facilities (i.e., corporation yard) needed for vehicle parking, equipment storage, maintenance, administration, and related activities. Level of assurance provided, if any, about site acquisition and timely development of necessary facilities. Proposers providing a corporation yard facility within the County will receive extra evaluation points vs. proposers that do not propose a corporation yard within the County.
7. **Implementation Plan.** Reasonableness of implementation schedule and ability to meet deadlines (e.g., reasonableness of equipment procurement schedules, implementation staffing levels, new corporation or maintenance yard development, and contingency plans).
8. **Potential Collection Impacts.** Compatibility of plans for vehicle compliance with State of California Air Resources Board rules; ability to respond to issues identified during the environmental review, compliance, and permitting process associated with the development of new facilities (if any are to be developed) and hauling impacts (in terms of total annual miles traveled compared to others) related to distance between vehicle maintenance and parking facilities and designated disposal and processing facilities.
9. **Additional RA Members Services.** Reasonableness and reliability of proposed collection methods, technology, equipment, and containers; reasonableness of productivity and operating assumptions (i.e., number of routes, route drivers, route hours, stops per route, and other operating statistics) for the RA Members.
10. **Other Proposed Services.** Compatibility of other services proposed by company as per Section 3.8 of this RFP.

6.2.4 Cost Proposal (225 points)

1. ***Reasonableness of Cost Proposals.*** Logical relationship between proposed costs and operational assumptions for the base cost proposal and the cost proposal for additional RA Members services.

2. ***Competitiveness of Cost Proposals.*** Cost competitiveness relative to other proposals.

6.2.5 Alternative Technical Proposals (Maximum Score, if any, to be determined)

RA Members are not obligated to evaluate or select alternative proposals. Alternative proposals will be considered by the RA Members if the RA Members conclude, in their sole discretion, that the alternative proposals warrant evaluation and analysis. Such evaluation will consider the reasonableness and reliability of proposed collection methods, technology, equipment, and containers; and the reasonableness of productivity and operating assumptions (i.e., number of routes, route drivers, route hours, stops per route, and other operating statistics).

At the RA Members option, the reasonableness and competitiveness of one or more alternative proposal(s) may be evaluated.

6.2.6 Number and Materiality of Suggested Changes to Franchise Agreement (75 points)

The number, nature and materiality of suggested changes to the Franchise Agreement will be considered in evaluating proposals.

6.2.7 Environmental Enhancements (50 points)

Proposals that include Environmental Enhancements including, but not limited to those specified in Section 3.10 of this RFP, may be eligible to receive additional evaluation points.

APPENDIX C - Proposer Reference Check Survey Results (Phone Interviews of Municipal Franchise References)

Proposer Reference Check Survey Results (Phone Interviews of Municipal Franchise References)

Questions:	Company	N/A	Response % Unsatisfactory	Response % Satisfactory	Response % Extremely Satisfactory
Overall Opinion: Overall, how would you rate the performance of your franchise recycling and solid waste collection service provider?	GWR	0	0	20%	80%
	Recology	0	0	20%	80%
	RJR RR	0	0	20%	80%
Diversion Programs: Overall, are you satisfied with your service provider's efforts to assist you in meeting state mandated diversion requirements?	GWR	0	0	40%	60%
	Recology	0	0	20%	80%
	RJR RR	0	0	40%	60%
Commercial Recycling: Does your service provider offer commercial recycling technical assistance to businesses and multi-family dwellings? If yes, how would you rate their performance in setting up and monitoring the recycling and/or organics collection programs?	GWR	40%	0	40%	20%
	Recology	0	0	40%	60%
	RJR RR	0	0	60%	40%
Public Education and Outreach: Are you satisfied with your service provider's public education and outreach programs?	GWR	0	0	80%	20%
	Recology	20%	0	40%	40%
	RJR RR	0	0	60%	40%
Reporting: Are you satisfied with your service provider's contractually required reporting (e.g., monthly/quarterly/annual reports)? When providing a rating for this question please be thinking about the timeliness of reporting, quality of data, usefulness of reported data, usability of report, etc.)	GWR	20%	0	60%	20%
	Recology	0	0	60%	40%
	RJR RR	20%	0	60%	20%
Customer Service: Overall, how would you rate the delivery of customer service in your community. When providing a rating for this question please be thinking about your service provider's responsiveness and quality of response to customer needs/issues, call center performance, etc.	GWR	0%	0	40%	60%
	Recology	0	0	20%	80%
	RJR RR	0	0	20%	80%

Community Partner: Are you satisfied with your service provider's level of engagement and commitment to your community? When providing a rating for this question please be thinking about your service provider's involvement with local community groups, support for community events and activities, responsiveness to community emergencies or special needs, etc.	GWR	0	0	40%	60%
	Recology	0	0	0	100%
	RJR RR	0	0	0	100%
Service Transition (if applicable): Did your current service provider take over service from another service provider? If so, how would you rate the ease of the transition to the current service provider? (time to transition, number and severity of customer complaints, responsiveness to issues, quality of planning and coordination with staff, etc.)	GWR	40%	0	20%	40%
	Recology	60%	0	0	40%
	RJR RR	80%	0	0	20%

SAN BENITO COUNTY REGIONAL AGENCY REFERENCE CHECK INFORMATION:

References interviewed from January 9, 2018 - January 23, 2018. All references provided by the proposing companies were contacted; 15 references responded by the reference check deadline.

GreenWaste Recovery

1. *Larry Laurent, City Manager, City of Capitola*
2. *Carl Cahill, City Manager, Town of Los Altos Hills*
3. *Kevin Bryant, City Manager, Woodside*
4. *Daphne Hodgson, Administrative Services Director, Seaside*
5. *Ron Arp, Public Works Director, Palo Alto*

Recology

1. *Robert Haley, Director Waste Zero/Environment, City/County of San Francisco*
2. *Lori Topley, Solid Waste Program Manager, City of Mountain View*
3. *Lorenzo Hines, Assistant City Manager, City of Pacifica*
4. *Jim Porter, Public Works Director, San Mateo County, prior Chair of SBWMA Board*
5. *Tony Eulo, Program Administrator, City of Morgan Hill*

RJR RR

1. *Susanna Chan, Public Works Director, City of Los Altos*
2. *Dave Staub, Dep. Director of Public Works, City of Santa Clara*
3. *Judy Erlandson, Public Works Manager, City of Livermore*
4. *Mike Futrell, City Manager, City of South San Francisco*
5. *Liam Garland, Public Works Director, City of Alameda*

APPENDIX D - Comprehensive Cost Proposal Summary and Rate Comparison Tables

Summary of Cost Proposals			
Proposal Item	GWR	Recology	RJR RR
Base Proposal	Overall, GWR had the highest total costs ("net rate revenue"), approx. <u>5.4% higher than Recology's</u> . This difference drops to 1.6% when you add in Recology's proposed costs for Option 1 for universal rollout of MFD and Commercial organic materials collection services.	Proposed the lowest overall costs ("net rate revenue") for its base proposal. They proposed the highest direct labor hours and costs which was offset by the lower overhead costs and the lowest pass through costs.	<ul style="list-style-type: none"> Overall, RJR's total costs ("net rate revenue"), are approx. <u>4% higher than Recology's</u>. This difference drops to 0.2% when you add in Recology's proposed costs for Option 1 for universal rollout of MFD and Commercial organic materials collection services.
Fuel Costs	Has assumed significantly lower fuel costs largely due to assuming \$1.00 gallon for CNG ; they state this was derived from Pacific Gas & Electric's GNGV1: Pricing for Natural Gas Service for Compression on Customers' Premises, January 1, 2017 – Present. The current rate of Natural Gas is Estimated at \$.68 a gallon, taxes are about \$.26 a gallon.	Assumed the same unit price of \$2.80 for CNG and renewable diesel . Recology has an existing CNG fueling facility at its Gilroy corp. yard.	Assumed a unit cost of \$4.00 for CNG . This price includes the costs for development of a new CNG facility; no separate capital costs were broken out. This resulted in significantly higher fuel costs at \$706,714 vs. \$374,068 for Recology and \$174,911 for GWR.
Ops. Costs	Assumed significantly higher route productivity assumptions for residential routes resulting in significantly lower route hours and labor dollars. These lower costs are essentially offset by higher overhead costs resulting in GWR having the highest overall costs .	Key personnel such as the General Manager, Operations Manager, and Office Manager, are not solely dedicated to the franchise as they also support the franchises with Gilroy and Morgan Hill; an allocation of 29% was used to distribute these costs.	See comments under "Fuel Costs" and "Capital Costs."
Capital Costs	Also proposed the highest capital costs at \$12.6 million compared to \$9.1 million and \$9.6 million for Recology and RJR, respectively . This is largely due to \$3.2 million assumed for capital improvements for a new corp. yard in Hollister (\$2.35 million for site improvements, \$850k for CNG facility).	Recology has an existing corp. yard so new capital is for trucks and containers.	RJR treated its corp. yard associated expenses as lease payments and CNG capital costs are include in their assumption for the purchase price of fuel. They assumed a monthly lease (rent) cost of \$112,500 vs. \$9,600 for GWR.
Recyclables Processing	Assumed zero cost for transportation and processing of recyclables at its own MRF in San Jose.	Will ship Recyclables to a third party MRF, MRWMD in Marina. Assumed a small rebate/credit for recyclables equal to \$15.77 per ton; <u>this is a speculative figure as MRWMD has no approved MRF pricing in place.</u>	Will ship residential Recyclables to a third party MRF, MRWMD in Marina. <u>This is a speculative figure as MRWMD has no approved MRF pricing in place.</u> Assumed a small charge for recyclables equal to \$14.31 per ton for residential materials and a rebate of \$24.00 per ton for commercial materials. Commercial materials will be processed onsite at RJR.

Litter Abatement Fee	There was no predetermined fee % so it was left to the discretion of each proposer to include this fee or not.	There was no predetermined fee % so it was left to the discretion of each proposer to include this fee or not.	Proposed a litter abatement fee of 1% which totals \$112,767 in new annual fee revenues.
Optional Proposal	Did not provide a separate optional cost proposal for universal rollout of MFD and commercial organic materials collection services as these costs were incorporated into their base proposal.	Provided the requested optional cost proposal for universal rollout of MFD and commercial organic materials collection services with CNG collection vehicles <u>and</u> using renewable diesel vehicles. <u>Assumed additional diversion of 650 tons per year at a cost of \$350,249 to \$369,304 per year.</u>	Provided the requested optional cost proposal for universal rollout of MFD and commercial organic materials collection services with CNG collection vehicles. <u>Assumed additional diversion of 14.98 to 61.03 tons per year at a cost of \$2,903 to \$68,424 per year.</u>
ALTERNATIVE PROPOSALS WERE NOT EVALUATED (INCLUDED) AS PART OF SCORING AND RANKING THE PROPOSALS. THE INFORMATION BELOW IS FOR BACKGROUND ONLY AND MAY BE USED DURING THE CONTRACT NEGOTIATIONS PHASE.			
Alternative Proposals	Did not include any alternative proposals with their original proposal submittal. Later were requested to submit an alternative proposal for renewable diesel-powered collection vehicles with use of new carts and containers. Their proposal was \$57,316 or 0.59% higher than their final and best base cost proposal but they stated they would waive the extra costs for using the renewable diesel.	<p>Provided in their original proposal submittal a proposal for renewable diesel-powered collection vehicles with use of existing carts and containers.</p> <p>Later were requested to submit an alternative proposal for renewable diesel-powered collection vehicles with use of new carts and containers. This proposal totaled \$9,280,529 or 0.88% lower their final and best base cost proposal.</p>	Provided in their original proposal submittal a proposal for renewable diesel-powered collection vehicles. This proposal will need to be updated to reflect adjustments made to their final and best base cost proposal.
		Provided alternative cost proposals for use of existing carts and containers with CNG collection vehicles <u>and</u> using renewable diesel vehicles.	Provided alternative cost proposals as follows: split cart for residential solid waste (MSW) and food scraps with CNG vehicles; and split cart for residential solid waste (MSW) and food scraps, every other week collection of residential yard waste and recyclables and use of CNG vehicles.

Capital Expenditures			
	<u>GWR</u>	<u>Recology</u>	<u>RJR RR</u>
Vehicles	\$5,406,250	\$5,930,000	\$5,937,809
Containers	\$3,051,566	\$2,812,386	\$3,038,104
Other ¹	\$4,127,500	\$312,500	\$612,924
Total:	\$12,585,316	\$9,054,886	\$9,588,837

Source: Cost Form 1.7.

¹Other includes capital expenditures related to general, vehicle R&M, and container R&M.

*GWR includes \$2.35M for corporation yard and \$850K for CNG fueling facility.

The remainder consists of vehicles for shop, container delivery and staff, and other equipment.

*Recology consists of CNG fuel station extension at existing corp. yard.

*Recology did not include any interest expense on their capital.

*RJR capital expenditures consists mostly of vehicles for shop, container delivery and staff plus other equipment and tenant improvements. Assume \$100k. for new corp. yard w/ \$0 for CNG fueling station.

Disposal Costs									
	<u>GWR</u>			<u>Recology</u>			<u>RJR RR</u>		
	<u>Tons</u>	<u>Avg \$/Ton</u>	<u>Total Cost</u>	<u>Tons</u>	<u>Avg \$/Ton</u>	<u>Total Cost</u>	<u>Tons</u>	<u>Avg \$/Ton</u>	<u>Total Cost</u>
Single Family	10,725	\$44.75	\$479,944	7,200	\$44.75	\$322,204	9,450	\$44.75	\$422,877
Comm./MFD	8,975	\$44.75	\$401,631	9,827	\$44.75	\$439,758	9,640	\$44.75	\$431,403
Roll-Off	408	\$44.75	\$18,258	1,407	\$44.75	\$62,963	278	\$44.75	\$12,439
Total:	20,108	134	899,833	18,434	134	824,926	19,368	134	866,720

Source: Form 1.8 Disposal and Processing Costs.

*GWR and Recology have their own organics processing facilities.

Processing Costs - Organics

	GWR			Recology			RJR RR		
	Tons	Avg \$/Ton	Total Cost	Tons	Avg \$/Ton	Total Cost	Tons	Avg \$/Ton	Total Cost
Single Family	6,227	\$56.00	\$348,712	8,372	\$59.74	\$500,162	7,564	\$105.00	\$794,189
Comm./MFD	2,000	\$88.00	\$176,000	780	\$59.74	\$46,597	539	\$45.00	\$24,273
Roll-Off	35	\$88.00	\$3,080	112	\$59.74	\$6,691			
Total:	8,262	\$64	\$527,792	9,264	\$60	\$553,450	8,103	\$101	\$818,462

Source: Form 1.8 Disposal and Processing Costs.

*GWR assumed much higher commercial organics given universal rollout of commercial and MFD organics eff. 7/1/18.

*Recology assumed significant increase in single family organics tons collected.

Processing Costs - Recyclables

	GWR			Recology			RJR RR		
	Tons	Avg \$/Ton	Total Cost	Tons	Avg \$/Ton	Total Cost	Tons	Avg \$/Ton	Total Cost
Single Family	6,920	\$0.00	\$0	5,282	(\$15.77)	(\$83,303)	5,262	\$14.31	\$75,288
Comm./MFD	2,500	\$0.00	\$0	1,303	(\$15.77)	(\$20,546)	2,368	(\$24.00)	(\$56,832)
Roll-Off	100	\$0.00	\$0	593	(\$15.77)	(\$9,352)	1,112	\$0.00	\$0
Total	9,520	\$0	\$0	7,178	(\$16)	(\$113,200)	8,742	\$2	\$18,456

Source: Form 1.8 Disposal and Processing Costs.

*GWR did not include any transportation costs for shipping recyclables to their MRF in San Jose.

*Recology did not include any transportation costs for shipping recyclables to MRWMD MRF in Marina.

*Recology and RJR assumed rebates on the recyclables.

*RJR will process commercial recyclables at their Hollister facility.

*RJR assumed \$14.31/ton to ship single family recyclables to MRWMD MRF so their actual MRF processing costs total \$75,288.

Comparison of Proposed Residential Rates (for San Benito County Jurisdictions) vs. Current Rates for Neighboring Communities																						
	% of Current Accounts	Forecasted Current Monthly Rates	Forecasted Current Monthly Rates w/ YW Service	GWR Monthly	% Change Vs. Forecasted Current Rates w/ YW Service	Recology Monthly	% Change Vs. Forecasted Current Rates w/ YW Service	RJR RR Monthly	San Benito County					Santa Clara County - South (San Martin, Coyote Valley, Gilroy, East)					Santa Clara County - Unincorp. - MWD	Monterey County - MWD	Ave. Monthly Rate Non-SBC Jurisdictions	
									Morgan Hill	Hill	Gilroy	Salinas	East	Gonzales	Greenfield	Soledad	Watsonville	Santa Cruz County				Monterey County
Hollister																						
20-gallon cart	4.2%	\$16.84	\$26.50	\$25.75	-2.83%	\$23.05	-13.02%	\$27.39	3.36%	\$21.42	\$32.58	\$27.57						\$18.81	\$24.38	\$25.24	\$25.00	
32-gallon cart	53.1%	\$19.57	\$29.23	\$31.15	6.57%	\$25.85	-11.56%	\$31.93	9.24%	\$31.79	\$30.95	\$33.72	\$31.92	\$19.72	\$28.38	\$28.38	\$30.51	\$25.97	\$29.63	\$30.68	\$28.84	
64-gallon cart	39.3%	\$38.22	\$47.88	\$62.30	30.12%	\$45.35	-5.28%	\$64.25	34.19%	\$45.61	\$30.95	\$34.45	\$71.61	\$24.65	\$45.11	\$45.11	\$49.21	\$51.88	\$46.44	\$48.11	\$46.21	
96-gallon cart	3.4%	\$56.87	\$66.53	\$93.45	40.46%	\$64.85	-2.53%	\$97.01	45.81%	\$59.79	\$30.95	\$45.51		\$29.58	\$61.87	\$61.87	\$63.23	\$77.76	\$58.07	\$60.14	\$55.51	
San Juan Bautista																						
20-gallon cart	9.2%	\$17.66	\$27.48	\$25.75	-6.30%	\$25.38	-7.65%	\$28.16	2.47%	\$21.42	\$32.58	\$27.57						\$18.81	\$24.38	\$25.24	\$25.00	
32-gallon cart	66.7%	\$20.38	\$30.20	\$31.15	3.15%	\$28.18	-6.70%	\$32.74	8.41%	\$31.79	\$30.95	\$33.72	\$31.92	\$19.72	\$28.38	\$28.38	\$30.51	\$25.97	\$29.63	\$30.68	\$28.84	
64-gallon cart	22.4%	\$38.91	\$48.73	\$62.30	27.85%	\$47.68	-2.16%	\$64.91	33.20%	\$45.61	\$30.95	\$34.45	\$62.53	\$24.65	\$45.11	\$45.11	\$49.21	\$51.88	\$46.44	\$48.11	\$46.21	
96-gallon cart	1.7%	\$57.42	\$67.24	\$93.45	30.98%	\$67.18	-0.09%	\$97.08	44.38%	\$59.79	\$30.95	\$45.51		\$29.58	\$61.87	\$61.87	\$63.23	\$77.76	\$58.07	\$60.14	\$55.51	
San Benito County																						
20-gallon cart	4.6%	\$17.48	\$27.58	\$25.75	-6.64%	\$25.64	-7.05%	\$27.99	1.49%	\$21.42	\$32.58	\$27.57						\$18.81	\$24.38	\$25.24	\$25.00	
32-gallon cart	54.9%	\$20.38	\$30.48	\$31.15	2.20%	\$28.44	-6.71%	\$32.72	7.35%	\$31.79	\$30.95	\$33.72	\$31.92	\$19.72	\$28.38	\$28.38	\$30.51	\$25.97	\$29.63	\$30.68	\$28.84	
64-gallon cart	35.0%	\$36.15	\$46.25	\$62.30	34.70%	\$47.94	3.64%	\$62.25	34.59%	\$45.61	\$30.95	\$34.45	\$62.53	\$24.65	\$45.11	\$45.11	\$49.21	\$51.88	\$46.44	\$48.11	\$46.21	
96-gallon cart	5.5%	\$53.90	\$64.00	\$93.45	46.02%	\$67.44	5.37%	\$93.72	46.44%	\$59.79	\$30.95	\$45.51		\$29.58	\$61.87	\$61.87	\$63.23	\$77.76	\$58.07	\$60.14	\$55.51	
Note: Forecasted current rates and forecasted current rates with yard waste (yw) service were derived from taking Recology's 2016 solid waste rates and forecasting them forward to 7/1/18 using the prescribed indices in the current franchise agreement.																						

[Note: Forecasted current rates and forecasted current rates with yard waste (yw) service were derived from taking Recology's 2016 solid waste rates and forecasting them forward to 7/1/18 using the prescribed indices in the current franchise agreement.]

San Benito County - Proposed Commercial Rates vs. Neighboring Communities													
Container Type/Service Type	Forecasted Current Rates	GWR		Recology		RJR		Forecasted Current Rates		GWR		Recology	
		1x per Week	% Change	1x per Week	% Change	1x per Week	% Change	Every Other Week	1x per Week	Every Other Week	% Change	1x per Week	% Change
1 cubic yard bin	\$105.29	\$150.00	42.5%	\$166.50	58.1%	\$148.28	40.8%	\$148.10	\$156.00	5.3%	\$189.81	28.2%	\$208.07
2 cubic yard bin	\$133.20	\$210.00	57.7%	\$211.46	58.8%	\$188.52	41.5%	\$171.90	\$218.40	27.1%	\$241.06	40.2%	\$347.65
3 cubic yard bin	\$191.26	\$285.00	49.0%	\$304.70	59.3%	\$270.86	41.6%	\$212.23	\$296.40	39.7%	\$347.35	63.7%	\$500.28
4 cubic yard bin	\$257.83	\$375.00	45.4%	\$409.59	58.9%	\$365.11	41.6%	\$284.33	\$390.00	37.2%	\$466.93	64.2%	\$602.28
32 gallon cart													
64 gallon cart	\$38.22	\$61.00	59.6%	\$45.35	18.7%	\$83.53	118.5%	\$38.91	\$61.00	56.8%	\$45.35	16.6%	\$84.38
96 gallon cart	\$56.87	\$81.00	42.4%	\$64.85	14.0%	\$126.11	121.8%	\$57.42	\$81.00	41.1%	\$64.85	12.9%	\$126.20
Salinas													
1 cubic yard bin	\$105.29			\$288.24				\$148.10			\$288.24		\$346.81
2 cubic yard bin	\$133.20	\$212.97		\$346.81				\$171.90	\$212.97		\$346.81		\$346.81
3 cubic yard bin	\$191.26	\$306.88		\$410.63				\$212.23	\$306.88		\$410.63		\$410.63
4 cubic yard bin	\$257.83	\$411.64		\$472.16				\$284.33	\$411.64		\$472.16		\$472.16
32 gallon cart	\$38.22	\$31.79		\$46.90				\$31.79	\$31.79		\$46.90		\$46.90
64 gallon cart	\$56.87	\$48.09		\$60.08				\$38.91	\$48.09		\$60.08		\$60.08
96 gallon cart		\$64.81		\$72.88				\$57.42	\$64.81		\$72.88		\$72.88
San Benito County													
20-gallon cart													
32-gallon cart													
64-gallon cart													
96-gallon cart													

CITY OF SAN JUAN BAUTISTA

STAFF REPORT

Date: April 11, 2018
To: City Council
From: City Manager, Michael LaForge
Subject: **Parking During Rib Cook Off and Indian Market and Pow Wow**

Staff recommends that city council approve partnering with private land owners for 'for pay' parking lots. Staff proposes charging \$5 for the parking in the Manning lots on Muckelemei Street across from the Valero Gas Station. Public Works and volunteers would prepare the grounds and man the lots. Drivers would take a ticket, and the duplicate ticket would be kept to track sales.

Background: The City is hosting both the Rib Cook Off and the Indian Market and Pow Wow on May 4th and 5th this year. As Sunday, May 5th is also the Mission's Living History Day and Cinco de Mayo, we anticipate the largest amount of visitors to the city we have had in the past 20 years.

Analysis: Up to 10,000 people may visit SJB over that weekend and according to the Diocese their lots fill up for Rib Cook Off alone, so additional parking is a must for subject weekend.

Fiscal Review: We anticipate 100-200 parking spaces in the Manning lots, and we would split the parking proceeds. We anticipate approximately \$2000 in parking revenue which would benefit the general fund.

Alternatives: Allow visitors to find street parking. Staff will come back to Council with a proposal to partner with the State Park for use of their property for parking during City events that do not conflict with their events.

Attachments: **Business contract for private land and city lot partnership**

AGREEMENT FOR USE OF PROPERTY FOR PUBLIC PARKING

This agreement for use of property ("Agreement") is made and entered into this ____ day of April, 2018, by and between the City of San Juan Bautista, a municipal corporation ("City"), and Kathleen Manning, Trustee ("Owner"), who are sometimes individually referred to herein as a Party and, together, as the "Parties."

RECITALS

A. Owner is the fee owner of certain real property identified as APNs 002-350-030-000, 012-140-017-000, 002-320-002-000 and 002-320-008-000 San Juan Bautista, California, which are currently vacant ("Property").

B. City desires to use the Property for public parking on May 4-6, 2018 and from April 16-to May 8, 2018 for set-up and clean-up.

NOW, THEREFORE, in consideration of the mutual promises contained herein, the City of San Juan Bautista and Owner agree as follows:

AGREEMENT

1. License. Owner hereby grants to City and its employees a license to enter upon the Property to prepare the Property for parking, park vehicles, clean the Property from any debris which may have resulted from public parking and further licenses to the public the right to pass over the property for purposes of parking and exiting or entering vehicles.
2. Term. The term of this Agreement shall be from April 16 to May8, 2018.
3. No Warranty. It is expressly understood and agreed that City enters the Property in its "as is" condition, and that Owner makes no representation, warranty or promise that the Property is fit for any particular use for which this Agreement was entered into, and City has not relied on any such representation, warranty or promise. City has inspected the Property and finds it acceptable for its intended uses for parking. City is not relying upon any representations or warranties concerning the Property except those that may be set forth herein.
4. Fee. On those dates that the Property is used for public parking, City shall charge a fee to members of the public using the public parking and any fee collected shall be paid half to the Owner and half to the City, which half shall be deposited in City's General Fund. The City will endeavor to charge \$5.00 or more per vehicle. The City retains the discretion to charge the fee the market will bear.
5. Assignment. This Agreement is for the sole benefit of City to be used for public parking and shall not be assigned or transferred. Any attempt to do so may cause this Agreement to be terminated at Owner's discretion.

6. Termination. This Agreement may be terminated immediately in the sole discretion of Owner, and City agrees to peaceably surrender its License under this Agreement upon demand by Owner or its authorized representative.
7. Restrictions. City shall use City employees or agents to staff the times when the real Property is used by the public for parking and shall not engage in, or permit any other person or entity to engage in, any activity on the Property that violates any federal, state or local law. The City shall prepare the Property for public parking and shall return the Property to its original status at the termination of this License.
8. Insurance. City shall provide a memorandum of insurance to the Owner prior to utilizing the Property, and obtain an endorsement to its insurance policy naming the Owner as an "additional insured" for claims arising as a result of this Agreement. Such memorandum shall provide that the endorsement may not be canceled without prior notice to the Owner.
9. Indemnity. City agrees that it will protect, save, defend, hold harmless and indemnify the Owner, its employees, officers and agents from any and all demands, claims, judgments, or liability for loss or damage arising as a result of accidents, injuries, or other occurrences, (except for losses or injuries occurring as the result of the sole negligence of the Owner or employees, officers or agents of the Owner) regardless of who the injury party may be.
10. Entire Agreement. This Agreement represents the entire agreement and understanding between the Parties and supersedes any and all prior oral or written agreements between the Parties relating to the subject matter hereof. No other agreement, statement or promise made by the Parties or to any employee, officer or agent of the Parties shall be binding, except a subsequent amendment to this Agreement, in writing, executed by the Parties.
11. Attorneys' Fees and Costs. In the event any action is commenced to enforce or interpret the terms or conditions of this Agreement the prevailing Party shall, in addition to any costs or other relief, be entitled to recover its reasonable attorneys' fees.
12. Amendment. Any amendment to this Agreement shall be in writing and executed by the Parties.
13. Authority. Each individual executing this Agreement represents and warrants that he or she is duly authorized to execute and deliver this Agreement and that this Agreement is binding in accordance with its terms.
14. Governing Law. This agreement shall be governed by and construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date and year first-above written.

CITY OF SAN JUAN BAUTISTA

City Manager

Date:

APPROVED AS TO FORM

City Attorney

KATHLEEN MANNING, TRUSTEE

Owner

Date:

CITY OF SAN JUAN BAUTISTA

STAFF REPORT

Date: April 11, 2018
To: City Council
From: City Manager, Michael LaForge
Subject: **Salvage Street Sweeper**

Staff recommends that city council approve salvaging of the street sweeper at current metal cost, sell to a private party or sell to a salvage company, whichever is greater.

Background: The street sweeper is a 1984 Tymco model purchased used from auction for \$6,987.50 in 2014.

Analysis: The sweeper is in operable due to age and wear.

Fiscal Review: The cost to repair the sweeper and get it in good running order is \$5K or more. If we chose to repair it, it would then require a four hour service after each use to maintain. The cost to sweep the streets is approximately \$60 per hour.

Alternatives: Buy a newer sweeper for \$60K or greater and pay to maintain it. Outsourcing for now seems the appropriate solution given our budget, space, and manpower to maintain.

Salvaging the sweeper and outsourcing street sweeping would free up real estate in the corporation yard, would bring some revenue into the city and would insure a level of cleanliness for the city.

CITY OF SAN JUAN BAUTISTA

STAFF REPORT

Date: April 11, 2018
To: City Council
From: City Manager, Michael LaForge
Subject: **City Private Security Company Service Agreement**

Staff recommends that City Council approve the Level 1 Private Security Service Agreement.

Background:

The City has contracted with Level 1 to augment San Benito Sheriff coverage since December 2016. The current contract expired July 1st 2017. Level 1 has been a new contract approval to no avail over that past several months.

Analysis:

Since entering into the contract with Level 1 the number of calls per year for SJB has decreased by 4%* while other cities in the surrounding area have increased crime year over year. San Benito Sheriff Department is a strong advocate for Level 1 and they recommend we enter into a new contract with them.

Fiscal Review:

The cost of Sheriff coverage is \$150K for one officer 42 hours per week. The cost of Level 1 is \$1,624/week for one officer for 56 hours. (\$29/hr.)

Alternatives:

SJB can add a second sheriff (one officer for 42 hours) for an additional \$150K. SJB can invest in a city police force. San Benito Sheriff states that we would be best served to have a municipal police department in San Juan Bautista, and this is something we should strive for and plan.

Continuing to contract with Level 1 will insure we have continuity of coverage at the current or better service levels. Using a model combining private security between 10PM and 6AM and Sheriff during the working day has proven to be successful for San Juan Bautista.

*source data, San Benito Sheriff annual reports and Sheriff Thompson

Attachment: Level 1 Service Agreement