



London N. Breed
Mayor

Sailaja Kurella
Acting Director and Purchaser
Purchasing

October 26, 2020

To: Angela Calvillo, Clerk of the Board

From: Sailaja Kurella, Acting Director of Office of Contract Administration (OCA) and Purchaser

Subject: **Resolution to approve TC 83150 Refuse Collection Services with Recology**

Enclosed is the resolution to approve Term Contract #83150 with Sunset Scavenger Company, Golden Gate Disposal & Recycling Company and Recology San Francisco (*Recology*) for refuse collection at City facilities for a total not to exceed amount of \$62.5 million. Term Contract #83150 is a six-year contract with options to extend the term for an additional four years for a total contract term not to exceed to 10 years.

The Office of Contract Administration (*OCA*) and the Department of Environment (*DOE*) conducted a spend analysis to determine the proposed amount of 62.5 Million. Based on this analysis, *OCA* is proposing the following changes to the current rate structure: 1) removal of the monthly service fee cap and 2) addition of a composting credit. These changes will better align the City's rate structure with City-Wide rates and incentivize City Departments to recover more recyclables and compostables which would result in cost savings for the City and help the City reach our Zero Waste goal.

Commercial rates for refuse collection are set during rate processes conducted by SF Public Works and subject to appeal by the Refuse Rate Board. The proposed resolution will not increase Commercial rates for refuse collection services.

Recology is the only entity permitted to collect refuse in San Francisco and the contract received a sole source waiver. The Contract Monitoring Division (*CMD*) waived the Local Business Enterprise subcontracting goals for the contract. The Civil Service Commission approved the Personal Service Contract on May 3, 2020.

The current contract, MOU 149 expires on November 30, 2020. Therefore, the resolution will propose TC#83150 to commence on December 1, 2020 and expire on November 30, 2026.

If you have any questions or require additional information, please contact Ian Fernando on my team at 415-554-6751.

Enclosures: TC#83150 Refuse Collection Services Agreement
Resolution for TC#83150
S.F. Ethics Commission form 126f4, Notification of Contract Approval