



**San Francisco Office of the City Administrator
City Administrator Carmen Chu**

Refuse Collection Services

Contract 1000032083 / TC83151

File 240107

Office of Contract Administration

Board of Supervisors' Budget & Finance Committee

February 28, 2024

Refuse Services Contract: Brief History

- Since 2004, City has held consolidated contract for refuse collection with services for City government facilities through the Office of Contract Administration
- Sole source contract approved in 2014 for 6 years, NTE \$48M
- November 2020 : new contract was before the Board but no action taken
 - For continuity of refuse service, OCA entered into an interim contract covering Dec 2020 – Nov 2021
 - **Original NTE:** \$5.6M
 - **Amended NTE:** \$9.9M
 - **Duration :** December 1, 2020 – November 30, 2021
 - Board approved contract extension in Nov. 2021
 - **NTE:** \$15.6M
 - **Duration:** December 1, 2020 – June 30, 2022
 - Board approved contract extension in June 2022 – allows time to solicit for new services
 - **Current NTE:** \$39.6M
 - **Current Duration:** December 1, 2020 – June 30, 2024
 - OCA amended June 2023 to adjust rates, as authorized by Board in June 2022

New Refuse Services Solicitation Timeline

- **June 2022:** Issued solicitation for new City refuse services
- **January 11, 2023:** Evaluation complete, issue Conditional Notice of Intent to Award to Allied Waste Services
- **February 2023:** CEQA process kicks off
- **November 2023:** Allied submitted application to DPH for refuse collection truck permit
- **February 2024:** Planning completes CEQA process
 - **Addendum**
- **February 2024 :** BOS Approval Process
- **March 2024:** Execute contract and finalize DPH permits
- **April - June 2024:** Transition 375+ City sites to new services
- **June 30, 2024:** Recology's contract for City refuse services ends

Proposed Contract: Overview of Major Provisions

- **Duration:** 7 years + option to extend up to 10 years
- **NTE:** \$119,000,000 (total for 7-year initial duration +3-year extension)
 - Based on representative month of utilization
 - Includes 15% contingency
- **Scope:**
 - Refuse collection service for all City departments comprising 380+ locations
 - Ancillary service (collection of bulky item, pallets, etc.) & lease and purchase of compactors
- **Rates:**
 - Uniform Collection Rates: same rates applied for trash, recyclables, compost based on frequency of service, weekday vs. weekend
 - Volumetric “Recovery” Discount: applied to total monthly bill based on % of collected recyclable and compostable material vs. total collected
 - Ancillary Charges & Equipment: for bulky item pickup, overages, equipment leases, etc.
 - Contamination Charges: for repeated mixing of materials in specified bins (e.g. recyclables in trash bin)
 - Price Adjustments: annual rate adjustment based on % change in CPI

Projected Expenditures

	Monthly	Annual
Collection + Ancillary Charges	\$740,395	\$8,884,739
Compactor Lease	\$7,855	\$94,263
Overage	\$2,338	\$28,054
Contamination	<i>unknown</i>	<i>unknown</i>
PROJECTED EXPENDITURES	\$750,588	\$9,007,056
SUBTOTAL 7-Year PROJECTED EXPENDITURES <i>(incl. est. 3% annual CPI rate adjustment)</i>		\$69,058,024
15% contingency		\$10,358,704
7-year CONTRACT NTE TOTAL		\$79,416,728
+ 3-year extension CONTRACT NTE TOTAL		\$118,853,598

Performance Measures

- **Response time to service issues and complaints by City:** *% of “First call resolution”*
- **Service Levels:**
 - *Number / % of missed collections*
 - *Response to on-call, emergency, and holiday service requests*
- **Compliance with:**
 - *Audit, inspection, and route review requirements per Env. Code Ch. 19 and SB 1383*
 - *General reporting requirements*
- **Billing:** *Number / % of billing errors; timely resolution of billing errors*

Performance Measures

- **Zero Waste:**

- **Citywide goals**

- *Reduce generation by 15% by 2030 and*
 - *Reduce disposal to landfill by 50% by 2030*

- **City Government ZW Goals**

- *Improve of existing zero waste programs at City Departments*
 - *Increase city agency recovery by 5% in the first year of the contract*

Thank You