



London N. Breed  
Mayor

Sailaja Kurella  
Acting Director and Purchaser  
Purchasing

June 8, 2020

**To:** Angela Calvillo, Clerk of the Board  
**From:** Sailaja Kurella, Acting Director of Office of Contract Administration (OCA) and Purchaser  
**Subject:** **Resolution to amend MOU Refuse Collection Services with Recology**

Enclosed is the resolution to approve the Second Amendment to the City's Memorandum of Understanding (*MOU*) with Sunset Scavenger Company, Golden Gate Disposal & Recycling Company and Recology San Francisco (*Recology*) for refuse collection at City facilities. The proposed resolution would increase the MOU's total not to exceed amount from \$48 million to \$53.5 million.

The current MOU has a term from December 2014 through November 2020 and a not to exceed spending authority of \$48 million.

Recology has been the only entity permitted to collect refuse in San Francisco since 1932 (Section 290 of the Health Code), and the contract received a sole source waiver. Resolution #493-19 was approved on November 19, 2019, which increased the not to exceed amount from \$40 million to \$48 million.

In May 2020, the Department of Environment (*DOE*) conducted a spend analysis and anticipates that the City will spend the remaining value by mid-June 2020. As of June 3, the City has spent \$44,801,630.44 of the \$48,000,000 not to exceed amount.

Rates for refuse collection are set during rate processes conducted by SF Public Works and subject to appeal to the Refuse Rate Board. The proposed Second Amendment to MOU #149 will not increase the rates for refuse collection services.

The City anticipated a new Refuse Collection Agreement prior to the City spending the remaining value of the existing MOU. Due to COVID-19, contract negotiations have been impacted, resulting in a delay in finalizing the new Refuse Collection Agreement. Therefore, we are proposing the Second Amendment to the MOU.

The proposed resolution would authorize an additional \$5.5 million in spending authority for a total not to exceed amount of \$53.5 million. The DOE has determined that the proposed amount will last until the MOU expires on November 30, 2020.

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

Enclosures: Second Amendment to MOU #149  
Resolution for the Second Amendment to MOU #149  
S.F. Ethics Commission form 126f2, Notification of Submission Proposal  
S.F. Ethics Commission form 126f4, Notification of Contract Approval