

August 29, 2023

Mr. Chris Celsi
Executive Director
Napa-Vallejo Waste Management Authority
1195 Third Street
Napa, CA 94559

submitted via email: chris.celsi@countyofnapa.org

SUBJECT: Negotiation and Technical Support Proposal

Dear Mr. Celsi,

R3 Consulting Group, Inc. (R3) is pleased to submit this proposal to the Napa-Vallejo Waste Management Authority (Authority) to provide a review and analysis of the agreement with Northern Recycling Operations and Waste Services, LLC (NROWS) and provide negotiation support related to a possible new agreement. R3 also proposes to provide assistance related to the Authority's support for its Board Members and the public. As you are aware, we recently supported the Authority on an operational review of the facility as a precursor to the extension negotiations.

R3 proposes to conduct the following activities for the Authority:

1. Review the current Agreement and our prior operational review findings related to the extension request and to identify, recommend and draft a new extension for negotiation and consideration.
2. Lead negotiations, develop a timeline and support Authority staff in discussions with NROWS.
3. Conduct financial analysis with respect to the above, as needed.
4. Provide support to Authority staff by developing agendas, meeting minutes, preparing memos, summary reports, and PowerPoint presentations and supporting Authority staff in meetings with the Company, Authority counsel and Board members.
5. If negotiations are not successful, assist the Authority in development and implementation of a procurement process which would include a Request for Proposal Document, daily project management and overall support for the evaluation of proposals.

Work via this engagement will commence in September 2023 and with tasks 1-4 concluding around January 2024. Task 5 would occur at the completion of tasks 1-4, should they not result in a new agreement and take place between February and July 2024. R3 proposes to complete tasks 1-4 for a fixed fee amount of **\$50,000** (in payments of \$20,000, \$15,000, and \$15,000 upon completion). Task 5 would cost an additional **\$60,000** similarly paid in three \$20,000 payments. Our project budget includes labor and project expenses for the work and deliverables as listed in the following page. We would be happy to discuss changes to our scope or budget as may be needed to align with the Authority's needs.

Scott Hanin will serve as Project Director. He will be supported by **Ryan Calkins, Garth Schultz** and **Jordan Muratsuchi**. Scott and/or Garth will attend all key meetings and perform a significant portion of the work.

Thank you for this opportunity to serve the Authority - should you have any questions regarding this proposal or need any additional information, please don't hesitate to reach out directly.

Sincerely,



Scott Hanin | *Principal*
R3 Consulting Group, Inc.
510.812.7144 | shanin@r3cgi.com



Garth Schultz | *Principal*
R3 Consulting Group, Inc.
510.292.0853 | gschultz@r3cgi.com

1. SCOPE OF WORK

Task 1 Review NROWS Operating Agreement to Identify Recommended Revisions

NVWMA entered into its original Agreement for Solid Waste Diversion, Transfer and Transport Services (Original Agreement) with NROWS on March 1, 2007. An Amended and Restated Agreement (Amended Agreement) was approved on March 19, 2010. The Amended Agreement established a contract term that expires on December 31, 2022, with an option to extend the term for up to four (4) periods of up to one (1) year each, at Authority's sole discretion. NROWS has requested an extension of the contract term for a minimum of 10 years.

R3 will perform a detailed review of the Amended Agreement, including compensation approach, reporting requirements, performance requirements, liquidated damages, contamination monitoring, materials processing and diversion approach, and other key terms, conditions and provisions. We will prepare a new amendment based on this review.

Task 2 Support Authority Staff in Sole Source extension Discussions with NROWS

R3 will provide support to staff in discussions with NROWS and will provide analysis of proposals resulting from such discussions. Analysis of proposals will serve to establish findings and recommendations for Authority staff consideration. R3 will also assist in drafting an amended Agreement.

Task 3 Financial Analysis

R3 will conduct an analysis of the facility operating costs included in the Authority's tipping and processing fees and will compare those operating costs with other comparable facilities. The analysis will include current and proposed operating assumptions, future capital expenditures, staffing, overhead, and other primary cost drivers. This task will include analysis of and recommended adjustments to compensation based on proposals received from NROWS.

Task 4 Meetings and Reporting

R3 will provide the Authority with written memoranda or summary reports pertaining to work performed in prior tasks. We will also provide PowerPoint presentations and support Authority staff in meetings with executive management and the Authority Board. As appropriate, R3 staff will develop meeting agendas and take minutes of these meetings.

Task 5 Competitive Proposal Process Assistance (If Negotiations are Not Successful)

R3 understands that undertaking a competitive procurement process is a complex and time-consuming effort and recognizes that the Authority has limited staff to take on a project of this importance to the community. Our team has assisted numerous agencies, with staffing levels like the Authority's, on comparable projects and we are prepared to work closely with Authority Staff to complete all required tasks.

Members of our team are currently or have recently assisted other jurisdictions including Santa Clarita, Pomona, Rosemead, Santa Clara County, Ventura County and Rancho Cordova making R3 uniquely qualified in our understanding of current market conditions and proposer expectations. Accordingly, R3 proposes to provide "full service" procurement and solid waste consulting assistance to complete this project. We are available to handle the competitive

1. SCOPE OF WORK

procurement process with our proposed scope of work, which is designed to allow R3 to act as an extension of Authority staff and lead in most aspects of this procurement.

These aspects include:

- Reviewing the comprehensive analysis of the existing operations.
- Providing recommendations for innovative and modern industry standard services to include in the agreement.
- Preparing and issuing the RFP Package, including drafting:
 - Program requirements, qualifications, evaluation criteria and methodology, draft operating agreement, and customer rate worksheets
 - Identifying recommended eligible service providers.
 - Conducting a mandatory pre-proposal meeting with potential proposers.
 - Preparing written responses to questions submitted regarding the RFP and preparing addenda as necessary.
 - Evaluating proposals.
 - Coordinating site visits of facilities, if necessary.
 - Managing and facilitating interviews with proposers.
 - Conducting negotiation sessions.
 - Preparing staff reports and presentations.
 - Finalizing the agreement.
 - Presenting recommendations to the Board.

2. KEY PERSONNEL

Scott Hanin, Principal

Scott Hanin has more than 30 years of solid waste experience, including serving as the Executive Director of the West Contra Costa Integrated Waste Management Authority (WCCIWMA). Scott was also Authority Manager for the Authority of El Cerrito for 17 years, a member agency of the WCCIWMA. Scott oversaw all aspects of Authority government including budget development, strategic planning, community engagement, organizational development and restructuring, capital projects, legislative compliance, and oversight of all department heads. He has assisted dozens of public agencies throughout California in developing and negotiating their solid waste agreements.

Ryan Calkins, Senior Project Manager

Ryan, a Marine Corps veteran, joined R3 after serving as a Manager for Waste Management (WMI) operations in Stockton and Oakland. His successful career managing private sector waste, organic, and recyclable collection systems for WMI and California Waste Solutions (CWS) in the Bay Area included training Route Managers; training and certifying sites in Onboard Computing Systems Dispatch (OCSD) systems; using Geographic Information System (GIS) software for rerouting and mapping routes; managing unionized drivers; and coordinating daily collection and operational needs with fleet maintenance services. He will serve as our Project Manager and has prior experience with the Authority having reviewed the facility operations.

Garth Schultz, Principal

Mr. Schultz is the President of R3 and has over 18 years of solid waste management experience in both the private and public sectors. His areas of expertise include solid waste and recycling rate setting, negotiation of revisions to solid waste service agreements, and sustainable solid waste policy development. Garth regularly serves in a strategic guidance and management Authority on a wide range of projects and is particularly skilled in developing unique and cost-effective approaches to solid waste collection system rates and programmatic configurations to meet the needs and interests of R3's clients. Garth will be available as needed to assist in all aspects of the engagement.

Jordan Muratsuchi, Senior Consultant

Jordan Muratsuchi has assisted numerous jurisdictions by conducting rate studies, cost-of-service and other financial analyses. He assists clients in understanding the benefits and drawbacks of their current solid waste agreements, specifically with regards to legislation such as AB 341, AB 939, AB 1826, and SB 1383.