

Attachment A

OPTION 1 - The Board provides conceptual approval for the preparation of a Request for Proposal (RFP) for solid waste and recyclable collection services.

Advantages: The RFP process creates the opportunity for the qualified bidders to put forth their best offer to provide services, and best value options can be achieved.

Through the competitive bid process the multiple disparate small franchises on the West Slope could be consolidated into one comprehensive franchise. This consolidation could help facilitate uniform diversion reporting, common services and less administrative support requirements (i.e. customer service).

The landscape for waste management in California is changing and status quo services and technologies may not suffice for the long term.

The qualified bidder may offer new or different services than the existing Franchisees, resulting in increased diversion levels. The County could negotiate new services as a condition of granting a Franchise.

The development of a new contract would provide the County the opportunity to implement the new standard rate setting policies and procedures. It also provides an opportunity for the County to implement strategies in the El Dorado County Solid Waste Management Plan recently adopted by the Board and allow for the possibility of new programs to be introduced by the qualified bidder.

Disadvantages: There is a risk that the bid results could yield higher rates for existing comparable services due to the potential need for a new Material Recovery Facility (MRF), increased costs associated with transitioning to the new company, and equipment purchasing.

When a qualified competitive bidder submits a response with an artificially low bid, in order to secure the Franchise Area, there is the potential that they may have a minimal profit level. Therefore, they may be less willing to work with the County to add new services or programs, they may apply fewer resources to these Franchise Areas, or they may attempt to sell or assign the Franchise to another entity once they discover that they cannot make a sufficient profit.

Given the rural, hard-to-service nature of various parts of the County, there is the potential that a limited number of solid waste collection haulers would submit responsive bids.

Service quality may be negatively affected if the new vendor is unfamiliar with the County's service areas. In addition, the County and the residents may experience potential short-term service disruptions and customer service issues during the transition to the new Franchisee(s).

A new Franchisee creates uncertainty over the quality and level of service for the future.

Should another contractor be awarded a solid waste and recycling Franchise, they would likely have to build a transfer station/MRF facility, and transfer material for disposal and processing out-of-County. It may be difficult to site and permit a new transfer station/MRF in the County. The permitting and building process for a new transfer station/MRF would likely take several years to complete.

Currently there are only two (2) permitted transfer stations in the County of El Dorado. The transfer stations/MRFs are owned and operated by South Tahoe Refuse Co., Inc., and Waste Connections, Inc. Waste Connections has extended the Franchise Agreements with the City of Placerville, Cameron Park Community Service District, and El Dorado Hills Community Service District to approximately 2028. These Franchise Areas account for over 50% of the garbage collection subscribers on the West Slope and are located in easy-to-service, densely populated geographic locations. Waste Connections needs the current facility to process and transfer the solid waste collected from these existing Franchise Areas. It is difficult to envision another provider serving just the unincorporated areas, and permitting/developing another transfer stations/MRF.