

Staff Report

DATE: December 15, 2020

TO: City Council

FROM: Stan Gryczko, Public Works Utilities and Operations Director
Adrienne Heinig, Management Analyst
Jennifer Gilbert, Conservation Coordinator

SUBJECT: SB 1383 Implementation Plan Professional Agreement Award

Recommendation

Approve the Resolution (Attachment 1) authorizing the City Manager to negotiate and execute the professional services agreement (Attachment 2) with SCS Engineers to provide the City with a Senate Bill (SB) 1383 implementation plan.

Fiscal Impact

The Study as currently proposed is approximately \$92,200. Staff is requesting approval for a not to exceed amount of \$100,000. This funding will be taken from the existing budget of the Solid Waste Fund (520) via programs 7701 and 7253 (Enterprise Fund, not General Fund).

City Council Goals

This work is consistent with the following Council goals:

- Ensure Fiscal Resilience
- Pursue Environmental Sustainability

Overview and Background

Also known as Short-Lived Climate Pollutants: Organic Waste Methane Emissions Reductions, SB 1383 established targets for methane emissions reductions by focusing primarily on the disposal of organic materials. This bill sets targets for reductions of organic materials disposed of in landfills, requires edible food recovery programs to be established by all jurisdictions, and requires enforcement and reporting on these programs to demonstrate compliance. This bill also contains significant, sweeping legislation that has changed the landscape of California waste services, and has been in the rulemaking process for a number of years. Due to the complexity of the regulations, the rulemaking process for SB 1383 was slightly delayed from the original timeline to adopt the regulations in late 2019. Further delays due to the State and local pandemic response shifted the final adoption of the regulations to November 3, 2020, leaving only one year for jurisdictions to prepare before the regulations begin to go into effect in January 2022.

CalRecycle has released materials to assist jurisdictions with implementing these new regulations, including model tools (such as franchise agreements, edible food recovery agreements, ordinances, procurement policies etc.) and has indicated that the agency has

discretion in the enforcement of the new regulations in response to the numerous agencies and groups that have requested additional time to meet these new requirements.

The State's enforcement of the timeline for implementation of the regulations is understandable based on the diversion goals included in the legislation, specifically reaching 75% of organics material diverted from the landfill and 20% edible food recovery by 2025. It is likely that these targets could not be reached if the regulations were delayed. The City has been consistent in support for these goals, helping to start successful organics pilot programs in schools and businesses in 2011, leading up to a mandatory organics collection for all customers city-wide in 2016. The City is in full compliance with all current State-mandated waste diversion regulations.

The challenge faced by the City of Davis, and by other cities, is largely one of limited resources (further tightened by the economic impacts of the pandemic and associated revenue reductions with the shelter-in-place orders), and the hesitation to commit to the cost of implementing the regulations when they were not finalized, as it was unclear if there would be changes in the final rulemaking. These new program, outreach, monitoring, and reporting requirements impact a wide variety of organizations, including businesses, schools and local governments, and range from smaller changes (including the placement of an organics bin next to each trash bin, for example) to larger changes (such as the creation of food recovery programs, changing the color and labeling on all Recology collection bins, and extensive monitoring of collected organics materials), which will likely need to be phased in over time to reduce and/or minimize ratepayer impacts as much as possible. In recent reports, CalRecycle has indicated that local agencies will likely incur about \$1.3 billion in costs for education, enforcement, contamination monitoring, reporting, capacity planning, and procurement to support these regulations. CalRecycle further estimates that the direct costs to ratepayers to be about \$17 per household per year after full implementation. As has been previously stated by staff in reports on these regulations, Davis is fortunate to have already implemented the City-wide Organics Collection Program in 2016 (one of few jurisdictions with a mandatory organics collection program), so the City is already on-track with some of the new requirements.

The Implementation Plan Process

Due to the unknown factors around the final regulations and the need for a local approach to planning for the implementation of these regulations, the City released a Request for Proposals (RFP) in August this year, for a consultant firm to aid in the development of a City of Davis specific implementation plan for SB 1383. The chosen consultant firm will undertake an investigation of SB 1383 organics reduction requirements that pertain to the City, provide a report on their findings (including the identification of gaps that the City currently has to meet the regulations of SB 1383), and present the findings to City Commissions (the Natural Resources and Utilities Commissions) as well as the City Council. The Commissions will use the plan and work with staff to advise Council on the ultimate implementation of the regulations.

Selection of Consultant for the Study

The City received proposals from two (2) firms in response to the RFP. A review panel comprised of four (4) city staff members reviewed and ranked each proposal. The evaluation criteria, as described in the RFP, included the following components:

- Experience, education, and/or credentials of proposer’s staff
- Response to Scope of Services
- Demonstration of Successfully Adopted Implementation Plans
- Proposer’s adherence to the RFP requirements

Both proposals received by the City were responsive to the City’s scope of work and RFP requirements. The proposals also demonstrated that both firms had experience developing SB 1383 implementation plans. At the conclusion of the review process, however, staff determined that the proposal from SCS Engineering met, and exceeded (with the inclusion of items of added value) the request from the City. SCS Engineering demonstrated knowledge of a wide variety of solid waste topics, including facility planning, development and design, public outreach and education programs, waste characterization studies, and staff believe the real-world knowledge and application work of the firm will enhance the approach to the implementation plan. SCS Engineering also demonstrated a firm understanding of the new organics regulations, with a detailed plan to work with all City departments to create a coordinated response for all of the different City functions. Staff appreciate this collaborative focus, and the dynamic, flexible and customized approach from SCS Engineering toward this project. In addition, with the concerns around the fiscal health of the City’s solid waste utility, additional tasks suggested by SCS around the City’s budget for solid waste services, and projections of future costs and timing of those costs, was of great interest to City staff.

Based on this demonstrated ability of SCS Engineering to develop this implementation plan for the City, staff recommends Council approve the selection of SCS Engineering as the consultant for the City’s Senate Bill (SB) 1383 Implementation Plan and to allow the City Manager, in consultation with the City Attorney, the authority to approve final non-substantive changes to the agreement.

Tentative Timeline

DATE	MILESTONE
August 10, 2020	Request for Proposals Released
August 31, 2020	Proposals Due
December 1, 2020	Council Selection of Successful Firm
December-February 2021	Preliminary SB 1383 Implementation Plan analysis
February 2021	Draft Report
March 2021	Final Report submitted to the City, Presentation to Commissions, City Council
After April 2021	Work with Natural Resources Commission, Utilities Commission on next steps

Attachments:

1. Resolution
2. Scope of Work with SCS Engineering

ATTACHMENT 1

RESOLUTION NO. 20- ----, SERIES 2020

RESOLUTION AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE A CONSULTANT CONTRACT WITH SCS ENGINEERS FOR A SENATE BILL (SB) 1383 IMPLEMENTATION PLAN.

WHEREAS, on November 3, 2020, the Office of Administrative Law of the State of California formally approved the regulations within SB 1383 Short-Lived Climate Pollutants, which established targets for methane emissions reductions by focusing primarily on the disposal of organic materials, and will go into effect on January 1, 2022; and

WHEREAS, this bill contains significant, sweeping legislation that has changed the landscape of California waste services, and has been in the rulemaking process for a number of years; and

WHEREAS, although the City of Davis has an established city-wide organics collection program, there are new programmatic, outreach, monitoring and reporting requirements the City must meet to comply with these regulations; and

WHEREAS, the City of Davis released a Request for Proposals to develop a SB 1383 implementation plan on August 10, 2020; and

WHEREAS, through the application and review panel process, the firm SCS Engineering was selected as the recommended consulting firm to develop the plan; and

WHEREAS, SCS Engineering is a qualified firm with the necessary expertise and experience with successful SB 1383 implementation plans.

NOW THEREFORE BE IT RESOLVED that the City Council authorizes the City Manager to negotiate and execute a consultant contract for an amount not-to-exceed \$100,000 with SCS Engineers for the City of Davis SB 1383 Implementation Plan.

BE IT FURTHER RESOLVED that all terms, conditions, and covenants of said agreement be, and the same are hereby approved, ratified, and confirmed.

PASSED AND ADOPTED by the City Council of the City of Davis on this 15th day of December, 2020 by the following vote:

AYES:

NOES:

ABSENT:

Gloria Partida
Mayor

ATTEST:
Zoe S. Mirabile, CMC
City Clerk

SB 1383 Implementation Plan Professional Agreement Award

Attachment 2 - Agreement Summary for SCS Engineers

Term: One year from execution of contract

Scope:

Task 1 – Investigation of SB 1383 organics reduction requirements that pertain to the City of Davis

Task 1A

SCS will develop an SB 1383 Roadmap for project management that includes milestones, action items, recommended foundational tasks, and a schedule to serve as a checklist toward compliance. The roadmap designates the City department responsible for each regulatory action, which requirements are already met by the City's existing programs, the next steps required, and timeline. SCS will customize a City of Davis SB 1383 roadmap; which can be filtered by responsible stakeholder (e.g. city department, hauler, county), category of action (e.g. policy, outreach, reporting), the month actions should be started and the deadlines for compliance.

Strong inter-departmental collaboration is required to implement SB 1383 compliant programs. SCS will conduct a two-hour meeting with select departments in the City of Davis, which may include Public Works-Utilities & Operations Department; Finance Division; Management & Administration; Department of Community Development & Sustainability; Parks and Community Services; Information Services and the City Manager's Office. The meeting will address SB 1383 impacts that individual departments may face. Prior to the meeting, representatives from each department will be provided a questionnaire regarding the potential requirements the regulation may have on their operations and details about existing programs. Their input and feedback will be incorporated into the final City of Davis SB 1383 Roadmap. The meeting may be conducted by video conferencing and will include a PowerPoint presentation.

As follow up to the meeting, SCS will provide an updated roadmap, which incorporates feedback and insights provided by department staff. Additionally, SCS will provide a summary report, including, but not limited to, the following information:

- Potential uses of digested sludge in alignment with stormwater and wastewater program goals as well as innovative program enhancements.
- Monthly, quarterly and yearly public outreach requirements.
- Outreach to organic waste generators:
- Outreach to commercial edible food generators; and
- Community outreach for new or expanded organics facilities.
- Options and examples for compliant collection bin colors and labels for the City to discuss with the contract hauler.
- A review of the two options for contamination monitoring.

A high-level outline of the data municipalities are required to collect and report, as well as a review of the current reporting capabilities of the City's current hauler, and other existing

sources of data as may be needed. SCS provide a summary of current available options for data collection, processing, retention, and reporting. This includes a review of how other California municipalities are managing their reportable data, including electronic and cloud-based options available in the market for SB1383 tracking and compliance. The team will prepare a matrix comparing and contrasting appropriate options for the City's consideration.

A high-level review of possible procurement outlets for organics derived products. SCS will prepare for and host a virtual presentation of their findings to review the SB 1383 requirement specifics report, answer questions and address any anticipated challenges.

Deliverables for Task 1A

- A draft roadmap for SB 1383 compliance, including indication of requirements already met by the City's existing programs, actions to comply with unmet requirements, recommended start dates and due dates.
- Meeting with select City departments, in which SCS will provide an overview of SB 1383 requirements and the City of Davis SB 1383 Roadmap.
- A PowerPoint presentation for the department meeting.
- A final City of Davis SB 1383 Roadmap, which incorporates feedback from the meeting about SB 1383 impacts.
- A summary report of SB 1383 requirement specific pertaining to: wastewater treatment handling of sludge; outreach; collection container colors and labels; recordkeeping and reporting.
- A presentation of findings on SB 1383 requirements.

Task 1B

For Task 1B, the project team will review current solid waste program staffing for both program management and education and outreach and compare it to needs required by SB 1383 as identified in the regulations and this Plan. A meeting will be held with city management to discuss staffing availability, and the team will evaluate functions and assess options for fulfilling those functions, including City hires, relocation of staff, use of the City's volunteer program, and resources provided by the hauler. SCS will also investigate and identify opportunities, if available, to leverage the assistance of community-based groups and organizations with aligned interests and relevant skills.

Task 1C

Organics recycling capacity planning is a critical component of SB 1383 with penalties attached to a failure to do so, unless a waiver is obtained for the first reporting period (Jan. 1, 2022 through Dec. 31, 2024) from CalRecycle. The project team will provide a high-level update to portions of the Organics Report, including an update on tonnages, and programs that may affect organics tonnage and quality that have been put in place since the report and the acquisition of DWR by Recology. SCS will evaluate the State waste characterization and disposal data to predict organic fraction of the disposed waste stream that could potentially be recovered. SCS will provide a brief report on infrastructure in development in proximity to the City.

Task 1D

SCS will review the status of customer compliance with mandatory organics collection service. Under the Performance-based Source Separated Organic Waste Collection Service, the City will conduct waste evaluations twice per year on the blue and green container waste streams and once per quarter for the gray container waste stream. The waste evaluation methodology requires a significant number of samples to be hand-sorted and weighed; which is no small undertaking and may require a substantial budget. SCS will conduct a high-level analysis of conducting the waste evaluations as part of the Performance Based option.

Task 1E

The team will review and assess the City's list of edible food generators and compare with a review of generators performed in prior tasks to ensure all Tier 1 and Tier 2 edible food generators are reflected in the City's list. Additionally, the team will assist the City in reviewing and assessing countywide program and funding opportunities and options. A list and/or matrix will be created along with a summary outlining best practices and criteria in evaluating partnership requests and opportunities. Finally, the team will research, review, and document potential funding sources for edible food recovery programs in compliance with Proposition 218.

Task 1F

SCS will review the City's recent cost of service analysis, and develop a cost matrix that includes estimates of the City's projected operating and capital requirements associated with the implementation of the SB 1383 policies and programs. SCS will accomplish this by reviewing the City's:

- Historical budgeted and executed expenses related to labor, outreach, and minor capital costs (e.g. organic pails).
- Proposed additional labor or capital costs identified as part of this project.
- Current programs, outreach efforts and city-funded activities related to SB 1383 implementation.
- Any financial policies of the City.

The analysis will utilize the above-mentioned data and assumptions to create projections of operating expenses and capital spending over a ten-year timeframe. Once all of the analyses are complete, SCS will provide the City with the assumptions and projections used in developing the analysis. The information will also be included in the draft report submitted to the City.

Task 1G

Utilizing the analysis of the City's existing programs, the team will evaluate recovery rate requirements for the MRF/processing facilities, disposal pricing adjustments for loads containing organics, and every-other-week MSW collection, and provide an assessment (including cost and tonnage reduction/diversion) and recommendations for implementation. This task necessarily includes the examination and assessment of all practical appropriate technologies in existence as well as any promising emergent technologies.

Task 2 – Written Report

SCS will prepare a written report of the research and findings, including the goals and objectives, and an implementation plan, classifying tasks and resources that will be needed. SCS will include in the report an implementation schedule. The following will be undertaken for this task:

- Prepare and submit a draft SB 1383 Implementation Plan to City staff for review and comment.
- Prepare and submit a final SB 1383 Implementation Plan for City staff that incorporates comments received from City staff and City Commissions (if applicable) on the draft. All research data, all business and financial analyses, excel spreadsheets, and documentation used in the assessment will be provided with the final SB 1383 Implementation Plan.

Task 3 - Communications and Presentations

Under Task 3A, the project team will prepare and present regular updates to City staff based on City needs and preferences. Additionally, the team will prepare and present up to three presentations. This task assumes bi-monthly updates to City staff, and three presentations to the City. All meetings and presentation will be conducted via Zoom or other video platform.

Compensation: Total not-to-exceed cost: **\$100,000**

Cost breakdown:

Description			Task 1 (Hours)							Task 2 (Hours)	Task 3 (Hours)	Total Hours	Total Cost
Role	Name	Rate/Hr	A	B	C	D	E	F	G				
Project Director	Leonard	\$280	2	2	2	2	2	2	0	2	2	16	\$4,480
Project Manager	Bills	\$245	14	8	2	4	4	6	4	4	16	62	\$15,190
Assistant PM	Coelho	\$180	32	20	4	16	8	6	4	20	16	126	\$22,680
Financial Anaylst	Quinn	\$225	0	0	0	0	0	12	0	0	0	12	\$2,700
Financial Support	Hartong	\$110	0	0	0	0	0	20	0	0	0	20	\$2,200
Lead Strategist	Diversion Strategies	\$290	0	8	15	0	35	0	45	20	16	139	\$40,310
SMM Support Staff	Various	\$120	20	0	0	10	8	0	0	0	0	38	\$4,560
Budget by Task			68	38	23	32	57	46	53	46	50	413	\$92,120