

**STAFF REPORT**

**DATE:** April 13, 2017  
**TO:** Utility Rate Advisory Commission  
**FROM:** Richard Tsai, Environmental Resources Manager  
**SUBJECT:** Solid Waste Cost of Service and Rate Design Study Proposal Review

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**Recommendations**

- Request feedback from URAC on Scope of Services submitted by R3 Consulting Group, Inc.
- Support staff recommendation to:
  1. Finalize scope of services with R3 Consulting Group, Inc.
  2. Recommend City Council approve Agreement with R3 Consulting Group, Inc.'s to perform the Solid Waste Rate Study

**Background and Analysis**

On March 28, 2017, The City closed the submittal period for the Solid Waste Cost of Service & Rate Design Study Request for Proposals (RFP). The City received one proposal for this project, submitted by R3 Consulting Group, Inc. (R3). Staff has worked with R3 in the past with very positive results. R3 is very familiar with Davis' solid waste program, solid waste rates, revenue requirements and in 2015, R3 provided a review of the current Davis Waste Removal solid waste agreement. R3 also has an office local to Davis and is considered a local vendor with a Davis business license number.

The RFP looked for a firm to provide a rate study to cover a 5-year period, however R3 responded with a 10 year planning period recommendation. Staff feels that uncertainties at Yolo County Central Landfill and developing technologies would change during the 10-year outlook and the proposed scope should be focused to look at just the next 5 years. Staff recommends to reduce task 4.4.3 to just bullet #3 "consistent annual rate adjustments over the 5-year planning period".

Because the organics processing options study will be performed concurrently to the rate study, staff recommend to add to task 5.2 and allow an examination of disposal costs of organic materials sent elsewhere other than Yolo County Central Landfill.

Overall, R3's proposal meets the demands of the request and their referenced projects are relevant to the scope of the study Davis wishes to pursue.

**Attachment**

R3 Consulting Group, Inc. proposal – A.3 Scope of Services