



CITY OF SALINAS COUNCIL STAFF REPORT

DATE: JUNE 11, 2024

DEPARTMENT: PUBLIC WORKS

FROM: DAVID JACOBS, DIRECTOR

TITLE: AMENDMENT NUMBER 3 TO THE PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF SALINAS AND R3 CONSULTING GROUP

RECOMMENDED MOTION:

A motion to approve a Resolution approving Amendment Number 3 to the Professional Services Agreement between the City of Salinas and R3 Consulting Group, Inc. (R3) and authorizing the City Manager to enter into the Amendment on behalf of the City and increase the maximum compensation by \$51,000 for a not to exceed amount of \$150,000.

EXECUTIVE SUMMARY:

On December 14, 2021, the City Council approved a professional services agreement with R3 Consulting Group in the amount of \$80,000 for municipal code updates, contract management assistance, rate adjustment review, and on-call support related to solid waste services. (Resolution No. 22770 (N.C.S.)) On November 29, 2022, Amendment No. 1 was signed to extend the professional services agreement until June 30, 2024. On May 10, 2024, Amendment No. 2 was signed to add a portion of a Performance Review of Republic Services in the amount of \$99,000. Amendment No. 3 will add the remainder of the Performance Review at an additional cost of \$51,000.

BACKGROUND:

On October 1, 2021, the City of Salinas entered into a Collection Services Agreement with Allied Services of North America, LLC dba Republic Services of Salinas (Republic Services). This Agreement updated rate structures, as well as provided a framework for the City to comply with all laws concerning waste handling and diversion (which include AB 341, AB 1826 and SB 1383).

R3 is intimately familiar with the nuances of the Agreement, having facilitated the City's negotiations with Republic Services. Additionally, R3 Consulting is a very qualified vendor to assist the City in navigating the implementation of the laws pertaining to solid waste handling as well as the management of the Agreement. R3 solely represents public sector clients and has done

extensive research and reporting on solid waste operations in Salinas and Monterey County and are uniquely familiar with these operations. City staff recommends R3 as no other consulting entity is as familiar with the City's current waste contract, and waste service needs / challenges.

On December 14, 2021, with Resolution No. 22270 the City Council entered into a professional services agreement with R3 Consulting Group for municipal code updates, contract management assistance, rate adjustment review and on-call support related to solid waste services, in the amount of \$80,000. The professional services agreement was originally set to expire on December 31, 2022. On November 29, 2022, Amendment No. 1 was signed to extend the completion date to June 30, 2024. The amendment was needed since R3 had not expended all the original contract amount. There was also a need by City staff to have help with contract management assistance and other solid waste support services. Over the course of the professional services agreement and amendments, R3 has helped staff review the annual rate adjustment submitted to the City by Republic.

At its May 7, 2024, meeting, City Council requested staff to complete a Performance Review of Republic. In order to expedite the Performance Review, Amendment No. 2 in the amount of \$99,000 was signed. This Amendment was to provide responses to City Council inquiries before the end of June. The remaining items of the Performance Review will be completed once Amendment No. 3 is signed. The review is expected to be completed by September 2024.

CEQA CONSIDERATION:

Not a Project. The City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378).

STRATEGIC PLAN INITIATIVE:

The requested Council action directly relates to Council's Strategic Plans or Goals of Effective and Culturally Responsive Government.

DEPARTMENTAL COORDINATION:

The Water, Waste and Energy Division in Public Works will coordinate with the City Attorney's office and the City Manager's office to review the Performance Review.

FISCAL AND SUSTAINABILITY IMPACT:

Funding for Amendment No. 3 is available and appropriated in 1000.50.5230 however, Republic will reimburse the City the full cost of the Performance Review. Hence there will be no cost to the general fund once the reimbursement occurs.

ATTACHMENTS:

Council Resolution

Amendment No. 1

Amendment No. 2

Amendment No. 3

Original Professional Services Agreement - City of Salinas and R3 Consulting Group, Inc.