

# P.3.a Solid Waste Franchise Agreements Procurement Recommendations

Richmond City Council Meeting  
May 2, 2023

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# Recommended Action

**DIRECT** City staff to initiate procurement of a new solid waste collection service agreement through a competitive procurement Request for Proposals (RFP) process; and **RECOMMEND** RecycleMore proceed with an RFP process for the Post-Collection Solid Waste Franchise Agreement.

# Background

	Collection Agreement	Post-Collection
<b>Entity Managing</b>	City of Richmond	RecycleMore
<b>Organization Awarded Agreement</b>	Richmond Sanitary Service/Republic Services	Richmond Sanitary Service/Republic Services
<b>Agreement Start</b>	1985	2014
<b>Number of Amendment(s)</b>	9	0
<b>Expiration Date</b>	June 30, 2025	June 30, 2025 with option to extend

# Background Continued

- On July 19, 2022, the City of Richmond entered into a contract with R3 Consulting Group, Inc. to provide analysis and recommendations regarding the City's Solid Waste Franchise Agreement.
- There are two options for moving forward
  - Pathway One: Conduct a competitive procurement process for a new solid waste collection agreement via a Request for Proposals (RFP) wherein qualified service providers would be invited to provide proposals.
  - Pathway Two: Conduct sole-source contract negotiations with incumbent providers (Republic), while still preserving the City's ability to proceed to RFP processes if negotiations are unsuccessful.
- City staff members and R3 Consulting are recommending Pathway One to initiate a Request for Proposals (RFP) process.

# Analysis

- **Market Considerations:**
  - High rates of inflation
  - Extraordinary increases in labor, equipment, and fuel costs
  - Richmond's collection agreement will soon be 40 years old and in need of updates to meet current industry standards as well as regulatory and legal requirements
- **Benefits and RFP Goals:**
  - Streamlined process for inclusion of State recycling mandates and regulatory requirements
  - Transparency and compliance with the State Audit's procurement requirement
  - Provide for more community engagement for the inclusion of beneficial community programs and services
  - Provide for market-based justification of resulting customer rates
- Approving a competitive RFP process for new agreements is not a decision to contract with new solid waste service providers. Local and known providers like RSS and Republic are highly encouraged to propose

# Next Steps with an RFP

- Amendment to contract with R3 Consulting
- Draft Collection RFP
- Release RFP
- Collect and evaluate responses
- Bring recommendation to City Council for awarding the RFP
- Enter into negotiations with the RFP awardee
- City Council approve final agreement

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