

**PERSONAL SERVICES CONTRACT**

County of Nevada, California

This Personal Services Contract is made between the COUNTY OF NEVADA (herein "County"), and

**R3 Consulting Group, Inc.**

(herein "Contractor"), wherein County desires to retain a person or entity to provide the following services, materials and products generally described as follows:

(§1) **Municipal Solid Waste Contract Consulting and Negotiation Services**

**SUMMARY OF MATERIAL TERMS**

(§2) **Maximum Contract Price:** \$68,455.00  
(§3) **Contract Beginning Date:** 11/7/2017 **Contract Termination Date:** 6/30/2018  
(§4) **Liquidated Damages:** n/a

**INSURANCE POLICIES**

Designate all required policies:

		Req'd	Not Req'd
(§6) <b>Commercial General Liability</b>	(\$1,000,000)	<u>  x  </u>	<u>      </u>
(§7) <b>Automobile Liability</b>	(\$ 300,000) Personal Auto	<u>      </u>	<u>  x  </u>
	(\$1,000,000) Business Rated	<u>      </u>	<u>  x  </u>
	(\$1,000,000) Commercial Policy	<u>  x  </u>	<u>      </u>
(§8) <b>Worker's Compensation</b>		<u>  x  </u>	<u>      </u>
(§9) <b>Errors and Omissions</b>	(\$1,000,000)	<u>      </u>	<u>  x  </u>

**LICENSES AND PREVAILING WAGES**

(§14) Designate all required licenses:

\_\_\_\_\_

**NOTICE & IDENTIFICATION**

(§26) **Contractor:** R3 Consulting Group, Inc.  
1512 Eureka Road, Suite 220  
Roseville, CA 95661

**County of Nevada:**  
950 Maidu Ave  
Nevada City, CA 95959

Contact Person: Richard Tagore-Erwin  
Office (916) 782-7821/ Cell (916) 813-3702  
e-mail: [rterwin@r3cqi.com](mailto:rterwin@r3cqi.com)

Contact Person: David A. Garcia, Jr.  
(530) 265-7038  
e-mail: [david.garcia@co.nevada.ca.us](mailto:david.garcia@co.nevada.ca.us)

**Contractor is a:** (check all that apply)

Corporation:   x   Calif.,        Other,        LLC,        Non-profit  
Partnership:        Calif.,        Other,        LLP,        Limited  
Person:        Individ.,        DbA,        Ass'n,        Other

**EDD:** Independent Contractor Worksheet Required:        Yes        No

**HIPAA:** Schedule of Required Provisions (Exhibit D):        Yes        No

**ATTACHMENTS**

Designate all required attachments:

	Req'd	Not Req'd
<b>Exhibit A: Schedule of Services</b> (Provided by Contractor)	<u>  x  </u>	<u>      </u>
<b>Exhibit B: Schedule of Charges and Payments</b> (Paid by County)	<u>  x  </u>	<u>      </u>
<b>Exhibit C: Schedule of Changes</b> (Additions, Deletions & Amendments)	<u>      </u>	<u>  x  </u>
<b>Exhibit D: Schedule of HIPAA Provisions</b> (Protected Health Information)	<u>      </u>	<u>  x  </u>

### Terms

Each term of this Contract below specifically incorporates the information set forth in the Summary at page one (1) above as to each respective section (§) therein, as the case may be.

### Services

#### 1. **Scope of Services:**

Contractor shall provide all of the services, materials and products (herein "Services") generally described in **Exhibit "A"**, according to a performance schedule, if applicable, as set forth in said exhibit (herein "Performance Schedule") . If requested, Contractor agrees to serve as an expert witness for County in any third party action or proceeding arising out of this Contract.

### Payment

#### 2. **Charges and Payments:**

The charges (herein "Charges") for furnishing the aforesaid Services under this Contract are set forth in **Exhibit "B"**, including, if applicable, hourly rates, unit pricing, and expense, mileage and cost limits. Said Charges shall be presented monthly by invoice, and shall be due within thirty (30) days of receipt unless payment is otherwise set forth in said **Exhibit "B"**, and shall remain in effect for the entire term of this Contract, and any extension hereof. In no event will the cost to County for Services to be provided under this Contract, including direct non-salary expenses, exceed the **Maximum Contract Price** set forth at §2, page one (1), above.

### Time for Performance

#### 3. **Contract Term:**

This Contract shall commence on the **Contract Beginning Date** set forth at §3, page one (1), above. All Services required to be provided by this Contract shall be completed and ready for acceptance no later than the **Contract Termination Date** set forth at §3, page one (1), above.

#### 4. **Liquidated Damages:**

County and Contractor agree that damages to County due to delays in timely providing Services in accordance with the aforesaid Performance Schedule and Contract Termination Date are impractical and difficult to ascertain. Therefore, if §4 at page one (1) hereof shall indicate a daily amount as **Liquidated Damages**, County shall have the right to assess said daily sum, not as a penalty, but as and for damages to County due to delays in providing Services not in accordance with the said Performance Schedule, or later than the Contract Termination Date (herein "Delay"). Liquidated Damages shall be offset against amounts owing to Contractor, including retention sums.

To the extent that any Delay is a result of matters or circumstances wholly beyond the control of Contractor, County may excuse said Liquidated Damages; provided however, that County may condition such excuse upon Contractor having given prompt notice to County of such delay immediately by telephone and thereafter by written explanation within a reasonable time. The time for Contractor's performance shall be extended by the period of delay, or such other period as County may elect.

#### 5. **Time of the Essence:**

Time is of the essence with respect to Contractor's performance under this Contract. Delay in meeting the time commitments contemplated herein will result in the assessment of liquidated damages, if indicated at §4 at page one (1), hereof. If Liquidated Damages are not so indicated, damages shall be as otherwise provided by law.

### Insurance

#### 6. **Commercial General Liability Insurance:** (County Resolution No. 90674)

If §6 at page one (1) hereof shall indicate a **Commercial General Liability** insurance policy is required, Contractor shall promptly provide proof of such insurance evidenced by a certificate of insurance with properly executed endorsements attached, which insurance shall include the following:

- (i) Broad form coverage for liability for death or bodily injury to a person or persons, and for property damage, combined single limit coverage, in the minimum amount indicated at said §6;

- (ii) An endorsement naming County as an additional insured under said policy, with respect to claims or suits arising from the Services provided or the relationships created under this Contract;
- (iii) A provision that said insurance shall be primary and other insurance maintained by the County of Nevada shall be excess only and not contributing with Contractor's insurance;
- (iv) A provision that said insurance shall provide for thirty (30) days written notice to County of any termination or change in coverage protection, or reduction in coverage limits (except ten (10) days notice for non-payment of premium).

**7. Automobile Liability Insurance:** (County Resolution No. 90676)

If §7 at page one (1) hereof shall require either a Business Rated or a Commercial Automobile Liability insurance policy, for each vehicle used including non-owned and hired automobiles, Contractor shall promptly provide proof of such insurance evidenced by a certificate of insurance with properly executed endorsements attached, which insurance shall include the following provisions:

- (i) Liability protection for death or bodily injury to a person or persons, property damage, and uninsured and underinsured coverage, combined single limit coverage, in the minimum amount indicated at said §7;
- (ii) An endorsement naming County as an additional insured under said policy, with respect to claims or suits arising from the Services provided or the relationships created under this Contract;
- (iii) A provision that said insurance shall be primary and other insurance maintained by the County of Nevada shall be excess only and not contributing with Contractor's insurance;
- (iv) A provision that said insurance shall provide for thirty (30) days written notice to County of any termination or change in coverage protection, or reduction in coverage limits (except ten (10) days notice for non-payment of premium).

If §7 at page one (1) hereof shall require a Personal Auto policy, for each vehicle used including non-owned and hired automobiles, Contractor shall promptly provide proof of such insurance for a minimum of three hundred thousand dollars, (\$300,000), in combined single limits, and naming the County as additionally insured.

**8. Worker's Compensation:** (County Resolution No. 90674)

If §8 at page one (1) hereof shall indicate a **Worker's Compensation** insurance policy is required, Contractor shall maintain said policy as required by law, and shall promptly provide proof of such insurance evidenced by a certificate of insurance, or other documentation acceptable to County.

Before commencing to utilize employees in providing Services under this Contract, Contractor warrants that it will comply with the provisions of the California Labor Code, requiring Contractor to be insured for worker's compensation liability or to undertake a program of self-insurance therefor.

**9. Errors and Omissions:**

If §9 at page one (1) hereof shall indicate **Errors and Omissions** insurance is required, Contractor shall maintain either a professional liability or errors & omissions policy in the minimum amount indicated, and shall promptly provide proof of such insurance evidenced by a certificate of insurance, or other documentation acceptable to County.

**10. Miscellaneous Insurance Provisions:** (County Resolution No. 90675)

All policies of insurance required by this Contract shall remain in full force and effect throughout the life of this Contract and shall be payable on a "per occurrence" basis unless County specifically consents to "claims made" coverage. If the County does consent to "claims made" coverage and if Contractor changes insurance carriers during the term of this Contract or any extensions hereof, then Contractor shall carry prior acts coverage.

Insurance afforded by the additional insured endorsement shall apply as primary insurance, and other insurance maintained by County, its officers, agents and/or employees, shall be excess only and not contributing with insurance required or provided under this agreement.

At all times, Contractor shall keep and maintain in full force and effect throughout the duration of this Contract, policies of insurance required by this Contract which policies shall be issued by companies with a Best's Rating of B+ or higher (B+, B++, A-, A, A+ or A++), or a Best's Financial Performance Rating (FPR) of 6 or higher (6, 7, 8 or 9) according to the current Best's Key Rating Guide, or shall be issued by companies approved by the County Risk Manager. In the event the Best's Rating or Best's FPR shall fall below the rating required by this paragraph, Contractor shall be required to forthwith secure alternate policies which comply with the rating required by this paragraph, or be in material breach of this Contract.

Failure to provide and maintain the insurance policies (including Best's ratings), endorsements, or certificates of insurance required by this Contract shall constitute a material breach of this agreement (herein "Material Breach"); and, in addition to any other remedy available at law or otherwise, shall serve as a basis upon which County may elect to suspend payments hereunder, or terminate this Contract, or both. (See §13, ¶2, below, as these provisions additionally apply to subcontractors.)

**11. Indemnity:**

Nothing herein shall be construed as a limitation of Contractor's liability, and Contractor shall indemnify, defend and hold harmless the County and its officers, officials, employees, agents and volunteers from any and all liabilities, claims, demands, damages, losses and expenses (including, without limitation, defense costs and attorney fees of litigation) which result from the negligent act, willful misconduct, or error or omission of Contractor, except such loss or damage which was caused by the sole negligence or willful misconduct of County or its officers, officials, employees, agents and volunteers.

**Personal Services**

**12. Contractor as Independent:**

In providing services herein, Contractor, and the agents and employees thereof, shall act in an independent capacity and as an independent contractor and not as agents or employees of County.

**13. Assignment and Subcontracting:**

Except as specifically provided herein, the rights, responsibilities, duties and Services to be performed under this Contract are personal to the Contractor and may not be transferred, subcontracted, or assigned without the prior written consent of County. Contractor shall not substitute nor replace any personnel for those specifically named herein or in its proposal without the prior written consent of County.

Contractor shall cause and require each transferee, subcontractor and assignee to comply with the insurance provisions set forth herein at §§6, 7, 8, 9 and 10, to the extent such insurance provisions are required of Contractor under this Contract. Failure of Contractor to so cause and require such compliance by each transferee, subcontractor and assignee shall constitute a Material Breach of this agreement, and, in addition to any other remedy available at law or otherwise, shall serve as a basis upon which County may elect to suspend payments hereunder, or terminate this Contract, or both.

**14. Licensing and Permits:**

Contractor warrants (i) Contractor is qualified and competent to provide all Services under this contract; (ii) Contractor and all employees of Contractor hold all necessary and appropriate licenses therefor, including those licenses set forth at §14, page one (1) hereof; and, (iii) Contractor shall obtain, and remain in compliance with, all permits necessary and appropriate to provide said Services. Contractor shall cause said licenses and permits to be maintained throughout the life of this Contract. Failure to do so shall constitute a Material Breach of this agreement, and, in addition to any other remedy available at law or otherwise, shall serve as a basis upon which County may elect to suspend payments hereunder, or terminate this Contract, or both.

**Public Contracts**

**15. Prevailing Wage and Apprentices:**

To the extent made applicable by law, performance of this Contract shall be in conformity with the provisions of California Labor Code, Division 2, Part 7, Chapter 1, commencing with Section 1720 relating to prevailing wages which must be paid to workers employed on a public work as defined in Labor Code §§1720, et seq.; and shall be in conformity with Title 8 of the California Code of Regulations §§200 et seq., relating to apprenticeship. Where applicable:

(i) Contractor shall comply with the provisions thereof at the commencement of Services to be provided herein, and thereafter during the term of this Contract. A breach of the requirements of this section shall be deemed a material breach of this contract. Applicable prevailing wage determinations are available on the California Department of Industrial Relations website at <http://www.dir.ca.gov/OPRL/PWD>.

(ii) Contractor and all subcontractors must comply with the requirements of Labor Code Section 1771.1(a) pertaining to registration of contractors pursuant to Section 1725.5. Registration and all related requirements of those Sections must be maintained throughout the performance of the Contract.

(iii) Contracts to which these prevailing wage requirements apply are subject to compliance monitoring and enforcement by the Department of Industrial Relations. Each contractor and subcontractor must furnish certified payroll records to the Labor Commissioner at least monthly.

(iv) The County is required to provide notice to the Department of Industrial Relations of any public work contract subject to prevailing wages within five (5) days of award.

**16. Accessibility (County Resolution No. 00190):**

It is the policy of the County of Nevada that all County services, programs, meetings, activities and facilities shall be accessible to all persons, and shall be in compliance with the provisions of the Americans With Disabilities Act and Title 24, California Code of Regulations. To the extent this Contract shall call for Contractor to provide County contracted services directly to the public, Contractor shall certify that said direct Services are and shall be accessible to all persons.

**17. Nondiscriminatory Employment:**

In providing Services hereunder, Contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, age, sex, national origin, political affiliation, ancestry, marital status or disability. This policy does not require the employment of unqualified persons.

**18. Prior Nevada County Employment (County Resolution No. 03-353):**

Effective July 22, 2003, it is the policy of the County of Nevada that former members of the Board of Supervisors, a former CEO, or a former Purchasing Agent, for a period of twelve (12) months following the last day of employment, shall not enter into any relationship wherein that former employee or former Board member receives direct remuneration from a legal entity that, during the last twelve (12) months of said employment or Board member's service, entered into a contract with, or received a grant from the County of Nevada. Provided however, that this prohibition shall not apply to any employee that did not personally approve a contract with or grant to said legal entity during the last twelve (12) months of said employment, and shall not apply when the Board of Supervisors did not approve a contract with or grant to said legal entity during the last twelve (12) months of said Board member's service.

A violation of this policy shall subject Contractor to all of the remedies enumerated in said resolution and as otherwise provided in law, which remedies shall include but not be limited to injunctive relief, cancellation and voiding of this contract by County, a return of grant money, a cause of action for breach of contract, and entitlement to costs and reasonable attorney fees in any action based upon a breach of contract under this provision.

**19. Cost Disclosure:**

In accordance with Government Code Section 7550, should a written report be prepared under or required by the provisions of this Contract, Contractor agrees to state in a separate section of said report the numbers and dollar amounts of all contracts and subcontracts relating to the preparation of said report

**Default and Termination**

**20. Termination:**

A Material Breach of this Contract pursuant to the terms hereof or otherwise, in addition to any other remedy available at law or otherwise, shall serve as a basis upon which County may elect to immediately suspend payments hereunder, or terminate this contract, or both, **without notice**.

If Contractor fails to timely provide in any manner the services materials and products required under this Contract, or otherwise fails to promptly comply with the terms of this Contract, or violates any ordinance, regulation or other law which applies to its performance herein, County may terminate this Contract by giving **five (5) days written notice** to Contractor.

Either party may terminate this Contract for any reason, or without cause, by giving **thirty (30) calendar days written notice** to the other, which notice shall be sent by registered mail in conformity with the notice provisions, below. In the event of termination not the fault of the Contractor, the Contractor shall be paid for services performed to the date of termination in accordance with the terms of this Contract. Contractor shall be excused for failure to perform services herein if such performance is prevented by acts of God, strikes, labor disputes or other forces over which the Contractor has no control.

County, upon giving **sixty (60) calendar days written notice** to Contractor, shall have the right to terminate its obligations under this Contract at the end of any fiscal year if the County or the State of California, as the case may be, does not appropriate funds sufficient to discharge County's obligations coming due under this contract.

### Miscellaneous

**21. Books of Record and Audit Provision:**

Contractor shall maintain complete records relating to this Contract for a period of five (5) years from the completion of Services hereunder. Said records shall include but not be limited to bids and all supporting documents, original entry books, canceled checks, receipts, invoices, payroll records including subsistence, travel and field expenses, together with a general ledger itemizing all debits and credits

Contractor shall permit County to audit said records as well as such related records of any business entity controlled by Contractor. Said audit may be conducted on Contractor's premises or at a location designated by County, upon fifteen (15) days notice. Contractor shall promptly refund any moneys erroneously charged and shall be liable for the costs of audit if the audit establishes an over-charged of five percent (5%) or more of the Maximum Contract Price.

**22. Intellectual Property:**

All original photographs, diagrams, plans, documents, information, reports, computer code and all recordable media together with all copyright interests thereto (herein "Intellectual Property"), which concern or relate to this Contract and which have been prepared by, for or submitted to Contractor, shall be the property of County, and upon fifteen (15) days demand therefor, shall be promptly delivered to County without exception. Provided however, for personal purposes only and not for commercial, economic or any other purpose, Contractor may retain a copy of Contractor's work product hereunder.

**23. Entire Agreement:**

This Contract represents the entire agreement of the parties, and no representations have been made or relied upon except as set forth herein. This Contract may be amended or modified only by written, fully executed agreement of the parties.

**24. Jurisdiction and Venue:**

This Contract shall be construed in accordance with the laws of the State of California and the parties hereto agree that venue shall be in Nevada County, California.

**25. Compliance with Applicable Laws:**

The Contractor shall comply with any and all federal, state and local laws, codes, ordinances, rules and regulations which relate to, concern or affect the Services to be provided by this Contract.

**26. Notices:**

This Contract shall be managed and administered on County's behalf by the department and the person set forth at §26, page one (1) of this Contract, and all invoices shall be submitted to and approved by this Department. In addition to personal service, all notices may be given to County and to Contractor by first class mail addressed as set forth at said §26 Said notices shall be deemed received the fifth (5th) day following the date of mailing or the earlier date of personal service, as the case may be.

**27. Authority:**

All individuals executing this Contract on behalf of Contractor represent and warrant that they are authorized to execute and deliver this Contract on behalf of Contractor.

**IN WITNESS WHEREOF**, the parties have executed this Contract effective on the Beginning Date, above.

**CONTRACTOR:**

**COUNTY OF NEVADA:**

\_\_\_\_\_  
Name:

Title:

Dated: \_\_\_\_\_

\_\_\_\_\_  
Honorable Hank Weston

Chair, Board of Supervisors

Dated: \_\_\_\_\_

Attest: \_\_\_\_\_

Julie Patterson Hunter

Clerk of the Board

## EXHIBIT "A"

### SCHEDULE OF SERVICES

(Provided By Contractor)

#### Work Plan & Deliverables

##### Task 1 Evaluate Current Contracts for Solid Waste Services

**Objective:** R3 will evaluate the current contract for solid waste services with WM. A letter report will be developed to include recommendations on potential Agreement changes.

When determining the best contracting option, the County should also consider the following:

- **Current Performance:** Is WM in compliance with their current contracts? Is WM's current and past performance acceptable to the County?
- **Surrounding Area Market Conditions:** Are there other qualified haulers within the geographic area who may show interest in competitive procurement process?
- **Customer Rates:** How do the County's residential and commercial customers rates compare to surrounding communities?

*Task 1 Assigned Staff:*

- Richard Tagore-Erwin & William Schoen:  
**50 hours**
- Carrie Baxter & Natalie Lessa  
**24 hours**
- Admin Support  
**14 hours**

##### Task 1.1 Review Franchise Agreement and Current Services

R3 will review the County's current FA with WM to develop an understanding of how the County's current solid waste collection programs and services, performance standards and operational requirements compare to solid waste industry standard best practices. Factors may include, among others: establishment of diversion requirements (e.g., residential, bulky waste collection, commercial); incorporation of curbside oil/oil filter and battery collection; sharps and pharmaceuticals collection; E-Waste and U-Waste collection options; and requirements to pay a Vehicle Impact Fee to compensate for road wear-and-tear. R3 will also review each of the FAs' organizational structure and formatting.

In addition to the current Agreements with WM, our review will also consider:

- Customer rates and rate structure;
- Customer service practices;
- Disposal and processing facilities;
- Reports submitted by the current contractor; and
- Any other relevant information provided by the County.

##### Task 1.2 Analysis of Market Conditions

R3 will compare the County's current customer rates, rate structure and solid waste services to those of up to 20 selected neighboring jurisdictions and other similar communities in the Foothills and surrounding area. R3 will also prepare an overview of the County's current customer rates as compared to the rates of those neighboring communities, as well as an overview of haulers, landfills and transfer stations operating in the surrounding area. This will allow the County to draw an effective comparison between the County's solid waste operations and the current operations of other local communities, and will help the County to identify pros and cons of different franchising options as part of Task 1.3 below.



### **Task 1.3 Develop a Timeline, Priorities, and Objectives**

R3 will conduct an analysis of solid waste franchising options that will allow the County to make informed decisions regarding the future of its solid waste system. Specifically, R3 will work with County staff to confirm the specific individuals to be part of the negotiation team.

R3 will work with County Staff to develop a timeline for negotiations, outline key steps and issues, and identify priorities and objectives. This process will involve the drafting of a summary of items to be incorporated into the amended/new Agreements with WM. These may incorporate varying term length / term extension provisions. The pros and cons of each option will be discussed in relation to potential County solid waste system goals, which may include:

- Maintaining low, stable customer rates;
- Terms and conditions associated with project funding and delivery of the phased improvements to the MRTS;
- Increasing/decreasing revenues to the County through Franchise Fees, parcel fees, AB 939 Fees or other administrative fees;
- Incorporating new legislative changes as mandated by AB 341, AB 1594 and AB 1826;
- Implementing innovative new collection programs and services;
- Increasing diversion of materials from landfill; and/or
- Enhancing public education and community outreach programs.

### **Task 1.4 Summary Report and Board of Supervisors Presentation**

R3 will prepare a summary letter report and assist County staff in presenting the findings and recommendations of our analysis from Tasks 1.1 through 1.3 above at a Board of Supervisors meeting. Prior to the actual presentation, R3 will prepare a draft PowerPoint presentation for review and approval by County staff. Based on any comments and revisions suggested by County staff, R3 will finalize the presentation.

#### **Task 1 Deliverables:**

- *Review of current franchise agreement, programs, rates, and hauler data;*
- *Review of current legislation, market conditions, and industry best practices;*
- *Letter report that summarizes current franchised services, market conditions, industry best practices, and negotiation team's preliminary negotiation schedule, recommended priorities, and objectives;*
- *One (1) draft presentation for review and approval by County staff; and*
- *Assistance of presentation to the Board of Supervisors.*

### **Task 2 Negotiate Contract Terms With WM**

#### **Task 2.1 Initial Program Development and Evaluation**

At the conclusion of Task 1, we will begin by utilizing the existing FA along with previous discussions as a starting point, including the summary of items to be incorporated into the amended FA with WM based on direction from the Board. In instances where proposed contractual requirements will be significantly different from those in the current agreement, we will prepare draft language for WM to consider during the negotiation process.

R3 will work with County staff to develop “deal points” to guide the negotiation process with WM. If requested by County staff, R3 will present

#### *Task 2 Assigned Staff:*

- Richard Tagore-Erwin & William Schoen:  
**175 hours**
- Carrie Baxter & Natalie Lessa  
**56 hours**
- Admin Support  
**4 hours**

the deal points to the Board for their input and direction. The deal points will include outlined issues such as:

- Estimated “value” to WM for operating the MRTS;
- Requested/desired concessions (programs, rates, franchise/pavement impact fee payments, reimbursement for the negotiation process, etc.) to be provided by WM as a condition of a new/amended Agreement;
- Updated FA language to incorporate industry best practices and new legislative requirements such as AB 341, AB 1594 and AB 1826;
- Adding new/expanded recycling or organic waste programs; and
- Developing a new or modified Agreement, based on the outcome of the negotiations.

### **Task 2.2 Franchise Agreement Negotiations**

Based on the results of Task 2.1 above and direction from County staff and/or Board, R3 will serve on the negotiation team, as developed in Task 1.3, throughout the negotiation process. This will include attending meetings with County staff, preparation of negotiation session agendas, and attendance at negotiation sessions (phone and in-person). During the negotiation process, R3 will review and analyze cost and program data presented by WM, cost of improvements to MRTS as provided by the County, and available existing funding (capital reserves) that can be applied to improvements at MRTS. To the extent required, written responses will be prepared and presented. In addition, we will maintain a journal of items under discussion and items that have been agreed to. We will also monitor and track proposed changes to the FA in order to maintain an “audit trail.” In addition, we will meet with County staff during the negotiation process for status updates and to discuss the status of ongoing strategy.

### **Task 2.3 Prepare Franchise Agreement**

Based on the results of the negotiations, R3 will draft the new/amended FA for review by the County and WM.

### **Task 2.4 Present Franchise Agreement to Board of Supervisors**

R3 will prepare a PowerPoint presentation that discusses the negotiation process and the resulting revised/new FA. We will be available to present or assist staff in the presentation of the FA to the Board.

### **Task 2.5 Finalize Amended/New Franchise Agreement for Board of Supervisors Approval**

Based on direction from the Board, R3 will incorporate any program changes or options selected by the Board and finalize the Agreement. This will include incorporating changes to the draft agreement of any final program options selected during the selection process, proposed rates, final work plans, exhibits, etc. Particular emphasis will be placed on improvements to MRTS, and how this may impact customer rates.

#### **Task 2 Deliverables:**

- *Meeting with County staff;*
- *Deal points;*
- *Presentation to the Board of Supervisors;*
- *Planning sessions;*
- *Negotiation session agenda;*
- *Preparation and attendance at negotiation sessions;*
- *Preparation and attendance at meetings with County staff;*
- *Meetings with County staff and WM;*

- *Electronic copies of the draft Agreement with language tracking;*
  - *PowerPoint presentation of the franchise agreement to the Board of Supervisors;*
  - *Handout materials for the Board of Supervisors; and*
- An electronic copy and two (2) hard copies of the final franchise agreement.*

## Project Schedule

Task		Start Date	Est. Completion Date
<b>1 Evaluate Current Contracts for Solid Waste Services</b>		<b>11/07/17</b>	<b>1/8/19</b>
<i>Deliverable</i>	Submit Draft Summary Report to County staff for review	12/22/17	
	Internal Review of Draft Documents	1/8/18	
	Submit Final Summary Report	1/15/2018	
<b>2 Negotiate Contract Terms with WM</b>		<b>1/22/17</b>	<b>6/30/18</b>
<i>Deliverables</i>	Finalize Key Items (build on Task 1)	Late January 2018	
	Negotiate Terms with Waste Management	End of March 2018	
	Provide Draft Agreement to County staff for review	Early April 2018	
	Present Summary to SHWC	Late April 2018 (date TBD)	
	Present Agreement to Board of Supervisors	May/June 2018 (dates TBD)	
	Finalize Agreement for Approval		

**EXHIBIT "B"**

**SCHEDULE OF CHARGES AND PAYMENTS**

(Paid by County)

Payment schedules shall set forth specific milestones which relate to the schedule of services to be provided, as set forth in **Exhibit "A"**, above.

Project Budget and Billing Rates

<b>Project Budget*</b>		
<b>Task</b>	<b>Cost</b>	<b>Hours</b>
1 Evaluate Current Contract for Solid Waste Services	\$ 15,130	88
2 Negotiate Contract Terms With WM	\$ 44,395	235
Contingency (with County prior approval)	\$8,930	
<b>TOTALS</b>	<b>\$68,455</b>	<b>323</b>
<p><b>*Note:</b> In most of the negotiation projects that R3 has conducted, <b>it is common for the existing hauler to pay for the cost of the negotiation process.</b></p>		

<b>R3 Billing Rates</b>		
<b>Category</b>	<b>Staff</b>	<b>Hourly Rate</b>
Principal / Project Director	Richard Tagore-Erwin William Schoen	\$205 per hour
Senior Project Analyst	Carrie Baxter Ryan Calkins Natalie Lessa Rose Radford	\$145 per hour
Project Analyst		\$135 per hour
Associate Analyst	Nikhil Tagore-Erwin	\$120 per hour
Administrative Support	Janet Barile Kristy Delay	\$100 per hour
<b>Reimbursable Costs</b> (Included in Hourly Rates)		
Lodging, meals, delivery / other expenses		Direct cost
Travel — Private/company car		\$0.535 per mile
Travel — Other		Direct cost

**Payments**

Unless otherwise agreed in writing, fees will be billed monthly at the first of each month for the preceding month and will be payable within 30 days of the date of the invoice.

**Escalation**

Fees will be escalated annually in accordance with the change in the Consumer Price Index.