

FIRST AMENDMENT TO  
PROFESSIONAL CONSULTANT SERVICES AGREEMENT

R3 CONSULTING GROUP, INC.

[Solid Waste and Recycling Program Review Economic and Strategic Study]  
(Collections, Sweeping and Processing)

THIS FIRST AMENDMENT TO PROFESSIONAL CONSULTANT SERVICES AGREEMENT ("First Amendment") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2020, by and between the CITY OF RIVERSIDE, a California charter city and municipal corporation ("City"), and R3 CONSULTING GROUP, INC, a California corporation ("Consultant"), with respect to the following:

**RECITALS**

WHEREAS, the City and Consultant entered into that certain Professional Consultant Services Agreement dated May 14, 2019 ("Agreement"); and

WHEREAS, the City and Consultant have agreed to expand the Scope of Services to include preparation of a request for proposals for one-third of the residential refuse services and commercial service refuse collection citywide and extend the term of the agreement to December 31, 2023.

NOW, THEREFORE, incorporating the recitals set out above, the parties hereto mutually agree to the following amendment to the Agreement.

1. Section 1, Scope of Services, is hereby amended to include the services described in Exhibit "A-1" attached hereto and incorporated herein.

2. Section 2, Term, is hereby amended to be extended for the term of One (1) Three (3) year term, expiring December 31, 2023.

3. Section 3, Compensation, is hereby amended to include an amount not to exceed One Hundred Fifteen Thousand Dollars (\$115,000) as set forth in Exhibit "B-2" attached hereto and incorporated herein.

4. All other terms and conditions of the Agreement between the parties, which are not inconsistent with the terms of this First Amendment, shall remain in full force and effect as if fully set forth herein.


**[SIGNATURES ON FOLLOWING PAGE.]**

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to Professional Consultant Services Agreement to be duly executed the day and year first above written.

CITY OF RIVERSIDE, a California  
charter city and municipal corporation  
a California corporation

R3 CONSULTING GROUP, INC.  
a California corporation

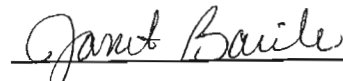
By: \_\_\_\_\_  
City Manager

By:   
Richard Tagore-Erwin  
[Printed Name]  
President  
[Title]


Attest: \_\_\_\_\_  
City Clerk

Certified as to Availability of Funds:

By:   
Chief Financial Officer

By:   
Janet Baile  
[Printed Name]  
Vice President, Operations  
[Title]

Approved as to Form:

By:   
Ruthann M. Salera  
Deputy City Attorney

**EXHIBIT "B-1"**

## Scope of Services

### Task 7 Conduct Competitive Request for Proposal Process and Cost-Benefit of Expanding City Collection Services

#### Task 7.1 Prepare RFP Package

On January 14, 2020 the Riverside City Council directed City staff to retain its operations of Single-family Collection Services, develop multi-year customer rates, direct processing and end-use of collected organics in a manner that best meets the City's climate action and financial priorities, and also conduct a Competitive Request for Proposal process (RFP). The RFP process will focus in two areas:

- Single-family Collection Services for the portion of the City currently operated by Burrtec; and
- Commercial Collection Services currently provide by Burrtec, CR&R, and Athens.

The results of the RFP process will provide the City with several critical aspects necessary for the City's overall solid waste management system:

- Modern franchised services that meet legislative compliance requirements;
- Market based customer rates that reflect 2020 prices; and
- The ability to use the RFP results for comparison purposes to determine if the City wants to, expand its current residential services City-wide, or potentially to provide commercial services.

R3 is extremely well qualified and will be prepared to support the City in conducting an RFP process. Based on direction from City Council, and findings and discussions with City staff from prior work, R3 will assist the City in developing an RFP package – this includes a finalized RFP, Draft Agreement(s) and customer rate forms for proposers to complete. The RFP will specify minimum requirements and qualifications and will require proposers to submit work plans that specify how they will transition to new legislative compliant services, achieve diversion requirements, implement customer service programs, and promote public education activities. We anticipate that the City will issue a single RFP Package that includes both single-family and commercial services.

This approach will allow Proposers to propose only on Single-family Collection Services, only on Commercial Collection Services, or both Single-family and Commercial Collection Services, but if they propose on both services they will be required to provide discounts to account for economies of scale. Separate sections of the RFP may include, for example:

- Section 1: General Introduction to the RFP Documents
- Section 2: Available Service Account Data
- Section 3: Current Services and Requested Service Requirements
- Section 4: Communication Protocol for Proposers and the City, Qualification Requirements, and the Required Submittal Format
- Section 5: Required Work Plans
- Section 6: Evaluation Criteria and Evaluation Process
- Section 7: Proposed Customer Rates, and required capital cost
- Section 8: Draft Franchise Agreement(s)

## **Attachment A**

### **Task 7.2      Develop Proposal Evaluation Criteria**

Prior to the release of the Draft RFP Package, R3 will work with the City to develop proposal evaluation criteria. We will use our experience conducting similar procurement processes through California to recommend and develop specific minimum requirements and qualifications for the proposals.

For example, prospective haulers may be required to submit work plans that specify how they will transition to new services, achieve diversion requirements, implement customer service programs, and promote public education activities. Additional evaluation criteria typically include: company qualifications and references; sustainability; technical approach; financial ability; and customer rates.

We will also collaborate with the City to establish the evaluation and selection process for discussion. This will include identifying who is responsible for selecting and weighting the evaluation criteria and creating the scoring system (e.g., City Staff or City Council).

It is important to carefully consider these choices, because, for example, if City Council desires a higher evaluation weight on customer rates and a lower one on diversion programs, the City could receive a “low ball” proposal from a marginally qualified proposer that may not be able to keep the City in legislative compliance.

It is equally critical to ensure that the evaluation process is objective. We have worked on numerous procurement processes to eliminate bias.

### **Task 7.3      Develop Draft Franchise Agreement(s) for RFP Package**

In our experience, the Draft Agreement(s) should be developed and issued as part of the RFP Package. This significantly reduces the time and cost of negotiations, and contractually links the requested services to proposed costs as part of the evaluation process. In addition, this prevents proposers from making changes to the Agreement once proposals have been submitted.

The Draft Agreement(s) will establish the scope of services and will specify performance standards, including, for example, diversion requirements, reporting overweight vehicles, customer service interaction, and those specifically designed for street sweeping. Based on discussions with City staff and the City Attorney, R3 will make revisions to the Draft Agreement(s) and prepare it for inclusion in the RFP Package. Additionally, R3 will work with the City Attorney to make sure the Draft Agreement(s) are consistent with the City’s Ordinance/Municipal Code<sup>1</sup>.

### **Task 7.4      Finalize and Issue RFP Package**

R3 will finalize the RFP Package based on City direction and will provide the City with an electronic copy of the Final RFP Package, including the Final RFP and Final Agreement. The R3 Project Team will work with the City to publicize the availability of the RFP Package, provide the City with a draft Notice of Availability for release on City letterhead, and work with City staff to post the RFP on the City’s website.

### **Task 7.5      Mandatory Proposers’ Conference and Prepare the RFP Addenda**

R3 will assist the City in conducting a mandatory Proposers’ Conference with prospective proposers. This meeting will provide an opportunity for the City to review the RFP with prospective proposers and answer questions, as appropriate.

R3 will assist the City with written responses to questions raised before and during the Proposers’ Conference for submittal to all parties at the meeting.

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<sup>1</sup>R3 is assisting the City in developing modifications to the City’s municipal code to address CalRecycle legislative compliance requirements. Currently, these documents are in internal draft form, but should be in final/approved form prior to completion of the RFP Package

## **Attachment A**

### **Task 7.6 Assist in Evaluation Team Proposal Review**

It is recommended, as part of the evaluation process, that the City form an Evaluation Team to actively participate in the following components of the proposal evaluation process:

- Proposal Review;
- Proposal Evaluation;
- Proposer Interviews; and
- Proposal Scoring.

An Evaluation Team typically will include any or all of the following individuals: City Manager; Finance Director; Public Works Director or staff; other City staff; and R3 Staff.

It should be noted that members of the Evaluation Team will be required to dedicate adequate time to attend Evaluation Team meetings and interviews<sup>2</sup>. R3 will assist the City's Evaluation Team by preparing draft summary meeting agendas, summary documents, and scoring sheets for the Evaluation Team's use. R3 will be available to meet with the Evaluation Team during evenings and weekends, as may be necessary to accommodate individual schedules.

### **Task 7.7 Conduct Initial Evaluation of Proposals**

Acting in an advisory capacity, R3 will assist the City with the initial evaluation of proposals received in response to the RFP. The evaluation will include but is not limited to conducting an initial "pass-fail" checklist against the RFP's minimum requirements. In the event that a proposal does not meet the minimum requirements of the RFP, the City may determine that the proposal be disqualified as non-compliant.

R3 will assist the City in preparing a summary of those proposals that advanced past the initial pass-fail process, which will include:

- Proposers' qualifications/references and processing/disposal facilities;
- Proposers' approach to meeting the City's diversion requirements;
- Customer rates;
- Collection methods;
- Sustainability and legislative compliance;
- Customer service programs;
- Financial ability;
- Transition experience; and
- Work plans.

After the initial pass-fail evaluation is completed, R3 will assist the City in preparing necessary written requests for clarification to the haulers.

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<sup>2</sup> R3 anticipates that up to four (4) Evaluation Team meetings may be needed to complete the evaluation and scoring process.

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### Task 7.8 Conduct Interviews and Reference Checks

In an advisory capacity, R3's will assist the City in Evaluation Team meetings, conducting interviews of qualified proposers, along with participation in meetings with City staff and any City Council Subcommittee that may be formed.

R3 will support the proposer interview process by preparing an evaluation checklist, in matrix format, that includes comparative summaries of the proposals as well as questions/concerns to be raised during the interview process. Please note that R3 will assist City Staff in conducting any facilitate site visits of proposed processing facilities, transfer stations, disposal facilities, or operation yards if the City feels this is necessary to achieve a full understanding of the proposers' capabilities<sup>3</sup>.

It is assumed that the City will conduct reference checks, and R3 will provide support as may be requested.

Following interviews and reference checks, R3 will provide the City with an electronic summary memorandum of the reference check results, and written follow-up questions for the proposers.

### Task 7.9 Conduct Final Evaluation, Proposal Scoring, and Ranking

In a non-scoring, advisor capacity, R3 will assist the City in completing the final evaluation and scoring of proposals by preparing a comparative summary highlighting qualifications and technical merits, strengths and weaknesses, and value-added benefits of each proposal. The summary will also include information and insights gained from the proposal interviews, follow-up information as may be provided by the proposers, and results of any proposer site visits, as needed.

As part of the final evaluation, R3 will perform a rate analysis and summary of the consequential impacts on the City and its rate payers. This will be done comparing proposed customer rates and estimated revenue to be received by the City through franchise fees, AB 939 fees, road impact fees, as well as other fees and payments that may be offered by the proposers. ***Of particular importance to the City, because the City bills residential customers directly, is that the proposed rates incorporate the City's administrative charges franchise fee, billing costs, and any other allocated costs.***

R3 will assist the City in developing a scoring sheet based on the specific criteria included in the RFP documents (or as may need to be modified based on direction from the City). In conjunction with the City, R3 will assist in explaining how to complete the scoring sheets with the Evaluation Team. As part of the scoring process, we strongly suggest that members of the Evaluation Team individually complete their own scoring sheets, and then allow the City to compile the scores.

R3 will assist the City in preparing a written report for the City that summarizes the proposal evaluation process and scoring results. The report will highlight the proposed collection methods, customer service programs, work plans, and customer rates (cost). To the extent possible, this information will be provided as comparative summaries that will accompany a recommendation of the top-ranked proposal(s) for the City Council to consider.

### Task 7.10 Conduct Cost-Benefit Analysis of Expanding City Services

R3 will use information contained in the proposals submitted and the results of the evaluation process, to assist the City in conducting an internal cost-benefit comparison for if the City were to assume all Single-family Collection Services, and/ or assume some or all Commercial Collection operations. This analysis would include, for example:

- Capital costs needed for collection and support vehicles;

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<sup>3</sup> To the degree possible, R3 suggests that interviews and necessary site visits be conducted on the same day, or the next day.

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- Capital costs needed for residential and commercial containers;
- City's cost for modifications to the City's corporation yard to accommodate additional vehicles;
- City's cost impact on the City's vehicle maintenance program;
- Fully burdened cost of additional staffing needed (drivers, mechanics, support staff);
- City cost of including commercial billing (software, staffing, etc.); and
- City's cost of provided organics and recyclables contamination tracking and reporting, on-site business support and waste audits, outreach materials (staff, software).

The results of this analysis will be presented to City Council as part of Task 7.12.

### Task 7.11 Attend City Council Meeting to Present RFP Evaluation Results

R3 will assist the City in present the results of the evaluation process to City Council, including recommendations made by the Evaluation Team. This will include: (1) a summary of the cost-benefit analysis of expanding City Services, and (2) summary of the proposal process, proposals received, the evaluation process, and the evaluation results. It is anticipated that during this meeting the City Council will provide direction on expanding City Services, and/or direction to negotiate final Franchise Agreement(s).

**Note: Continuing with Tasks 7.13 – 7.15 may depend on direction received from City Council during the 7.12 City Council presentation**

### Task 7.12 Negotiate with Top-Ranked Proposer(s)

Based on direction from City Council, R3 will support the City by participating in up to five (5) Agreement negotiation sessions with the top-ranked proposer(s). Negotiations will focus on clarifying the proposers' service and cost proposals and incorporating any optional services as may be selected by City Council.

As part of this Subtask, R3 will develop a list of outstanding service, cost, and Agreement issues to be negotiated with the proposers and provide it during negotiation strategy meetings with the City prior to the proposer negotiations.

### Task 7.13 Finalize New Agreement for City Council Approval

Based on direction from City Council, R3 will assist the City/ City Attorney to incorporate any program changes or options selected by City Council and finalize the Agreement. This will include changes to the Draft Agreement through the issuance of addenda by the City, any final selected program options, proposed rates, final work plans, and exhibits.

R3 will assist the City in preparing a staff report for delivery to the City Council to support the staff recommendation to execute an Agreement with the selected company.

### Task 7.14 Attend City Council Meeting to Present Final Agreement for Approval

In support of City Staff, R3 will be available to participate in presentation(s) to City Council to summarize the results of the final negotiations and facilitate their approval of the Final Agreement. We suggest that the presentation(s) will include summarizing final programs, implementation steps, and customer rates.

## Task 7 Deliverables

- Assist in preparing Draft RFP Package (Draft RFP and Draft Franchise Agreement(s)), in electronic format;



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- Assist in preparing one (1) finalized RFP Package, in electronic format, that includes background information on the service area, requested services, RFP preparation instructions, evaluation and selection criteria, project schedule, Draft Agreement(s), and all required cost and supporting forms to be filled out by the proposers (for distribution to potential proposers);
- Providing Support during one (1) Proposers' Conference;
- Assist in preparing written responses to questions submitted before and during the Proposers' Conference, in electronic format; and
- Assist in preparing of all necessary addenda to the RFP. Initial evaluation of the technical feasibility of each proposal received;
- Assist in preparing an evaluation matrix, in electronic format, to easily compare the proposed programs and rates for each proposer;
- Assist in preparing of any written request for clarification to the proposers, as necessary;
- Assist in preparing a "checklist" form to be used in completing reference checks;
- Assist in preparing written follow-up questions to proposers, as necessary;
- Assist in conducting necessary site visits;
- Preparing a rate analysis and summary of proposed impacts on City and rate payers;
- Support and attend up to four (4) Evaluation Team meetings;
- Preparing One (1) written memo, in electronic format, on Cost-Benefit Analysis of Expanding City Services;
- Assist in preparing One (1) written memo, in electronic format, that summarizes the proposal evaluation process and scoring result;
- Support and attendance at City Council meeting (s) to present Cost-Benefit Analysis of Expanding City Services, and results of the evaluation process;
- Meetings with City staff, either in person or by phone, to confirm negotiation strategy;
- Support and attendance of up to five (5) negotiation sessions with top-ranked proposers;
- Assist in preparing a listing of outstanding service, cost, and Agreement issues to be negotiated with the proposers;
- Assist in revising to the Draft Agreement(s) based on the results of the negotiation sessions;
- Assist in preparing a staff report to the City Council to support the staff recommendation to execute an Agreement with the selected proposer;
- Support and attendance at City Council meeting (s) to summarize the negotiation results and facilitate approval of the Final Agreement; and
- Assist in preparing the Final Agreement(s), in electronic and paper copy format, for execution by the City and the selected proposer(s).

## Project Schedule

R3's proposed timeline on the following page assumes that the City amends our contract and provided Notice to Proceed on or around March 17, 2020. ***Please note that specific dates for the RFP release,***

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*mandatory pre-proposal meeting, interviews, proposal due date, and City Council presentations will be developed with City staff.*

**Table 1**  
**Tentative Schedule**

Task / Milestone Events		Estimated Time Frame
Notice to Proceed Issued by City		Late March 2020
	Kick-off Meeting	Early April 2020
7.1 – 7.4	Prepare RFP Package	April – July 2020
	Prepare Franchise Agreements	May -July 2020
7.4	Release RFP Package	August 19, 2020 (est.)
7.5	Conduct Mandatory Pre-Bind Meeting	August 31, 2020 (est.)
	Proposals Due	October 14, 2020 (est.)
7.6	Complete Initial “Pass-Fail” Evaluation	Early November 2020
7.8	Conduct Interviews	Early December 2020
7.7 - 7.9	Complete Evaluation Process	February 2021
7.10	Conduct Cost-Benefit Analysis of Expanding City Services	November 2020 – February 2021
7.11	Present Results and Recommendations to City Council	March 2021
7.12	Conduct Negotiations (if directed)	April - June 2021
7.13	Finalize Franchise Agreement(s) (if directed)	July 2021
7.14	Present Final Franchise Agreements to City Council for Approval (if directed)	August 2021
	Transition Period	September – 2021 - June 30, 2022
	Begin Residential Collection Services	July 1, 2022
	Begin Commercial Collection Services	July 1, 2023

**EXHIBIT "B-2"**

## Project Budget

We propose to complete the Project Scope of Work on a time-and-materials basis for a not-to-exceed budget by task totaling \$115,000<sup>4</sup>. Our project budget includes labor, travel, and project expenses for the work and deliverables as listed in Tasks 7.1 – 7.14. *Please note this includes preparing a cost-benefit analysis of expanding City services for all Single-family Collection Services and/or all or part of Commercial Collection Services.*

We would be happy to discuss changes to our scope or budget as may be needed to align with the City's needs.

**Table G-2**  
**Task 7 – Estimated Budget**

Task	Budget
7.1 – 7.9, and 7.11 <b>Conduct Competitive RFP Process</b> – assumes master RFP covering all services (commercial, residential, and processing), and vendors can propose on one or more services	\$85,000
7.12- 7.14 <b>Negotiations, Finalizing Franchise Agreement(s), City Council Presentation</b>	\$15,000
7.10 <b>Cost-Benefit Analysis of Expanding City Services<sup>5</sup></b>	\$15,000

It is industry standard practice that the proposer(s) awarded the Franchise Agreement(s) reimburse the City's full cost of conducting the RFP process.

<sup>4</sup> The City may wish to consider including a 10% contingency to account for any changes to the scope of services.

<sup>5</sup> While the City could decide to include to the cost for this Subtask as part of any reimbursement, it is not needed for the RFP process.

## Billing Rates

In Table G-2 below, we have provided the hourly billing rates for the R3 Project Team by firm.

**Table G-3**  
**Billing Rates**

Classification	Hourly Rate
<b>R3 Consulting Group, Inc.</b>	
Principal	\$215 per hour
Project Director	\$215 per hour
Senior Project Manager	\$190 per hour
Project Manager	\$175 per hour
Senior Project Analyst	\$160 per hour
Senior Administrative Support	\$160 per hour
Project Analyst	\$145 per hour
Associate Analyst	\$130 per hour
Administrative Support	\$115 per hour
<b>Cascadia Consulting Group</b>	
Co-Director	\$190 per hour
Associate	\$105 per hour
<b>SCS Engineers</b>	
Sr. Vice President / Vice President	\$270 per hour
Sr. Financial Analyst / Sr. Analyst	\$220 per hour
Project Professional	\$120 per hour
Financial Analyst / Sr. Management Consultant	\$110 per hour

## Payments

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