

# CITY OF GARDEN GROVE

Prepared by HF&H Consultants, LLC



## SCOPE OF WORK AND FEE ESTIMATE FOR SOLID WASTE SB 1383 CONTRACTING ASSISTANCE

### Contract Negotiations with Republic

#### **Task 1. Prepare for and Conduct Kickoff Meeting with City Staff to Finalize Negotiation Strategy**

HF&H staff will prepare for and facilitate a kick-off meeting with City staff to confirm the contracting objectives, project schedule, and confirm the approach to the contract negotiations. The result of the meeting will be a document confirming the contracting strategy and project schedule.

If requested, HF&H will also prepare for and attend one meeting to provide a briefing to the City Management or other City Officials based on direction from City staff given at the kick-off meeting.

#### **Task 2: Develop Meeting Documents and Conduct Meetings with Hauler and City**

HF&H staff will prepare for and facilitate a kick-off meeting with City staff and Republic Services to review a negotiation document that will summarize the City's contracting objectives. The result of the meeting will be annotated meeting notes documenting items that are verbally resolved and next steps.

#### **Task 3: Negotiations to Confirm Services, Terms and Conditions**

Republic and the City can then negotiate rates that are consistent with the City's desired terms and conditions. The result of the initial meeting with the hauler will likely be a series of points that they wish to address and proposed rates that may or may not be satisfactory. HF&H will then assist in negotiating reasonable rates. We will also work with City staff to guide the City through its determination of which Republic concerns are minor and which are valuable enough not to negotiate without a substantial offsetting gain for the City.

HF&H will assist the City by scheduling the necessary negotiation meetings and conference calls with all relevant parties from the City and Republic, creating meeting documents, and drafting meeting notes based on the discussions.

#### **Task 4: Review and Analyze Proposed Rate Impacts**

We will request Republic to provide supporting cost and operating assumptions related to any of the requested services or contract requirements that Republic believes may increase their

costs. We will review this information for overall reasonableness based on our industry knowledge, and review Republic's supporting information to confirm the reasonableness of any requested adjustments to the current rates.

### **Task 5: Develop Updated Agreement**

Based on the discussions and direction provided by City staff described above, we will prepare either an updated draft franchise agreement or contract amendment for the desired services and contract terms. City staff, including the City Attorney, will subsequently review the draft document, and the City will be responsible for consolidating comments from the City's various reviewers into a single "redline" of the draft work product, which we will then use to prepare an updated draft work product. We will update the draft agreement to reflect the revisions provided by City staff and the City Attorney, and incorporate the negotiated terms with Republic. After the negotiations are complete, City staff will be responsible for finalizing the format of the agreement consistent with City standards and obtaining signatures, bonds, and endorsements.

### **Task 6: Prepare for and Attend One City Council Meeting**

We have budgeted to attend one meeting of the City Council when the Council considers the new agreement for award.

## Cost Proposal

To align with the breakdown prepared in the original proposal, the updated cost for the SB 1383 Contract Negotiations is \$75,000 per City if all five cities participate. Please see the attached workplan for the detailed breakdown.

The project costs for the negotiations (Tasks 1 through 6) have been reduced by \$15,000 assuming that all five Republic cities that participated in the previous study phase continue to participate in this phase as shown in the table below:

Number of Cities	1	2	3	4	5
Project Cost per City	\$90,000	\$86,250	\$82,500	\$78,750	\$75,000

Our actual costs may be higher or lower than this amount, depending on the level of support requested, and we will notify you in writing if a budget amendment is required. We will bill you once per month based on the number of hours worked, multiplied by our hourly billing rates, plus out-of-pocket expenses incurred. Payment is due within 30 days. Hourly rates through December 31<sup>st</sup>, 2021 are as follows and will be adjusted each January 1<sup>st</sup> by 2.5%:

<u>Position</u>	<u>Rate</u>
Senior Vice President	\$299
Senior Manager	\$275
Senior Associate/Project Manager	\$179 to \$249
Associate Analyst	\$160 to \$175
Assistant Analyst	\$139 to \$159
Administrative Staff	\$99 to \$109

Expenses will be billed as follows:

Mileage	\$0.50 per mile (or as adjusted by IRS allowance)
Outside document reproduction/couriers/postage	Actual
Public conveyances and parking	Actual
All other out-of-pocket expenses	Actual

## Schedule

We will commence the project in March 2021. We understand the City's goal is to implement an updated agreement, pending City Council approval, by January 1, 2022 to align with the current SB 1383 timeline. Achieving this goal is dependent on reaching timely agreement on the terms of an updated agreement with Republic Services and approval of the amended agreement by the City Council.

## Staffing

Laith Ezzet, Senior Vice President, will be the Project Director and he will be assisted by other HF&H staff with the appropriate skills for the assigned tasks.

CITY OF GARDEN GROVE  
 HF&H Workplan for SB 1383 Contracting Assistance

TASK	DESCRIPTION	Sr. Vice President	Sr. Project Manager	Project Manager/ Senior Associate	Assistant Analyst	Total Hours/ Fees <sup>(1)</sup>
<b>Contract Negotiations with Republic</b>						
1	Prepare for and Conduct Kickoff Meeting with City Staff	6	-	10	-	16
2	Develop Meeting Documents and Conduct Mtg. with Hauler and City	6	-	14	8	28
3	Negotiations to Confirm Services, Terms, and Conditions	72	-	72	6	150
4	Review and Analyze Proposed Rate Impacts	20	-	30	10	60
5	Develop Updated Agreement	14	8	30	-	52
6	Prepare for and Attend One City Council Meeting	4	-	6	-	10
	Contract Negotiations Hours	122	8	162	24	316
	Contract Negotiations Consulting Fees	\$ 36,478	\$ 2,200	\$ 32,238	\$ 3,816	\$ 74,732
	Contract Negotiations Expenses					\$ 268
	<b>Total Contract Negotiations</b>					<b>\$ 75,000</b>
<hr/>						
<b>Total Hours</b>		<b>122</b>	<b>8</b>	<b>162</b>	<b>24</b>	<b>316</b>
<b>Hourly Rates</b>		\$ 299	\$ 275	\$ 199	\$ 159	
<b>Total Consulting Fees</b>		<b>\$ 36,478</b>	<b>\$ 2,200</b>	<b>\$ 32,238</b>	<b>\$ 3,816</b>	<b>\$ 74,732</b>
Total Expenses						\$ 268
<b>Total Fees and Expenses</b>						<b>\$ 75,000</b>

(1) Hours may be shifted among tasks.