



# County of San Mateo

## Inter-Departmental Correspondence

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**Department:** COUNTY MANAGER: OFFICE OF SUSTAINABILITY

**File #:** 16-455

Board Meeting Date: 8/8/2017

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**Special Notice / Hearing:** None  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors  
**From:** Jim Eggemeyer, Director, Office of Sustainability  
**Subject:** Resolution authorizing Amendment Number Four to the agreement with Allied Waste Services for the operation of the Pescadero Transfer Station

**RECOMMENDATION:**

Adopt a resolution authorizing an amendment to the agreement with BFI Waste Systems of North America, LLC, dba Allied Waste Services of San Mateo County, for the operation of the Pescadero Solid Waste Transfer Station, extending the term through August 19, 2018.

**BACKGROUND:**

On August 12, 2008, your Board adopted Resolution No. 069636, which approved an agreement with Allied Waste Services (AWS) for operation of the Pescadero Solid Waste Transfer Station (PTS) from August 15, 2008, through August 14, 2015.

On January 26, 2016, your Board adopted Resolution No. 074302 which approved increases for the PTS gate rates, effective February 1, 2016.

On August 9, 2016, your Board adopted Resolution No. 074738, which approved a third amendment to the agreement with Allied Waste Services for the operation of the Pescadero Transfer Station, extending the term for one year through August 14, 2017 and adjusting the Contractor compensation consistent with the agreement.

The PTS provides convenient solid waste disposal and recycling drop off services to the south coast area of San Mateo County. The County opened the PTS when the Pescadero Landfill was closed in 1986. The PTS has been operated through contract services since it was opened. The current operator, BFI Waste Systems of North America, LLC, dba Allied Waste Services of San Mateo County (AWS), was selected through a Request for Proposals (RFP) selection process in 2008. The agreement with AWS was for a seven-year term from August 15, 2008 through August 14, 2015 and was extended through two amendments. The services provided by AWS have complied with the Agreement and included additional opportunities for increased diversion of solid waste.

**DISCUSSION:**

This amendment extends the term of the agreement for one year to allow sufficient time to conduct a RFP process. The current operating costs for the PTS were \$256,000 in FY 2015-16. Revenue from the gate rates in FY 2015-16 was \$100,600, which required a \$155,000 subsidy from the remaining Solid Waste Fund. Although the PTS gate rates were increased effective February 1, 2016, the gate rates are still not sufficient to cover all of the operating costs. Staff continues to believe it is unrealistic to increase gate rates to support all of the operating costs for PTS and is concerned that significant increases will lead to increased illegal dumping near the PTS or adjacent to the roadways. As such, staff will continue to request to your Board for incremental increases to the the gate rates to improve cost recovery, while balancing the concern regarding illegal dumping.

In an effort to identify long term strategies for the PTS, the County retained a consultant, conducted a Study on Solid Waste and Recycling options for the South Coastal area, presented the findings of the Study at two community workshops (La Honda and Pescadero areas) in the Spring of 2017, and received feedback from meeting participants. The Office also formed a subcommittee comprised of community members from most of the areas on the South Coast to further study the feasibility and evaluate the options presented by the consultant in the Study. The subcommittee will provide input on an RFP process for the PTS that may include strategies or options presented in the Study. To allow time to conduct the RFP process and select an operator, the Department is recommending that the agreement with AWS for the operation of the PTS be extended for one year through August 19, 2018, to provide continued operation of the PTS.

County Counsel has reviewed and approved the resolution and amendment as to form.

Approval of this action contributes to the Shared Vision 2025 outcome of an Environmentally Conscious Community by continuing to provide solid waste disposal and recycling opportunities to the south coast residents, businesses, and agricultural communities.

**PERFORMANCE MEASURE:**

AB Solid Waste Diversion Rate for Unincorporated San Mateo County, Daily Disposal Rate Per Person (lbs/person/day)	FY 2017-18 Target	FY 2018-19 Target
Residential:	2.5	2.5
Commercial:	6.0	6.0

**FISCAL IMPACT:**

At this time there is no impact on the County's General Fund.

The amendment extends the term of this agreement for one year, from August 14, 2017 through August 19, 2018. The PTS will continue to rely on a subsidy, which has been funded through the County's remaining Solid Waste Fund balance. The Department intends to review rates in the first quarter of FY 2017-18 to see if additional gate rate increases will be needed. Any recommended increased gate rates will be at a future Board meeting and after the proposed increases have been presented to the community.