



# County of San Mateo

## Inter-Departmental Correspondence

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

**File #:** 23-683

Board Meeting Date: 8/1/2023

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

**To:** Honorable Board of Supervisors  
**From:** Carolyn Bloede, Director, Office of Sustainability  
**Subject:** Amendment 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 (Republic Services of San Mateo County), for the operation of the Pescadero Solid Waste Transfer Station for a maximum one-year term through August 30, 2024, for an amount not to exceed \$300,000 per fiscal year.

### **BACKGROUND:**

The Pescadero Transfer Station (PTS) is owned by the County and 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 and the site has been operated through a contractual agreement since that time.

On August 12, 2008, this Board adopted Resolution No. 069636, which approved an agreement with BFI Waste Systems of North America, LLC, dba Allied Waste Service of San Mateo County (AWS) for the operation of the PTS from August 15, 2008, through August 14, 2015. In subsequent years this Board approved additional agreement extensions with the final extension ending on August 19, 2018.

During FY 2017-18, in an effort to identify long-term strategies for the PTS, the County hired a consultant to conduct a study on solid waste and recycling options for the South Coast area. In the spring of 2017, the Office of Sustainability (OOS) presented the findings of the study at two community workshops in La Honda and Pescadero to solicit feedback from the community. OOS formed a subcommittee of South Coast community residents to explore options for services which recommended that a request for proposal (RFP) process be run for the operation of the PTS site.

On May 11, 2018, OOS performed a competitive RFP process for the operation of the PTS. OOS and the subcommittee made a determination to award the contract to AWS. On November 6, 2018, this

Board adopted Resolution No. 076251 which approved an agreement with AWS for the operation of the PTS with a not to exceed amount of \$300,000 per fiscal year for a five-year term through August 2023, with the option to amend the contract for an additional 36 months.

The agreement funds the AWS contract for the fully anticipated operating expenses of up to \$300,000 per year. The actual costs are partially offset by gate fee revenues. The total operating cost for the site in the FY 2022-23 was \$270,925. The gate fee revenues were \$206,565. with the net of \$64,360. being paid out of the County's Solid Waste Fund.

Services provided to the community include household waste disposal, recycling, and organic waste services. OOS staff conducted a survey in April 2023 of 98 customers to better understand how the PTS serves the community and who it is serving. The survey results showed that 87% of customers are disposing of their household waste and that 98% were from the South Coastal area. In FY 2022-23, AWS processed 573 tons of garbage, 106 tons of recycling, and two tons of green waste. In FY 2022-23, AWS opened the site up for additional days for property owners who experienced minor damage from the CZU fires to dispose of their waste properly. The overall findings are that this location provides both convenient and important services to the unincorporated communities on the South Coast.

#### **DISCUSSION:**

The current contract agreement allows for an annual price escalation on annual operating and processing pricing based on the Consumer Price and Producer Price Indices. Staff presented to Pescadero Municipal Advisory Council in the Winter of 2022 and reconvened the subcommittee to collaborate on programs and increase the gate rates to maintain the subsidy below 25% of the total operating costs. The subcommittee work is almost complete and the new gate rates will be brought before the Board in the Fall of 2023.

This \$300,000 not-to-exceed per fiscal year amendment extends the term for an additional 12 months ending August 30, 2024.

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

#### **FISCAL IMPACT:**

This \$300,000 not-to-exceed per year agreement is funded by gate fee revenues, of approximately 75%, and the remaining 25% being funded by the County's Solid Waste Fund. There is no increase in Net County Cost associated with this agreement.

#### **ATTACHMENTS:**

1. Resolution for the Amendment with Allied Waste for PTS
2. Amendment One to the Agreement with Allied Waste for PTS