

Council Meeting of
January 9, 2007

Honorable Mayor and Members
of the City Council
City Hall
Torrance, California

Members of the Council:

SUBJECT: Public Works – Approve agreement to revise several commercial waste reduction programs. Expenditure: \$30,000.

RECOMMENDATION

The Public Works Director recommends that the City Council approve a Consulting Services Agreement with Huls Environmental Management, LLC for not to exceed \$30,000 to revise several of the City's commercial waste reduction programs.

Funding

The funds are available in the Sanitation Enterprise Fund.

BACKGROUND

After soliciting proposals last year, the City hired the consulting company of Huls Environmental Management, LLC, to reevaluate our waste reduction programs and make suggestions for improvement. Particular emphasis was placed on the commercial waste collection program.

This is part of the City's ongoing efforts to comply with AB 939, the California Integrated Waste Management Act of 1989. This legislation mandates that all cities reduce their waste stream by 50%.

The program revisions we will enact with this contract will help the existing commercial reporting system become more efficient and productive, and will examine the options for a commercial food waste diversion program. However, staff will continue to pursue new methods, programs and strategies to enhance the effectiveness and capabilities of the waste management services the City provides. This could include additional changes to the structure of the commercial collection program at a later date. While the City is approaching the 50% mandate, new and other revised programs will be needed to completely reach and maintain that goal.

ANALYSIS

The City is now engaging Huls' to perform the following:

- 1) A compliance evaluation of the current commercial fee system and diversion programs to determine if all fees and requirements have been met by the commercial haulers.
- 2) Redesign the reporting requirements, procedures and forms used in the Commercial Waste Collector quarterly reporting system to improve data collection, enforcement, compliance and accountability.
- 3) Design collection programs for commercial food waste.

Huls Environmental has already reviewed and evaluated the City's systems and existing programs and has based their recommendations on that analysis. Staff is requesting the contract be approved as permitted under TMC Division 2, Chapter 2, Section 22.3.13 Exception; Professional Services, whereby contracts can be entered into for professional services without formal bidding or RFP procedures. These new programs should help toward bringing the City into parity with other cities related services and reach or exceed the 50% waste reduction goal.

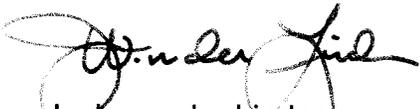
Respectfully submitted,

ROBERT J. BESTE
Public Works Director



By Alison Sherman
Waste Management Coordinator

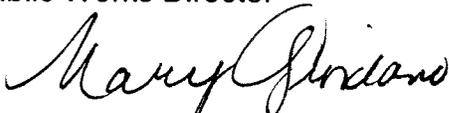
CONCUR:



Jack van der Linden
Deputy Public Works Director



Robert J. Beste
Public Works Director



LeRoy J. Jackson
City Manager

Attachment: A. Consulting Services Agreement

CONSULTING SERVICES AGREEMENT

This CONSULTING SERVICES AGREEMENT ("Agreement") is made and entered into as of January 9, 2007 (the "Effective Date"), by and between the CITY OF TORRANCE, a municipal corporation ("CITY"), and Huls Environmental Management, a Limited Liability Company ("CONSULTANT").

RECITALS:

- A. CITY wishes to retain the services of an experienced and qualified CONSULTANT to provide waste management services.
- B. CONSULTANT represents that it is qualified to perform those services.

AGREEMENT:

1. SERVICES TO BE PERFORMED BY CONSULTANT

CONSULTANT will provide the services listed in the Proposal attached as Exhibit A. CONSULTANT warrants that all work and services set forth in the Proposal will be performed in a competent, professional and satisfactory manner.

2. TERM

Unless earlier terminated in accordance with Paragraph 4 below, this Agreement will continue in full force and effect from the Effective Date through June 9, 2007.

3. COMPENSATION

- A. CONSULTANT's Fee.

For services rendered pursuant to this Agreement, CONSULTANT will be paid in accordance with the Proposal, provided, however, that in no event will the total amount of money paid the CONSULTANT, for services initially contemplated by this Agreement, exceed the sum of \$30,000.00 ("Agreement Sum"), unless otherwise first approved in writing by CITY.

- B. Schedule of Payment.

Provided that the CONSULTANT is not in default under the terms of this Agreement, upon presentation of an invoice, CONSULTANT will be paid monthly the fees described in Paragraph 3.A. above, according to the Proposal. Payment will be due within 30 days after the date of the monthly invoice.

4. TERMINATION OF AGREEMENT

- A. Termination by CITY for Convenience.

- 1. CITY may, at any time, terminate the Agreement for CITY's convenience and without cause.

2. Upon receipt of written notice from CITY of such termination for CITY's convenience, CONSULTANT will:
 - a. cease operations as directed by CITY in the notice;
 - b. take actions necessary, or that CITY may direct, for the protection and preservation of the work; and
 - c. except for work directed to be performed prior to the effective date of termination stated in the notice, terminate all existing subcontracts and purchase orders and enter into no further subcontracts and purchase orders.
3. In case of such termination for CITY's convenience, CONSULTANT will be entitled to receive payment for work executed; and costs incurred by reason of such termination, along with reasonable overhead and profit on the work not executed.

B. Termination for Cause.

1. If either party fails to perform any term, covenant or condition in this Agreement and that failure continues for 15 calendar days after the nondefaulting party gives the defaulting party written notice of the failure to perform, this Agreement may be terminated for cause; provided, however, that if during the notice period the defaulting party has promptly commenced and continues diligent efforts to remedy the default, the defaulting party will have such additional time as is reasonably necessary to remedy the default.
2. In the event this Agreement is terminated for cause by the default of the CONSULTANT, the CITY may, at the expense of the CONSULTANT and its surety, complete this Agreement or cause it to be completed. Any check or bond delivered to the CITY in connection with this Agreement, and the money payable thereon, will be forfeited to and remain the property of the CITY. All moneys due the CONSULTANT under the terms of this Agreement will be retained by the CITY, but the retention will not release the CONSULTANT and its surety from liability for the default. Under these circumstances, however, the CONSULTANT and its surety will be credited with the amount of money retained, toward any amount by which the cost of completion exceeds the Agreement Sum and any amount authorized for extra services.
3. Termination for cause will not affect or terminate any of the rights of the CITY as against the CONSULTANT or its surety then existing, or which may thereafter accrue because of the default; this provision is in addition to all other rights and remedies available to the CITY under law.

C. Termination for Breach of Law.

In the event the CONSULTANT or any of its officers, directors, shareholders, employees, agents, subsidiaries or affiliates is convicted (i) of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of a contract or subcontract; (ii) under state or federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or any other offense indicating a lack of business integrity or business honesty which currently, seriously, and directly affects responsibility as a public consultant or contractor; (iii) under state or federal antitrust statutes arising out of the submission of bids or proposals; or (iv) of violation of Paragraph 19 of this Agreement; or for any other cause the CITY determines to be so serious and compelling as to affect CONSULTANT's responsibility as a public consultant or contractor, including but not limited to, debarment by another governmental agency, then the CITY reserves the unilateral right to terminate this Agreement or to impose such other sanctions (which may include financial sanctions, temporary suspensions or any other condition deemed appropriate short of termination) as it deems proper. The CITY will not take action until CONSULTANT has been given notice and an opportunity to present evidence in mitigation.

5. **FORCE MAJEURE**

If any party fails to perform its obligations because of strikes, lockouts, labor disputes, embargoes, acts of God, inability to obtain labor or materials or reasonable substitutes for labor or materials, governmental restrictions, governmental regulations, governmental control, judicial orders, enemy or hostile governmental action, civil commotion, fire or other casualty, or other causes beyond the reasonable control of the party obligated to perform, then that party's performance shall be excused for a period equal to the period of such cause for failure to perform.

6. **RETENTION OF FUNDS**

CONSULTANT authorizes CITY to deduct from any amount payable to CONSULTANT (whether or not arising out of this Agreement) any amounts the payment of which may be in dispute or that are necessary to compensate CITY for any losses, costs, liabilities, or damages suffered by CITY, and all amounts for which CITY may be liable to third parties, by reason of CONSULTANT's negligent acts or omissions or willful misconduct in performing or failing to perform CONSULTANT's obligations under this Agreement. In the event that any claim is made by a third party, the amount or validity of which is disputed by CONSULTANT, or any indebtedness exists that appears to be the basis for a claim of lien, CITY may withhold from any payment due, without liability for interest because of the withholding, an amount sufficient to cover the claim. The failure of CITY to exercise the right to deduct or to withhold will not, however, affect the obligations of CONSULTANT to insure, indemnify, and protect CITY as elsewhere provided in this Agreement.

7. **CITY REPRESENTATIVE**

The Public Works Director or his designee is designated as the "City Representative." authorized to act in its behalf with respect to the work and services specified in this Agreement and to make all decisions in connection with this Agreement. Whenever approval, directions, or other actions are required by CITY under this Agreement, those actions will be taken by the City Representative, unless otherwise stated. The City Manager has the right to designate another City Representative at any time, by providing notice to CONSULTANT.

8. **CONSULTANT REPRESENTATIVE(S)**

The following principal(s) of CONSULTANT are designated as being the principal(s) and representative(s) of CONSULTANT authorized to act in its behalf with respect to the work specified in this Agreement and make all decisions in connection with this Agreement:

J. Michael Huls, Principal and Project Director
Sandy Costandi, Project Manager

9. **INDEPENDENT CONTRACTOR**

The CONSULTANT is, and at all times will remain as to CITY, a wholly independent contractor. Neither CITY nor any of its agents will have control over the conduct of the CONSULTANT or any of the CONSULTANT's employees, except as otherwise set forth in this Agreement. The CONSULTANT may not, at any time or in any manner, represent that it or any of its agents or employees are in any manner agents or employees of CITY.

10. **BUSINESS LICENSE**

The CONSULTANT must obtain a City business license prior to the start of work under this Agreement, unless CONSULTANT is qualified for an exemption.

11. **OTHER LICENSES AND PERMITS**

CONSULTANT warrants that it has all professional, contracting and other permits and licenses required to undertake the work contemplated by this Agreement.

12. **FAMILIARITY WITH WORK**

By executing this Agreement, CONSULTANT warrants that CONSULTANT (a) has thoroughly investigated and considered the scope of services to be performed, (b) has carefully considered how the services should be performed, and (c) fully understands the facilities, difficulties and restrictions attending performance of the services under this Agreement. If the services involve work upon any site, CONSULTANT warrants that CONSULTANT has or will investigate the site and is or will be fully acquainted with the conditions there existing, prior to commencement of services set forth in this Agreement. Should CONSULTANT discover any latent or unknown conditions that will materially affect the performance of the services set forth in this Agreement, CONSULTANT must immediately inform CITY of that fact and may not proceed except at CONSULTANT's risk until written instructions are received from CITY.

13. **CARE OF WORK**

CONSULTANT must adopt reasonable methods during the term of the Agreement to furnish continuous protection to the work, and the equipment, materials, papers, documents, plans, studies and other components to prevent losses or damages, and will be responsible for all damages, to persons or property, until acceptance of the work by CITY, except those losses or damages as may be caused by CITY's own negligence.

14. **CONSULTANT'S ACCOUNTING RECORDS; OTHER PROJECT RECORDS**

Records of the CONSULTANT's time pertaining to the project, and records of accounts between CITY and the CONSULTANT, will be kept on a generally recognized accounting basis. CONSULTANT will also maintain all other records, including without limitation specifications, drawings, progress reports and the like, relating to the project. All records will be available to CITY during normal working hours. CONSULTANT will maintain these records for three years after final payment.

15. **INDEMNIFICATION**

CONSULTANT will indemnify, defend, and hold harmless CITY, the City Council, each member thereof, present and future, its officers, agents and employees from and against any and all liability, expenses, including defense costs and legal fees, and claims for damages whatsoever, including, but not limited to, those arising from breach of contract, bodily injury, death, personal injury, property damage, loss of use, or property loss however the same may be caused and regardless of the responsibility for negligence. The obligation to indemnify, defend and hold harmless includes, but is not limited to, any liability or expense, including defense costs and legal fees, arising from the negligent acts or omissions, or willful misconduct of CONSULTANT, its officers, employees, agents, subcontractors or vendors. It is further agreed, CONSULTANT's obligations to indemnify, defend and hold harmless will apply even in the event of concurrent negligence on the part of CITY, the City Council, each member thereof, present and future, or its officers, agents and employees, except for liability resulting solely from the negligence or willful misconduct of CITY, its officers, employees or agents. Payment by CITY is not a condition precedent to enforcement of this indemnity. In the event of any dispute between CONSULTANT and CITY, as to whether liability arises from the sole negligence of the CITY or its officers, employees, agents, subcontractors or vendors, CONSULTANT will be obligated to pay for CITY's defense until such time as a final judgment has been entered adjudicating the CITY as solely negligent. CONSULTANT will not be entitled in the event of such a determination to any reimbursement of defense costs including but not limited to attorney's fees, expert fees and costs of litigation.

16. **NON-LIABILITY OF CITY OFFICERS AND EMPLOYEES**

No officer or employee of CITY will be personally liable to CONSULTANT, in the event of any default or breach by the CITY or for any amount that may become due to CONSULTANT.

17. INSURANCE

- A. CONSULTANT must maintain at its sole expense the following insurance, which will be full coverage not subject to self insurance provisions:
1. Automobile Liability, including owned, non-owned and hired vehicles, with at least the following limits of liability:
 - a. Primary Bodily Injury with limits of at least \$500,000 per person, \$1,000,000 per occurrence; and
 - b. Primary Property Damage of at least \$250,000 per occurrence; or
 - c. Combined single limits of \$1,000,000 per occurrence.
 2. General Liability including coverage for premises, products and completed operations, independent contractors/vendors, personal injury and contractual obligations with combined single limits of coverage of at least \$1,000,000 per occurrence.
 3. Professional liability insurance with limits of at least \$1,000,000 per occurrence.
 4. Workers' Compensation with limits as required by the State of California and Employers Liability with limits of at least \$1,000,000.
- B. The insurance provided by CONSULTANT will be primary and non-contributory
- C. CITY, the City Council and each member thereof, members of boards and commissions, every officer, agent, official, employee and volunteer must be named as additional insured under the automobile and general liability policies.
- D. CONSULTANT must provide certificates of insurance and/or endorsements to the City Clerk of the City of Torrance before the commencement of work.
- E. Each insurance policy required by this Paragraph must contain a provision that no termination, cancellation or change of coverage can be made without thirty days notice to CITY.

18. SUFFICIENCY OF INSURERS AND SURETIES

Insurance or bonds required by this Agreement will be satisfactory only if issued by companies admitted to do business in California, rated "B+" or better in the most recent edition of Best's Key Rating Guide, and only if they are of a financial category Class VII or better, unless these requirements are waived by the Risk Manager of CITY ("Risk Manager") due to unique circumstances. In the event the Risk Manager determines that the work or services to be performed under this Agreement creates an increased or decreased risk of loss to CITY, the CONSULTANT agrees that the minimum limits of any insurance policies or performance bonds required by this Agreement may be changed

accordingly upon receipt of written notice from the Risk Manager; provided that CONSULTANT will have the right to appeal a determination of increased coverage by the Risk Manager to the City Council of CITY within 10 days of receipt of notice from the Risk Manager.

19. CONFLICT OF INTEREST

- A. No officer or employee of the CITY may have any financial interest, direct or indirect, in this Agreement, nor may any officer or employee participate in any decision relating to the Agreement that effects the officer or employee's financial interest or the financial interest of any corporation, partnership or association in which the officer or employee is, directly or indirectly interested, in violation of any law, rule or regulation.
- B. No person may offer, give, or agree to give any officer or employee or former officer or employee, nor may any officer or employee solicit, demand, accept, or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparation or any part of a program requirement or a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any way pertaining to any program requirement, contract or subcontract, or to any solicitation or proposal.

20. NOTICE

- A. All notices, requests, demands, or other communications under this Agreement will be in writing. Notice will be sufficiently given for all purposes as follows:
1. Personal delivery. When personally delivered to the recipient: notice is effective on delivery.
 2. First Class mail. When mailed first class to the last address of the recipient known to the party giving notice: notice is effective three mail delivery days after deposit in an United States Postal Service office or mailbox.
 3. Certified mail. When mailed certified mail, return receipt requested: notice is effective on receipt, if delivery is confirmed by a return receipt.
 4. Overnight delivery. When delivered by an overnight delivery service, charges prepaid or charged to the sender's account: notice is effective on delivery, if delivery is confirmed by the delivery service.
 5. Facsimile transmission. When sent by fax to the last fax number of the recipient known to the party giving notice: notice is effective on receipt. Any notice given by fax will be deemed received on the next business day if it is received after 5:00 p.m. (recipient's time) or on a non-business day.

6. Addresses for purpose of giving notice are as follows:

CONSULTANT: Huls Enviromental Management
1074 Parkview Drive
Suite 105
Covina, CA 91724
Fax: 626-332-7504

CITY: City Clerk
City of Torrance
3031 Torrance Boulevard
Torrance, CA 90509-2970
Fax: (310) 618-2931

- B. Any correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission of the party to be notified, will be deemed effective as of the first date the notice was refused, unclaimed or deemed undeliverable by the postal authorities, messenger or overnight delivery service.
- C. Either party may change its address or fax number by giving the other party notice of the change in any manner permitted by this Agreement.

21. PROHIBITION AGAINST ASSIGNMENT AND SUBCONTRACTING

This Agreement and all exhibits are binding on the heirs, successors, and assigns of the parties. The Agreement may not be assigned or subcontracted by either CITY or CONSULTANT without the prior written consent of the other.

22. INTEGRATION; AMENDMENT

This Agreement represents the entire understanding of CITY and CONSULTANT as to those matters contained in it. No prior oral or written understanding will be of any force or effect with respect to the terms of this Agreement. The Agreement may not be modified or altered except in writing signed by both parties.

23. INTERPRETATION

The terms of this Agreement should be construed in accordance with the meaning of the language used and should not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction that might otherwise apply.

24. SEVERABILITY

If any part of this Agreement is found to be in conflict with applicable laws, that part will be inoperative, null and void insofar as it is in conflict with any applicable laws, but the remainder of the Agreement will remain in full force and effect.

25. TIME OF ESSENCE

Time is of the essence in the performance of this Agreement.

26. **GOVERNING LAW; JURISDICTION**

This Agreement will be administered and interpreted under the laws of the State of California. Jurisdiction of any litigation arising from the Agreement will be in Los Angeles County, California.

27. **COMPLIANCE WITH STATUTES AND REGULATIONS**

CONSULTANT will be knowledgeable of and will comply with all applicable federal, state, county and city statutes, rules, regulations, ordinances and orders.

28. **WAIVER OF BREACH**

No delay or omission in the exercise of any right or remedy by a nondefaulting party on any default will impair the right or remedy or be construed as a waiver. A party's consent or approval of any act by the other party requiring the party's consent or approval will not be deemed to waive or render unnecessary the other party's consent to or approval of any subsequent act. Any waiver by either party of any default must be in writing and will not be a waiver of any other default concerning the same or any other provision of this Agreement.

29. **ATTORNEY'S FEES**

Except as provided for in Paragraph 15, in any dispute, litigation, arbitration, or other proceeding by which one party either seeks to enforce its rights under this Agreement (whether in contract, tort or both) or seeks a declaration of any rights or obligations under this Agreement, the prevailing party will be awarded reasonable attorney's fees, together with any costs and expenses, to resolve the dispute and to enforce any judgment.

30. **EXHIBITS**

All exhibits identified in this Agreement are incorporated into the Agreement by this reference.

31. **CONSULTANT'S AUTHORITY TO EXECUTE**

The person(s) executing this Agreement on behalf of the CONSULTANT warrant that (i) the CONSULTANT is duly organized and existing; (ii) they are duly authorized to execute this Agreement on behalf of the CONSULTANT; (iii) by so executing this Agreement, the CONSULTANT is formally bound to the provisions of this Agreement;

and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which the CONSULTANT is bound.

CITY OF TORRANCE
a Municipal Corporation

Huls Enviromental Management
A Limited Liability Company

Frank Scotto, Mayor

ATTEST:

By: _____
J. Michael Huls
Principal

Sue Herbers
City Clerk

APPROVED AS TO FORM:
JOHN L. FELLOWS III
City Attorney

By: _____

Attachments: Exhibit A Proposal

Revised: 1/30/01

EXHIBIT A
PROPOSAL



Huls Environmental Management, LLC

1074 Parkview Drive, Suite 105 Covina, CA 91724 Mailing Address: PO Box 4519, Covina, CA 91723-4519

Telephone: (626) 332-7514 Fax: (626) 332-7504 e-mail: hulsinfo@hulserv.com

November 28, 2006

Ms. Alison Sherman
Waste Management Coordinator
Torrance Public Works
20500 Madrona Avenue
Torrance, CA 90503

Subject: Proposal to the City of Torrance – Provide Technical Services for Solid Waste and Recycling

Dear Ms. Sherman,

Huls Environmental is pleased to present this final revised scope of work and cost proposal to the City of Torrance to Provide Solid Waste and Recycling Technical Services. As you are aware, Huls Environmental has provided technical assistance to the City in the last year in two areas:

1. Technical assistance to the City in the development of a informal solid waste generation study / new base year (performed 4th quarter 2005), and
2. Perform a systems analysis of the City's overall collection and diversion infrastructure, and evaluate the effectiveness of the commercial collection system, with the aim of providing specific recommendations (performed 4th quarter 2005 and 1st quarter of 2006 and submitted as two parts).

Both of the projects have been completed successfully. The former documented an increased diversion rate of about 41% in 2005¹, but, in order to **achieve** the 50% requirement, the recommendations of the latter study must be implemented as soon as possible. To that end, we have supplied this proposal that addresses two main topics: 1) increasing diversion through modification of the commercial refuse and recycling system, and 2) identifying and implementing the best options to the City to accomplish this.

Background

The City has reached 41% diversion in 2005, but this is short of the 50% diversion mandate and could result in another compliance order if not improved. Our analysis² showed that both the residential and nonresidential sectors (i.e., single family residential and commercial, respectively) are underperforming in terms of diversion, and could stand improvements and upgrades.

Our study identified a number of issues that should be resolved to optimize diversion and the financial return to the City. Among our findings was that the City was losing a considerable amount of revenue due to the collection activities of occasional haulers who self haul C&D debris as well as illegal haulers who continually violate the City's franchise system even though it is open to newcomers. We provided a listing of these specific problems and suggested a number of likely solutions.

¹ Recently, about 43,000 tons of refuse were found to be misallocated in the Disposal Reporting System (DRS). If the Waste Board agrees, these tons will be deducted from the 2005 DRS tonnage attributed to the City, resulting in a positive gain in diversion of such magnitude that the Waste Board would likely find the City to be in compliance with the AB 939 mandate. Even if approved, the diversion rate of the City will only be appreciably at or slightly above the mandated 50%, thereby requiring the City to perform other actions to assure that the diversion rate is maintained in future years.

² "Evaluation of the Commercial Waste Collection System and Regulatory Structure" report by JM Huls, Huls Environmental, June 30, 2006

While there are many problems and solutions, they can be organized into simpler but comprehensive categories, i.e., recommendations, which form the premise of our proposal. These are as follows:

Recommendations	Actions to Improve Collection and Operations <ul style="list-style-type: none"> • Analyze options, and select actions and programs for implementation • Consider development of a food waste recycling program
	Actions to Enhance Regulatory and Institutional Infrastructure <ul style="list-style-type: none"> • Conduct compliance fee evaluation of haulers • Modify forms used by haulers to improve reporting • Enhance monitoring and reporting system, and augment enforcement • Add schedule of diversion programming and compliance milestones • Improve and revise fee payment system

Work Program

Huls Environmental proposes to conduct the following action-oriented work program.

1. **Perform a compliance evaluation of the commercial haulers for fee payments and diversion programming** – We suspect that there may be considerable funds potentially recoverable through our proprietary evaluation methodology. Huls Environmental will conduct a comprehensive compliance fee and diversion evaluation of all commercial haulers for multifamily and commercial accounts and premises in the City. Each hauler will need to respond to the findings and justify any fee payment or diversion shortcomings in order to maintain legal status in the hauling system. **(\$15,000)**

This task would be initiated immediately upon contract approval and authorization to proceed from your department. It would require about three months to finish. The importance of this task is that it will fully identify key issues and problems with the existing reporting and payment system in addition to addressing financial and diversion issues with individual haulers. It is also noted that the cost identified for this task is less than that required to actually complete the work. Huls Environmental is willing to absorb the cost in exchange for a small percentage of any recovered funds, say, a finder's fee not to exceed 10% of actual recovered monies paid by the haulers.

2. **Redesign the reporting requirements, procedures, ordinances and forms used in the Commercial Waste Collector quarterly reporting system to improve data collection, enforcement, compliance and accountability** – Based on the compliance evaluation, Huls Environmental will redesign the reporting requirements and procedures, including but not limited to redesign of all forms and process, used by the City in its quarterly reporting system. Huls Environmental will prepare and help the City enact any required ordinance(s), establish upgraded enforcement and tracking systems, and validate compliance and accountability actions used to measure hauler conformance. **(\$10,000)**

This task will take about 60 days to finish, and will utilize the findings from Task 2. It can be started prior to the completion of Task 2, so it can likewise be completed prior to the end of the calendar year 2006.

3. **Devise a practical strategy for adding a food waste collection program for residential and/or commercial sector customers** – Huls Environmental shall evaluate the supply-demand profiles for food waste recycling, and

the potential for implementing such a system among the many hundreds of local restaurants, food services, and in any to be implemented green waste recovery program. **(\$5,000)**

This activity will require a survey among restaurants in the community either through onsite or telephonic visitation. Owners and managers will be interviewed to gauge interest and issues that must be addressed to implement a food waste program. This task will be done in concert with Task 7, which addresses development of a green waste recovery program from single family residences. The potential for commingling green waste with food waste for recovery from single family residential units will be assessed as well in the context of both tasks. The task will be completed within 120 days of project startup.

This program is of great interest since organics compose a significant percentage of the municipal waste stream and it is easily converted into usable products. For instance in West Hollywood, the hauler is contracted to collect food waste from restaurants on a separate route, carefully keeping food waste segregated from other refuse. The material is brought back to a MRF where contaminants are sorted out. The material is then hauled to a remote compost site where it is converted to mulch and compost. The entire cost of the process is about \$120 per ton. This compares to the typical refuse cost of about \$110 per ton in the South Bay area. The net difference is about \$10 per ton, not enough of a delta to say that food waste composting is infeasible. Rising disposal costs may make food waste processing and recovery economical in the short run if local compost sites can be established.

Cost

Tasks to be Performed	
1. Perform a compliance evaluation of the commercial haulers for fee payments and diversion programming	\$15,000
2. Redesign the reporting requirements, procedures, ordinances and forms used in the Commercial Waste Collector quarterly reporting system to improve data collection, enforcement, compliance and accountability	\$10,000
3. Devise a practical strategy for adding a food waste collection program for residential and/or commercial sector customers	\$5,000
TOTAL	\$30,000

Schedule

Our schedule of the work program calls for us to complete all components by the end of mid-April 2007. This schedule is provided below:

Task	Description	Milestone
	<i>Authorization to Proceed</i>	<i>By December 31, 2006</i>
1	Perform a compliance evaluation of the commercial haulers for fee payments and diversion programming	By March 31, 2006
2	Redesign the reporting requirements, procedures, ordinances and forms used in the Commercial Waste Collector quarterly reporting system to improve data collection, enforcement, compliance and accountability	By April 1, 2006
3	Devise a practical strategy for adding a food waste collection program for residential and/or commercial sector customers	By April 15, 2007

If you have any questions, please feel free to contact the undersigned at the letterhead address and phone number.

Sincerely,

J. Michael Huls, R.E.A.
Principal