



## EXECUTIVE SUMMARY

MEETING DATE: September 15, 2023

HCR23-097

SUBJECT: Amendment to Trash and Recycling Services Contract

COUNCIL DISTRICT: Citywide

ORIGINATING DEPARTMENT: Real Estate

CONTACT/PHONE NUMBER: Emmanuel Arellano (619) 578-7586

### REQUESTED ACTION:

Approve an amendment to the to the third and fourth option years of the agreement for trash and recycling collection services to add organics collection services, change the service levels at the Calle Primera and Alaquinas Drive properties, and increase the maximum compensation of the agreement. The total contract cost for the third and fourth option years will be \$716,400.43 per year, which includes an annual 20 percent contingency.

### EXECUTIVE SUMMARY OF KEY FACTORS:

- The San Diego Housing Commission (Housing Commission) has an ongoing need for trash and recycling collection services throughout its real estate portfolio, which includes affordable rental housing sites, limited liability company sites, and public housing sites.
- Trash and recycling collection services include routine collection and proper disposal of waste and recyclables accumulated at the various dumpster bins stationed throughout the portfolio.
- In 2019 the Housing Commission issued a Request for Proposals (RFP) for trash and recycling collection services, which culminated in the award of a one-year contract for services with four one-year renewal options with Allied Waste Systems, Inc., doing business as Republic Services of San Diego.
- In preparation for changes in service needs necessitated by new state and city requirements for the collection of organic materials, California Senate Bill 1383 and the City of San Diego Organic Waste Recycling Program, and required to be in place before December 31, 2023, a new solicitation for trash, recycling, and organics collection services was started in January 2023.
- The Housing Commission issued an RFP in February 2023, and one incomplete bid was received. It was determined to be non-responsive. As a result, a sole source justification was approved to procure the additional organics collection services through the existing contract.
- The cost proposal to amend the agreement and add collection of organic materials at all sites is \$18,218.34 per month or \$218,620.08 per year.
- Additionally, Housing Commission staff recommends changes to the service levels at the Calle Primera and Alaquinas Drive properties to add dumpster capacity to address the continual and repeated overflow of the current bins. The cost proposal for these service changes is \$2,999.18 per month or \$35,990.16 per year.
- A contingency is included to allow for overruns and lock services. The contingency will not be expended unless there is a demonstrated need.



# REPORT

**DATE ISSUED:** September 7, 2023

**REPORT NO:** HCR24-097

**ATTENTION:** Chair and Members of the San Diego Housing Commission  
For the Agenda of September 15, 2023

**SUBJECT:** Amendment to Trash and Recycling Services Contract

**COUNCIL DISTRICT:** Citywide

**REQUESTED ACTION**

*Advance notice of San Diego Housing Commission (Housing Commission) hearing of the following matter has been provided to the Housing Authority Members pursuant to the provisions of San Diego Municipal Code Section 98.0301(e)(4)(A)-(B).*

Approve an amendment to the to the third and fourth option years of the agreement for trash and recycling collection services to add organics collection services, change the service levels at the Calle Primera and Alaquinas Drive properties, and increase the maximum compensation of the agreement. The total contract cost for the third and fourth option years will be \$716,400.43 per year, which includes an annual 20 percent contingency.

Contract Term	Not-to-Exceed Amount
Year 1 (April 1, 2020 – March 31, 2021)	\$351,450
1 <sup>st</sup> Option (April 1, 2021 – March 31, 2022)	\$351,450
2 <sup>nd</sup> Option (April 1, 2022 – March 31, 2023)	\$351,450
3 <sup>rd</sup> Option (April 1, 2023 – March 31, 2024)	\$716,400.43
4 <sup>th</sup> Option (April 1, 2024 – March 31, 2025)	\$716,400.43
<b>Total Contract Cost</b>	<b>\$2,487,150.86</b>

**STAFF RECOMMENDATION**

That the San Diego Housing Commission (Housing Commission) Board of Commissioners (Board) take the following actions:

- 1) Approve the yearly increase of \$374,010.31 to the agreement for trash and recycling services with Allied Waste Systems, Inc., doing business as Republic Services of San Diego, for trash and recycling collection services. The yearly increase consists of \$218,620.08 to add organics, \$119,400.07 as a 20% contingency, and \$35,990.16 service changes for the Calle Primera and Alaquinas Drive properties. The total contract amount in the third and fourth option years will not exceed \$716,400.43 per year.  
;
- 2) Approve an increase of \$37,819.36 in the Fiscal Year 2024 approved property expense budget.

- 3) Authorize the President and Chief Executive Officer (President & CEO), or designee, to substitute the funding sources with other available funding sources provided the total program/project budget amount after substitution does not exceed the approved total budget, should the operational need arise or should such actions be to the benefit of the Housing Commission and its mission.
- 4) Authorize the President & CEO, or designee, to execute all documents and instruments that are necessary and/or appropriate to implement these approvals, in a form approved by General Counsel, and take such actions as are necessary and/or appropriate to implement these approvals, provided that a copy of the documents, signed as to form by General Counsel, is submitted to each Housing Commissioner.

### **SUMMARY**

The Housing Commission has an ongoing need for trash and recycling collection services throughout its real estate portfolio, which includes affordable rental housing sites, limited liability company sites, and public housing sites. Trash and recycling collection services include routine collection and proper disposal of waste and recyclables accumulated at the various dumpster bins stationed throughout the portfolio.

In 2019 the Housing Commission issued a Request for Proposals (RFP) for trash and recycling collection services, which culminated in the award of a one-year contract for services with four one-year renewal options with Allied Waste Systems, Inc., doing business as Republic Services of San Diego. Under contract PM-20-35, Republic Services provides trash and recycling collection services at 97 properties in the City of San Diego that the Housing Commission owns and/or manages.

The contract provides a varying number of trash and recycle bins from as few as one to as many as six per property and pickup frequency that varies from as few as once per week to as frequently as six times per week per property. The services are adjustable and customizable to the align with the needs of the individual property. There are currently 169 bins placed among the 97 properties included in the contract. The addition of organics collection will add 133 additional collection bins to the properties with corresponding pickups.

In preparation for changes in service needs necessitated by new state and city requirements for the collection of organic materials, California Senate Bill 1383 and the City of San Diego Organic Waste Recycling Program, and required to be in place before December 31, 2023, a new solicitation for trash, recycling, and organics collection services was started in January 2023.

The Organic Waste Recycling program will comply with Senate Bill (SB) 1383, which requires residents and businesses to reduce the disposal of organic waste (food scraps, food-soiled paper and yard trimmings) by 75% by 2025. When organic waste decomposes in a landfill, it releases methane, a harmful gas that traps the sun's heat and contributes to climate change.

The Housing Commission issued an RFP in February 2023, and one incomplete bid was received. It was determined to be non-responsive. As a result, a sole source justification was approved to procure the additional organics collection services through the existing contract.

The cost proposal to amend the agreement and add collection of organic materials at all sites is \$18,218.34 per month or \$218,620.08 per year.

Additionally, Housing Commission staff recommends changes to the service levels at the Calle Primera and Alaquinas Drive properties to add dumpster capacity to address the continual and repeated overflow of the current bins. The cost proposal for these service changes is \$2,999.18 per month or \$35,990.16 per year.

The total of the proposed costs in the new agreement is summarized as follows:

Current contract	\$342,390.12
Proposal to add organics	\$218,620.08
Proposal for service changes	\$35,990.16
20% contingency	\$119,400.07
Total Per Year	\$716,400.43

A contingency is included to allow for overruns and lock services. The contingency will not be expended unless there is a demonstrated need.

**FISCAL CONSIDERATIONS**

The proposed funding sources and uses in this action were not all approved by the Housing Authority of the City of San Diego (Housing Authority) when the budget was approved June 12, 2023. Approving this action will require increasing the Housing Commission property expense budget by \$37,819.36.

Funding sources and uses are as follows:

**Fiscal Year 2024 Funding Sources:**

Local Unrestricted Funds                      \$597,000

**Fiscal Year 2024 Funding Uses:**

Property Expenses                                      \$597,000

**EQUAL OPPORTUNITY CONTRACTING AND EQUITY ASSURANCE**

Republic Services states that it is committed to fostering an engaged, inclusive and diverse workplace for its employees. They continue to strive toward increasing controllable spend with certified diverse-owned businesses. They encourage suppliers to make similar commitments to inclusion and diversity in their own business operations and supply chains and expect suppliers to work toward providing business opportunities to competitive diverse suppliers as well.

**HOUSING COMMISSION STRATEGIC PLAN**

This item relates to the Core Value “Believe in transparency and being good financial stewards” in the Housing Commission Strategic Plan for Fiscal Year 2022-2024.

**ENVIRONMENTAL REVIEW**

Trash and recycling services are categorically exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Section 15301 (Existing Facilities), which allows the operation, repair, maintenance permitting, leasing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use. Federal funds constitute a portion of this project's funding. This project was determined to be Categorical Excluded Not Subject to 58.5 of the National Environmental

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Policy Act (NEPA) and received NEPA approval from the City of San Diego on January 21, 2022 and February 1, 2023.

Respectfully submitted,

Approved by,

*Emmanuel Arellano*

*Jeff Davis*

Emmanuel Arellano  
Vice President Asset Management  
Real Estate Division

Jeff Davis  
Interim President & Chief Executive Officer  
San Diego Housing Commission

Attachments: 1) Contract for Trash and Recycling Services, PM-20-35

Hard copies are available for review during business hours at the information desk in the main lobby of the San Diego Housing Commission offices at 1122 Broadway, San Diego, CA 92101. Docket materials are also available in the "Governance & Legislative Affairs" section of the San Diego Housing Commission website at [www.sdhc.org](http://www.sdhc.org).

**SAN DIEGO HOUSING COMMISSION**  
**THIRD AMENDMENT TO AGREEMENT FOR TRASH AND RECYCLING SERVICES**  
**WITH**  
**ALLIED WASTE SYSTEMS, INC. DBA REPUBLIC SERVICES OF SAN DIEGO**

Contract No. PM-20-35.3

WHEREAS, the San Diego Housing Commission (the “Commission”) and the SDHC Limited Liability Companies (as defined in the Agreement, and together with the Commission, the “Commission Parties”), on the one hand, and Allied Waste Systems, Inc. dba Republic Services of San Diego (“Contractor”) entered into that certain Agreement for Trash and Recycling Services (the “Agreement”), dated April 1, 2020, effective April 1, 2020, through March 31, 2021;

WHEREAS, on January 7, 2020, the Commission Parties and Contractor executed that certain First Amendment to Agreement for Trash and Recycling Services, dated January 7, 2020, whereby the Agreement was amended in order to increase maximum compensation from \$319,500.00 to \$351,450.00 and the scope of work and compensation terms were updated to include services at additional sites;

WHEREAS, on May 8, 2021, the Commission Parties and Contractor executed that certain Second Amendment and Exercise of First Option to Agreement for Trash and Recycling Services, dated May 8, 2021, whereby the Commission exercised the first of four options to extend term of the Agreement by one additional year, from April 1, 2021 through March 31, 2022, maximum compensation was decreased from \$351,450.00 to \$342,390.12, and the scope of work and compensation terms were further updated to include services at additional sites;

WHEREAS, on June 6, 2022, the Commission Parties and Contractor executed that certain Exercise of Second Option to Agreement for Trash and Recycling Services, dated June 6, 2022, whereby the Commission exercised the second of four options to extend term of the Agreement by one additional year, from April 1, 2022, through March 31, 2023;

WHEREAS, on March 9, 2023, the Commission Parties and Contractor executed that certain Agreement to Exercise Third Option to Extend Term of Agreement Trash and Recycling Services (this “Third Option Agreement”) to extend the term of the Agreement by one additional year, from April 1, 2023, to March 31, 2024 (the “Third Option Term”); and

WHEREAS, the Commission Parties and Contractor now desire to execute this Third Amendment to Agreement for Trash and Recycling Services (this “Third Amendment”) to amend the scope of work and the compensation terms.

NOW, THEREFORE, the Parties hereby agree as follows:

1. **Definitions.** When capitalized, the terms used in this Third Amendment shall have the meanings ascribed thereto by the Agreement, except as may otherwise be specified or unless the context clearly requires otherwise.
2. **Compensation.** Section 103 of the Agreement, entitled “Compensation” is hereby amended as follows:

103. Compensation. The total compensation for all services performed and/or materials and goods supplied pursuant to this Agreement shall not exceed the sum of Seven Hundred Sixteen Thousand Four Hundred and 43/100 Dollars (\$716,400.43). Contractor acknowledges that the Commission and the SDHC Limited Liability Companies are under no obligation to compensate Contractor for services rendered and goods and materials supplied or expenses accrued under this Agreement in excess of the maximum compensation specified above. Payment shall be made after submission of invoices and within thirty days of submission, if approved by the Commission.

Additional compensation terms, if any, are contained in Attachment 103.

3. Attachment 103. Attachment 103 of the Agreement, entitled “Additional Compensation Terms” is hereby amended as follows:

Service level and monthly cost during the third and fourth option periods for sites at Alaquinas Dr and Calle Primera are amended as shown in the table below:

Zip Code	Address		Trash Service Level	Recycling Service Level	Cost of Monthly Service
92173	2005	Alaquinas Dr	2-3yd/ Serviced 5x wk	1-3yd+2-90gal bin/ Serviced 3x wk	\$2,225.04
92173	178	Calle Primera	3-3yd / Serviced 5x wk	3-3yd / Serviced 3x wk	\$2,364.10

All other portions of Attachment 103 shall remain unchanged and in full force and effect.

4. Attachment 101I. Attachment 101I of the Agreement, entitled “Specifications/Scope of Work” is hereby amended to add the following items to the “Specifications” section:

15. Contractor is responsible for picking up all debris/trash in and around trash container whether or not caused as a result of Contractor operations.

16. This scope of work shall include any actions or activities necessary for full compliance with California Senate Bill (SB) 1383 and the City of San Diego Organic Waste Recycling Program required to be in place before December 31, 2023, including, but not limited to:

- Educational materials for education for employees and tenants on how to comply with requirements to properly sort organic waste into the correct bins.
- Provide translation of educational and outreach materials in non-English languages, as requested, to ensure all residents and businesses can effectively participate in organics collection services.

All other portions of Attachment 101I shall remain unchanged and in full force and effect.

5. Conflicts of Interest. By executing this Third Amendment, Contractor certifies as follows:

(a) At the time of execution of this Third Amendment, there are no circumstances, known to Contractor, that are reasonably likely to interfere with Contractor’s performance of the terms

of the Agreement or place the Commission and a client of Contractor in adverse, hostile, or incompatible positions wherein the interests of the Commission, the Housing Authority, or the City may be jeopardized; and

(b) During the term of the Agreement, Contractor has complied with, and will continue to comply with, Section 11 of the General Conditions of the Agreement.

6. **No Novation; Conflict.** Except as otherwise specified in this Third Amendment, the Agreement shall remain in full force and effect in accordance with the terms thereof. To the extent of any conflict between this Third Amendment and the Agreement, the terms of this Third Amendment shall control.

7. **Counterparts; Electronic Execution.** This Third Amendment may be executed in any number of counterparts and, when and as so executed, all such counterparts shall together constitute one and the same agreement. This Third Amendment may be executed using any “electronic signature” in accordance with California Civil Code section 1633.2.

[Signature Page Follows]

DRAFT



Signature Page to Third Amendment to Agreement for Trash and Recycling Services with Allied Waste Systems, Inc. dba Republic Services of San Diego (Contract No. PM-20-35.3):

IN WITNESS WHEREOF, the Parties have caused this Third Amendment to be executed on this \_\_\_\_ day of \_\_\_\_\_ 2023, effective as of March 31, 2023.

**Contractor:**

Allied Waste Systems, Inc. (dba. Republic Services of San Diego)

By: \_\_\_\_\_

Date: \_\_\_\_\_

Name: Matt Kross

Title: General Manager

**Commission:**

San Diego Housing Commission

By: \_\_\_\_\_

Date: \_\_\_\_\_

Name: Suket Dayal

Title: Executive Vice President, Business Administration & Chief Financial Officer, Designee

By: \_\_\_\_\_

Date: \_\_\_\_\_

Name: Emily Jacobs

Title: Executive Vice President, Real Estate

By: \_\_\_\_\_

Date: \_\_\_\_\_

Name: Emmanuel Arellano

Title: Vice President, Asset Management

By: \_\_\_\_\_

Date: \_\_\_\_\_

Name: Debra Fischle-Faulk

Title: Senior Vice President, Compliance & Equity Assurance

**Approved as to Form:**

Christensen & Spath LLP

By: \_\_\_\_\_

Date: \_\_\_\_\_

Name: Charles B. Christensen

Title: General Counsel, San Diego Housing Commission

**Belden SDHC FNMA LLC**

By: San Diego Housing Commission

By: \_\_\_\_\_

Name: Jeff Davis

Title: Interim President and CEO

Date: \_\_\_\_\_

**Central SDHC FHA LLC**

By: San Diego Housing Commission

By: \_\_\_\_\_

Name: Jeff Davis

Title: Interim President and CEO

Date: \_\_\_\_\_

**Central SDHC FNMA LLC**

By: San Diego Housing Commission

By: \_\_\_\_\_

Name: Jeff Davis

Title: Interim President and CEO

Date: \_\_\_\_\_

**Northern SDHC FHA LLC**

By: San Diego Housing Commission

By: \_\_\_\_\_

Name: Jeff Davis

Title: Interim President and CEO

Date: \_\_\_\_\_

**Northern SDHC FNMA LLC**

By: San Diego Housing Commission

By: \_\_\_\_\_

Name: Jeff Davis

Title: Interim President and CEO

Date: \_\_\_\_\_

**Southern SDHC FHA LLC**

By: San Diego Housing Commission

By: \_\_\_\_\_

Name: Jeff Davis

Title: Interim President and CEO

Date: \_\_\_\_\_