

CITY OF OCEANSIDE

PROFESSIONAL SERVICES AGREEMENT

**PROJECT: AS-NEEDED SOLID WASTE, RECYCLING, ORGANICS, AND
EDIBLE FOOD RECOVERY CONSULTING SERVICES – 700010731**

THIS AGREEMENT, dated _____, 20____ for identification purposes, is made and entered into by and between the CITY OF OCEANSIDE, a municipal corporation, hereinafter designated as "CITY", and HF&H CONSULTANTS, LLC, hereinafter designated as "CONSULTANT."

NOW THEREFORE, THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. **SCOPE OF WORK.** The CONSULTANT desires to provide as-needed solid waste, recycling, organics and edible food recovery consulting services as is more fully described in CONSULTANT'S proposal dated March 28, 2025, attached hereto and incorporated herein as Exhibit A.
2. **INDEPENDENT CONTRACTOR.** CONSULTANT'S relationship to the CITY shall be that of an independent contractor. CONSULTANT shall have no authority, express or implied, to act on behalf of the CITY as an agent, or to bind the CITY to any obligation whatsoever, unless specifically authorized in writing by the CITY. CONSULTANT shall be solely responsible for the performance of its employees, agents, and subcontractors under this Agreement, including the training of each employee regarding the rights and responsibilities of an employer and employee for any potential discrimination or harassment claim under state or federal law. CONSULTANT shall report to the CITY any and all employees, agents, and consultants performing work in connection with this project, and all shall be subject to the approval of the CITY.
3. **WORKERS' COMPENSATION.** Pursuant to Labor Code section 1861, the CONSULTANT hereby certifies that the CONSULTANT is aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and the CONSULTANT will comply with such provisions, and provide certification of such compliance as a part of this Agreement.
4. **LIABILITY INSURANCE.**
 - 4.1. CONSULTANT shall, throughout the duration of this Agreement maintain

**AS-NEEDED SOLID WASTE, RECYCLING, ORGANICS, AND EDIBLE FOOD
RECOVERY CONSULTING SERVICES – 700010731**

comprehensive general liability and property damage insurance, or commercial general liability insurance, covering all operations of CONSULTANT, its agents and employees, performed in connection with this Agreement including but not limited to premises and automobile.

4.2 CONSULTANT shall maintain liability insurance in the following minimum limits:

Comprehensive General Liability Insurance
(bodily injury and property damage)

Combined Single Limit Per Occurrence	\$ 2,000,000
General Aggregate	\$ 4,000,000*

Commercial General Liability Insurance
(bodily injury and property damage)

General limit per occurrence	\$ 2,000,000
General limit project specific aggregate	\$ 4,000,000

<u>Automobile Liability Insurance</u>	\$ 2,000,000
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*General aggregate per year, or part thereof, with respect to losses or other acts or omissions of CONSULTANT under this Agreement.

4.3 If coverage is provided through a Commercial General Liability Insurance policy, a minimum of 50% of each of the aggregate limits shall remain available at all times. If over 50% of any aggregate limit has been paid or reserved, the CITY may require additional coverage to be purchased by the CONSULTANT to restore the required limits. The CONSULTANT shall also notify the CITY promptly of all losses or claims over \$25,000 resulting from work performed under this contract, or any loss or claim against the CONSULTANT resulting from any of the CONSULTANT'S work.

4.4 All insurance companies affording coverage to the CONSULTANT for the purposes of this Section shall add the City of Oceanside as "additional insured" under the designated insurance policy for all work performed under this agreement. Insurance coverage provided to the City as additional insured shall be primary insurance and other insurance maintained by the City of Oceanside, its officers, agents, and employees shall be excess only and not contributing with insurance provided pursuant to this Section.

4.5 All insurance companies affording coverage to the CONSULTANT pursuant to this agreement shall be insurance organizations admitted by the Insurance Commissioner

**AS-NEEDED SOLID WASTE, RECYCLING, ORGANICS, AND EDIBLE FOOD
RECOVERY CONSULTING SERVICES – 700010731**

of the State of California to transact business of insurance in the state or be rated as A-X or higher by A.M. Best.

- 4.6 CONSULTANT shall provide thirty (30) days written notice to the CITY should any policy required by this Agreement be cancelled before the expiration date. For the purposes of this notice requirement, any material change in the policy prior to the expiration shall be considered a cancellation.
- 4.7 CONSULTANT shall provide evidence of compliance with the insurance requirements listed above by providing, at minimum, a Certificate of Insurance and applicable endorsements, in a form satisfactory to the City Attorney, concurrently with the submittal of this Agreement.
- 4.8 CONSULTANT shall provide a substitute Certificate of Insurance no later than thirty (30) days prior to the policy expiration date. Failure by the CONSULTANT to provide such a substitution and extend the policy expiration date shall be considered a default by CONSULTANT and may subject the CONSULTANT to a suspension or termination of work under the Agreement.
- 4.9 Maintenance of insurance by the CONSULTANT as specified in this Agreement shall in no way be interpreted as relieving the CONSULTANT of any responsibility whatsoever and the CONSULTANT may carry, at its own expense, such additional insurance as it deems necessary.
5. **PROFESSIONAL ERRORS AND OMISSIONS INSURANCE.** Throughout the duration of this Agreement and four (4) years thereafter, the CONSULTANT shall maintain professional errors and omissions insurance for work performed in connection with this Agreement in the minimum amount of Two Million Dollars (\$2,000,000.00).

CONSULTANT shall provide evidence of compliance with these insurance requirements by providing a Certificate of Insurance.

6. **CONSULTANT'S INDEMNIFICATION OF CITY.** To the greatest extent allowed by law, CONSULTANT shall indemnify and hold harmless the CITY and its officers, agents and employees against all claims for damages to persons or property arising out of CONSULTANT's work, including the negligent acts, errors or omissions or wrongful acts or conduct of the CONSULTANT, or its employees, agents, subcontractors, or others in connection with the execution of the work covered by this Agreement, except for those claims arising from the willful misconduct, sole negligence or active negligence of the CITY, its officers, agents, or employees. CONSULTANT'S indemnification shall include any and all costs,

**AS-NEEDED SOLID WASTE, RECYCLING, ORGANICS, AND EDIBLE FOOD
RECOVERY CONSULTING SERVICES – 700010731**

expenses, attorneys' fees, expert fees and liability assessed against or incurred by the CITY, its officers, agents, or employees in defending against such claims or lawsuits, whether the same proceed to judgment or not. Further, CONSULTANT at its own expense shall, upon written request by the CITY, defend any such suit or action brought against the CITY, its officers, agents, or employees resulting or arising from the conduct, tortious acts or omissions of the CONSULTANT.

CONSULTANT'S indemnification of CITY shall not be limited by any prior or subsequent declaration by the CONSULTANT.

7. **COMPENSATION.** CONSULTANT'S compensation for all work performed in accordance with this Agreement, shall not exceed \$180,289 per year for the two year contract term, for a not to exceed total contract price of \$360,579.

No work shall be performed by CONSULTANT in excess of the total contract price without prior written approval of the CITY. CONSULTANT shall obtain approval by the CITY prior to performing any work that results in incidental expenses to CITY.

8. **TIMING REQUIREMENTS.** Time is of the essence in the performance of work under this Agreement and the timing requirements shall be strictly adhered to unless otherwise modified in writing. All work shall be completed in every detail to the satisfaction of the CITY by May 31, 2027.

The CITY may offer, and CONSULTANT may agree, to renew the Agreement for two (2) additional one (1) year terms upon the same terms and conditions, including compensation, provided CONSULTANT at the end of the Agreement term is not in default of the Agreement.

9. **ENTIRE AGREEMENT.** This Agreement comprises the entire integrated understanding between CITY and CONSULTANT concerning the work to be performed for this project and supersedes all prior negotiations, representations, or agreements.

10. **INTERPRETATION OF THE AGREEMENT.** The interpretation, validity and enforcement of the Agreement shall be governed by and construed under the laws of the State of California. The Agreement does not limit any other rights or remedies available to CITY.

The CONSULTANT shall be responsible for complying with all local, state, and federal laws whether or not said laws are expressly stated or referred to herein.

Should any provision herein be found or deemed to be invalid, the Agreement shall be construed as not containing such provision, and all other provisions, which are

**AS-NEEDED SOLID WASTE, RECYCLING, ORGANICS, AND EDIBLE FOOD
RECOVERY CONSULTING SERVICES – 700010731**

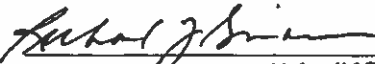
otherwise lawful, shall remain in full force and effect, and to this end the provisions of this Agreement are severable.

11. **AGREEMENT MODIFICATION.** This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by the parties hereto.
12. **TERMINATION OF AGREEMENT.** Either party may terminate this Agreement by providing thirty (30) days' written notice to the other party. If any portion of the work is terminated or abandoned by the CITY, then the CITY shall pay CONSULTANT for any work completed up to and including the date of termination or abandonment of this Agreement. The CITY shall be required to compensate CONSULTANT only for work performed in accordance with the Agreement up to and including the date of termination.
13. **SIGNATURES.** The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity and authority to enter into and to execute this Agreement on behalf of the respective legal entities of the CONSULTANT and the CITY.

IN WITNESS WHEREOF, the parties hereto for themselves, their heirs, executors, administrators, successors, and assigns do hereby agree to the full performance of the covenants herein contained and have caused this Professional Services Agreement to be executed by setting hereunto their signatures on the dates set forth below.

HF&H CONSULTANTS, LLC

CITY OF OCEANSIDE

By:  By: _____
Name/Title SENIOR VICE PRESIDENT Jonathan Borrego, City Manager

Date: April 24, 2025 Date: _____

By: 
Name/Title PRESIDENT

Date: 4/24/25

APPROVED AS TO FORM:


City Attorney

Employer ID No.

NOTARY ACKNOWLEDGMENTS OF CONSULTANT MUST BE ATTACHED.

CERTIFICATE OF ACKNOWLEDGEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

County of CONTRA COSTA } ss.

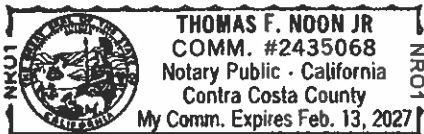
On APRIL 24, 2025 before me, Thomas F. Noon, Jr., a Notary Public, personally appeared


RICHARD S. SIMONSON AND ROBERT C. HILTON

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is are subscribed to the within instrument and acknowledged to me that he / she / they executed the same in his / her / their authorized capacity(ies), and that by his / her / their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.




Thomas F. Noon, Jr. – Notary Public

OPTIONAL INFORMATION

The Jurat contained within this document is in accordance with California law. Any affidavit subscribed and sworn to before a notary shall use the preceding wording or substantially similar wording pursuant to Civil Code sections 1189 and 8202. A jurat certificate cannot be affixed to a document sent by mail or otherwise delivered to a notary public, including electronic means, whereby the signer did not personally appear before the notary public, even if the signer is known by the notary public. The seal and signature cannot be affixed to a document without the correct notarial wording. As an additional option an affiant can produce an affidavit on the same document as the notarial certificate wording to eliminate the use of additional documentation.

Document Title: City of Oceanville - Professional Services Agreement

Document Date: 4/24/25 Total Pages including this page 6

Capacity: ___ Individual ☒ Corporate Officer ___ Attorney-In-Fact
___ Partner ___ Trustee ___ Other

Section 3: Scope of Work & Methodology

UNDERSTANDING SCOPE

HF&H has provided the following detailed methodology to respond to each RFP task, including defining the task, providing an understanding of task scope, and HF&H proposed approach to execution within the proposed budget. The proposed scope was designed for efficiency to provide the requested services in a timely manner; upon project initiation, HF&H will meet with the City to prioritize and schedule all work to be completed. A detailed schedule will be completed for City approval that is similar to prior schedules we have provided for engagements such as the franchise transition plan, billing transition plan, and education and outreach plans. Please note, hours may be shifted among tasks within the budgetary limitations of the proposed scope, and we are confident that this flexibility will allow us to meet deadlines without compromising quality

METHODOLOGY

Task A. As-Needed Organics, Recycling, Solid Waste, and SB 1383 Technical Assistance

RFP Task A Description. Provide ongoing as-needed technical assistance and expertise on solid waste, recycling, organics and SB 1383 implementation along with other solid waste regulated mandatory programs, services, ordinances, reports, and enforcement requirements, as outlined in the 2020 Zero Waste Plan SB1383 Action Plan.

Understanding of Task A Scope.

Through HF&H's update of the City's Zero Waste Action Plan in 2020, and our history of working with the City and its partners, HF&H gained a deep understanding of City programs and local issues and stakeholder interests associated with the City's goals for sustainability, climate action, and zero waste. HF&H has worked closely with all of the parties that will be involved in the core scope of work for this upcoming engagement has a foundational knowledge of how the City develops, implements, and maintains programs. Based on this direct experience combined with our industry knowledge and technical expertise, HF&H is well positioned to provide as-needed technical assistance to the City regarding various solid waste, recycling, and organics programs, services, systems, and infrastructure. We know the City's cost structures, contractual systems, operational capacity, and the City's concerns, that will enable us to provide tailored recommendations on best management practices and project objectives, with a look ahead approach of what is relevant in the industry today, and in the future.

Additionally, HF&H prepares updates on pending and recently approved legislation and distributes these updates to its past and existing clients, including the City of Oceanside. As the State continues to implement new solid waste handling restrictions and requirements, the City of Oceanside will benefit from working with a consultant well-versed in coordinating municipal code language and solid waste requirements. Additionally, we have a database full of templates and related client documents to utilize for the City's advantage including documents related to planning and monitoring related to SB 1383 and Zero Waste.

HF&H Approach.

HF&H is uniquely qualified to undertake Task A as we have worked closely with the City on development of an organic material management plan dating back to 2016, when we initially performed an organics feasibility study. For the past several years we have collaborated with the City to develop and implement the SB 1383 Action Plan. By selecting HF&H, the City will receive the support of a consultant with a nuanced understanding of the City's current situation, minimizing the learning curve necessary to begin program implementation.

HF&H's broad range of solid waste and recycling experience provides the City of Oceanside with an on-call source to address any as-needed organics, recycling, solid waste, and SB 1383 technical assistance needs that become necessary. HF&H is immediately available to the City of Oceanside to address issues as they arise, whether small or large, with just a telephone call, email, virtual meeting or an in-person meeting.

As requested by the City, HF&H will provide additional support to City Staff and other stakeholders to improve engagement with SB 1383 diversion programs and to establish best management practices and standard operating procedures. We will provide administrative or direct assistance to those who need it. Working collaboratively with City staff, HF&H can immediately begin providing this technical support as project staff will be fully informed of the history and development of the SB 1383 Action Plan, Franchise Agreement, and the community's perception of its programs and potential barriers to participation.

Task B. Contract Management

RFP Task B Description. Contract management, dispute resolution, oversight and administration support of the current Franchise Agreement (Agreement) and other City contracts within the solid waste, recycling and organics program, including but not limited to, professional service agreements funded through the City's solid waste fund and any relative grant.

Understanding of Task B Scope. Our prior work managing the City of Oceanside's Franchise Agreement has developed our understanding of the City's needs and shaped our approach to completing Task B and other related tasks. The City of Oceanside, similar to many jurisdictions, relies on its partners to provide comprehensive programs and services aimed at achieving the City's Zero Waste and SB 1383 goals. This collection of programs requires that the City oversee performance and contractual compliance, which can often be a time-consuming task, particularly when considering the moving pieces such as the ongoing implementation of organics and recycling collection programs, oversight of contractual requirements, franchisee fees, rate requests, working with the Franchise Provider's subconsultant on technical assistance and education, and other food recovery and food waste prevention programs. In addition, HF&H has experience directly supporting clients and subcontractors with CalRecycle grants, including but not limited to the SB1383 Local Assistance Program (OWR), beverage container recycling grants, household hazardous waste/used oil grants, and food recovery grants. Our extensive background and understanding of contract administration and grants equip us with the expertise to effectively support the City in contracts within the solid waste, recycling and organics program, funded through the City's solid waste fund and related grants.

HF&H Approach: Through dozens of contract management engagements over the past two decades, HF&H has come to realize that frequent and consistent communication is required to ensure all stakeholders are on the same page and working cohesively to achieve our clients' goals. Our prior work managing the City of Oceanside's Franchise Agreement reaffirms our theory, particularly when contemplating the volume of moving pieces. From ongoing oversight of existing programs and systems such as residential and commercial organics, to working with the Franchise Provider's subconsultant, such as Ardurra on education, there is an array of activities and stakeholders to manage and align with, that will benefit from our already established relationships.

With a multitude of activities and stakeholders to coordinate and align, HF&H commits to taking a proactive role in managing the contract. Our approach to contract management includes regular meetings with City Staff to discuss issues, concerns, goals, action items, priorities and how these may interface with the City's other pending projects. Additionally, we commit to alleviating other City Staff responsibilities such as reviewing Franchise Provider reports, drafting meeting agendas, and attending ad-hoc meetings to address issues or concerns that may arise.

Task 1. Monthly Alignment Meetings with City Staff

Historically, City Staff has spent significant effort drafting action items, tracking status, and following up with various stakeholders. HF&H proposes easing the City's administrative burden by hosting monthly alignment meetings to address all of the current moving pieces. HF&H will provide an agenda for these meetings outlining important topics and action items for the month for all parties. Potential items for inclusion may include: Franchise Agreement requirements and status updates, Franchise Fees or rate analysis updates, SB 1383 technical assistance, organics and recycling concerns or issues, customer service performance, education campaigns, reporting issues, CalRecycle compliance reviews or grant updates, upcoming meetings, and other relevant information. HF&H will also use this meeting to provide a status update on other Tasks included in this proposal. Following the meeting, HF&H will provide meeting notes and follow-up with all parties on outstanding action items.

Task 2. Review Franchise Provider Monthly Reports

HF&H will work with the City and Franchise Provider to review, maintain, and enhance the City's franchise reporting system to ensure it is compliant with the requirements of the Franchise Agreement, useful to City staff, and minimizes the manual manipulation of data on the part of all parties. HF&H staff will facilitate a contract management kick-off meeting to review contract and franchise provider requirements and the current reporting system being utilized, and its overall performance. Under a previous engagement with the City, HF&H designed the monthly reporting system for the City and Franchise provider's use. HF&H will utilize the kickoff meeting and initial contract management meetings to review the performance of the existing system with consideration of additional enhancements. This discussion and review will better inform the level of updates required for effective and ongoing reporting. HF&H has budgeted up to 120 hours to assist in the development, testing, refinement, and finalization of reporting tools, as well as ongoing monitoring of reports.

For contract management clients HF&H will typically track and analyze hauler reports including tonnage reports, customer counts, and program participation, to monitor program success and identify possible issues in a timely manner. Our review of hauler tonnage, gross receipts

and fee reports sometimes indicate a need for further review. Early review minimizes potential issues. Additionally, HF&H will develop a summary report containing trend analyses that will allow the City to easily visualize program progress. The City will be provided with an opportunity to provide input and revise this summary report format.

On a monthly basis, HF&H will perform a review of Franchise Provider-provided reports, conduct a trend analyses versus previous periods, and draft a summary for City review. Initially, HF&H will work with the City to evaluate exactly which WM reports the City would like us to review, and to what level of detail to be the most beneficial for City Staff as task budget allows.

Task 3. Facilitate Monthly Meeting with City and Franchise Provider

To facilitate the ongoing implementation of Franchise Agreement requirements and respond to issues as they arise, HF&H proposes to facilitate a monthly meeting with the City and Franchise Provider. For each meeting, HF&H will prepare meeting agendas and documents, draft meeting minutes, and follow up on intended meeting results and action items. HF&H will discuss any issues and develop an agenda for the Franchise Provider meeting during the monthly alignment meeting with the City leading up to the Franchise Provider meeting. After the meeting, HF&H will update the Franchise Provider meeting agenda and distribute it to applicable parties. HF&H will attend the meeting with the Franchise Provider and provide support to the City.

Task 4. Ad-hoc Meetings and Correspondence

Understanding that unforeseen events occur, HF&H commits to attending up to one additional meeting per month with the City's Franchise Provider or the City. Additionally, we have budgeted two (2) hours per month for assisting with ad-hoc requests such as drafting letters, memos, and staff reports.

Task C. Review Program Fees and Contractor Performance

RFP Task C Description. Provide analysis and evaluation to ensure all franchise AB 939/SB 1383 or other programming fees are remitted by the contract hauler appropriately and accurately per Agreement terms. Confirm hauler has complied with recycling and solid waste service contracts, contract milestones and assess liquidated damages where applicable.

Understanding of Task C Scope.

HF&H's extensive experience in both designing and assisting the City with the execution and implementation of the City's Franchise Agreement for recyclable materials, organic materials, and solid waste collection, processing, and disposal gives us an unparalleled, in-depth understanding of the agreement. Since we were responsible for drafting the agreement, we possess direct, comprehensive knowledge of how it functions, including the funding mechanisms and fees established within it. This deep familiarity with the agreement ensures that we can effectively assess and verify whether all franchise AB 939/SB 1383 or other program fees are accurately and appropriately remitted by the contract hauler in accordance with the Agreement's terms. Additionally, we can confirm the hauler's compliance and performance with recycling and solid waste contract requirements, evaluate contract milestones, and determine any applicable liquidated damages if directed by the City.

HF&H Approach.

Task 1. Monthly Franchise Fee and Programming Fee Analysis

This task involves the monthly analysis and evaluation of all Franchise related fees and required supporting documentation due from WM to the City, ensuring compliance with the terms outlined in the Franchise Agreement. Specific tasks include:

- Franchise Reimbursement (Section 7.1): Confirm that WM remits the monthly Franchise Reimbursement, which is calculated as 6.09% of Gross Receipts from services performed under the Agreement. The fee should be paid out of WM's profit and be reviewed for accuracy based on Gross Receipts.
- AB 939/SB 1383 Reimbursement (Section 7.2): Verify that the monthly AB 939/SB 1383 Reimbursement is being paid by WM in equal installments monthly for a total of \$815,000 per year (per rate year one). HF&H's analysis will ensure this fee is being correctly remitted to the City and adjusted annually per the terms of the Franchise Agreement Section 7.5 Adjustment to Reimbursement.
- Solid Waste Programming Fee (Section 7.3): Ensure that WM is accurately paying the monthly Solid Waste Programming Fee of \$119,166.67 per month as outlined in the Franchise Agreement. This fee supports the City's programs related to solid waste services, and verification of timely and accurate payments will be conducted. HF&H's analysis will ensure this fee is being correctly remitted to the City and adjusted annually pursuant to Franchise Agreement Section 7.5, Adjustment to Reimbursement.

Task 2. Annual Curbside Rebate Sharing Reimbursement

This task focuses on confirming WM's compliance with the Curbside Program Rebate Sharing Reimbursement obligations under the Franchise Agreement:

- Curbside Program Rebate Sharing (Section 7.4): HF&H will review the revenues received from CalRecycle for the sale of Recyclable Materials, ensuring that any rebate sharing payments exceeding \$80,000 are accurately remitted to the City. This payment is due 45 days after WM receives the rebate from CalRecycle. The review will verify that the payment is properly calculated, prorated if applicable, and made within the required timeframe.

Task 3. Gross Receipt Analysis

Pursuant to the City's Franchise Agreement Section 7.6, each monthly remittance to City shall be accompanied by a statement listing the amount of each fee paid; calculation of each fee; and, statement of Gross Receipts by Customer Type for the period collected from all operations conducted or permitted by this Agreement. The City may at any time during the Franchise Agreement term, request a detailed calculation of Gross Receipts that may include, but is not necessarily limited to, the number of Customers charged at each Service Level and Rate for each billing period.

HF&H has included project hours to conduct a gross receipts analysis, once during the term of the Consulting Services Agreement within Task D. Initial Performance Review/Audit.

Task 4. Fee and Billing Audit

Additionally, and pursuant to the City's Franchise Agreement, the City may, at any time during the term of the Franchise Agreement, perform an audit of WM's billings and payment of fees. Should City or its agent perform this review and identify billing errors or other errors in payment of fees valued at one percent (1%) or more of Gross Receipts for the period reviewed, WM shall, in addition to compensating City for lost fees, reimburse the City's actual cost of the review.

HF&H has included project hours to conduct a fee and billing audit, once during the term of the Consulting Services Agreement within Task D. Initial Performance Review/Audit.

Task D. Initial Performance Review and Audit

RFP Task D Description. Upon request by the City, HF&H will conduct one required detailed performance review (Audit) of WM to assess criteria such as compliance with services, collection efficiency, and revenue generation as described in the Franchise Agreement.

Understanding of Task D Scope.

Pursuant to the City's Franchise Agreement Section 6.3 Performance Review and Audit, the City may conduct, and WM shall cooperate with two (2) performance reviews and detailed financial audits, at any point during the term of Franchise Agreement, in the City Franchise Contract Administrator's sole discretion, to verify WM has fulfilled its financial and operational obligations under this Agreement. The purpose of such review and audit shall be, without limitation, to review Complaints, billings, and City Reimbursements, and to determine if WM has met the performance standards described in the Franchise Agreement. The City may choose to enlist professional service providers to perform such review and audit, and WM shall be required to pay City's actual costs for such services up to ninety thousand dollars (\$90,000) per review (such amount shall be adjusted annually by the annual percentage change in CPI- U, calculated in accordance with Exhibit E).

During the term of this engagement, and upon request by the City, HF&H will perform up to one required detailed performance review (Audit) of WM to assess criteria such as compliance with services, collection efficiency, and revenue generation as described in the Franchise Agreement. To ensure ratepayers obtain the full benefit of this Franchise Agreement option, we can scope our services to the full requirement payment amount by Waste Management (\$90,000). If the City desires to reduce the level of testing, we can customize our scope accordingly.

HF&H Approach.

Task 1. Develop Audit Work Plan

We will review the existing documents, including but not limited to:

- ☐ Franchise Agreement between the City of Oceanside and Waste Management
- ☐ Contract monthly and annual reports submitted to the City, as applicable

- ☐ Other available contract-related documents

HF&H will facilitate one project kick-off meeting (up to two (2) hours) with City staff initially to determine priority performance metrics to be considered for the audit with Waste Management, and to finalize any other project objectives and project schedule. Following the meeting, HF&H will provide meeting notes to the City, that will serve as the baseline requirements for the audit with Waste Management. Following the project kick off meeting with the City, HF&H will facilitate one, up to two (2) hour meeting with Waste Management to review required audit metrics, project objectives, and schedule. If requested by the City, HF&H will prepare for and conduct a follow-up virtual meeting with City staff to confirm the understanding of the project objectives and schedule.

Task 2. Data Request

Based on the results of our planning procedures from this task, HF&H will prepare and provide a document request list to WM. Additionally, if necessary, HF&H may also request data from third parties to assist in confirming WM-reported data. Examples of WM data to be requested may include:

- ☐ Customer lists and billing details
- ☐ Customer billing credit data
- ☐ Missed pick-up listings
- ☐ GPS routing information
- ☐ Internal tonnage reports documenting tons collected, diverted, and disposed
- ☐ Data supporting RDRS disposal tonnage revision
- ☐ Evidence supporting diversion coordinators full-time status
- ☐ Invoices for procurement of recovered organic waste products
- ☐ Site visit records
- ☐ Customer service reports
- ☐ Maintenance records
- ☐ Other data to be reviewed

After the transmittal of the data request to WM, HF&H will meet virtually with WM to review the audit objectives, audit process, and documents needed to complete the audit to ensure they understand what is expected during the review process. This meeting helps ensure time spent on the audit is on actual audit test work rather than communication issues. Finally, HF&H will follow up with WM to ensure the data requested is provided to HF&H in a timely manner to remain on schedule. WM-submitted data will be reviewed by HF&H for contract compliance.

Task 3. Compliance Audit Analysis

The tasks below specifically address a general scope and approach to accomplishing a performance review/audit for the City. During the project kick off meeting with the City, the City will be provided with the opportunity to provide input as to priority objectives and compliance audit performance metrics. HF&H will then tailor the following analysis list to meet the City's preferences. HF&H will:

- ☐ Develop and execute a test plan to sample transactions to determine the accuracy of WM's customer base rates billed and contract compliance.
- ☐ Perform an electronic comparison of one month's billing schedules obtained to the rate schedule to determine systemic variances in what is billed versus what is allowed per the rate schedule.
- ☐ Request GPS route data to substantiate missed pick-ups and evidence of credits paid to applicable customers.
- ☐ Review documentation made available by WM to confirm they are meeting the diversion coordinators requirement. We will request names of WM staff serving in these roles, the dates of assignment to the duties related to these roles, and hours assigned. We will request to review payroll records confirming staff provided were employed for the hours provided. Our ability to execute this objective is limited to documentation WM would be able to provide to substantiate resources were dedicated to the City.
- ☐ Make inquiries of WM staff to obtain an understanding of how they meet or plan to meet certain requirements as detailed within the Franchise Agreement, and identified within the audit priority objectives.
- ☐ Request invoices related to recovered organic waste products procured on behalf of the City and summarize recovered organic waste product tons procured.
- ☐ Perform procedures to validate tonnage, including:
 1. Obtain from the City and review the monthly tonnage reports submitted by WM for the period under review. These reports should include a schedule of tonnage disposed and diverted by line of service and disposal/diversion/processing location
 2. Obtain and review WM's reports from their internal landfill disposal reporting systems and agree to the tonnage data reported to the City
 3. Inquire of WM to determine if there were any mis-allocated tons identified to be related to the City of Oceanside
 4. Verify the updated tonnage data reported to the City agrees to the data reported to Approved Facilities.
- ☐ Research data on CalRecycle's website to report historical AB 939 diversion.
- ☐ Review a sample of complaints and the number of calls made by customer on each selected complaint and determine the remediation timeline.

- Review source documents provided by WM in order to verify WM's compliance with requirements as stated in objectives above.
- Receive documents electronically and participate in a virtual screen-sharing meeting in which we will validate certain support records maintained in WM's system to corroborate information reported to the City.

All meetings will be conducted virtually using screen sharing.

Task 4. Report

We will provide a written report to the City that:

- Documents HF&H's audit findings.
- Offers recommendations, if applicable, as to how to address discrepancies or inaccuracies in records and reports made to City, methods of assessing the City fees, or surrounding other issues that may arise during our review.
- Includes comments, if applicable, regarding WM's compliance with the reviewed Agreement terms.

We will provide a draft report to the City for review. We will additionally provide a draft report to WM for acknowledgement and response prior to finalizing the report, and, if applicable, incorporate WM's response in the final report. We will revise the report based on City and WM's feedback and submit our final report to the City. We will discuss the report's findings with City staff during a virtual meeting, if requested by the City. HF&H's emphasis on quality control and assurance will be held to the highest standard and care. The City can be confident that the report will be free of grammatical and formatting errors.

Task E. Annual Rate Adjustment Request and Tonnage Review

RFP Task E Description. Ensure Franchise Provider makes reasonable and appropriate rate requests and adjustments and accurately reports collected tonnage.

Understanding of Task E Scope. HF&H has assisted the City of Oceanside with its rate adjustment annually from 2020 through 2023. Additionally, we have assisted other jurisdictions in over 100 solid waste rate adjustments and rate component analyses, including but not limited to the Cities of Inglewood, Bell Gardens, Garden Grove, Fullerton, Irvine, Moreno Valley, Placentia, San Dimas, Seal Beach, and Yorba Linda and San Bernardino County. Our reviews have identified unapproved ancillary charges and rate adjustment calculation errors for multiple clients. The majority of rate adjustment calculation errors found during our reviews for clients are typically clerical or a misunderstanding of the rate adjustment methodology. Compounded annually, even small errors in the calculation of customer solid waste rates can potentially have long-lasting effects on rate payers.

HF&H will review the accuracy of the rate adjustment request calculations in accordance with the allowable annual adjustments as outlined in Article 8 and Exhibit E of the Franchise Agreement and document findings related to the franchisees submittal.

Having crafted the rate adjustment methodology as part of the City's Franchise procurement process, the City can be assured that HF&H understands all of the intricacies associated with the annual adjustments. Following our review, HF&H will send an email to the City containing the reviewed version of the hauler's submitted files or recalculations. As part of our standard practice, HF&H ensures that the correct indices are applied, including but not limited to the employment, vehicle maintenance, fuel, CPI, disposal, and processing. Additionally, HF&H will coordinate with the City and Franchisee to ensure the rate adjustment request submission deadline is followed and the establishment of adjusted rates are effective January 1 annually.

HF&H Approach. HF&H will review WM's rate adjustment request and perform the following:

Task 1. Initiate Project and Request Data

Upon receipt of WM's annual rate adjustment request, HF&H will facilitate a virtual meeting with City Staff to initiate the project. This meeting will serve as a forum for reviewing the project approach, objectives, key milestones, and deadlines. While our prior work surrounding rate increases with City Staff provided a foundational understanding of the process, the initiation meeting will offer a forum for the City to provide additional context surrounding its unique situation which will help ensure the project deliverables and timeline are congruent with the City's goals.

Upon initial review of the submitted rate application, HF&H will develop a request for information (RFI) for the City and/or WM. Information requested may include tonnage reports, documentation of gate rates, recycling commodity revenues, or other information necessary to determine the accuracy of the rate adjustment that was not provided with the rate application or otherwise.

Task 2. Client Correspondence

While HF&H plans to include the City on all correspondence with WM, additional communication with the City may be necessary. More often than not we find discrepancies in rate applications (often times as simple as rounding errors). If errors are discovered, we will reach out to the City to determine how they would like to proceed before discussing with WM. We have budgeted for three hours of client correspondence to facilitate meetings with City Staff throughout the rate increase process.

Task 3. Review Rate Adjustment Request

Upon receipt of all required information, HF&H will verify the consistency of the rate calculation formulas with the rate adjustment provisions of the franchise agreement, including proper application of the rate adjustment indices. Additionally, HF&H will verify that the percentage changes in the rate adjustment indices used in the rate adjustment formula have been properly calculated and properly account for the five percent (5%) cap on the rate adjustment. HF&H will review reports of collected tonnage to ensure reporting accuracy through trend analysis and analysis of additional data points such as subscription levels, as needed.

HF&H will independently re-cast the rates to ensure that all math and formulas are working correctly. If errors are found, we will work with the City and WM to update the rate adjustment application to reflect accurate calculations. This task will culminate in a final rate sheet that may be used by the City for Council meetings or rate payer communications. Having

developed the City's rate increase methodology and trained WM on how the rate adjustment calculation works, we are uniquely positioned to complete this analysis in an expeditious manner.

Task 4. Document Findings in Memo Report

Following review of the rate adjustment application, HF&H will prepare a memorandum for the City documenting rate adjustment requirements of the City's Franchise Agreement, the process and methodology undertaken for reviewing WM's rate application, and any applicable findings. The memorandum will also include attachments such as WM's rate request and the final rate sheets to be implemented for the upcoming rate period. We have budgeted for one round of revisions based on the City's feedback.

Task 5. Draft Staff Report

HF&H will draft a staff report to accompany the rate adjustment for the required City Council meeting(s). While we have numerous examples to use as a basis, including prior iterations from the City of Oceanside, it is important that the staff report is tailored specifically to the City's current practices. Therefore, HF&H will coordinate with City Staff prior to drafting the staff report to identify any specifics that should be included or considered. The City will receive a draft, and be provided an opportunity to comment or redline the HF&H staff report. After the City's review HF&H will finalize the staff report for submittal.

Task F. Cost-Based Rate Review, and As-Needed Extraordinary Rate Request Review

RFP Task F Description. Conduct rate analysis for the solid waste and recycling program per the terms of the Agreement, including but not limited to review of Franchise Provider rate requests and their conformance with index-based rate adjustments, cost-based methodology adjustments, and extraordinary rate adjustments.

Understanding of Task F Scope.

The index-based adjustment, which is described in Exhibit E1, involves use of various cost adjustment factors (such as the percentage change in the consumer price index and changes in Tonnage and tipping fees) to calculate adjusted Rates. Such Rate adjustment calculations shall be performed in strict conformance to the procedures described in Exhibit E1. Index-based rate adjustments will be conducted under Task E of this proposal.

In Rate Periods Four and/or Eight, Rates shall be adjusted using the cost-based methodology described in Exhibit E2 that involves a review of WM's actual costs and revenues and projection of costs and revenues for the coming Rate Period. This cost-based Rate adjustment will be performed instead of the index-based Rate adjustment for the applicable Rate Periods. The cost-based adjustment process is intended to provide the City an opportunity to adjust Rates to more accurately reflect the Franchisee's actual revenues and costs of operations. Such Rate adjustment calculations shall be performed in strict conformance to the procedures described in Exhibit E2 of the Franchise Agreement.

HF&H Approach.

Task 1. Project Initiation

HF&H will meet with WM and the City, virtually, to discuss the Rate Application Review process, identify individuals with whom we will be working, and establish a schedule for conducting work. Following the meeting, HF&H will receive the rate application from Waste Management and perform a cursory review of submitted data to ensure all information required by the Franchise Agreement is submitted. The cost-based rate application requires submittal of financial statements, a financial schedule reconciliation, operational data (e.g., route information, personnel, productivity stats, vehicles, and operational changes), variance analysis, and projections. In the event information is missing, HF&H will notify the City and Franchisee that the rate application is incomplete. Early identification of missing data will help expedite the review process as the data may be obtained while other tasks are performed.

Task 2. Cost and Expense Determination

The Rate Period Four Franchisee compensation is comprised of four (4) components: 1) WM's forecasted annual cost of operations, calculated based on the procedures described in the franchise agreement; 2) WM's forecasted profit, as specified in Exhibit B2; and, 3) WM's forecasted pass-through costs; and 4) Forecasted City Reimbursements. HF&H will review the Application by performing the following tasks:

- HF&H will review the following cost categories to ensure only allowable and justifiable forecasted costs are included in the Application:
 1. Labor-related costs
 2. Vehicle-related costs (excluding fuel)
 3. Fuel Costs
 4. Other Costs
 5. Depreciation costs
 6. Disposal Costs
 7. Recyclable Materials Processing Costs
 8. Organic Materials Processing Costs

Additionally, HF&H will review WM's projections for each of these cost categories to verify all costs have been projected by their proper index described in Exhibit E2 of the Franchise Agreement. HF&H will verify these costs are reasonable to provide services required by the Franchise Agreement and are reasonable compared to industry standards and WM's initial proposal.

- HF&H will review the justification and support for the key assumptions made by WM in projecting City fees to be included in the Rate Period Four revenue requirement. HF&H will verify the proper fees have been remitted to the City for the then-current year. HF&H will communicate with WM and the City to revise the assumptions used to calculate the revenue requirement, if necessary.

HF&H's review is different in scope than an audit of financial statements; such audits are performed by the independent certified public accountants retained by Republic. HF&H will

rely on the audited/reviewed financial statements provided by WM, as required under the Franchise Agreement.

Task 3. Review of Revenue from Customer Billings

HF&H proposes reviewing the revenue generated from customer billings in order to assess the reasonableness and accuracy of the gross rate revenues as reported by WM. In order to complete that review, HF&H will: 1) review the current customer subscription data received from WM multiplied by the current rates in order to calculate the actual revenues received; and, 2) test a limited judgmental sample of commercial and residential customer accounts to verify the rates match the current City-approved rate schedules.

HF&H's Review is different in scope than an audit of financial statements; such audits are performed by the independent certified public accountants retained by WM. HF&H will rely on the audited/reviewed financial statements provided by Republic, as required under the franchise agreement.

Task 4. Determine Revenue Requirement

HF&H will determine the City's revenue requirement. This includes comparing Rate Period Four projected revenues (reviewed in Task 3) with the revenue requirements (calculated in Task 2) to calculate the overall rate adjustment factor necessary. HF&H will meet once with WM, virtually, to review our preliminary findings and receive their comments and any additional information supporting their Application. If appropriate, based on this information, HF&H may adjust our preliminary calculations. Finally, HF&H will present the final adjusted calculations to the City.

HF&H assumes that the revenue requirement will be calculated consistent with the procedures of Exhibit E2 of the franchise agreement. HF&H has not included scope or budget for the review of any extraordinary rate increase requests that WM may make, as the scope of an extraordinary adjustment cannot be reasonably predicted at this time. Should an extraordinary rate increase request be made by WM, HF&H recommends that the City require WM to pay the actual costs associated with the review of those items on a time and materials basis.

Task 5. Communication of Findings

HF&H will summarize the findings of our review of WM's Application and our position on any outstanding matters in a draft report to the City. Following submittal of the draft, HF&H will facilitate a virtual meeting with the City and WM to review the findings and adjustments related to the Application.

Following this meeting, HF&H may revise the report based on information received and agreements arrived at during that meeting. HF&H will present one final report addressing the overall results of the Review to the City. This report will include the final recommended rate adjustment factor to adjust customer rates by. The City can be assured that the report will have been reviewed by both Project staff and Administrative staff to ensure that the report reads professionally and is free of grammatical, formatting, and spelling errors.

This report is limited to the process described in Exhibit E2 of the franchise agreement and will not include any additional issues that the parties may wish to negotiate or resolve through this process that are not already noted in this proposal.

Task 6. As Requested – Extraordinary Adjustment Request Review

The scope of services for performing an extraordinary rate adjustment can vary significantly based on the scope of the requested adjustment. For example, a change in state fees surrounding landfilled tonnage would require relatively few hours for review, while major operational changes related to a change in law could require a much more significant undertaking and several hundred hours of review. Without a cursory understanding of the requested extraordinary adjustment, it's virtually impossible to provide an accurate fee estimate.

With that said, HF&H has performed a significant number of extraordinary adjustment reviews and will follow the procedures outlined in Section 8.3 of the franchise agreement. This process would entail meeting with WM to understand the nature of the request, developing minimum standards for the application to ensure reasonability and accuracy of the request could be determined, reviewing the application for mathematical accuracy and reasonability, and presentation of findings to the City.

Task G. Stakeholder Engagement, Commission, and City Council Presentations

RFP Task G Description. Participate in City hosted stakeholder engagement workshops, Committee and Commission meetings regarding programs, services, ordinances and regulations.

Understanding of Task G Scope.

HF&H recognizes that on-going stakeholder engagement may be necessary to assist with SB 1383 compliance, contract administration, rates analysis, rate adjustments, and program updates as needed. Our prior work with the City of Oceanside on stakeholder engagement (both internal and public facing engagements) has shaped our understanding of the City's needs and desires. In the past we have worked with City staff using an iterative revision process ensuring the final interaction with stakeholders, Commission, and the City Council aligns with the City's vision.

HF&H Approach.

HF&H has included proposed budget into the scope to support up to two (2) City Council meetings, and up to two (2) Commission meetings during the term of the Consulting Services Agreement. At the request of the City this may include both in person presentation support, and limited preparation support for staff reports and/or PowerPoints. The City will receive unmatched insight and support from HF&H's Project Director and Project Manager who have provided hundreds of presentations at public meetings and are highly effective in working with elected bodies to navigate difficult decision-making processes.

Task H. Ordinance Updates

RFP Task H Description. Provide technical assistance in the development and drafting of any and all ordinance updates relative to solid waste, recycling, organics, and/or other zero waste plan objectives.

Understanding of Task H Scope.

HF&H assisted the City in its initial ordinance update for SB 1383 prior to the regulations going into effect. At the time the ordinance was adopted, it was understood that revisions would likely be necessary as the City worked through its franchise procurement process since negotiations surrounding the Franchise Agreement could create inconsistencies between the ordinance and Franchise Agreement. Regardless of the known potential for conflicts, it was advisable to move forward with the ordinance at that time since an enforceable mechanism was an eligibility requirement for CalRecycle's local assistance grants. Our familiarity with the City's existing ordinances and process will allow us to efficiently evaluate any potential discrepancies between the ordinance and franchise agreement or needs in the City's municipal code. HF&H has assisted dozens of agencies around the State with ordinance updates and has a time-efficient process for recommending and drafting appropriate updates.

HF&H Approach.

HF&H will review relevant sections of the existing municipal code to determine if there are any updates needed to conform to the franchise agreement or to comply with new or upcoming state regulations. HF&H tracks solid waste legislation and can use existing resources and knowledge to ensure conformance with appropriate regulations. After an initial analysis, HF&H would provide City staff with a list of proposed changes. Once changes are approved by City staff, we would then provide a red-lined copy of the applicable ordinance for the City's review and consideration.

Task 1. Design Intake Meeting with City

HF&H would facilitate one project initiation two (2) hour virtual meeting to discuss ordinance project scope, limitations, and priorities.

Task 2. Review Existing Ordinance versus Franchise Agreement

HF&H will review the City's existing SB 1383 ordinance and other related ordinances for compliance and conformance to the Franchise Agreement, and SB 1383 state law.

Task 3. Draft Updated Ordinance

Based on HF&H's review and analysis conducted in Task 2, HF&H will provide recommended edits to the City's ordinance for City staff/Attorney's review and consideration.

Task 4. Revision of ordinance based on City staff/Attorney comments

Following receipt of one set of consolidated written comments from the City, HF&H will revise the draft ordinance and provide a final ordinance draft to the City.

Task I. SB 1383 Diversion Program Technical Assistance

RFP Task I Description. Assist in developing, evaluating and selecting SB 1383 diversion programs, and drafting long range implementation plans and Standard Operating Procedures for implementation, monitoring, and enforcement.

Understanding of Task I Scope.

HF&H has been supporting the City of Oceanside with organics implementation dating back to CY 2016 with engagements including: an organics feasibility study, negotiation of a commercial food scraps program with the City's current Franchise Provider, development of the City's SB 1383 Action Plan, and engaging in the City's competitive procurement process which focused on a SB 1383 compliant collection program. Additionally, our SB 1383 planning and implementation engagements for 106 other jurisdictions ensures that we are well-versed in this type of work and prepared to bring innovative solutions from across the state to the City of Oceanside.

HF&H Approach.

HF&H will provide SB 1383 Diversion Program Technical Assistance as described in Task A.

Task J. SB 1383 JACE Compliance Evaluation Support

RFP Task J Description. SB 1383 compliance evaluation support and assistance with Jurisdiction and Agency Compliance and Enforcement (JACE) inspection and compliance review.

Understanding of Task J Scope.

(Only if needed during term of Consulting Services Agreement – Years 1 and 2)

HF&H is available to support the City in working with CalRecycle's JACE team evaluations, which began in 2024. Article 15 of SB 1383 outlines enforcement oversight provisions whereby CalRecycle evaluates a jurisdiction's compliance with SB 1383 requirements. HF&H has assisted the cities of Vacaville, Inglewood, Redondo Beach, Bell, and Huntington Beach with their JACE compliance evaluations. Our experience supporting other jurisdictions with their compliance evaluations will allow us to prepare the City for a compliance evaluation if requested by CalRecycle.

Even though it is our understanding that CalRecycle has not yet requested a JACE compliance evaluation of the City of Oceanside, in response to the City's RFP, HF&H has included proposal costs as a contingency amount available to the City, during the term of the engagement. Please note our proposed budget is limited to the contingency amount, unless provided direction from the City to adjust task projects and available budget. Any additional support needed for CalRecycle enforcement, such as supporting a CalRecycle Corrective Action Planning process, which could follow a JACE compliance evaluation depending on findings, are not included.

HF&H Approach.

A JACE compliance review is estimated to take a minimum of six months to over a year to complete, based on CalRecycle's initial year of JACE compliance evaluation conducted in 2023 and 2024.

Task 1: Project Initiation/JACE Review Meeting with CalRecycle

Based on prior experience with the CalRecycle JACE team and support for other clients, CalRecycle will most likely provide email notification to the City, communicating their intent to conduct a JACE compliance evaluation of the agency. Once this email is received, and pending City direction to commence Task J activities, HF&H will immediately facilitate a meeting with the City and CalRecycle to go over the CalRecycle JACE evaluation process, expectations, timeline, and deliverables. This meeting will provide additional insight to CalRecycle's expectations. HF&H will follow-up with City staff prior to and following the meeting to review immediate priorities, timelines, and to identify any potential barriers to a successful evaluation.

Task 2: Provide Responses to CalRecycle's IR Follow-up Questions

Following CalRecycle's initial email notice of their intent to conduct a JACE compliance evaluation, CalRecycle will send a formal request (by email) for the City's Implementation Record. The City will be provided with 10 business days to provide CalRecycle access to the City's Implementation Record. Due to the fact that timing of a CalRecycle JACE compliance evaluation request is unknown, HF&H recommends that the City request engagement and execution of Task K, Implementation Record, as soon as possible following commencement of a Consulting Services Agreement to ensure the City's readiness for CalRecycle's JACE evaluation.

CalRecycle will review the City's implementation record and provide the City with a draft response that may include questions related to information gaps or compliance areas of concern. Upon direction by the City, HF&H will review CalRecycle's response and provide the City with a draft response in writing based on HF&H's understanding of the City's programs and services, as well as any other relevant documentation available through our current and previous engagements with the City. HF&H may need to request additional information from the City and its partners to complete a detailed response on behalf of the City and will coordinate directly with all parties during this phase of the process.

Task 3. IR Review Meeting with CalRecycle and the City

Following the drafting of Implementation Record responses to CalRecycle, HF&H will facilitate a virtual meeting with CalRecycle and the City to review draft responses and to provide any needed clarity on implementation record documents provided by the City to CalRecycle.

Task 4. Attend CalRecycle Site Visit(s)

Following review of the City's Implementation Record, CalRecycle will conduct a site visit of the City. During the site visit CalRecycle will visit a significant geographic region of the City, including but not limited to a sampling of all collection routes for all streams (organics, recycling, and solid waste), City facilities, and edible food recovery organizations and generators within the City. Additionally, it is anticipated that CalRecycle will conduct "lid flips"

of several hundred containers throughout the multi-day site visit, and then request to follow the material streams collected that day to their final designated facility for processing and diversion. CalRecycle JACE site visits may take anywhere from 1-5 days pending the size of the City and the CalRecycle evaluator's preference. HF&H has included within the project scope time to support, in person, two (2) days of site visits by CalRecycle. HF&H has also provided additional time in the project scope to support preparation of Site visit coordination with CalRecycle, the City's Franchise Provider, and the City prior to the site visit.

Task 5. Attend Post Site Visit Meetings with CalRecycle and City Staff (Internal Prep with City, CalRecycle meeting, and Debrief with City)

HF&H will facilitate up to three follow-up meetings with City staff, CalRecycle, and other applicable parties following the CalRecycle JACE site visit to resolve any potential or identified issues if possible. Immediate and detailed follow-up to CalRecycle JACE compliance evaluation activities and inquiries further mitigates the potential for misunderstandings, additional requests for clarification, or the potential for notices of violations in follow-up to the evaluation process.

Task 6. Review CalRecycle Draft Findings and Draft Response to CalRecycle

Once CalRecycle has completed their JACE compliance evaluation activities including but not limited to the review of the Implementation Record, and the Site Visit, CalRecycle will send the City a Draft Findings report that will details any areas of compliance gaps that could result in a Notice of Violation pursuant to SB 1383. HF&H will review this draft findings report with the City, and will provide the City will a draft response for submittal to CalRecycle.

Task 7. Attend Final CalRecycle Compliance Review Meeting

If needed, HF&H will facilitate one final meeting with the City and CalRecycle to review the response to the draft findings report. This meeting will prioritize resolution of any potential compliance issues in an effort to mitigate any further potential enforcement action by CalRecycle.

Task K. Implementation Record (IR) Support

RFP Task K Description. Maintain and update the City's SB 1383 required Implementation Records on a regular basis and monitor all required data points and provide analysis for ongoing compliance, budgeting, and enforcement needs.

Understanding of Task K Scope. Jurisdictions have responsibilities under SB 1383 to monitor and report on multiple levels of programming, collection services, compliance monitoring, edible food recovery, processing capacity, procurement, and more. Development and upkeep of the City's Implementation Record requires ongoing coordination with various stakeholders and aggregating and organizing data within a central platform that can be accessible to CalRecycle within ten business days of a request.

HF&H Approach. HF&H will meet and confer with the City upon project kick-off to determine the best approach to support the City's current Implementation Record.

Task 1: One Day Onsite Implementation Review

In an effort to mitigate costs, and based on HF&H's previous experience supporting the development of the City's Implementation Record previously, HF&H proposes to conduct a limited one day onsite review of the City's current Implementation Record. During this review, HF&H will meet with City staff and will "live" review the City's required Implementation Records through screen share of both digital folder storage systems and the City's Recyclist reporting system. During this review, HF&H will work closely with City staff to identify any potential gaps for required information pursuant to SB 1383.

Task 2: Develop and Provide Action Plan

Based on HF&H's one day Implementation Record review assessment with the City as described in Task 1, HF&H will provide a summary of recommended actions for the City to implement and update with the City's Implementation Record. Recommended actions will be tailored to meet SB 1383 requirements and other potential related JACE compliance evaluation preferences and metrics. This will help prepare the City for when CalRecycle's requests commencement of their JACE compliance evaluation, as detailed in Task I.

SCEI will also provide light support for the City for implementation recordkeeping related to edible food recovery. SCEI provides comprehensive implementation recordkeeping for all their client cities and has worked in the City's Recyclist system.

Task L. Develop and Implement SB 1383 Food Recovery Program Requirements

RFP Task L Description. Develop and implement SB 1383 Food Recovery program requirements, including but not limited to, Tier identification lists, inspections, complaint investigations, education and outreach, capacity planning, compliance reporting and Implementation Record support.

Understanding of Task L Scope. Jurisdictions are required by SB 1383 to develop and implement an edible food recovery program. This includes oversight and inspection of food recovery activities by edible food recovery generators (EFGs) and food recovery organizations/services (FROs/FRSs). The City of Oceanside has been an early leader in developing and implementing a comprehensive edible food recovery program, with tier identification technical assistance, annual reporting support, and overall food recovery guidance provided by SCEI. HF&H will partner with SCEI to provide a continuation of edible food recovery support and technical assistance, with the intention to prepare and train City staff to manage all aspects of their edible food recovery program entirely inhouse.

SCEI Approach.

In support of the edible food recovery services provided since 2022, SCEI will provide training on how to conduct tier identification of new EFGs in the City. With experience conducting tier identification across thirteen local cities, SCEI will be able to train the City on the best and most effective ways to conduct efficient tier identification of new EFGs.

SCEI will also provide approximately 3 SOPs based on city-requested topics. Examples of these topics may include how to conduct inspections, assess a business over the phone,

conduct annual reporting assistance to EFGs and FROs. SCEI has experience writing edible food recovery enforcement programming SOPs for client cities. This SOP included what the next steps for the enforcement program are and which tasks would be completed by the client and SCEI.

SCEI will meet with the City every other month throughout the duration of the contract to ensure the City stays up to date on programming and SB 1383 regulations. SCEI will also work to provide consulting during these meetings on what would be best practice for the City's edible food recovery programming. HF&H will provide as-needed assistance with SCEI to determine if resources need to be reassessed to build edible food recovery capacity beyond what is currently available. Further details on inspection, enforcement follow-up, and recordkeeping/reporting are provided in Task M below.

Task M. In-Person Technical Assistance and Inspection Support for EFGs

RFP Task M Description. Provide in-person technical assistance to one-hundred fifteen commercial edible food generators and twenty-one food recovery entities, including but not limited to, waste assessment, organic waste diversion recommendations, reporting guidance, and assistance with food rescue programs.

Understanding of Task M Scope. As of 2022, jurisdictions are required to conduct inspections of edible food generators and food recovery organizations/services every year to assess that the maximum amount of excess edible food is being recovered and donated. SCEI has been conducting inspections and technical assistance visits of EFGs since 2022 for the City, along with requested assistance on annual reporting and implementation recordkeeping. In conjunction with tier identification and inspection protocols already employed, SCEI and HF&H will prioritize which EFGs and FROs to visit for in-person inspections to ensure a variety of generator contexts. These inspections will fulfill the City's annual inspection requirements while also providing knowledge sharing and training for City staff on edible food recovery inspections. Furthermore, City staff will be able to access SCEI's inspector training course, which is conducted state-wide and offers access to edible food recovery specific curriculum and jurisdictional peers for further information sharing opportunities.

SCEI Approach.

SCEI will assist and train city staff on approximately 22 in-field inspections, complaint investigations, and technical assistance visits of any City-requested EFG or FRO. SCEI will join the City on requested inspections or site visits, scheduled by the City, and provide on-site feedback on best practice review of EFG edible food recovery programming. During the inspections or site visits, SCEI staff will provide guidance to the generator on compliance requirements and steps needed to comply, and may also provide minimal waste assessment and waste diversion recommendations. Following these visits, SCEI will enter all relevant inspection/site visit documentation into Recyclist and conduct follow-up, as needed, with City staff. Follow-up may include providing educational materials (as described in Task N and O), conducting additional site visits, contacting the franchise hauler for waste diversion support, and/or commencing enforcement actions.

Additionally, SCEI runs a state-wide, two-part inspector training course quarterly. This course educates on SB 1383 regulations, goes into depth on how to conduct inspections, and provides real-life examples of areas for regulation. This course has provided over 80 individuals education related to how to conduct inspections for EFGs. After being asked to rank their confidence to conduct an inspection before and after the course, attendees' confidence increased from an average of 2.5 out of 5 to 4.1 out of 5. Included in this proposal is registration for 8-9 City staff members.

Task N. Edible Food Recovery Education

RFP Task N Description. Develop edible food recovery educational materials for commercial businesses such as guidance documents, posters, flyers, etc.

Understanding of Task N Scope. The City has developed a suite of outreach materials for food recovery education of commercial generators, including a dedicated webpage, a sample Food Recovery Partnership Form, the Food Too to Good Guide, the Food Waste Tracking and Solution Guide, and the 10 Steps to a Food Recovery Program Guide. All these materials were developed in preparation for SB 1383 requirements becoming active. HF&H will provide review and updates to the existing messaging for these developed products to modernize the language based on observations during generator inspections and to align with state-wide tools. If requested, HF&H will further adapt existing state-wide templates for generator-specific education or develop limited copy messaging of additional outreach materials for commercial businesses. All products will be provided in a format that can be easily formatted to the City's design standards or can be designed by the City's preferred design firm. SCEI will provide additional review as needed.

HF&H Approach.

As needed, HF&H can provide updates to existing educational products for commercial businesses, including reviewing and preparing suggested changes to the website and educational collateral. HF&H staff will use their prior experience with these public facing outreach materials to provide minimal changes, if requested by the City.

As a result of HF&H's active involvement in state-wide food recovery working groups, staff can support further development of outreach materials using existing templates or by drafting limited copy. HF&H will also utilize SCEI staff for review, as needed, given their experience developing, customizing, and reviewing other cities' materials for donation methods for buffets, edible food recovery and donation programs for EFGs, and tax information for EFGs donating food.

Task O: Food Waste Prevention Education

RFP Task O Description. Design, execute, and distribute educational programming for food waste prevention strategies for businesses and food service workers, and other food recovery and value-added processing education.

Understanding of Task O Scope. The City has developed a suite of outreach materials for food waste prevention for businesses and food service workers, including the Food Too to Good Guide, and the 10 Steps to a Food Recovery Program Guide, the Food Waste Tracking and Solution Guide, and the 10 Steps to a Food Recovery Program Guide. All these materials were

developed in preparation for SB 1383 requirements becoming active. HF&H will provide review and updates to the existing messaging for these developed products to modernize the language based on updated guidance for food waste prevention from across the state. If requested, HF&H will further adapt existing state-wide templates for generator-specific education or develop limited copy messaging of additional outreach materials for food waste prevention at commercial businesses. All products will be provided in a format that can be easily formatted to the City's design standards or can be designed by the City's preferred design firm. SCEI will provide additional review as needed.

HF&H Approach.

As needed, HF&H can provide updates to existing educational products for food waste prevention at commercial businesses, including reviewing and preparing suggested changes to the website and educational collateral. HF&H staff will use their prior experience with these public facing outreach materials to provide minimal changes, if requested by the City.

As a result of HF&H's active involvement in state-wide food recovery working groups, staff can support further development of outreach materials using existing templates or by drafting limited copies. HF&H will also utilize SCEI staff for review, as needed, given their experience developing, customizing, and reviewing other cities' materials for food waste prevention techniques among EFGs.

Task P. Food Recovery and Food Waste Prevention Education to Residential and Multi-Family Residents

RFP Task P Description. Develop food recovery and food waste prevention education and customized support to single family and multifamily residents, including biannual in person or virtual workshops, digital resources, promotion, and follow-up surveys.

Understanding of Task P Scope. The City has developed a large suite of outreach materials for food waste prevention for single and multi-family residents, including a series of videos from the Green Oceanside Kitchen, date label and food storage guides, recipe ideas, and guidance produce seasonality in partnership with backyard gleaning efforts. All these materials were developed through the Green Oceanside Kitchen brand and in alignment with the City's Zero Waste Plan. HF&H will provide review and updates to the existing messaging for these developed products to modernize the language. If requested, HF&H will further adapt existing state and national templates for household food waste prevention or develop limited copy messaging of additional outreach materials for residential food waste prevention. All products will be provided in a format that can be easily formatted to the City's design standards or can be designed by the City's preferred design firm. SCEI will provide additional review as needed.

HF&H Approach.

As needed, HF&H can provide updates to existing educational products for food waste prevention, including reviewing and preparing suggested changes to the website, educational collateral, and video work. HF&H staff will use their prior experience with these public facing outreach materials to provide minimal changes, if requested by the City. Furthermore, if the City would like further support on in person or virtual engagement, HF&H can provide as-

needed advisory support on workshop workplans, promotional materials, and follow-up surveys.

As a result of HF&H's active monitoring of national food waste prevention policy and program implementation, staff can support further development of outreach materials using existing templates or by drafting limited copy. HF&H will also utilize SCEI staff for review, as needed, given their experience with residential food waste prevention educational provided to neighboring San Diego jurisdictions.

Additional As-Needed Services

We believe we have effectively addressed the City's desired scope of services as described in the RFP, though this represents just a small cross-section of our capabilities. We are open to offering additional services as needed to better align with the City's goals. We welcome the opportunity to meet with the City to further refine the scope and ensure our proposal fully supports its objectives.

Section 4: Fee Schedule

HF&H staff are available to begin work on this project immediately following contract execution. We have reviewed the assignments of the staff that we are proposing for this project, and they have sufficient time available to assist the City, ensuring that Oceanside receives the highest level of service and responsiveness.

We will perform the scope of work as described in Section 3 of this proposal based on time and materials. The estimated total budget is \$360,579 for the entire term of this engagement. While we have addressed all aspects of the RFP criteria and provided detailed proposals for each task, we understand that our submission may require modifications based on the City's current budget. We welcome the opportunity to collaborate with the City to refine the scope of work and prioritize tasks, ensuring alignment with the City's goals and budgetary needs.

Figure 5. Fee Estimate

Task #	Task Description	Project Advisor	Project Director/Sr Project Manager Associate	Project Manager/Sr Associate	Associate Analyst	Admin	Solana Center - Project and Associate Managers	Solana Center - Specialists and Leads	Total Labor Hours	Total Cost (\$)
		\$ 365	\$ 315	\$ 265	\$ 185	\$ 135	\$ 155	\$ 140		
Task A As-Needed Organics, Recycling, Solid Waste, and SB 1383 Technical Assistance										
1	SB 1383/Zero Waste Action Plan Program Review (Includes Task I)	1	8	12		-			21	\$ 6,065
2	Quarterly desktop compliance review	1		4	32	-			37	\$ 7,345
3	Distribution of media	-		-	16	4			20	\$ 3,500
4	Record in implementation record	-		-	12	-			12	\$ 2,220
Task A Total		1	8	12	-	-	-	-	21	\$ 6,065
	Input in implementation record	-		-	12	-			12	\$ 2,220
Task B Contract Management and Program Administration										
1	Monthly Meetings with City Staff	3	24	36	-	-	-	-	63	\$ 18,195
2	Review Franchise Monthly Reports	-	4	12	144	-	-	-	160	\$ 31,080
3	Monthly Meeting with Franchise Provider	6	12	96	96	-	-	-	210	\$ 49,170
4	Ad-hoc Meetings and Correspondence	-	6	48	-	-	-	-	54	\$ 14,610
Task B Total		9	46	192	240	-	-	-	487	\$ 113,055
Task C Program Fees and Contractor Performance Review										
1	Monthly Franchise Fee Analysis	-	4	18	-	-	-	-	22	\$ 6,030
2	Annual Curbside Program Rebate Sharing Reimbursement Review	-	2	8	-	-	-	-	10	\$ 2,750
3	Request Gross Receipt Analysis (Included in Task D)								-	\$ -
4	Request Fee and Billing Audit (Included in Task D)								-	\$ -
Task C Total		-	6	26	-	-	-	-	32	\$ 8,780
Task D Initial Performance Review/Audit										
1	Develop Audit Workplan	2	1	3	-	-	-	-	6	\$ 1,840
2	Data Request	-	2	4	2	-	-	-	8	\$ 2,060
3	Compliance Audit Analysis	2	12	80	120	-	-	-	214	\$ 47,910
4	Audit Report	6	8	40	40	-	-	-	94	\$ 22,710
Task D Total		10	23	127	162	-	-	-	322	\$ 74,520

Figure 5. Fee Estimate (Continued)

Task #	Task Description	Project Advisor	Project Director/Sr Project Manager Associate	Project Manager/Sr Associate	Associate Analyst	Admin	Solana Center - Project and Associate Managers	Solana Center - Specialists and Leads	Total Labor Hours	Total Cost (\$)
		\$ 365	\$ 315	\$ 265	\$ 185	\$ 135	\$ 155	\$ 140		
Task E Annual Rate Adjustment Request Review										
1	Initiate Project and Request Data		1	2	-	-	-	-	3	\$ 845
2	Client Correspondence		1	2	-	-	-	-	3	\$ 845
3	Review Rate Adjustment Request		4	12	2	-	-	-	18	\$ 4,810
4	Document Findings in Memo Report	1	4	12	-	2	-	-	19	\$ 5,075
5	Draft Staff Report		2	4	-	2	-	-	8	\$ 1,960
Task E Total		1	12	32	2	4	-	-	51	\$ 13,535
Task F Cost-Based Methodology Adjustment, Extraordinary Adjustment Request Review										
1	Project Initiation	2	2	8	-	-	-	-	12	\$ 3,480
2	Cost and Expense Determination	-	16	48	120	-	-	-	184	\$ 39,960
3	Review of Revenue from Customer Billings	2	6	12	20	-	-	-	40	\$ 9,500
4	Determine Revenue Requirement	2	4	8	16	-	-	-	30	\$ 7,070
5	Communications of Findings	4	16	20	40	12	-	-	92	\$ 20,820
6	As Requested - Extraordinary Adjustment Request Review	To be determined based on extent of extraordinary request. See narrative for further detail.							-	\$ -
Task F Total		10	44	96	196	12	-	-	358	\$ 80,830
Task G Stakeholder Engagement, Commission, and City Council Presentations										
1	Commission/Council	-	28	30	-	-	-	-	58	\$ 16,770
2	As-Needed Stakeholder Engagement	-	-	8	8	-	-	-	16	\$ 3,600
Task G Total		-	28	38	8	-	-	-	74	\$ 20,370
Task H Ordinance Updates										
1	Design Intake Meeting with Staff	-	2	2	-	-	-	-	4	\$ 1,160
2	Review Existing Ordinance vs. Franchise Agreement	-	2	6	-	-	-	-	8	\$ 2,220
3	Draft Updated Ordinance	-	2	8	-	-	-	-	10	\$ 2,750
4	Revision of Ordinance based on Staff/Attorney Comments	-	1	2	-	4	-	-	7	\$ 1,385
Task H Total		-	7	18	-	4	-	-	29	\$ 7,515
Task I SB 1383 and Zero Waste Plan Diversion Program Technical Assistance										
1	As-Needed SB 1383 and Zero Waste Plan Program Technical Assistance				Included in Task A				-	\$ -
Task I Total		-	-	-	-	-	-	-	-	\$ -
Task J SB 1383 JACE Compliance Evaluation Support										
1	Project Initiation/JACE Review meeting with City Staff and CalRecycle	1	2	8	-	-	-	-	11	\$ 3,115
2	Response to CalRecycle's IR follow-up questions	-	-	4	6	-	-	-	10	\$ 2,170
3	IR Review meeting with CalRecycle and the City	-	-	6	-	-	-	-	6	\$ 1,590
4	CalRecycle Site Visit (Assuming 2 in person inspection days)	-	-	30	10	-	-	-	40	\$ 9,800
5	Post Site Visit - Pre-Findings review meetings with CalRecycle and staff	-	-	6	10	-	-	-	16	\$ 3,440
6	CalRecycle Draft Findings Report - HF&H review and draft response	-	2	4	4	-	-	-	10	\$ 2,430
7	Final CalRecycle Compliance Review meeting	1	2	6	-	-	-	-	9	\$ 2,585
Task J Total		2	6	64	30	-	-	-	102	\$ 25,130
Task K Implementation Record Support										
1	One day onsite IR Review	-	-	10	10	-	-	-	20	\$ 4,500
2	Develop and provide IR Action Plan	-	2	2	2	-	-	-	6	\$ 1,530
Task K Total		-	2	12	12	-	-	-	26	\$ 6,030

Figure 5. Fee Estimate (Continued)

Task #	Task Description	Project Advisor	Project Director/Sr Project Manager Associate	Project Manager/Sr Associate	Associate Analyst	Admin	Solana Center - Project and Associate Managers	Solana Center - Specialists and Leads	Total Labor Hours	Total Cost (\$)
		\$ 365	\$ 315	\$ 265	\$ 185	\$ 135	\$ 155	\$ 140		
Task L Develop and Implement SB 1383 Food Recovery Program										
1	Tier Identification Training for City Staff	-	-	2	-	-	10	-	12	\$ 2,080
2	Develop Edible Food Recovery SOPs for Program Implementation	-	-	6	-	-	30	-	36	\$ 6,240
3	Meeting Prep and Coordination	-	-	24	-	-	36	-	60	\$ 11,940
4	Task Invoicing and Reporting	-	-	-	-	-	-	36	36	\$ 5,040
5	Task Program Planning	-	-	-	-	-	48	-	48	\$ 7,440
Task L Total		-	-	32	-	-	124	36	192	\$ 32,740
Task M In-Person Technical Assistance and Inspection Support for EFGs										
1	Conduct generator inspections with City Staff	-	-	12	-	-	127	-	139	\$ 22,865
2	Maintain Implementation Record for Inspections and Technical Assistance of EFGs	-	-	-	-	-	-	5	5	\$ 700
3	Provide Access to Inspector Training Course	-	-	-	-	-	-	-	-	\$ 8,000
4	Task Invoicing and Reporting	-	-	-	-	-	-	36	36	\$ 5,040
5	Task Program Planning	-	-	-	-	-	48	-	48	\$ 7,440
Task M Total		-	-	12	-	-	175	41	228	\$ 44,045
Task N Edible Food Recovery Education										
1	Review and update existing City-developed Edible Food Recovery Education	-	-	5	-	-	-	-	5	\$ 1,325
2	Develop copy for new Edible Food Recovery Education	-	-	10	-	-	-	5	15	\$ 3,350
Task N Total		-	-	15	-	-	-	5	20	\$ 4,675
Task O Food Waste Prevention Education - Food Service Businesses										
1	Review and update existing City-developed Food Service Food Waste Prevention Education	-	-	5	-	-	-	-	5	\$ 1,325
2	Develop copy for new Food Service Food Waste Prevention Education	-	-	10	-	-	-	5	15	\$ 3,350
Task O Total		-	-	15	-	-	-	5	20	\$ 4,675
Task P Food Waste Prevention Education - Residential and Multi-Family Residents										
1	Review and update existing City-developed Residential Food Waste Prevention Education	-	-	5	-	-	5	-	10	\$ 2,100
2	Develop copy for new Residential Food Waste Prevention Education	-	-	10	-	-	-	-	10	\$ 2,650
Task P Total		-	-	15	-	-	5	-	20	\$ 4,750
Total Cost										
Total Cost Tasks A Through P									\$ 446,715.00	
Franchise Hauler Reimbursement for Task D: Performance Review									\$ (90,000.00)	
Expenses									\$ 3,864.00	
Total Cost Including Expenses									\$ 360,579.00	