



# CITY OF DEL REY OAKS

650 CANYON DEL REY BLVD., DEL REY OAKS, CALIFORNIA 93940  
PHONE (831) 394-8511 FAX (831) 394-6421

**DATE:** August 26, 2025

**TO:** Honorable Mayor and City Council

**FROM:** John Guertin, City Manager

**SUBJECT:** Approve and Authorize the City Manager to Sign a Memorandum of Understanding with ReGen Monterey and Participating Member Agencies Regarding Assistance with Franchise Agreement Matters

**CEQA:** Not applicable.

## Discussion

The City of Del Rey Oaks, along with other participating member agencies of the Monterey Regional Waste Management District (ReGen Monterey), is entering into a regional effort to coordinate and prepare for the next generation of solid waste collection franchise agreements.

The participating agencies—Carmel-by-the-Sea, Del Rey Oaks, Marina, Pacific Grove, Sand City, Seaside, and Pebble Beach Community Services District—have determined that coordination in planning, negotiation, and administration of franchise agreement matters will improve efficiency, reduce duplicative costs, and strengthen negotiating positions.

The proposed Memorandum of Understanding (MOU) establishes a framework for ReGen Monterey to manage coordination activities on behalf of the member agencies. These activities include:

- Supporting development of future franchise agreements through public engagement, solicitation document drafting, RFP process support, and negotiation assistance.
- Coordinating with third-party consultants for surveys and technical support.
- Facilitating Technical Advisory Committee (TAC) Franchise Subcommittee meetings among agency staff.
- Providing cost-sharing and accounting to ensure equitable distribution of expenses.

The estimated cost for the multi-year Coordination Activities is \$534,620, with equal cost-sharing among the seven participating agencies. Each agency, including Del Rey Oaks, will contribute 14.29% (\$76,374) over the course of the project.

The TAC Subcommittee has reviewed the final draft MOU and recommended its approval by all member agencies. Participation in this MOU allows Del Rey Oaks to leverage regional expertise and

resources while ensuring representation in the planning and negotiations of future franchise agreements.

### **Fiscal Impacts**

Del Rey Oaks' proportionate share is \$76,374, representing 14.29% of total costs. Funding will be budgeted across fiscal years as invoices are received from ReGen Monterey. ReGen will invoice agencies annually based on actual costs incurred.

As provided in Section 5 of the MOU, no later than March 1 of each year, and at such other times as directed by the Parties, the TAC subcommittee shall meet to consider and, if deemed necessary, recommend modifications to Exhibit A of the MOU, including establishing a budget for services in each Fiscal Year.

ReGen will submit invoices to the Participating Member Agencies on an annual basis (or more frequently, if requested) to reimburse ReGen for the Participating Member Agency's proportionate share of the actual cost of services incurred under this MOU in the invoice period. Participating Member Agencies shall endeavor to make payment within forty-five (45) days after receipt of the invoice.

### **Recommendation**

Staff recommends that the City Council:

1. Approve the Memorandum of Understanding with ReGen Monterey and participating member agencies regarding assistance with franchise agreement matters; and
2. Authorize the City Manager to execute the MOU on behalf of the City of Del Rey Oaks.

### **Attachments**

1. Resolution 2025-15
2. Memorandum of Understanding – Franchise Agreement Matters
3. Exhibit A – Detailed Activities & Costs
4. Exhibit B – Participating Member Agencies' Proportionate Shares & Costs

Respectfully submitted,

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John Guertin  
City Manager



**RESOLUTION NO. 2025-15**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DEL REY OAKS APPROVING A MEMORANDUM OF UNDERSTANDING WITH THE MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT (DBA REGEN MONTEREY) AND PARTICIPATING MEMBER AGENCIES REGARDING ASSISTANCE WITH FRANCHISE AGREEMENT MATTERS AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT**

**WHEREAS**, the City of Del Rey Oaks is a member agency of the Monterey Regional Waste Management District, doing business as ReGen Monterey ("ReGen"); and

**WHEREAS**, the City, along with Carmel-by-the-Sea, Marina, Pacific Grove, Sand City, Seaside, and Pebble Beach Community Services District, each has jurisdiction and authority over solid waste collection services within their boundaries; and

**WHEREAS**, the member agencies have determined that it is in their mutual best interest to coordinate franchise agreement matters, including planning, negotiation, and administration of future solid waste collection franchise agreements; and

**WHEREAS**, the proposed Memorandum of Understanding ("MOU") establishes a structure for ReGen to provide coordination activities, supported by HF&H Consultants, with costs shared equally among the seven participating agencies; and

**WHEREAS**, the City of Del Rey Oaks' proportionate share of costs under the MOU is \$76,374, representing 14.29% of the total project budget of \$534,620; and

**WHEREAS**, the Technical Advisory Committee (TAC) Franchise Agreement Subcommittee has reviewed the MOU and recommended its approval by all participating agencies;

**NOW THEREFORE, BE IT RESOLVED** that the City Council of the City of Del Rey Oaks does hereby:

1. Approve the Memorandum of Understanding with ReGen Monterey and the participating member agencies regarding assistance with franchise agreement matters; and
2. Authorize the City Manager to execute the Memorandum of Understanding and any implementing documents on behalf of the City.

**PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF DEL REY OAKS**, this 26<sup>th</sup> day of August, 2025, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

ATTEST:

\_\_\_\_\_  
Scott Donaldson, Mayor

\_\_\_\_\_  
Karen Minami, City Clerk

## MEMORANDUM OF UNDERSTANDING

### BETWEEN THE MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT DBA REGEN MONTEREY AND ITS PARTICIPATING MEMBER AGENCIES REGARDING ASSISTANCE WITH FRANCHISE AGREEMENT MATTERS

This Memorandum of Understanding ("MOU") is made and entered into as of the date of the signatures set forth below by and between the MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT DBA REGEN MONTEREY ("ReGen Monterey," or "ReGen"), a California Garbage and Refuse Disposal District, and its participating member agencies the cities of CARMEL-BY-THE-SEA, DEL REY OAKS, MARINA, PACIFIC GROVE, SAND CITY, and SEASIDE; and the PEBBLE BEACH COMMUNITY SERVICES DISTRICT ("Participating Member Agencies"). Collectively these entities shall be known herein as "Parties" or individually as a "Party."

#### Recitals

- A. The Participating Member Agencies have jurisdiction and authority to make adequate provisions for solid waste collection within their territories. The Participating Member Agencies have certain rights and interests related to administration and management of their existing franchise agreements, planning for future franchise agreements, and other matters within the Participating Member Agencies' jurisdiction related to solid waste.
- B. The Participating Member Agencies have determined that it is in their best interest to coordinate some of these activities. This coordination is being facilitated by ReGen Monterey's Technical Advisory Committee (TAC) through a subcommittee comprised of staff from each Participating Member Agency and ReGen.
- C. The Participating Member Agencies have further determined that ReGen Monterey has the expertise and resources necessary to support the Participating Member Agencies in their implementation of these activities and have now requested that ReGen incur costs to provide these activities.
- D. The Participating Member Agencies have agreed to reimburse the ReGen Monterey for proportionate shares of certain costs incurred by the ReGen for these activities.
- E. The form and content of this MOU have been presented to the TAC subcommittee, and the TAC subcommittee has recommended it for approval by the Parties.

NOW THEREFORE, in consideration of the mutual benefits to be derived by ReGen Monterey and the Participating Member Agencies, and of the promises contained in this MOU, the Parties agree as follows:

Section 1. Recitals: The recitals set forth above are incorporated into this MOU.

Section 2. Purpose: The purpose of this MOU is to provide a structure for the Participating Member Agencies to authorize ReGen Monterey to perform certain activities to support the Participating Member Agencies' in their administration and management of their existing franchise agreements, plan for future franchise agreements, and implement other matters within the Participating Member Agencies' jurisdiction related to solid waste ("Coordination Activities"), and reimburse ReGen for such Coordination Activities it performs.

Section 3. Voluntary: This MOU is voluntarily entered into by the Parties for the purpose of coordinating the Coordination Activities.

Section 4. Term: This MOU shall become effective on the date of its full execution by the Parties and shall remain in effect until the services are completed, or it is earlier terminated in accordance with Section 8 of this Agreement.

Section 5. Scope of Work, Costs & Cost Sharing: The scope of work for the Coordination Activities, and associated costs, are set out in Exhibit A, entitled Detailed Activities and Costs, attached hereto and incorporated herein. Allocation of such costs to the Participating Member Agencies is set out in Exhibit B, entitled Participating Member Agencies' Annual Proportionate Shares and Costs, attached hereto and incorporated herein.

No later than March 1 of each year, and at such other times as directed by the Parties, the TAC subcommittee shall meet to consider and, if deemed necessary, recommend modifications to Exhibits A and B; subject to approval of such modified Exhibits A and B by ReGen Monterey and each Participating Member Agency, this MOU shall be deemed amended to incorporate such modified Exhibits A and B.

Section 6. ReGen Monterey Agrees:

(a) ReGen staff will manage the Coordination Activities as identified in Exhibit A, which activities may include contracting with third party vendors when reasonably necessary and paying those vendors for contracted costs.

(b) Two times per year, on dates to be determined by the TAC subcommittee, ReGen will invoice Participating Member Agencies for each Participating Member Agency's proportionate share of estimated costs as shown in Exhibit B with each invoice to be fifty percent (50%) of the Participating Member Agency's estimated share of costs.

(c) ReGen Monterey will maintain an accounting of activities and actual incurred costs and provide reconciliation of payments annually. Differences between estimated costs and actual incurred costs will result in either: 1) an adjustment made to the final annual payment for each Participating Member Agency, or 2) such cost difference shall be incorporated into the subsequent year cost allocation.

Section 7. The Participating Member Agencies Agree:

(a) To reimburse ReGen Monterey for all expenses incurred by ReGen under this MOU in accordance with each Participating Member Agency's proportionate share as shown on Exhibit B.

(b) To make a full-faith effort to cooperate with one another and with ReGen Monterey to achieve the purposes of this MOU by providing information, reviewing information in a timely manner, and informing their respective administration and governing bodies.

Section 8. Early Termination. Any Party may terminate its participation in this MOU effective at the conclusion of a phase of work (as described in Exhibit A) upon giving written notice to the other Parties. Within ten (10) days following a Party's termination date, such party shall pay ReGen all charges then due and payable and shall pay when determined any additional charges in effect prior to their termination date, that shall later come due under the MOU, as provided in and subject to the limits set out in Exhibits A and B. The costs for the scope of work occurring after the effective date of any such early termination shall be reallocated among the remaining Participating Member Agencies and this MOU shall be deemed amended to incorporate such reallocation in Exhibit B.

Section 9. General Provisions.

(a) This MOU is binding and for the benefit of the respective successors, heirs, and assigns of each Party; provided however, no Participating Member Agency may assign its respective rights or obligations under this MOU without the prior written consent of ReGen Monterey.

(b) This MOU is governed by, interpreted under, and construed and enforced in accordance with the laws of the State of California. The Parties agree that the jurisdiction and venue of any dispute between the Parties will be the Superior Court of California of the County of Monterey.

(c) If any provision of this MOU is determined by any court to be invalid, illegal, or unenforceable to any extent, then the remainder of this MOU will not be affected, and this MOU will be construed as if the invalid, illegal, or unenforceable provision had never been contained in this MOU.

(d) Waiver by the any Party to this MOU of any term, condition, or covenant of this MOU will not constitute a waiver of any other term, condition, or covenant. Waiver by any Party of any breach of the provisions of this MOU will not constitute a waiver of any other provision, nor a waiver of any subsequent breach or violation of any provision of this MOU.

(e) This MOU may be executed in any number of counterparts, each of which is an original but all of which taken together will constitute one and the same instrument, provided, however, that such counterparts have been delivered to all parties to this MOU. A signature delivered on any counterpart by electronic means will for all purposes be deemed to be an original signature to this MOU. The term "electronic means" means one that is executed by applying an electronic signature using technology mutually acceptable to the Parties.



(f) All parties acknowledge they have been represented, or have had the opportunity to be represented, by counsel in the preparation and negotiation of this MOU. Accordingly, this MOU will be construed according to its fair language. Any ambiguities will be resolved in a collaborative manner by the Parties and must be rectified by amending this MOU.

(g) This MOU supersedes and replaces all prior MOUs between the Parties hereto relating to the subject matter of this MOU.

(h) Nothing in this MOU may be construed as giving a Party the right or ability to bind the other Party and nothing in this MOU may be construed to create any joint liability with regard to, or as a result of, the activities undertaken by the other Party or its agents. All officers, directors, employees, representatives, and agents of a Party will remain the officers, directors, employees, representatives, and agents of that Party and will be subject to the laws, procedures, rules, and policies governing such Party.

(i) Nothing herein may be considered as creating any rights and/or obligations by any of the Parties to this MOU to any third parties, beyond those otherwise required and established by law.

(j) Each entity signing below warrants and represents that it has the power, authority and right to act on behalf of its Party and to bind its Party in accordance with this MOU.

(k) From time to time, by mutual agreement, the Parties may reopen, in whole or in part, elements of this MOU, including modifying the member agencies participating in the MOU if approved by each Participating Member Agency. Except as provided in Section 5 above, this MOU may not be changed, modified, or amended, in whole or in part, except in a writing signed by an authorized representative of each Party.

IN WITNESS WHEREOF, the Parties have caused this MOU to be executed by their duly authorized representatives as of the date of their respective signatures.

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT dba REGEN MONTEREY

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

APPROVED AS TO FORM:

\_\_\_\_\_

CITY OF CARMEL-BY-THE-SEA

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

APPROVED AS TO FORM:

\_\_\_\_\_

CITY OF DEL REY OAKS

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

APPROVED AS TO FORM:

\_\_\_\_\_

CITY OF MARINA

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

APPROVED AS TO FORM:

\_\_\_\_\_

CITY OF PACIFIC GROVE

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

APPROVED AS TO FORM:

\_\_\_\_\_

SAND CITY

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

APPROVED AS TO FORM:

\_\_\_\_\_

CITY OF SEASIDE

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

APPROVED AS TO FORM:

\_\_\_\_\_

PEBBLE BEACH COMMUNITY SERVICES DISTRICT

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

APPROVED AS TO FORM:

\_\_\_\_\_



## **EXHIBIT A**

### **DETAILED ACTIVITIES & COSTS**

#### **Scope of Work**

ReGen Monterey, through its own forces or through retention of third-party consultants, will perform the following Coordination Activities:

1. **Support Participating Member Agencies' Development of Next Generation of Franchise Agreements.** The scope generally includes the following phases, and is described in more detail in the HF&H proposal dated March 26, 2025:

Phase 1.	Public and Stakeholder Engagement
Phase 2.	Solicitation Document Design and Drafting
Phase 3.	RFP Process Support
Phase 4.	Negotiations
2. **Other Support Tasks as Assigned by the Participating Member Agencies.** Such tasks may include retention of a third-party consultant to perform a survey(s).

Except as expressly provided above, all activities related to administration and management of Participating Member Agency franchise agreements and other tasks within the jurisdiction of the Participating Member Agency remain with the Participating Member Agency.

#### **Estimated Costs**

The not to exceed budget for the Coordination Activities is \$534,620. The estimated fees per phase is summarized below, and is described in more detail in the HF&H proposal dated March 26, 2025:

Phase 1.	\$122,840 + \$35,000 (third-party survey consultant)
Phase 2.	\$102,310
Phase 3.	\$161,120
Phase 4.	\$108,500

The above is an estimate of the costs to provide the Coordination Activities per Phase; actual costs may vary based on level of effort required, change in assumptions, change in requested scope, significant and unanticipated issues or concerns, and other factors. Notwithstanding the foregoing, HF&H shall not incur time or expense that exceeds the specified not to exceed amount without the prior written approval of ReGen, which ReGen shall not grant without the prior written approval of the Parties.

As provided in Section 5 of the MOU, no later than March 1 of each year, and at such other times as directed by the Parties, the TAC subcommittee shall meet to consider and, if deemed necessary, recommend modifications to this Exhibit A, including establishing a budget for services in each Fiscal Year.

ReGen will submit invoices to the Participating Member Agencies on an annual basis (or more frequently, if requested) to reimburse ReGen for the Participating Member Agency's proportionate share of the actual cost of services incurred under this MOU in the invoice period. Participating Member Agencies shall endeavor to make payment within forty-five (45) days after receipt of the invoice.

## **EXHIBIT B**

### **PARTICIPATING MEMBER AGENCIES' PROPORTIONATE SHARES & COSTS**

	<b>% of Total</b>	<b>Per Agency Estimated Total Cost</b>
<b>Carmel-by-the-Sea</b>	14.29%	\$76,374
<b>Del Rey Oaks</b>	14.29%	\$76,374
<b>Marina</b>	14.29%	\$76,374
<b>Pacific Grove</b>	14.29%	\$76,374
<b>Pebble Beach CSD</b>	14.29%	\$76,374
<b>Sand City</b>	14.29%	\$76,374
<b>Seaside</b>	14.29%	\$76,374
<b>TOTAL</b>	100%	\$534,618

**HF&H Consultants**

590 Ygnacio Valley Rd. Suite 105  
Walnut Creek, CA 94596  
Phone: (925) 977-6950  
Web: hfh-consultants.com

March 26, 2025

Zoë Shoats  
Director of Communications  
ReGen Monterey  
14201 Del Monte Blvd  
Salinas, CA 93908

*Sent via email*

**Subject: Proposal to Support Collection Franchise Planning**

Dear Zoë Shoats,

HF&H Consultants, LLC (HF&H) is pleased to present this proposal to the Monterey Regional Waste Management District (ReGen) to assist in the development of the next generation solid waste collection franchise agreement for ReGen and its member agencies. This will be a multi-year project between now and the end of the franchise agreement, including multiple phases that have been detailed in our scope of work below.

## **Scope of Work**

This scope of work outlines the tasks and activities for a comprehensive collection services planning project, divided into four phases: Public and Stakeholder Engagement, Solicitation Document Design and Drafting, RFP Process Support, and Negotiations. Each phase is carefully designed to support the goals of ReGen and its member agencies as they consider their next generation franchise agreement.

### **PHASE 1: PUBLIC & STAKEHOLDER ENGAGEMENT**

During Phase 1, HF&H will support ReGen and its member agencies in the performance of public and stakeholder engagement related to the next generation franchise agreement. The goal of this phase of the project is to gather sufficient information from the public and stakeholders to inform decision-making about: 1) the extent of cooperation among the member agencies in the upcoming contracting process; and, 2) whether the member agencies intend to negotiate extended or restated contracts with their existing service providers or issue a competitive Request for Proposals (RFP) to choose the new provider. This will include conducting the following activities:

1. **Member Agency Staff** – HF&H will meet monthly with ReGen's subcommittee that has been formed for the purpose of the next generation franchise agreement project. HF&H will prepare agendas for these meetings, facilitate the meetings, and provide meeting summaries with action items following each meeting. These meetings will be used to work through high level decisions like process, schedule, involved parties, etc., and will also be used to discuss the work conducted under this project with the members of the subcommittee who we understand will steer this effort. This task is assumed to cover the
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period from May 2025 through March 2026. We assume that eight of these 10 meetings will be virtual.

2. **Residential Customers** – HF&H will develop a survey instrument to use in gathering input about services, affordability, and satisfaction from residential customers throughout the service area. HF&H strongly recommends that the surveys be conducted by a third-party public opinion survey firm in a statistically valid manner, and HF&H has not included the cost of that third party in our proposal. If that option is not selected, HF&H recommends that each member agency promote an online survey through newsletters, email lists, and other methods available to them to encourage participation. It may also be possible to request that the current haulers promote the survey through bill inserts. HF&H has not included any budget for promoting the survey nor coordinating with parties that do. HF&H has budgeted up to 40 hours of in-person intercept surveying using that same survey instrument at locations throughout the service area identified by ReGen staff and/or the subcommittee members.
3. **Commercial & Multi-Family Customers** – HF&H will participate in up to eight in-person meetings with commercial and multi-family customer groups to make a presentation and solicit their input on service needs, affordability, and satisfaction. These customers are less likely to participate in surveys and their feedback tends to be more nuanced and specific to their business type. This in-person approach will facilitate a more candid and nuanced understanding of the needs. HF&H assumes that the same presentation can be used in each meeting, with only updates to the name of the group and the date of the meeting needed.
4. **Industry Stakeholders** – HF&H will facilitate a series of virtual meetings with up to six industry stakeholders that could provide services under the next generation franchise agreement. These industry stakeholder meetings are intended to offer the subcommittee an opportunity to meet potential future service providers and understand their experience, service options, and innovative approaches. These meetings would include the two incumbent service providers as well as up to four additional interested parties.
5. **Report Out to City Councils** – Following the engagement work performed in this Phase 1, HF&H will prepare and present to the subcommittee a PowerPoint style presentation that documents the results of the engagement with each group of stakeholders, identifies potential services and contract terms to include in the next generation franchise agreement, and identifies datapoints that may inform a decision on whether to negotiate with the existing provider(s) or conduct a competitive RFP process. HF&H will consider feedback from the subcommittee regarding the presentation and will make one round of revisions to the presentation before finalizing it. This presentation will then be used to discuss the RFP or negotiate policy question with the ReGen Board of Directors and subsequently each member agency's City Council. HF&H assumes that the subcommittee will make a staff-level recommendation regarding whether to negotiate or use a competitive process and that recommendation would be included in the presentations to the elected bodies. HF&H assumes that each agency will only require one meeting for this presentation. If additional meetings or analysis are required for a specific agency, HF&H recommends that agency contracts separately with HF&H for those services.

## **PHASE 2: SOLICITATION DOCUMENT DESIGN & DRAFTING**

During Phase 2 of this project, HF&H will support ReGen and its member agencies in the design and drafting of the next generation franchise agreement model and the request document sent to potential proposers. The specifics of this task, including the extent of



changes to the agreement and whether it will be solicited on a sole-source or competitive basis will be largely determined in Phase 1. As such, the scope of this task is defined broadly and flexibly to allow the project to follow the direction of the elected bodies. This phase of the project will include the following tasks:

1. Subcommittee Meetings – HF&H will meet monthly with ReGen’s subcommittee that has been formed for the purpose of the next generation franchise agreement project. HF&H will prepare agendas for these meetings, facilitate the meetings, and provide meeting summaries with action items following each meeting. These meetings will be used to work through detailed design and drafting issues and will also be used to discuss the work conducted under this project with the members of the subcommittee who we understand will steer this effort. This task is assumed to cover the period from April 2026 through December 2026. We assume that eight of these 10 meetings will be virtual.
2. Update Model Franchise Agreement – HF&H will prepare an updated franchise agreement model document that will combine the current GreenWaste Recovery base agreement with all amendments that have been negotiated to date (mostly including SB 1383). We will also address new issues that have been included in modern franchise agreements, including the handling of zero emission vehicles, extended producer responsibility programs, and modernized approaches for customer service and outreach. Finally, we will incorporate changes to programs and contract terms that are requested by consensus in the subcommittee’s design discussions or that have been directed in the City Council discussions had in Phase 1. HF&H will provide a draft of this agreement to the subcommittee for review and comments. HF&H anticipates that each agency will prepare their own set of comments and that the comments from each agency will be consolidated and non-conflicting. HF&H will discuss these comments with the subcommittee at a monthly meeting to review consensus comments and attempt to reconcile comments from multiple parties that may be in conflict. Each agency will be responsible for reviewing and providing data on agency-specific needs, contract terms, and services.
3. Draft Solicitation Document – HF&H will prepare a document to solicit proposal(s) from either the existing provider (i.e., a “mini-RFP”) or from a competitive field (i.e., a traditional RFP like was done in 2012/13). The document will present the current and desired services for each participating agency, proposal format and content requirements, and evaluation criteria. The solicitation document will be developed based on the direction received in Phase 1 and from the subcommittee. HF&H will provide a draft of this agreement to the subcommittee for review and comments. HF&H anticipates that each agency will prepare their own set of comments and that the comments from each agency will be consolidated and non-conflicting. HF&H will discuss these comments with the subcommittee at a monthly meeting to review consensus comments and to attempt to reconcile comments from multiple parties that may be in conflict. Each agency will be responsible for reviewing and providing data on agency-specific needs, contract terms, and services.
4. Presentation to Participating Agency City Councils – Once the solicitation document and draft agreements have been finalized, HF&H will prepare a model presentation for each of the participating agencies to use with their City Council to inform them about the new franchise agreement, describe the process being used to solicit proposals, and preview any changes in services. HF&H anticipates that each agency will make this presentation as an informational item for their City Council. If an agency would like HF&H to present





the information to their City Council, HF&H would contract separately with each agency that desires that service.

### **PHASE 3: RFP PROCESS SUPPORT**

During Phase 3 of this project, HF&H will support ReGen and its member agencies in the process of issuing the mini-RFP document, as determined in Phase 1 and developed in Phase 2, managing the process for proposer(s) to prepare their response, and conducting the initial review of proposals received. The level of effort budgeted for this task assumes a competitive RFP and the receipt and evaluation of up to four collection proposals. If the decision in Phase 1 is to conduct a sole-source negotiation with the existing service provider, this budget will need to be revised to reflect the lower level of effort associated with reviewing fewer companies' proposals. This phase of the project will include:

1. Subcommittee Meetings – HF&H will meet monthly with ReGen's subcommittee that has been formed for the purpose of the next generation franchise agreement project. HF&H will prepare agendas for these meetings, facilitate the meetings, and provide meeting summaries with action items following each meeting. These meetings will be used to discuss the work conducted under this project with the members of the subcommittee who we understand will steer this effort. This task is assumed to cover the period from January 2027 through June 2027. We assume that four of these six meetings will be virtual.
2. Issue RFP – In the event of a competitive RFP, HF&H will develop a dedicated RFP website to house the RFP documents and manage communication with proposers. HF&H will post all of the final documents to that site. HF&H will advertise the RFP process to the industry stakeholders engaged in Phase 1, HF&H's list of over 150 interested parties in RFP processes, and will post the RFP notice to industry email groups and associations to ensure all interested parties are aware of it. In the event of a sole-source process, the documents will simply be emailed directly to the company's key representatives.
3. Pre-Proposal Meeting – HF&H will facilitate an in-person pre-proposal meeting at ReGen's offices. This meeting will include a presentation to the proposers outlining the requirements and timelines of the RFP process. The meeting would also, ideally, include a tour or site walk of the ReGen hauling yard so that non-incumbent providers understand the extent of the facilities available to them.
4. Manage Proposer Q&A – HF&H will facilitate the questions and answers with proposers during the RFP process. HF&H anticipates up to 50 questions from proposers about the scope, process, facilities, customer profiles, programs, billing terms, etc., that are included in the RFP and franchise agreement. This is a normal part of the RFP process that is important for ensuring their understanding and receiving the best possible proposals. HF&H anticipates that ReGen staff will be available to support responses related to ReGen facilities and that member agency staff will be available to support responses related to agency-specific services.
5. Initial Proposal Evaluation – HF&H will conduct an initial evaluation of the proposals received to ensure completeness and compliance with the requirements of the RFP. This review will simply identify any areas of the required proposal(s) that were missing and will produce a recommendation for the subcommittee about which proposals to: 1) accept; 2) accept with certain required corrections; or, 3) reject as non-compliant.
6. Technical Review – HF&H will perform an initial technical review of each of the received proposals. HF&H will prepare a high level summary of each proposal's technical approach to be used in briefing the subcommittee and later to present information to City Councils.



HF&H will also prepare clarification and interview questions resulting from the review of the technical proposals.

7. Cost Review – HF&H will perform an initial review of the cost proposals received. This review will include a mathematical accuracy and logical consistency check as well as benchmarking the proposal against current service costs and other proposals received in the region through other RFPs. HF&H will prepare a high level summary of each proposal's costs to be used in briefing the subcommittee and later to present information to the City Councils. HF&H will also prepare clarification and interview questions resulting from the review of the cost proposals.
8. Contract Exception Review – HF&H will perform a review of the contract term exceptions proposed by each of the respondents. This review will include assessing the number and nature of the exceptions as well as assessing the likelihood of successful negotiations with each proposer. This task will produce an "exceptions digest" that will be used as a tool both for briefing the subcommittee and in the negotiations process with the successful proposer.
9. Proposer Interviews – HF&H will facilitate interviews with each proposer at the ReGen offices or some other location on the Peninsula provided by ReGen or one of the participating agencies. HF&H anticipates that all interviews will be conducted over two consecutive days and that each interview will be approximately 90 minutes in duration, in addition to pre- and post- meetings with the subcommittee to prepare for and debrief the interviews. Following the final interview, HF&H will facilitate a meeting of the subcommittee to make a recommendation on which proposer(s) to enter into negotiations with. HF&H will not make a recommendation but will help to facilitate the subcommittee's evaluation and recommendation.

## **PHASE 4: NEGOTIATIONS**

During Phase 4 of this project, HF&H will support ReGen and its member agencies in the negotiation of the final model franchise agreement with the selected provider. This proposal assumes that only one company will be included in the final negotiations. If the subcommittee determines that parallel negotiations with more than one proposer are appropriate, this budget will need to be amended to reflect the additional time required for the additional negotiation. This phase of the project will include the following tasks:

1. Subcommittee Meetings – HF&H will meet monthly with ReGen's subcommittee that has been formed for the purpose of the next generation franchise agreement project. HF&H will prepare agendas for these meetings, facilitate the meetings, and provide meeting summaries with action items following each meeting. These meetings will be used to discuss the work conducted under this project with the members of the subcommittee who we understand will steer this effort. This task is assumed to cover the period from July 2027 through December 2027. We assume that four of these six meetings will be virtual.
2. Group Negotiations – HF&H will lead the negotiations with the selected proposer, though we assume participation by a portion of the subcommittee that is identified as the negotiation team. These negotiations will be focused on achieving agreement on all common business terms, scope items, and compensation issues. These negotiations will not include issues that are unique to one or two agencies – such negotiations should be performed following the group negotiations and would be performed under a separate scope of work and budget from this task. HF&H assumes that there will be a total of four negotiations sessions, all in-person hosted somewhere on the Monterey Peninsula by





ReGen or one of the member agencies. HF&H will prepare for and facilitate the negotiations, draft revisions to the contract based on those negotiations, and manage changes to the cost proposals resulting from the negotiations. HF&H will brief the subcommittee through the meetings performed under this phase. HF&H will produce a final model franchise agreement for execution by each agency, subject to any agency-specific negotiations that need to be conducted related to agency-specific rates or services.

3. Presentation to Elected Bodies – HF&H will prepare a model presentation for use in presenting the recommendation for award of the franchise agreement to the various elected bodies. HF&H assumes that the subcommittee will preview the presentation at a subcommittee meeting and will provide feedback and requests for edits at that meeting. HF&H will finalize the presentation based on that feedback and will then make the presentation to the ReGen Board of Directors. HF&H will provide that presentation to each of the member agencies who may choose to present the recommendation to their city council or engage HF&H separately to support them in making that presentation.

## Budget

The proposed budget for this project is \$499,620, as detailed in the fee estimate on the following page. Hourly rates for professional and administrative personnel through December 31, 2025 are outlined in Attachment A and will increase by three percent on January 1 of each subsequent year.



**Figure 1. Fee Estimate**

		Executive	Sr Project Manager	Sr Associate	Sr Associate	Associate	Administrative	Total Hours	Proposed Cost
		\$365	\$315	\$250	\$240	\$200	\$170		
Phase 1		Public & Stakeholder Engagement							
1a	SubCommittee Meetings	40	0	64	0	0	0	104	\$30,600
1b	Residential Surveys	4	0	54	24	30	0	112	\$26,720
1c	Commercial & MFD Surveys	4	0	40	8	0	0	52	\$13,380
1d	Industry Stakeholders	8	0	16	0	0	0	24	\$6,920
1e	Report & Revise	16	4	24	8	0	4	56	\$15,700
1f	Present to Elected Bodies	48	0	48	0	0	0	96	\$29,520
Task 1		120	4	246	40	30	4	444	\$122,840
Phase 2		Solicitation Design & Drafting							
2a	SubCommittee Meetings	40	40	0	0	0	0	80	\$27,200
2b	Update Model Franchise	8	56	24	0	60	0	148	\$38,560
2c	Prepare Solicitation Document	8	44	24	0	24	12	112	\$29,620
2d	Presentation to City Councils	2	8	12	0	0	4	26	\$6,930
Task 2		58	148	60	0	84	16	366	\$102,310
Phase 3		RFP Process Support							
3a	SubCommittee Meetings	28	28	0	0	0	0	56	\$19,040
3b	Issue RFP	0	2	0	0	4	4	10	\$2,110
3c	Pre-Proposal Meeting	6	8	4	0	0	4	22	\$6,390
3d	Proposer Q&A	6	18	12	0	12	8	56	\$14,620
3e	Initial Proposal Evaluation	4	16	8	0	24	0	52	\$13,300
3f	Technical Review	16	48	32	0	16	8	120	\$33,520
3g	Cost Review	8	56	0	40	0	0	104	\$30,160
3h	Contract Exceptions Review	8	40	24	0	40	0	112	\$29,520
3i	Proposer Interview(s)	16	16	2	0	2	4	40	\$12,460
Task 3		92	232	82	40	98	28	572	\$161,120
Phase 4		Negotiations							
4a	SubCommittee Meetings	28	28	0	0	0	0	56	\$19,040
4b	Group Negotiations	48	112	60	0	60	0	280	\$79,800
4c	Presentation to Elected Bodies	8	12	0	0	8	8	36	\$9,660
Task 4		84	152	60	0	68	8	372	\$108,500
Total Costs									
Labor		354	536	448	80	280	56	1,754	\$494,770
Out-of-Pocket Expenses									\$4,850
Total Budget									\$499,620

In the event that the total proposed budget is more than is required to perform the work, HF&H will bill ReGen the lesser amount. If it appears that more hours or expenses will be required than have been estimated here, HF&H will work with ReGen staff to determine the appropriate way to meet that need, which may include assignment of tasks to ReGen staff or adjustment to the budget.



Zoë Shoats  
March 26, 2025  
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\* \* \* \* \*

HF&H appreciates this opportunity to be of service to ReGen and its member agencies and we look forward to starting work as soon as we receive your authorization to proceed. Should you have any questions or comments, please do not hesitate to contact me directly at (925) 977-6959 or [rchilton@hfh-consultants.com](mailto:rchilton@hfh-consultants.com).

Sincerely,  
HF&H Consultants, LLC

A handwritten signature in black ink, appearing to read 'Rob Hilton', written over a horizontal line.

Rob Hilton  
President

Attachment A – Standard Hourly Rates and Billing Arrangements



# Attachment A: Standard Hourly Rates and Billing Arrangements

(Effective January 1, 2025)

## PROFESSIONAL FEES

Hourly rates for professional and administrative personnel are as follows:

Position	Rate
Executive	\$330 - \$365
Senior Project Manager	\$305 - \$325
Project Manager	\$275 - \$285
Senior Associate	\$225 - \$270
Associate Analyst	\$185 - \$205
Assistant Analyst	\$160 - \$180
Administrative Staff	\$135 - \$170

## DIRECT EXPENSES

Standard charges for common direct expenses are as follows:

Automobile Travel.....	Prevailing IRS mileage rate
Airfare and Public Transit.....	Actual Cost

## BILLING POLICIES

Our policy is to bill for our services based on the standard hourly rates of the staff member assigned, multiplied by the time required to perform the client-related tasks, plus the direct expenses as described above. In implementing this policy, we adhere to the following practices:

- It is our standard practice to e-mail invoices to our clients, although hard copies of invoices can be sent to clients on request.
- We round to the nearest one-quarter hour (e.g., if two hours and 55 minutes are spent on a task, it is recorded as three hours, if two hours and 5 minutes are spent on a task, it is recorded as two hours). A minimum charge of one-quarter hour is charged for any client work performed in a day.
- We do not markup out-of-pocket expenses; however, we may charge administrative or professional time related to the provision of the goods and services associated with these charges.
- If subcontractors are used, HF&H reserves the right to charge a 10% markup.
- Mileage fees are based on the round-trip distance from the point of origin.
- If a client's change to a previously scheduled meeting results in penalties being assessed by a third party (e.g., airline cancellation fee), then the client will bear the cost of these penalties.



# Attachment A: Standard Hourly Rates and Billing Arrangements

(Effective January 1, 2025)

While no minimum fee for a consulting engagement has been established, it is unlikely (given the nature of our services) that we can gain an understanding of a client's particular requirement, identify alternatives, and recommend a solution in less than twenty-four consulting hours.

## INSURANCE

We maintain the following policies of insurance with carriers doing business in California:

- Commercial General Liability Insurance (\$2,000,000 Occurrence/\$4,000,000 Aggregate)
- Workers' Compensation (\$1,000,000)
- Professional Liability Insurance (\$2,000,000 Occurrence/\$2,000,000 Aggregate)
- Hired and Non-Owned Auto Liability<sup>1</sup> (\$2,000,000)
- Umbrella Liability (\$3,000,000 Occurrence/\$3,000,000 Aggregate)
- Cyber Liability (\$1,000,000 Each Claim)

All costs incurred in complying with additional coverages or limits (excluding additional insured and waiver of subrogation endorsements) become the responsibility of the client and are not included in the fees for services or direct charges but are billed in addition to the contract at cost, plus any professional or administrative fees.

## INVOICES AND PAYMENT FOR SERVICES

Our time reporting and billing system has certain standard formats that are designed to provide our clients with a detailed invoice of the time and charges associated with their engagement and we typically discuss these with our clients at our kick-off meeting. We are also pleased to provide our clients with a custom invoice format, but we will have to bill the client for time spent conforming our invoices to their unique requirements.

Billings for professional services and charges are submitted every month, in order that our clients can more closely monitor our services.

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<sup>1</sup> HF&H Consultants does not own any company automobiles.

# Benefits of Regional Solid Waste Franchise Collection Planning

Complied by ReGen Monterey

## Collaborative Framework & Governance

- **Unified Regional Model:** Creates a platform where all member agencies work together toward consistent, efficient solid waste collection services while maintaining positions for local community needs and priorities
- **Strengthened Negotiating Position:** Collective bargaining power increases leverage with haulers, resulting in better contract terms, service levels, and pricing than individual agencies could achieve alone
- **Shared Decision-Making:** Establishes a process where all agencies have input on service standards, performance metrics, and contract specifications

## Financial Benefits & Cost Efficiencies

- **Equitable Cost-Sharing:** Pooled funding split evenly among participating agencies reflects shared value while keeping individual costs manageable and predictable
- **Economies of Scale:** Larger service areas and combined tonnage volumes enable more competitive pricing and reduced per-unit costs for residents and businesses
- **Reduced Administrative Costs:** Eliminates duplicative procurement processes, legal reviews, and contract management expenses across multiple agencies
- **Shared Infrastructure Benefits:** Agencies selecting common haulers benefit from shared facilities like truck yards, and maintenance facilities, improving operational efficiency

## Expertise & Professional Support

- **Shared Consultant Access:** Single expert consultant provides informed, professional guidance for complex negotiations while avoiding duplicative consulting costs across agencies
- **Specialized Knowledge:** Access to industry expertise in waste management trends, regulatory compliance, and best practices that individual agencies might not afford independently
- **Consistent Contract Standards:** Professional oversight ensures uniform service quality standards, performance metrics, and accountability measures across the region

## Operational & Service Advantages

- **Optimized Route Efficiency:** Coordinated service areas enable more efficient routing, reducing truck traffic, emissions, and wear on local roads

- **Standardized Service Levels:** Consistent collection schedules, container standards, and customer service protocols create predictable experiences for residents
- **Enhanced Service Quality:** Larger contracts attract more qualified haulers and enable investment in newer, cleaner equipment and technology
- **Improved Emergency Response:** Coordinated backup coverage and resource sharing during equipment failures or natural disasters

## Administrative & Staffing Support

- **Addresses Limited Staff Capacity:** Some agencies lack in-house expertise or dedicated time to manage complex franchise negotiations independently
- **Streamlined Procurement:** Single coordinated process reduces administrative burden on individual agency staff while maintaining competitive bidding
- **Ongoing Contract Management:** Shared oversight of performance monitoring, complaint resolution, and contract compliance reduces individual agency workload
- **ReGen's Coordination Role:** Leverages ReGen's established success in regional coordination (demonstrated through SB 1383 compliance support) to provide administrative backbone without becoming a contracting party

## Strategic & Long-Term Benefits

- **Regional Consistency:** Creates a uniform waste management approach that supports regional sustainability goals and reduces confusion for multi-jurisdictional businesses
- **Enhanced Compliance Support:** Coordinated approach better positions agencies to meet evolving state regulations like SB 1383 and future environmental mandates
- **Market Stability:** Larger, longer-term contracts provide haulers with business certainty, encouraging investment in improved services and equipment
- **Future Adaptability:** Regional framework enables coordinated responses to emerging waste management challenges, technology advances, and regulatory changes

## Risk Mitigation & Quality Assurance

- **Reduced Procurement Risk:** Shared expertise and resources minimize the risk of flawed contract terms or inadequate service specifications
- **Performance Accountability:** Coordinated oversight creates stronger enforcement mechanisms and faster resolution of service issues
- **Financial Security:** Larger contracts with established haulers reduce risk of service disruptions due to contractor financial instability
- **Legal Protection:** Shared legal review and contract development provides stronger protection against disputes and ensures compliance with procurement laws