

**CITY OF PALM DESERT  
STAFF REPORT**

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MEETING DATE: December 12, 2024

PREPARED BY: Luis Moctezuma, Management Analyst  
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SUBJECT: AWARD CONTRACT TO HF&H CONSULTANTS, LLC, FOR SOLID WASTE, RECYCLING, AND ORGANICS CONSULTING SERVICES

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**RECOMMENDATION:**

1. Award Contract to HF&H Consultants, LLC, of Irvine, California, for Solid Waste, Recycling, and Organics Consulting Services for a three-year term, in an annual amount not to exceed \$145,000 plus 4% annual cost adjustment in each subsequent year.
2. Authorize contingency in the amount of \$10,000 annually for unforeseen circumstances.
3. Authorize the City Attorney to make any necessary nonmonetary changes to the agreement.
4. Authorize the City Manager to execute the agreement, any documents necessary to effectuate the actions taken herewith, and approve written contract amendment and change order requests for unanticipated conditions per Section 3.30.170 of the Palm Desert Municipal Code.

**BACKGROUND/ANALYSIS:**

On September 17, 2024, staff issued a Request for Proposals (RFP) for Solid Waste, Recycling, and Organics Consulting Services, requesting assistance with the following specialized services:

- Implementation of the City's solid waste management, recycling programs, and organics diversion initiatives.
- Technical support for administration of the City's solid waste franchise agreement with Burrtec Waste and Recycling Services.
- Compliance with and legislative review of current and future state mandates and regulations, e.g. SB 1383, SB 54, etc.
- CalRecycle support with annual calls and site visits, mandatory reporting, etc.

In response, the following four proposals were received and evaluated based on their industry experience, technical expertise, and proposed method to accomplish work.

| <b>Company</b>                            | <b>Location</b> | <b>Cost for Year One of the Agreement</b> |
|---|-----------------|---|
| Aptim Environmental & Infrastructure, LLC | San Diego, CA   | \$45,500                                  |
| EcoNomics, Inc.                           | Del Mar, CA     | \$114,915                                 |
| HF&H Consultants, LLC                     | Irvine, CA      | \$115,000                                 |
| Raftelis Financial Consultants, Inc.      | Los Angeles, CA | \$74,900                                  |

In evaluating the four proposals, Raftelis Financial Consultants, Inc., specialized more in conducting collection and disposal system rate studies and lacked experience with providing the

services being requested. While Aptim Environmental & Infrastructure, LLC's, scope of services were clear, their proposal lacked comparable technical expertise. The two final proposers, EcoNomics, Inc., and HF&H Consultants, LLC, scored very similarly, and both seem to have the experience and technical expertise necessary to meet the City's needs.

Although HF&H Consultant's (HF&H) bid was slightly higher than EcoNomics, Inc.'s, staff recommends awarding the contract to HF&H given their technical expertise and proposed method to accomplish the work. The City currently contracts with HF&H for these services, and the benefit of maintaining a consultant who is familiar with the City's current franchise agreement and specific programs and challenges outweighs the cost difference.

For background, in 2019, the City contracted with HF&H to draft and negotiate the current 11-year franchise agreement with Burrtec that was adopted in 2022. Since that time, HF&H has been providing technical support related to the City's contract with Burrtec to include contract monitoring, rate adjustment reviews, diversion reporting, and more. HF&H staff assisted Palm Desert to become an early adopter of many aspects related to the State-mandated diversion of organic waste (SB 1383). This included working with the City and Burrtec on the strategy for rolling out the residential three bin system (making Palm Desert the first in the Coachella Valley), as well as implementation of policies and programs related to paper and organics procurement and commercial edible food recovery. They also developed Palm Desert's required implementation record and have provided ongoing assistance with recordkeeping requirements. They have proven to have a great working relationship with CalRecycle staff and a track record of mitigating risk, helping the City to avoid fines and remain in good standing through program implementation.

Given that HF&H has an intimate knowledge of the City's franchise agreement with Burrtec, has helped the City remain in good standing with CalRecycle through early roll-out of SB 1383 programs, and is regarded as an industry expert for SB 1383 and other regulatory compliance, staff recommends the City Council award the contract to HF&H.

The recommendation also includes funding for mandatory audit work, as needed. CalRecycle's Jurisdiction and Agency Compliance and Enforcement (JACE) Branch has begun performing compliance evaluations on select jurisdictions in California. Per State law, every jurisdiction must undergo a compliance evaluation at least every four years and Palm Desert has yet to complete this task. A JACE compliance evaluation is a complete review of the City's solid waste and recycling program implementation, including compliance with AB 939, AB 341, AB 1826, SB 1383, as well as audits of the implementation record, disposal and hauler reporting, and more. It is estimated that the compliance evaluation could take a minimum of six months to over a year to complete.

**Legal Review:**

This report has been reviewed by the City Attorney's Office.

**FINANCIAL IMPACT:**

Staff is recommending approval of a contract in the amount of \$145,000 plus 4% annual cost adjustment for a term of three years, with two additional one-year extensions, pending budget approval for each subsequent year.

| Total Fee Estimate for CY 2025 - 2029 |                   |   |                                      |
|---------------------------------------|-------------------|---|--------------------------------------|
| Contract Year                         | Base Service Cost | Task E Contingency (JACE Compliance Review) | Cost for Year if Task E is Completed |
| Year 1 - 2025                         | \$ 115,000        | \$ 30,000                                   | \$ 145,000                           |
| Year 2 - 2026                         | \$ 119,600        | \$ 31,200                                   | \$ 150,800                           |
| Year 3 - 2027                         | \$ 124,384        | \$ 32,448                                   | \$ 156,832                           |
| <b>3 Year Total</b>                   | \$ 358,984        | N/A   | N/A                                  |
| Optional Years                        |                   |   |                                      |
| Year 4 - 2028                         | \$ 129,359        | \$ 33,746                                   | \$ 163,105                           |
| Year 5 - 2029                         | \$ 134,533        | \$ 35,096                                   | \$ 169,629                           |

*\*Once Task E (JACE Compliance Review) has been completed, contract will be opened for the base service amount in each subsequent year.*

Funds for this contract were included in the FY 2024-25 Recycle Fund, Account No. 2364195-4309000. Staff will budget accordingly during future annual budget approval processes. No General Fund monies will be expended for these services.

Staff is also recommending a \$10,000 annual contingency for unforeseen circumstances.

**ATTACHMENTS:**

1. HF&H Consultants, LLC Proposal
2. HF&H Consultants, LLC Fee Proposal
3. Contract Scope of Services
4. Draft Contract