



DISCUSSION ITEMS

Agenda Item # 9

AGENDA REPORT SUMMARY

Meeting Date: April 24, 2018

Subject: Mission Trail Waste Systems – Performance Review and Contract Extension Options

Prepared by: Christopher Lamm, Engineering Services Manager

Reviewed by: Susanna Chan, Public Works Director

Approved by: Chris Jordan, City Manager

Attachment(s):

1. Performance Review
2. Community Survey Results

Initiated by:

Staff

Previous Council Consideration:

None

Fiscal Impact:

None at this time

Environmental Review:

Not applicable

Policy Question(s) for Council Consideration:

- Should the City consider an extension to the Franchise Agreement with Mission Trail Waste System?
- Should the City consider an extension beyond the two 3-year extensions included in existing Franchise Agreement?

Summary:

- A performance review of Mission Trail Waste System found them to be providing safe and effective solid waste management services to the City
- A Resident Satisfaction Survey found the community to be “very satisfied” or “somewhat satisfied”
- Cost comparisons to other Santa Clara County cities, found services provided by Mission Trail Waste System to be in line with neighboring agencies

Staff Recommendation:

Receive an update on the performance of Mission Trail Waste Systems and provide staff direction on a contract extension



Subject: Mission Trail Waste Systems – Performance Review and Contract Extension Options

Purpose

Receive an update on the performance of Mission Trail Waste Systems and provide staff direction on a contract extension.

Background

Council approved a franchise agreement with Mission Trail Waste Systems (MTWS) on March 23, 2010 for service to take effect on September 15, 2010 to provide solid waste, recycling, and organic collection services in the City.

Single-family residential accounts have a variety of service options available to them, including garbage service for 20, 32, 65, and 96-gallon containers, unlimited recycling and organics service without additional charges, twice-annual large item pick-up at no additional cost, and the curbside collection of some household hazardous waste. Commercial and multi-family accounts can subscribe to garbage as low as the 20-gallon size and as large as a 40-yard compactor, and can subscribe to unlimited recycling and organics service at no additional cost. An extensive suite of education and outreach activities targeting single-family, multi-family, and commercial customers are included in the Agreement.

Among other requirements, the existing Agreement requires that MTWS achieve a minimum diversion rate of 78% as of December 31, 2013, and restricts an extension to the Agreement if the diversion rate requirement is not met.

Franchise Term

- The contract term has been defined to be ten (10) years and 15 days commencing September 15, 2010 and ending September 30, 2020
- Two three (3) year extension contract options are included for conditional approval by the City based upon the provider's ability to meet its proposed diversion standards and the maintenance of required service levels per the City's determination

Should the City wish to extend its agreement with MTWS, the City is required to offer the extension to the company by July 1, 2018. A written notice from the company accepting or rejecting the City's offer is due by 20 working days of the offer. MTWS has expressed interest to staff in extending the term of the contract beyond the two three (3) year extensions if the City is willing to modify the agreement to allow for a single ten (10) year extension.

Performance Review

The Franchise Agreement allows for the conduct of one (1) billing audit and performance review of the contractor's performance during the initial term. The City engaged R3 Consulting to conduct the 3rd party review. The purpose of the performance review is to evaluate various terms and conditions under which MTWS is to operate its franchise. Terms and condition reviewed include:

- The services to be provided.



Subject: Mission Trail Waste Systems – Performance Review and Contract Extension Options

- Diversion requirements.
- The type and condition of collection equipment.
- Record keeping and reporting requirements.
- Insurance requirements.
- Public education requirements.
- Customer service requirements.
- Various other operational and administrative requirements.

Community Survey

Additionally, a community survey was conducted in December 2017. The survey sought feedback from a representational group of Los Altos residents regarding important issues in Los Altos. Questions regarding importance and satisfaction of garbage collection and recycling programs were included in the survey.

Discussion/Analysis

Performance Review

A copy of the full review is attached (Attachment 1). Overall, it was found that MTWS is providing safe and effective solid waste management services to the City. MTWS is in compliance with the vast majority of its contractual obligations. Findings include:

- Collections are performed in a safe, courteous, and clean manner.
- Coordination between the drivers, customer service, shop, and management is facilitated by an effective system of work orders.
- Fleet maintenance operations and vehicles have consistently received satisfactory ratings from the California Highway Patrol.
- MTWS is operating a sophisticated and professional customer service operation.
- While there are areas where MTWS's performance is not fully aligned with its contractual obligations, those areas do not, in our professional opinion, raise major safety, customer service or operational concerns.

Diversion and Good Faith Effort

MTWS is not making its diversion requirement of 78%, although the diversion rate achieved by MTWS compares favorably against the diversion achieved by other communities. MTWS proactively initiated commercial dry waste processing via a separate contract with Newby Island, at an additional cost to the company.

Outreach and Education Services

MTWS has achieved partial compliance with its public outreach and education service requirements to the City. Exceptions to compliance with the Public Education and Outreach Program include:



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-
- Preparation of annual action plan – one was completed in 2015, but not before or after that year.
 - Distribution of an annual collection service notice.
 - Conducting recycling opportunity assessments in the commercial sector, which include distribution of how-to information, signs and indoor collection containers, and assertive training, follow-up and monitoring, with a major focus on food scrap collection.
 - Engaging with multi-family dwellings, with twice annual recycling opportunity assessments including review of complex program components, proposing increase in recycling service, identifying solutions to problems, and providing literature to tenants and posters to collection points.
 - Engaging with schools by annually contacting every school, public and private, within the City limits to inform administrators and individual teachers of MTWS resources for schools, and brief and interactive presentations prepared for each age group. R3 suggests that the City consider not requiring MTWS to engage in extensive outreach to schools for which they are not the franchised collection service provider.

Since completion of the review, MTWS has prepared for the City a Public Education and Outreach plan for 2018 and 2019 that is currently under review.

Overall, the review has found that MTWS is in compliance with the vast majority of the Agreement’s requirements. Collections are performed in a safe, courteous, and clean manner; coordination between the drivers, customer service, shop, and management is facilitated by an effective system of work orders; fleet maintenance operations and vehicles have consistently received satisfactory ratings from the California Highway Patrol; and MTWS is operating a sophisticated and professional customer service operation.

Community Survey

Excerpts from the Resident Satisfaction Survey conducted in December 2017 are included as Attachment 2. The survey tested both importance and satisfaction with City services, programs and facilities. Garbage collection and recycling program scored very high on both categories with 87.3% citing the service as either “extremely important” or “very important” and satisfaction with the services being provided at 96.2% as either “very satisfied” or “somewhat satisfied”.

Comparable Rates

A comparison of rates to other Santa Clara County cities find Los Altos to in line with neighboring agencies, however, as each city offers slightly differing services, true cost comparison is difficult. For example, Los Altos residents also have the option of selecting a 20-gallon cart at a monthly cost of \$30.03 and all service levels include free recycling and organics pickup, bulky item pickup two times per year and curbside collection of some household hazardous waste materials.



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Residential Rates

CITY	1-CAN (or 32-gal cart)	2-CANS (or 65-gal cart)	3-CANS (or 95-gal cart)
CAMPBELL (16/17)	\$25.80	\$41.60	\$77.41
CUPERTINO (16/17)	\$24.71	\$49.43	\$74.15
GILROY (16/17)	\$31.00	\$44.48	\$58.30
LOS ALTOS (16/17)	\$32.34	\$64.69	\$97.03
LOS GATOS (16/17)	\$25.45	\$50.90	\$76.35
MOUNTAIN VIEW (16/17)	\$29.30	\$58.60	\$87.90
PALO ALTO (16/17)	\$47.69	\$95.38	\$143.07
SAN JOSE (16/17)	\$32.07	\$64.14	\$96.21
SARATOGA (16/17)	\$28.13	\$56.26	\$84.39
SUNNYVALE (16/17)	\$38.23	\$45.66	\$53.10
AVERAGE 2016/17 RATE	\$31.47	\$58.11	\$84.79



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Commercial Rates

CITY	20 c.y.	30 c.y.	40 c.y.	3 CUBIC YD BIN SERVICE	3 CUBIC YD BIN SERVICE
				1 Time/Week	5 Times/Week
CAMPBELL (16/17)	\$603.67	\$727.83	\$852.00	\$257.99	\$1,304.62
CUPERTINO (16/17)	\$541.53	\$877.62	\$936.21	\$242.84	\$1,214.21
GILROY (16/17)	\$505.47	-	\$842.34	\$299.25	\$1,358.03
LOS ALTOS (16/17)	\$701.41	\$707.07	\$707.07	\$323.61	\$1,618.07
LOS GATOS (16/17)	\$619.11	\$746.82	\$874.53	\$295.87	\$1,496.81
MORGAN HILL (16/17)	\$458.41	\$654.88	\$764.06	\$331.88	\$1,532.45
MOUNTAIN VIEW (16/17)	\$792.75	\$1,017.45	\$1,205.40	\$304.80	\$1,605.95
PALO ALTO (16/17)	\$917.43	\$1,137.17	\$1,227.59	\$437.20	\$2,341.65
SAN JOSE (16/17)	\$720.98	\$826.88	\$932.89	\$239.73	\$1,133.99
SARATOGA (16/17)	\$632.52	\$762.73	\$892.95	\$369.83	\$1,871.65
SUNNYVALE (16/17)	\$662.78	\$908.44	-	\$404.09	\$1,944.20
AVERAGE RATE (16/17)	\$650.55	\$836.69	\$923.50	\$324.02	\$1,609.74

The franchise agreement allows for annual CPI increases to the allowable rates to be charged which is approved by the City Council each year. The last five years of rate increases have been as follows: FY12/13 (2.56%); FY13/14 (2.26%); FY 14/15 (2.86%); FY 16/17 (2.67%); FY 17/18 (3.16%).

A 3.24% increase is being reviewed for upcoming FY 17/18. Also, currently under review are effects of regulatory changes made by the Chinese government banning import of 24 categories of recyclable materials including several types of paper and plastics which began on January 1, 2018. The ban, given with less than 6-months' notice, and resulting lack of a commodity market for the recyclable materials, shifts revenue received by garbage haulers throughout the U.S. and beyond to expenses born with



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disposal of the material. The review of these impacts is ongoing, and may be presented at a later date when rate increases for FY 17/18 are brought before Council.

Options

- 1) Receive the performance review of MTWS and direct staff to notify the franchise hauler of a desire to extend the terms of the contract for the first 3-year extension period.

Advantages: Garbage collection and recycling services will continue thru 2023 as they have since 2010. An additional 3-year extension can be provided extending the contract to 2026

Disadvantages: A 3-year extension without knowledge of future extension poses challenges to the franchise hauler for capital planning purposes, as such, MTWS is requesting Option 2

- 2) Receive the performance review of MTWS and Authorize the City Manager to enter into negotiations with MTWS to amend the franchise agreement and allow for a longer-term extension, 10-years.

Advantages: A longer term extension would provide the City with stability in a service being provided at a level that the residents of Los Altos show high satisfaction and allow the franchise hauler certainty of revenues allowing for capital investments in vehicles

Disadvantages: None

- 3) Receive the performance review of MTWS and direct staff to not extend the terms of the contract beyond the 2020 existing terms. extension, 10-years.

Advantages: None, it is not expected that re-advertising the franchise agreement would result in significant cost savings

Disadvantages: Preparation of an RFP for solid waste franchise services would be a costly and time-consuming activity for staff. Staff would need to retain the services of a consultant to assist with the preparation of bid materials, review of proposals and selection and training of a new franchise hauler.

Recommendation

The staff recommends Option 2.



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RESOURCES · RESPECT · RESPONSIBILITY

FINAL DRAFT

Mission Trail Waste Systems Performance Review



SUBMITTED TO:

City of Los Altos, CA

April 6, 2018

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April 6, 2018

Ms. Susanna Chan
Director, Public Works
City of Los Altos
1 North San Antonio Road
Los Altos, CA 94022

Subject: Final Report on Performance Review of Mission Trail Waste Systems

Dear Ms. Chan,

We are pleased to submit our final report of the Performance Review of Mission Trail Waste Systems (MTWS) under the Collections Service Agreement (Agreement) with the City of Los Altos (City). Our review has found that MTWS is in compliance with the vast majority of the Agreement's requirements. Collections are performed in a safe, courteous, and clean manner; coordination between the drivers, customer service, shop, and management is facilitated by an effective system of work orders; fleet maintenance operations and vehicles have consistently received satisfactory ratings from the California Highway Patrol; and MTWS is operating a sophisticated and professional customer service operation.

While there are areas where MTWS's performance is not fully aligned with its contractual obligations, those areas do not, in our professional opinion, raise major safety, customer service or operational concerns. The most significant area for improvement relative to the Agreement's terms and conditions is in outreach and education, which is not being performed according to the Agreement's requirements. MTWS is not making its diversion requirement of 78%. However, the diversion rate achieved by MTWS compares favorably against the diversion achieved by other communities. MTWS proactively begun commercial dry waste processing via a separate contract with Newby Island, and at additional cost to the company. We have shared our findings with MTWS, and the company has initially accepted our findings and recommendations.

Should you have any questions regarding this submittal, or need any additional information, please contact me by phone at (510) 292-0853 or by email at gschultz@r3cgi.com.

Sincerely,

R3 CONSULTING GROUP



Garth Schultz | Principal

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Section 1: Executive Summary

1.1 Introduction

The City of Los Altos (City) maintains an exclusive Collection Service Agreement (Agreement) with Mission Trail Waste Systems (MTWS) to provide solid waste, recycling, and organic collection services in the City.

The current Agreement was executed in 2010 and expires on September 30, 2020. Collections began September 15, 2010. Single-family residential accounts have a variety of service options available to them, including garbage service for 20, 32, 65, and 96-gallon containers, unlimited recycling and organics service without additional charges, twice-annual large item pick-up at no additional cost, and the curbside collection of some household hazardous waste. Commercial and multi-family accounts can subscribe to garbage as low as the 20-gallon size and as large as a 40-yard compactor, and can subscribe to unlimited recycling and organics service at no additional cost. An extensive suite of education and outreach activities targeting single-family, multi-family, and commercial customers are included in the Agreement.

Among other requirements, the existing Agreement requires that MTWS achieve a minimum diversion rate of 78% as of December 31, 2013, and restricts an extension to the Agreement if the diversion rate requirement is not met.

Should the City wish to extend its agreement with MTWS, the City is required to offer the extension to the company by July 1, 2018. A written notice from the company accepting or rejecting the City's offer is due by 20 working days of the offer. The first extension's term is an additional 3 years, through September 30, 2020. If the City does not choose to extend its agreement with MTWS, or if MTWS does not accept the extension offer, the Agreement will expire on September 30, 2020.

1.2 Summary of Findings

Overall Assessment

Overall, we found that MTWS is providing safe and effective solid waste management services to the City. MTWS is in compliance with the vast majority of its contractual obligations. Our findings include:

- Collections are performed in a safe, courteous, and clean manner.
- Coordination between the drivers, customer service, shop, and management is facilitated by an effective system of work orders.
- Fleet maintenance operations and vehicles have consistently received satisfactory ratings from the California Highway Patrol.
- MTWS is operating a sophisticated and professional customer service operation.
- While there are areas where MTWS's performance is not fully aligned with its contractual obligations, those areas do not, in our professional opinion, raise major safety, customer service or operational concerns.

R3

Section 1

Executive
Summary

MTWS is not making its diversion requirement of 78%, although the diversion rate achieved by MTWS compares favorably against the diversion achieved by other communities. MTWS proactively begun commercial dry waste processing via a separate contract with Newby Island, and at additional cost to the company.

The most significant area for improvement relative to the Agreement's terms and conditions is in outreach and education, which is not being performed according to the Agreement's requirements.

Performance Review

Franchise Agreement Compliance Review

We found that MTWS is in compliance with the vast majority of the contractual obligations we reviewed. We did, however, find that MTWS is not compliant with a few requirements. More detail is available in Section 2.1 of this report.

Areas of improvement relative to agreement terms and conditions are detailed in the following sections of this summary, and in the list below:

- **Exhibit 1: Approved Rates.** With the exception of charging 1- and 3-yard compactor rates, and providing 20-gallon multi-family garbage service at the single-family rate, neither of which are listed on the approved rate schedule, MTWS appears to be billing approved rates.
- **Exhibit 11 and various other locations within the Agreement: Curbside collection of a wide range of HHW.** A contract between MTWS and Curbside, Inc. to provide curbside collection of a wide range of HHW would have required the City representative to endorse certain provisions. MTWS was unable to obtain the City's endorsement and did not provide HHW collection services as described in the Agreement. The Agreement was not amended to remove these services. It should be noted that MTWS does provide curbside collection of a range of HHW, including household batteries, cell phones, used motor oil and filters, paint, and light bulbs.

Operations Review

Our Operations Review findings include the following:

- MTWS employees are courteous and professional. Vehicles are clean and in good repair. Services are performed without litter and with few tipped containers and open lids.
- MTWS appears to have an effective driver training program in place and MTWS's Insurance Modification Factor compares very favorably to the industry standard. We have found that companies that operate safely also tend to operate other aspects of their operations effectively.
- Missed pick-ups are rare (reported at 0.56 missed pick-ups per day).
- Communication between drivers, CSRs, and management is smooth and unhampered.
- MTWS diverts electronics, clean wood, steel, aluminum, concrete, construction and demolition debris, and yard waste collected via the large item collection program after tipping at the MTWS transfer station.
- The facilities related to the Los Altos Agreement have recorded violations and areas of concern that are not atypical for facilities of their type.

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More detail is available in Section 2.2 of this report.

Management and Administrative Review

MTWS's management structure is similar to many other solid waste operations. There are an appropriate number of both supervisory and front-line staff for the customer service and maintenance functions. The number of supervisors for collection operations, however, appears to be low. We did not observe any lapses in performance related to the low ratio of supervisors to drivers.

MTWS has the ability to generate a wide range of operational, maintenance and customer service reports to support the effective management of its operations, although some reports are not maintained to support effective management of some functions such as large item pick-up.

More detail is available in Section 2.3 of this report.

Vehicle and Equipment Maintenance, Repair and Replacement Review

MTWS appears to have an effective vehicle maintenance operation in place.

The maintenance tracking system is paper-based, and provides effective tracking and reporting of preventative maintenance schedules, maintenance costs and other maintenance information and benchmarks. Information is tracked by vehicle and data can be generated and analyzed for individual vehicles, with information on the overall fleet requiring a more detailed compilation of data than is actively maintained on a continuous basis.

MTWS has received "Satisfactory" Biennial Inspection of Terminals (BIT) ratings from the California Highway Patrol since the start of the term of the Agreement, which supports the effectiveness of its maintenance operations.

More detail is available in Section 2.4 of this report.

Customer Service Review

MTWS operates a sophisticated and professional customer service operation. Customer Service Representatives (CSRs) appear to be responsive, courteous, dedicated and qualified. The Customer Service Manager and CSR staff is held to high expectations, and the training programs, technologies, and data tracking systems all appear to be sufficient to meet expectations with one significant exception, which is that not all calls are answered within 5 rings. However, most customer calls are answered within a few seconds. More detail is available in Section 2.4 of this report.

Quarterly and Annual Report Assessment

R3 found that MTWS has only partially complied with the reporting requirements of the Agreement. However, some requirements for reporting may not be necessary, according to R3's assessment. The City should review and affirm desired reporting from MTWS moving forward. More detail on reporting requirements is available in Section 2.6 of this report.

Diversion Good Faith Effort

Diversion in Los Altos is quite good in comparison to other jurisdictions for which R3 has data. Subscription and participation in diversion services is quite high. MTWS has committed to delivery of commercial "dry waste" (garbage with high recyclable content) to Newby Island to recover the recyclable materials prior to landfilling, a program with significant costs to MTWS.

Section 1

Executive
Summary

However, MTWS is not meeting the 78% diversion rate required in the Agreement. More detail is available in Section 2.7 of this report.

Outreach and Education Services

MTWS has achieved partial compliance with its public outreach and education service requirements to the City. Exceptions to compliance with the Public Education and Outreach Program include:

- Preparation of annual action plan – one was completed in 2015, but not before or after that year.
- Distribution of an annual collection service notice.
- Conducting recycling opportunity assessments in the commercial sector, which include distribution of how-to information, signs and indoor collection containers, and assertive training, follow-up and monitoring, with a major focus on food scrap collection.
- Engaging with multi-family dwellings, with twice annual recycling opportunity assessments including review of complex program components, proposing increase in recycling service, identifying solutions to problems, and providing literature to tenants and posters to collection points.
- Engaging with schools by annually contacting every school, public and private, within the City limits to inform administrators and individual teachers of MTWS resources for schools, and brief and interactive presentations prepared for each age group. R3 suggests that the City consider not requiring MTWS to engage in extensive outreach to schools for which they are not the franchised collection service provider.

More detail is available in Section 2.8 of this report.

Financial Compliance Assessment

More detail is available in Section 3 of this report.

Test of Subscribers

- Rates vs. Rate Schedules – Our review found that MTWS is charging the approved (correct) rate for the various service levels.
- Charging of Approved Rates – With the exception of charging 1- and 3-yard compactor rates, and providing 20-gallon multi-family garbage service at the single-family rate, none of which rates are listed on the approved rate schedule, MTWS appears to be billing only approved rates. MTWS confirmed that the rate schedule in the Agreement did not include 1- and 3-yard compactors, but that a rate compatible with the 1- and 3-yard box rates was developed in response to customer requests for 1- and 3-yard compactor service.
- Field Audit (Route Audit) – Our route audit of 1,293 residential accounts found ten potential billing discrepancies having a negligible impact on annual gross revenues. MTWS reviewed those accounts for which R3 found billing discrepancies, finding that in six of these cases, the billing record appeared to be accurate. MTWS has begun reaching out to customers to affirm desired service levels and adjusting billing records as appropriate. Our audit of 32 commercial accounts found no discrepancy between billing subscription data and actual service levels.

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Test of Revenue Transactions

Our review found that MTWS's billing systems accurately and appropriately record billings and payments. However, residential accounts are generally invoiced by or around the 5th of the first month of the quarter, which is not in alignment with the requirement in the Agreement to invoice no earlier than the 20th day of the first month of the quarter. However, no adverse impacts to customers are anticipated.

Test of Franchise Fee Transactions

Our review found that MTWS has properly calculated and remitted franchise fee payments to the City in accordance with the Agreement. Some fees due to the City were remitted after the due date of the 15th of the month after revenues are collected.

The administrative fee payments were made according to the Agreement's requirements; however, it appears that the calculations used to adjust the administrative fee may not have been done precisely in accordance with the Agreement's requirements. Discrepancies are small.

1.3 Summary of Recommendations

In consideration of the findings of this performance review and billing audit, R3 recommends that the City require MTWS to make the following changes.

HHW

- Provisioning of curbside HHW collection services as described in the Agreement is not occurring and may not be possible. We recommend that the City remove these provisions from the agreement.

Rates

- We recommend that the City consider including rates for 1- and 3-yard compactors and 20-gallon garbage carts for commercial and multi-family customers in the approved rate schedule.

Reporting

Upon review of the various reporting requirements included in the Agreement (including annual and quarterly reporting), and consideration of the significant performance requirements of the Agreement which are not currently required to be reported on, R3 recommends that the City direct MTWS to submit reports that include the following:

- Insurance modification factor for benchmarking safety performance, as described in Section 2.2 of this report (Annually).
- Promptness of large item collection services, as described in Section 2.1 of this report (Quarterly).
- Call wait time before answer, as described in Section 2.5 of this report (Quarterly).
- Number of vehicles over weight limits for the year, as described in Section 2.2 of this report (Quarterly).

Per Agreement Section 16.03, the City may require MTWS to provide reports as may reasonably be required.

R3

Section 1

Executive Summary

Additionally, R3 recommends that the City begin to require MTWS to provide reports that include the following items (as required in Section 16.02 of the Agreement):

- Collection Service census data for all Service Units, and customer base data consisting of the number of single-family, multi-family, and Commercial Service Units billed, and City Collection Services (to be provided in the form of an annual export of subscription records) (Quarterly).
- A summary of all payments made to the City (Quarterly).
- Report on all public education and information activities undertaken during the period (Quarterly).
- Average price received per ton for marketed recycling (Quarterly).
- Total recycling revenue received (Quarterly).
- Location of residue disposed (from MRF) (Quarterly).
- Adjusted tonnage reports, with accurate reporting of tonnages by sector, and the inclusion of residual in tonnage reports and in the calculation of diversion (as described in subsequent sections of this report, “Accurate Reporting of Tonnage by Sector” and “Residual and Accurate Diversion Reporting”) (Quarterly).
- Updated complete inventory of collection and major processing equipment (Annually).
- Public education and information activities undertaken during the year (Annually).

Reporting requirements and recommendations are described more fully in Section 2.6 of this report.

Outreach and Education

- We recommend that MTWS begin to undertake the following activities in accordance with the requirements of the Agreement:
 - Preparation of annual action plan. One was completed in 2015, but not before or after that year.
 - Distribution of an annual collection service notice.
 - Conduct recycling opportunity assessments in the commercial sector, which include distribution of how-to information, signs and indoor collection containers, and assertive training, follow-up and monitoring, with a major focus on food scrap collection.
 - Engage with multi-family dwellings, with twice annual recycling opportunity assessments including review of complex program components, proposing increase in recycling service, identifying solutions to problems, and providing literature to tenants and posters to collection points.
 - Engage with schools by annually contacting every school, public and private, within the City limits to inform administrators and individual teachers of MTWS resources for schools, and brief and interactive presentations prepared for each age group.
- We recommend that the City consider enacting detailed outreach and education program in partnership with MTWS in order to improve diversion performance.

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Billing

- In most cases, MTWS is not billing on the schedule specified by the Agreement. We do not find that the current schedule adversely affects customers in Los Altos, and recommend that the City make a determination on whether the current billing schedule is acceptable. If the City determines that it is acceptable, we recommend that the City and MTWS sign a letter of understanding on the billing schedule for Los Altos customers or otherwise document an adjustment of this contract term.

Franchise Fee

- MTWS should pay the City franchise fee and administrative fees by the 15th of each month.
- The City should consider reviewing the adjustments to the administrative fee moving forward as a part of the annual CPI adjustment to rates.

There are also a few provisions in the Agreement which have specific language that does not always reflect the actual operations of the company, and where there is no negative impact on services or customers. In these cases, we recommend that the City consider adjusting these provisions such that the Agreement accurately reflects actual services being provided. Where the City judges that requests for adjustment in contract terms are needed and reasonable, the City and MTWS should memorialize those changes via an amendment to this Agreement, or other appropriate written instrument.

R3

Section 1

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Executive
Summary

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Section 2: Performance Review

2.1 Franchise Agreement Compliance Review

Objective

Determine the extent to which MTWS has complied with the applicable terms and conditions of its Agreement with the City.

Background

The Agreement specifies the various terms and conditions under which MTWS is to operate its franchise. Those terms and conditions include:

- The services to be provided.
- Diversion requirements.
- The type and condition of collection equipment.
- Record keeping and reporting requirements.
- Insurance requirements.
- Public education requirements.
- Customer service requirements.
- Various other operational and administrative requirements.

Methodology

For the purpose of assessing MTWS's compliance with the terms and conditions of the Agreement, R3 identified various items in the Agreement that require MTWS to meet specific performance standards, submit information or reports, perform specific services, and document operating procedures, among other items. These requirements are documented in a Contract Compliance Checklist. We identified several major objective standards within the compliance checklist, and identified areas where information does not exist in order to verify compliance objectively. We conducted a review of applicable requirements and provided an assessment of MTWS's compliance with those requirements. More than 200 separate contractual requirements were identified and reviewed.

Limitations

While our review covered the specific issues identified in our proposal, we tailored our approach and resources to focus our time and effort on the issues that we determined to be most relevant to the City and its ratepayers.

Findings

In general, we found MTWS to be in compliance with the majority of its contractual obligations. Collection services are performed generally in accordance with the contractual requirements of the Agreement.

We found a few items where MTWS is not, or may not be, in compliance with its contractual requirements. These items are listed in full below. Additional information is provided in related report sections, where those sections are referred to in the description below.

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- **Section 4.01: Invoice Schedule.** MTWS appears to be invoicing residential and commercial customers on a quarterly and monthly schedule, per the Agreement, but sometimes earlier than the 20th day of the first month for which service is being billed (residential). The billing schedule does not appear to have an adverse effect on customers, and we suggest that the City consider approving a letter of understanding with MTWS to formalize the City's approval of an alternative billing schedule, if the City so chooses. Please see Section 3.1 of this report for more information.
- **Section 4.03: Payments to City.** Some payments to the City were submitted late, although not excessively late; there is no remedy needed. MTWS may have made small errors in calculating annual adjustments to the administrative fee. Please see Section 3.3 of this report of this report for more information.
- **Section 5.01: Minimum Diversion Rate.** MTWS has not made its annual diversion requirement of 78% during the contract's term. However, MTWS's diversion rate compares favorably with other communities; please see Section 2.7 of this report of this report for more information.
- **Sections 7.05.6, 9.03.5, and 9.04.5: Use of Non-Collection Notices.** MTWS stated that non-collection notices are not used because all material is collected and excessive contamination is not observed in Los Altos. The Agreement requires the use of non-collection notices in the case of excessive contamination of recyclables or organics.
- **Section 10.03.6 and Exhibit 13: School Recycling Program.** MTWS has not provided the school recycling program that was described in the Agreement. Please see Section 2.8 of this report of this report for more information.
- **Section 12.08: Vehicle Signage.** Collection vehicles are clearly labeled with the contractor's name and phone number on the sides of the vehicle. The Agreement also requires signage on the rear of the collection vehicles. The vehicle signage does not clearly state that the vehicle operates in Los Altos, which is also required by the Agreement; however, vehicles are labeled with a number preceded by "LA," which means "Los Altos."
- **Section 12.11: Equipment Inventory.** Equipment inventory is not provided to City each April 1st. MTWS has stated that they will begin to submit the equipment inventory to the City on time, and that no changes to the vehicle inventory have been made since the start of collection services.
- **Section 13.01.4: Response to Calls.** All incoming calls are to be answered within five rings, which is less than 30 seconds. MTWS is not currently required to report average response time in quarterly and annual reports, although they do report total call time, total talk time, and number of incoming calls per day. Based on review of the logs, the contract's requirement of 5-ring wait time is not being met fully. R3 placed 5 calls to the Los Altos hotline that were answered by a CSR in 1.6 seconds on average. Please see Section 2.5 of this report of this report for more information.
- **Section 14.01: Annual Public Education and Outreach Plan.** A Public Education and Outreach Plan was submitted to the City in 2015. There is no record of any other plans being submitted to the City, although annual updates are required. MTWS has stated that they will begin to prepare and submit annual Public Education and Outreach Plans going forward. Please see Section 2.8 of this report of this report for more information.

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- **Section 14.03: Annual Collection Service Notices.** MTWS has not been mailing separate notices to single-family, multi-family, and commercial customers regarding services, accepted materials, procedures for set-out, HHW, service maps, and contractor contact information. These notices are required to be issued by November 1st each Agreement Year. A brochure detailing accepted materials is available on the MTWS website, and a thorough and complete set of information is provided online. Please see Section 2.8 of this report of this report for more information.
- **Section 16.02.2: Quarterly and Annual Reports.** Not all information that is required to be included in quarterly and annual reports is included, although MTWS has stated that they provided the current reporting format to the City for approval at the beginning of collection services in 2010. Please see Section 2.6 of this report for more information.
- **Exhibit 1: Approved Rates.** With the exception of charging 1- and 3-yard compactor rates, and providing 20-gallon multi-family garbage service at the single-family rate, neither of which are listed on the approved rate schedule, MTWS appears to be billing only approved rates. MTWS confirmed that the rate schedule in the Agreement did not include 1- and 3-yard compactors, but that a rate compatible with the 1- and 3-yard box rates was developed in response to customer requests for 1- and 3-yard compactor service.
- **Exhibit 7: Public Education Plan.** Specific ongoing activities are listed in Exhibit 7, which are not occurring at this time. Please see Section 2.8 of this report of this report for more information.



Photo #1: Large item pick-up flatbed truck

Areas in which we were unable to evaluate contractual compliance include:

- **Section 7.01.2: Promptness of Large Item Collection Services.** MTWS does not currently keep a log to track promptness of services. The City has received complaints from residents about promptness of service, and R3 recommends that MTWS begin to report promptness of large item collection services as a part of their quarterly reports. See Section 2.6 of this report, which describes additional reporting requirements for the City's consideration.

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There are also a few areas in which MTWS or the City have noted that there was an agreement to adjust Agreement terms. We suggest that the City and MTWS memorialize these changes via amendment or other appropriate written format. Those Agreement terms are as follows:

- **Section 12.09: Vehicle Washing.** Collection vehicles are washed once every two weeks by a third-party contractor, rather than once every week as the contract requires. However, we understand from MTWS that the City agreed to less frequent vehicle washing as a response to the drought. There is a vehicle wash bay on site which is used regularly by drivers as needed. Collection vehicles have a clean appearance and presented no significant odor nuisance at the time of our review.
- **Exhibit 11 and various other locations within the Agreement: Curbside collection of a wide range of HHW.** R3 was involved in preliminary conversations prior to agreement adoption regarding a contract between MTWS and Curbside, Inc. to provide curbside collection of a wide range of HHW.¹ This agreement would have required the City representative to endorse certain provisions. MTWS was unable to obtain the City's endorsement and did not provide HHW collection services as described in the Agreement. The Agreement was not amended to remove these services. It should be noted that MTWS does provide curbside collection of a range of HHW, including household batteries, cell phones, used motor oil and filters, paint, and light bulbs.

2.2 Collection Operations Review

Objectives

To assure that MTWS conducts proper driver training, that it has an appropriate number of route supervisors that are actively monitoring driver performance, and that drivers are providing collection services in a safe and effective manner and adhering to the associated requirements of the Agreement.

Background

MTWS operates four side-loader routes 5 days per week for residential recyclables, three routes for residential garbage, and three routes (four on Thursday) for residential organics.

MTWS runs two commercial front-end loader routes – one for recyclables, and one for garbage. Commercial service is also provided on weekends; however, Sundays are for City can collection only.

MTWS has one industrial (roll-off) route, but will run two as needed. The roll-off route is dedicated to Los Altos. The cart delivery truck and driver are shared with Santa Clara. There are two item routes shared with Santa Clara.

¹ HHW that is currently being collected is: household batteries, cell phones, light bulbs, paint, and used motor oil and filters. Exhibit 11 also includes Garden Chemicals (Insect Sprays, Weed Killers, Other Poisons), Swimming Pool Chemicals (Pool Acid, Chlorine), Automotive Waste (Antifreeze, Polishes, Cleaners, Brake Fluid, Gasoline, Oily Rags, Transmission Fluid, Hydraulic Fluid, Automotive Batteries, Windshield Washer Fluid), Paint Products (Oil Based Paint, Latex Paint, Spray Paint, Stripper Stains, Caulking, Glue Thinner, Wood Preservative), Household Cleaners (Bleach, Cleaning Compounds, Floor Stripper, Drain Cleaner, Tile Remover, Tile Cleaners, Rust Remover), Miscellaneous Household/U-Waste (Fluorescent Tubes, Thermometers, Hobby Glue, Sharps, Non-Controlled Medicines).

There are two drivers classified as “pool drivers” that are dedicated to the City as back-up drivers if a primary driver is out from work. These drivers are trained on most equipment; primary route drivers generally do not shift between equipment types (side-loader, front-loader, roll-off).

Methodology

Our review of MTWS’s operations included field observations of:

- Morning dispatch and driver launches, including pre-trips and post-trips.
- Assessing the safety, methods and efficiency of collection routes and collector performance.
- Transfer Station processing, material separation (including HHW and large item processing).
- Observing the condition of residential and commercial carts and containers in the field.
- Visual inspection of residential routes before and after collection to evaluate cart placement, the cleanliness of streets after collection, and the physical condition of streets, sidewalks, and street trees.
- Touring MTWS’s administrative offices, corporation yard and maintenance facilities.
- Reviewing missed pick-up records.
- Reviewing routes and schedules.
- Reviewing worker training programs.
- Reviewing supervisor roles and responsibilities.
- Reviewing the current route-to-supervisor ratio.
- Reviewing vehicle load weights and procedures for tracking and addressing overloaded vehicles.

We also reviewed the Notices of Violation logged in CalRecycle’s Solid Waste Information System online portal for the transfer station and equipment yard used by MTWS for serving Los Altos,² and the Material Recovery Facility which processes Los Altos’ recycling.³

Findings

Our review found MTWS’s operations to be largely effective and consistent with industry standards. Specific findings include the following:

- All of MTWS’s routes that operate in the City are dedicated to the City and do not operate in any other service area, except for cart/bin delivery vehicles which service Los Altos in the morning and Santa Clara in the afternoon.
- The level of route supervision appeared to be adequate, although the number of supervisors to drivers was low (the ratio of supervisors to drivers is about 1:25, which exceeds a general benchmarking level of 1:20). We did not observe any lapses in performance related to the low ratio of supervisors to drivers. Route Supervisors use an iPad for on-route observations of quality of service and driver performance while

² The reports are available at the following web address:
<http://www.calrecycle.ca.gov/SWFacilities/Directory/43-AO-0002/Detail/>

³ The reports are available at the following web address:
<http://www.calrecycle.ca.gov/SWFacilities/Directory/01-AA-0290/Detail/>

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drivers are completing collections. The interface and dataset are directly managed by their insurance broker, Omnis Risk Insurance Solutions.

- Communications between drivers and CSR's and supervisors are conducted using two-way radios. Any active work orders that are not resolved that day are printed and included in the driver's route booklet the next day. Examples of such tickets would be changes in service level or notes to the driver.
- Vehicles are equipped with GPS tracking (AirTrak), which allows "not-out" to be recorded by the software according to actual vehicle location. Drivers push a button in the cab to record the "not-out," and the information is transmitted in real time to Tower, the customer service and operations software used by the company.
- Collection vehicles are CNG, with a clean and well-maintained fueling station on the site.
- Some customers may not put out their carts for collection, and call customer service to request a courtesy return. MTWS staff is aware of which accounts are suspected of this behavior; however, if the route is still active, the driver is sent to pick up the carts as a courtesy.



Photo #2: MTWS CNG fueling station

- Bulky item collection routes are given to the driver in the form of active tickets. The driver signs off on each ticket and notes if collection was not able to be performed (i.e., if the items were not out). Bulky item collection could be made more efficient if routing was done by support staff.
- Standard holidays schedule is used, with routes moving to the next day of the week and Friday collections occurring for residential accounts on Saturdays.
- MTWS's safety record is good. MTWS has an ongoing worker safety training program with required training once per month, as well as quarterly safety meetings. There are four sessions per safety training day, and the topics are solid waste-specific. Trainings are conducted by 901T Safety, a contractor. Three sessions are dedicated to drivers (separated by launch times for Los Altos and Santa Clara), and one session is dedicated to the maintenance staff. See section on safety, below.
- Cart/Bin delivery driver is responsible for cart construction, maintenance, cleaning, and inventory. Bin repair is done by a dedicated employee (welder) at the shop.
- Route supervisors do not currently conduct billing audits of residential accounts. We suggest that MTWS begin to conduct regular billing audits. Note that our billing audit showed extremely high accuracy in billing records for residential accounts.
- MTWS reported a total of 148 reported missed pick-ups in 2016. This is equivalent to approximately 12 per month, or 0.56 per day (a 99.99% on-time collection rate). This rate is well within industry standard. See additional discussion of missed pick-ups under the Customer Service Review section of this report below.
- MTWS has several employee handbooks on site that are dedicated to many facets of the business including proper household hazard waste handling, general safety practices regarding solid waste collection, etc.

- MTWS drivers are part of the Local 350 union.
- Over-time is arranged on an as-needed basis and regulated by the union agreement.
- MTWS diverts electronics (via E-Recycling in Hayward), clean wood, steel, aluminum, concrete, construction and demolition debris, and yard waste collected via the large item collection program after tipping at the MTWS transfer station.
- There is a separate area in the transfer station for paint collected curbside. Oil-based paints and acrylic paints are collected separately, stored in separate drums (cans are emptied into drums) and Evergreen Environmental picks up the separated paint drums from the MTWS facility. Batteries collected in Los Altos are stored in a shed and separated out according to battery type. ReVolt Recycling, LLC, in San Leandro, collects the batteries from the transfer station for recycling.

Field Observations

- Collection containers (carts and bins) are uniform and clean. All carts are embossed with a unique ID and the material to be collected, as well as instructions for the proper placement of carts. The bodies of the carts do not bear the hauler’s name.
- Vehicles are clean and appear to be in good repair. Signage is easy to read and includes contractor’s name, phone number, and vehicle number.
- Subscription records are accurate based on comparing the records to actual container sizes observed in the field, and inconsistencies are within the industry standard. See additional information on subscription record accuracy in Section 3.1, Test of Subscribers.
- Drivers are efficient and professional. Drivers were observed to be operating safely with blinkers and warning lights engaged, and behaved courteously while servicing cul-de-sacs and backing. On-premise service is performed with care toward the residents’ yards and property. Carts are replaced correctly and were not observed blocking driveways or farther than 5 feet from place of collection. No litter was found on streets prior to, or after, service.
- Cart lids were largely left closed after service, although some carts (primarily garbage) had their left lids open. R3 saw six (6) carts knocked over, out of over 1,293 accounts audited. Assuming about half of the accounts observed were serviced prior to observation, with three carts per account, 0.3% of carts were observed knocked over, which is a reasonable proportion of carts.
- One driver was observed without uniform on both field audit days. Uniforms are required in the Agreement Section 19.03.
- Four carts were found damaged, mainly the lids. One commercial cart was found without wheels. We have relayed to MTWS the addresses where the carts were found damaged. MTWS is required to replace carts if damaged beyond repair, once per customer during the lifetime of the Agreement.



Photo #3: Top of a recycling cart

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- Commercial services and large item pick-up were observed, and MTWS drivers performed with care and efficiency. Areas around commercial bins were largely free of litter. Large item pick-up appeared to be performed with the intention of keeping items intact and salvageable for donation.

Safety Record

When conducting operational assessments of solid waste haulers, one of the key metrics we focus on is safety. The consideration of “Safety First” is critical to effective solid waste management operations. Safety impacts customer service, employee morale, operational costs, and other factors. Our experience has been that a company that has an effective focus on safety, tends to perform higher in the other aspects of their operation (service and efficiency).

Mission Trail’s safety record, as measured by its Experience Modification Factor,⁴ compares favorably to the industry benchmark (Waste Management corporate numbers used as industry benchmark), as shown in Table 1 below.

While MTWS’s modification factor compares favorably to the industry standard, the consistency of “areas of concern” related to “not wearing PPE” which we observed in the facility inspection reports (Appendix 1) is noted as a concern that the operator should continue to monitor.

Table 1
Experience Modification Factors
 (<1.0 = Better Than Industry Average)

Effective Date	Modification Factor (Mission Trail)	Modification Factor (Waste Management)
2012	0.84	0.74
2013	1.06	0.71
2014	0.98	0.69
2015	0.84	0.74
2016	0.57	0.79
2017	0.65	0.82
Annual Average	0.82	0.75

⁴ The Experience Modification Factor, which is calculated by the National Council on Compensation, provides a means for comparing a company’s safety record to the performance of similar businesses within the same industry. A rating of 1.00 is average; a rating of less than 1.0 is favorable, and greater than 1.00 is unfavorable. The Experience Rating Plan places an emphasis on the number (frequency) of claims and, to a lesser extent, the severity of workplace accidents.



Safety Meetings

MTWS’s insurance broker facilitates monthly safety meetings which are provided by a third party, and helps MTWS manage driver route observations by hosting the database used by employees. This is an atypical arrangement but appears to be effective.

In addition to conducting safety meetings, the third party also schedules safety meeting topics. The meeting topics are scheduled in advance for the calendar year and sent via email to MTWS. Topics range from general work safety and commercial driver laws, to solid waste specific safety and collection vehicle relevant information.

Overweight Vehicle Review

MTWS did not provide any overweight data, other than stating residential and commercial overweights are not an issue due to the size of the routes (all within 8 hours). The company did, however, state that overweights occurred in the Roll-Off line of business due to customers over-filling containers; roll-off is not managed by cut-off points (a mandated point in a collection route where the driver must break away from the route in order to dump and begin a second load as an overweight preventative measure) like the other lines of business. Roll-Off overweights are corrected directly with the customers by adjusting the loaded materials, container size, or service frequency, whereas temporary or one-time customers are charged overage fees for overweight loads.

Facility Review

R3 reviewed the inspection reports logged in the past five years (2012 – 2017) by the LEA of Santa Clara County and Alameda County for the MTWS transfer station, and the Alameda County Industries Material Recovery Facility used by MTWS, respectively. We found only one violation for the transfer station, and one violation for the recycling facility, which is not atypical to find in reviews such as this one.

Our findings are detailed in Appendix 1 to this report. MTWS should consider focusing the safety meetings at the recycling facility on proper PPE, as lack of PPE was repeatedly observed by the enforcement agency.

2.3 Management and Administration Review

Objective

To review MTWS management and administrative structure and identify potential changes or improvements to management practices.

Background

MTWS’s management structure is similar to that of many other solid waste operations. The General Manager, who has overall responsibility for managing the City’s franchise and other MTWS operations, is supported by customer service, financial, operations, maintenance and post collection service managers and supervisors. MTWS has a dedicated supervisor whose sole responsibility is to oversee the City’s daily collection operations.



Photo #4: Drivers perform on-premise service with care

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Our review of MTWS's Management and Administration included the following:

- Organizational structure and functions.
- Staffing practices, including the deployment of supervisor(s) and collection staff.
- Data tracking and reporting procedures.
- Employee management policies and procedures.
- Employee feedback programs.

Findings

Our review found MTWS's management and administrative structure to be reasonable and effective. Specific findings include the following:

- MTWS's management structure is generally consistent with other operations of similar function and size.
- There appeared to be a reasonable number of management, supervisory and front-line staff for the customer service, maintenance, and outreach and education functions.
- The number of route supervisors for collection operations is low, with two supervisors overseeing 49 drivers. However, the Field Operations Supervisor shares job duties with the route supervisors and takes an active hand in planning staffing and operations.
- The ratio of customers to management staff, supervisors, dispatchers, drivers, maintenance personnel, customer service and billing representatives for the collection operation, customer service and maintenance functions appears to be sufficient. The number of spare vehicles is low, but supplemented by renting vehicles when needed.
- Employees are hired on an as-needed basis. All employees are subject to a pre-employment screening as allowed by and mandated by applicable laws, according to our understanding of common practices. Employees undergo training when hired as well as ongoing safety training. Drivers have a 90-day probationary period training, which includes several weeks of ride-alongs with other drivers. MTWS management reports that when needed, they have extended the probationary period for drivers during training to ensure that the drivers are fully qualified and capable prior to removal of the probationary status and subsequent elevation to an official driver status.
- MTWS management and route supervisors review staff performance in the field to assess service quality and safety, but are currently doing so following a reported incident. Field observations are focused on quality of service, and should be conducted regularly (at least quarterly), as a proactive preventative measure. The route supervisor interviewed reported that in rare cases and after repeated warnings, disciplinary letters are written and the letter is stored in their personnel file.
- Employee feedback systems are informal. Management has an open-door policy for employee feedback.
- MTWS contracts a separate company, Samba, to monitor DMV records for tickets, moving violations, and other matters of concern to the company. Samba pulls the notices of activity from the California DMV and sends MTWS management an email

any time there is activity on drivers' licenses, including license renewals. Driver training and licensing is recorded in a proficiency book.

- MTWS tracks and reports a variety of data that is used to manage its operations, including operational and productivity data (vehicle weights, tons collected by commodity), customer service data (number and nature of complaints, call response times), and maintenance related information (road calls, preventative maintenance schedules, vehicle repair histories).
- Route observations and safety data are actively managed by the MTWS insurance broker, and MTWS relies upon the broker's management of safety data. The insurance broker is actively involved in arranging safety trainings. More detail on safety is available in Section 2.2 of this report.
- Pre-trip and post-trip inspections are performed by drivers over a wider range of time than would allow for effective supervisor monitoring. R3 recommends that MTWS institutes organized launches/pre-trips such that supervisors have the opportunity to supervise pre-trip inspections.

2.4 Vehicle and Equipment Maintenance, Repair and Replacement Review

Objective

To determine if MTWS is maintaining vehicles and equipment in a safe operating condition.

Background

Fleet maintenance is a critical function of any collection system. Having safe, operable vehicles consistently available is important for having safe and cost-effective operations and providing good customer service.

MTWS's maintenance facility is located at its transfer station in Santa Clara. MTWS contracts with a third-party vendor (Deca Power Washing Company) to wash and steam clean vehicles once every other week. There is a two-vehicle wash bay located on site that drivers use regularly as well.

Methodology

Our review of MTWS's maintenance operation included the following:

- Routine maintenance procedures and schedules for residential collection and commercial collection vehicles.
- Utilization, safety, and suitability of facilities and equipment.
- Procedures for maintenance, safety check, and replacement of equipment.
- Review of pre- and post-trip inspection practices, and communication between drivers, dispatchers and maintenance personnel.
- Historical Biennial Inspection of Terminus (BIT) results.

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MTWS appears to be maintaining its vehicles in a safe operating condition. Specific findings from our maintenance review include the following:

- MTWS has received a “Satisfactory” BIT inspection rating for each inspection that has been conducted by the California Highway Patrol since the start of the City’s Agreement.
- MTWS follows a typical preventative maintenance schedule that includes both 90-day and 500-hour service schedules.
- MTWS’s maintenance tracking system allows staff to track preventative maintenance, repairs, road calls, costs and other metrics by vehicle and for the overall fleet. All files are manually kept and maintained, and the preventative maintenance schedule is tracked on a manual calendar. Although MTWS has an effective process in place, it is recommended that they acquire a digital software program dedicated to maintenance, and convert to an electronic format.
- Route drivers are required to perform pre- and post-trip vehicle inspections and complete daily vehicle condition reports (VCR). If a driver notes items related to safety or performance, the vehicle may not exit MTWS’s facility until the vehicle has been declared road-worthy by maintenance personnel. There is a check and balance system in place where the driver submits any issue(s) for his/her vehicle at the end of each day and the mechanic who completes the repair work signs the VCR and returns it to the vehicle, showing that the vehicle has been returned to a status of safe to operate.
- A van is available for most road calls, while a flatbed equipped with a compressor is available for tire repairs.
- MTWS plans to utilize the current vehicles through the duration of the contract, so there is no vehicle replacement schedule. MTWS reported that if the next contract agreement is awarded to MTWS, a new fleet of vehicles will be purchased for the life of the contract. This practice is typical of many waste hauling companies.

2.5 Customer Service Review

Objective

To assess the adequacy of the current customer service functions and structure utilized by MTWS, including:

- Overall effectiveness of customer service practices, including responsiveness and courteousness of MTWS customer service representatives (CSRs).
- Appropriateness of policies, procedures and training.
- Methodologies for recording and addressing missed pick-ups.
- Protocols for addressing customer complaints.
- Procedures for initiating collection service interruptions.
- Compliance with customer services provisions in the Agreement, including average telephone response times.
- Data exchange and communication between customer service, routing, marketing/sales, billing, and operations.

- Responding to calls from residential and commercial customers regarding inquiries for new service, including proactively signing up customers for recycling and organics service.
- Establishing new customer accounts in the billing system.
- Coordinating delivery of garbage, recycling, and organics bins or carts.
- Establishing service level and collection frequency for new accounts, including appropriate timing for organics collection frequency.
- Establishing start-dates and service initiation for new accounts.
- Establishing end-dates and service termination for closed accounts.
- The process and procedures for addressing customer complaints and calls, including missed collection, broken or stolen carts, etc.
- Receiving requests for large item pick-ups, scheduling those pick-ups, and completing pick-ups on time.
- How special billing arrangements for non-standard services are completed.
- Resolving delinquent payment accounts.
- Resolving billing inquiries and complaints.
- Generating and updating route lists.
- Processing and closing work orders in the customer service system.
- Tracking of bin placement by number and address.
- Confirming delivery of bins or carts.

Background

MTWS’s customer service functions are operated in MTWS’s main offices located in Santa Clara, California. MTWS’s customer service operations include over-the-counter customer service, customer service by phone (via 650-473-1400 for Los Altos customers), customer service by email via MTWS’s website, and through MTWS’s E-Tower online account management portal.

The customer service operation in Santa Clara is staffed by three CSRs, one receptionist, and one Customer Service Manager, which cover the entire MTWS service area, including the City and Santa Clara. This set of employees handle customer calls and emails, respond to phone messages, conduct over-the-counter transactions, and assist customers with questions about the online portal. CSRs are the primary contact for customers and have access to all customer account data through MTWS’s customer service database (Tower). CSRs are responsible for addressing service and billing questions, providing service information to route drivers and updating the computerized customer service database. Once a customer calls the center, the CSR becomes their point-of-contact for issuing service requests, addressing issues, and follow-up.

Los Altos customers who call customer service via the hotline first receive a short outgoing message from MTWS informing customers that their call will be recorded. Callers are then fielded by the receptionist, who directs customers along the Los Altos or Santa Clara customer service “lines,” or the billing department. CSRs are available to take calls in Spanish, although it is very rare that a Spanish language call is received.

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If a caller elects to speak to a CSR, they are placed into the call queue. In most cases, MTWS reports, the call is immediately directed to an available CSR. When at least one CSR is available, calls coming in are answered immediately. If all CSRs are engaged with other customers, callers remain on hold in the queue until a CSR becomes available, at which time the system automatically connects the caller to the available CSR. The MTWS customer call center receives an average of 1,315 calls per month from Los Altos customers. This is equivalent to approximately 19 calls per CSR per day or 2.5 per hour over an 8-hour day for only Los Altos customers (CSRs are shared between Los Altos and Santa Clara).

Methodology

R3 conducted interviews with MTWS's Customer Service Manager and all three CSRs, including observation of approximately 15 customer calls. R3 reviewed the internal organization and processes for a wide range of customer service and billing functions, including how:

- Communication occurs and information exchanged between customer service, routing, billing, and operation functions.
- CSR staff responds to calls from residential and commercial customers regarding inquiries for new service.
- New customer accounts are established in the billing system.
- Delivery of refuse and recycling bins or carts is coordinated and confirmed.
- Service levels and collection frequencies for new accounts are established.
- Start-dates are established and service initiated for new accounts.
- End-dates are established and service terminated for closed accounts.
- Customer complaints are addressed, including missed collection, broken or stolen carts, etc.
- Delinquent payment accounts are resolved.
- Billing inquiries and complaints are resolved.
- Route lists are updated and generated.
- Work orders are processed and closed out in customer service system.
- Bins are tracked by number and address.

Findings

R3 found that MTWS operates a sophisticated and professional customer service operation. CSRs appear to be responsive, courteous, dedicated and qualified. CSRs and the Customer Services Representatives Manager (CSR Manager) are held to high expectations, and technology and data tracking systems appear to be sufficient to meet general expectations. The number of staff appears appropriate; CSRs are able to address most customer inquiries promptly, and staff has extra time to assist in other areas of the operation as they do not spend all their time on calls.

Specific findings relating to each of the key areas reviewed are discussed below.

Work Orders / Customer Complaints and Compliments

Work orders are logged by CSRs into Tower. Same-day work orders are printed and given to the appropriate staff. CSRs may open work orders that apply to future dates, sometimes months in advance. These future work orders are automatically queued by the system to be printed by an assigned staff the day before, and then used by drivers during the workday.

An immediate complaint is handled by a direct call, email, or verbal request to the appropriate party; internal MTWS expectations are that these types of complaints are resolved promptly. Complaints are filed under a special “note type,” allowing them to be filed and reviewed separately from normal work orders. MTWS Los Altos received 16 such complaints in 2017, and 7 compliments from customers which were also delivered to the appropriate party. The most common complaint was a request to have cardboard outside of recycling containers picked up; CSRs informed customers about proper procedure of breaking down the boxes and tying them together before setting out.

A non-immediate complaint, such as a missed pick-up, is tracked by a work order that would be handled same day (if called in before 12 p.m.) or next day (if called in after 12 p.m.).

Missed Pick-ups

Missed pick-up complaints are tracked by CSRs in Tower using the same system as customer complaints and compliments. Complaints about missed pick-ups received by 12 p.m. are collected on the same service day and pick-ups received after 12 p.m. are collected on the following service day.

MTWS provides complete data for all missed pick-ups reported by Los Altos customers as a part of the Quarterly and Annual Reports to the City. There was a total of 148 missed pick-ups in 2016, which is equivalent to approximately 12 per month, or 0.56 per day (a 99.99% on time collection rate). This rate is well within industry standard.

Service Interruptions

Unlike in many other cities, Los Altos customers who do not pay their bills are automatically downgraded to the smallest size garbage cart (and no recycling or organics service) after 60 days of non-payment (whereas in other communities the collector can cease collection). As such, there is no protocol for “interrupting” service for non-payment in Los Altos.

The procedures for downgrading customer service levels for non-payment are as follows:

- Commencing 30 days after payment is past due, MTWS delivers monthly letters and calls to the customers. No late fees are assessed.
- 60 days after the bills are due, customers are downgraded to the 20-gallon garbage container, and recycling and organics services cease.

Compliance with Franchise Agreement

There are several requirements in the Agreement that pertain to customer service expectations. These requirements are described below, along with an assessment of MTWS’s performance for each.

- **Office Hours from 8 a.m. to 5 p.m. Monday through Friday** – Current office hours are 8 a.m. to 5 p.m. Monday through Friday. Calls received after office hours are forwarded to voicemail, which are answered the next business day.

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- **Calls answered within 5 rings** - Calls into MTWS's call management systems ring once and then the customer hears hold music. Call answer speed was not reported in prior quarterly and annual reports. However, average talk time per call and average call time per call were reported by day. A sampling of such reports yields averages of around 30 seconds of difference between those times. Although there is a message that plays for part of that time, we have determined that MTWS is not fully in compliance with the requirement of answering all calls within 5 rings.

MTWS has recently transitioned into a new telephone system. The new system will have the capability of providing different types of reports. We have recommended to MTWS to monitor statistics such as hold time, average speed of answer, number of dropped calls, and average amount of time spent on a call to help improve performance.

As an additional test of call answer speed, R3 placed a total of 15 test calls to the Los Altos telephone line. R3's test calls to the main line ("First Answer") yielded an average speed of answer of 6 rings, with two calls accounting for the high wait time. Call wait times after being placed in the call queue ("Second Answer"), which is the proper metric to gauge contractual compliance, yielded an average number of rings of 1.75, with one such call resulting in a hold time with music of 105 seconds.

With the new phone system, R3 recommends that actual call wait time be reported by MTWS in quarterly and annual reports in order to demonstrate compliance with the call wait time requirements in the Agreement.

- **Option to leave message after 1.5 minutes on hold** – According to the Agreement, any call that is on hold for more than 1.5 minutes should have the option to remain on hold or be switched over to leave a message. MTWS reports that after 90 seconds, customers are routed back to the administrative desk and can choose to leave a message at that time.
- **Three callback attempts** – The Agreement stipulates that for callers that leave a message for MTWS CSRs (which is an option that is only provided for those calls that are made after MTWS business hours), MTWS will make three attempts to return the call within 24 hours. MTWS reports that CSRs review voicemails in the morning and call customers back at that time, and if they are unsuccessful at leaving the call recipient a voicemail, they will try again later that same day.
- **Postcard sent after three callback attempts** – For callers that leave a message for MTWS CSRs, under the Agreement's terms, MTWS will make three attempts to return the call within 24 hours, and that MTWS will send a postcard to the caller regarding the attempt to return the call if return calls are not successful. CSRs do make several immediate attempts to return the message on the business day after they are received, but there is no process in place to send a postcard if contact is not successful.

It is worth noting that it is not clear whether return call attempts actually make contact (i.e. a customer might not listen to their voicemail) and, if they do, it might not be possible to identify the caller in order to send a postcard. For example, reasons for a failed attempt at returning a message could include:

- Wrong phone number or no phone number left in message.
- No name or account information provided in message.

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- A phone number, name, and account information provided, but not in MTWS service area.

In cases like these, sending a postcard would not be possible. It may not be feasible or realistic to implement this provision of the Agreement.

- **Multilingual services** – The Agreement provides for the option of the City requesting additional language service, but does not require any specific languages to be provided. MTWS has one CSR who speaks Spanish, but MTWS reports that it is extremely rare that they receive a call that is in a language other than English.
- **Accept 10 incoming calls simultaneously** – MTWS’s phone system can handle more than 10 calls at one time. Calls in excess of the number of available CSRs are put on hold as noted above.
- **Customer Service Log** – CSRs log and track all inquiries, service requests and complaints from all calls and emails in MTWS’s Tower customer service management and billing system. Different kinds of calls (e.g. complaints) are assigned specific codes, and reports can be pulled from the system based on those codes.
- **Company Website** – The Agreement stipulates that MTWS shall develop and maintain a website dedicated to services provided in Los Altos, including answers to frequently asked questions, rates for collection services, and details about materials accepted for collection. MTWS’s website for Los Altos is built into a common website shared with Santa Clara, and is accessible online at <http://missiontrail.com/LosAltos/>. The website includes everything that is required by the Agreement, including collection service schedules inside a customer’s account portal.

2.6 Quarterly and Annual Report Assessment

Objective

To review MTWS’s quarterly and annual reports for compliance with the Agreement.

Background

Monthly reports are to be submitted to the City no later than fifteen calendar days after the end of the prior month. Quarterly reports are to be submitted to the City no later than fifteen calendar days after the end of the reporting quarter, and annual reports shall be submitted to the City representative no later than thirty days after the end of each preceding calendar year. Quarterly and annual reports are to be submitted in hard copy, and provided electronically via email or a compact disc.

Methodology

R3 reviewed all quarterly and annual reports for compliance with the Agreement’s requirements. The contract terms and conditions were documented and R3 assessed and documented MTWS’s compliance with those requirements.

Findings

General

R3 found that MTWS has partially complied with the Agreement requirements regarding monthly, quarterly, and annual reports submitted to the City.

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Monthly Reporting

Those categories that are not currently being provided in the monthly report, and are required in Section 16.02 of the Agreement, include:

1. Collection Service census data for all Service Units.
2. Listing of the actual tonnages collected by sector, including residue.

R3 recommends that the City not require MTWS to provide monthly reports including this information, as it does not appear to be necessary. We suggest that this information simply be provided in the quarterly report.

Quarterly Reporting

Those categories that are not currently being provided in the quarterly report (required in Section 16.02 of the Agreement), and which R3 finds to be appropriate for inclusion in reports, are:

- Collection Service census data for all Service Units, and customer base data consisting of the number of single-family, multi-family, and Commercial Service Units billed, and City Collection Services (to be provided in the form of an annual export of subscription records).
- A summary of all payments made to the City.
- Report on all public education and information activities undertaken during the period.
- Average price received per ton for marketed recycling.
- Total recycling revenue received.
- Location of residue disposed (from MRF).
- Adjusted tonnage reports, with accurate reporting of tonnages by sector, and the inclusion of residual in tonnage reports and in the calculation of diversion (as described in subsequent sections of this report, “Accurate Reporting of Tonnage by Sector” and “Residual and Accurate Diversion Reporting”).

Those required reporting elements which R3 finds not to be necessary for inclusion in quarterly reports at this time are:

- Summary narrative of praises, compliments, and problems encountered with collection and processing activities and actions taken.
- Indicate instances of property damage or injury, poaching or scavenging.
- The number of gross tons collected including Recyclable Materials collected as part of Bulky Waste Collection Service.

Annual Reporting

Those categories that are not currently being provided in the annual report (required in Section 16.02 of the Agreement), and which R3 finds to be appropriate for inclusion in reports, are:

- Updated complete inventory of collection and major processing equipment.
- Public education and information activities undertaken during the year.

Those required reporting elements which R3 finds not to be necessary for inclusion in annual reports at this time are (next page):

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- A summary of the prior year’s Gross Receipts received, and franchisee fees paid broken down by single-family, multi-family and Commercial Service Units (this information is provided to the City as a monthly remittance along with the franchise fee payment).
- Account data for the total number of accounts serviced, and the number of accounts, account names and addresses of collection locations per each service category.

Additional Reporting

Additional reporting categories that R3 recommends including in future reports to the City (as allowed by Section 16.03 of the Agreement) include:

- Insurance modification factor for benchmarking safety performance, as described in Section 2.2 of this report (Annually).
- Promptness of large item collection services (Quarterly).
- Call wait time before answer, as described in Section 2.5 of this report (Quarterly).
- Number of vehicles over weight limits for the year, as described in Section 2.2 of this report (Quarterly).

Accurate Reporting of Tonnage by Sector

Currently the reports submitted to the City provide tonnages by carts (labeled “residential”) and bins (labeled “commercial”). This reporting format is driven by operational needs: all carts are collected by residential routes, and bins are collected on commercial-only routes. However, the Agreement requires that MTWS report tonnage by sector (single-family, multi-family, commercial, and City), which is not currently being done. Additionally, MTWS is hampered in efforts to target outreach and education to customers by lack of accurate information about actual diversion performance by sector. Benchmarking increasing commercial subscription to organics service is also not possible with the reports as they stand.

R3 recommends that the City require that MTWS ensure that their reports of tonnage by sector are accurate by following the steps outlined below:

1. Calculate volume for carts and bins by sector.
2. Allocate tonnage of garbage, recycling, and organics for carts and bins by volume.

Residual and Accurate Diversion Reporting

The agreement requires accurate reporting of residual amounts and the calculation of diversion by including residual as disposal. MTWS has stated that they have the capability of reporting residual tonnages allocated to the City for the recycling facility. We recommend to the City that the City require MTWS to report these tonnages, as well as apply a residual rate for those facilities used by MTWS for diversion (Newby Island for C&D, organics, and commercial dry waste), in all diversion reporting moving forward.

2.7 Diversion Good Faith Effort Review

Objective

To determine whether MTWS has made a good faith effort to comply with its diversion requirements; and to benchmark diversion in Los Altos against other communities for which data exists.

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MTWS is required to achieve 78% diversion as of December 31, 2013, and diversion is to be calculated as “net of residue,” per Agreement Article 5. MTWS has not achieved the target levels of diversion.

Methodology

We compiled available data sources for the comparison of franchised diversion by tons, and calculated diversion as the sum of recycling and organics tonnages divided by the total number of tons. We also analyzed the reported tonnages on an annual basis throughout the term of the Agreement. In this analysis, we made some adjustments to the reported data:

- Recycling residual was assumed to be 18%. We applied the 18% residual to tons for residential and commercial according to the Agreement’s requirement of calculating diversion as “net of all residue” (Section 5.10). The City should require MTWS to report recycling residual from the Alameda County Industries Material Recovery Facility used by MTWS.
- Roll-off recycling (C&D) residual was assumed to be 11%, per reports submitted by Newby Island to R3 for 2017 tonnages. The City should request that MTWS update the residual figure on an annual basis, which is to be used in the calculations of diversion in annual reports moving forward (See Section 2.7 for more detail). MTWS has suggested that the residual rate obtained via the City of San Jose’s C&D facility certification program be used for the purpose of calculating diversion.
- Organics residual was estimated at 3%, with a high level of confidence. The City should request annual residual figures from Newby Island, for which the City holds the contract, on an annual basis. This residual figure is to be used in the calculations of diversion in annual reports moving forward (See Section 2.6 of this report for more detail).
- Recycling, organics, and garbage tonnages were summed across all sectors reported. Sector-specific reporting of diversion is not being provided at this time (see Section 2.6 of this report for more detail).

We also analyzed the November 2017 subscription dataset to compile the number of commercial customers subscribed to recycling and organics service and the total number of cubic yards in service for commercial accounts. We used the annual tons reported by MTWS, unadjusted by residual, to measure diversion by tons in Table 6: Commercial Tonnages. Commercial tonnages were calculated by:

1. Calculating volume for carts and bins by sector.
2. Allocating tonnage of garbage, recycling, and organics for carts and bins by volume.

Findings

The Agreement requirement of 78% diversion by 2013 is an ambitious target. One of the reasons that it is ambitious is that achieving that target while accounting for residual would require collected tons to be significantly higher than 78% diverted, with a residual of around 7% – 20%. In order to achieve that type of diversion, based on the 2016 residual levels, all customers in Los Altos could only dispose of approximately 17% of their total waste.

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A recent Zero Waste Plan developed by R3 for the City of Menlo Park⁵ showed that non-divertible material (i.e. packaging that can't be recycled or composted) is a significant proportion of the total waste stream. The term “recoverable” means the material stream that is able to be diverted from landfill via recycling, composting, or other means. The term “capture rate” is used to describe the proportion of the recoverable material stream that is actually diverted from landfill. At 100% capture rate, all recoverable materials are diverted from landfill.

For example, in Menlo Park, the “zero waste” goal is set at a 90% capture rate. That capture rate is associated with 73% diversion on collected material (not accounting for residual after processing). 73% diversion is quite close to the 68 - 71% diversion rate of collected material that is reported by MTWS during the term of the contract with the City. The Menlo Park material composition is different from the Los Altos material composition; however, we would not expect that the 90% capture rate would be substantially different for these two communities.



Photo #5: Peet’s Coffee is subscribed to more recycling than garbage, and is diverting organics as well.

Given these caveats, MTWS has been an active and enthusiastic participant in increasing the diversion of materials generated in Los Altos. In November, they signed a new agreement with Newby Island for the delivery of commercial “dry waste” (garbage loads that are identified as containing more recyclables and less food and non-recyclable materials). This dry waste is to be processed for the removal of recyclables prior to landfilling. Delivery of pilot loads from Los Altos began in November and MTWS was not able to report on the diversion from these loads as the program is just beginning. The program is designed as a complement to the existing three-stream collection system – not a replacement for recycling.

It should be noted that while dry waste processing is a strategy for increasing diversion, the Agreement does contain some requirements for outreach and education activities and materials that have not been fully provided by MTWS. Please see Section 2.8 of this report for a full discussion of these requirements and the activities currently undertaken.

As a part of our Diversion Good Faith Effort Review, R3 has examined the subscription records of the hauler and prepared a number of figures for the further understanding of the City. The report sections that follow include:

- Overall Diversion Rate.
- Benchmarking Diversion Success.
- Tonnages by Sector.
- Commercial Diversion Analysis.

⁵ The Menlo Park Zero Waste Plan is available as an attachment to the City Council staff report at the following web address: <https://www.menlopark.org/DocumentCenter/View/15482>. The relevant part of the analysis is on page 156, prepared by Cascadia Consulting Group.

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Overall, our findings are that diversion in Los Altos is quite good in comparison to other jurisdictions, and that subscription and participation (gauged by subscription volume) in diversion services is quite high. The City may consider requesting that MTWS adjust reporting (sector-specific reporting and reporting of residual, discussed in Section 2.6 of this report).

Overall Diversion Rate

Over the period of the contract, there have not been significant changes in the number of tons for any of the three material streams, while the diversion rate has gone slightly down over the period. Table 2, below, shows how our adjustments changed the diversion rate from the rate reported by MTWS over the period of the contract, and the diversion rate goals.

**Table 2
Diversion Rates Reported by MTWS and Adjusted by R3**

Year	Diversion Goal	MTWS Reported % Diversion	Adjusted % Diversion
2011	62%	71%	66%
2012	69%	70%	65%
2013	78%	71%	65%
2014	78%	71%	65%
2015	78%	70%	64%
2016	78%	69%	64%
2017	78%	68%	63%

Benchmarking Diversion Success

We have compiled the diversion success of other jurisdictions into a brief comparison table for the City’s information. Rather than relying upon reported diversion percentage, we have only selected those jurisdictions for which we have actual reported tonnages for garbage, recycling, and organics, and for which we have access to annual reported data.

The data we collected is displayed as Table 3 on the following page. With residual properly accounted for, in comparison to nine other jurisdictions, Los Altos’ diversion is greater than any except for the City of Piedmont and the franchised tons reported by Napa County Recycling and Waste Services. It should be noted that many of the other jurisdictions’ data does not account for residual as disposal, including the City of Piedmont and Napa County Recycling and Waste Services. Moreover, the City of Piedmont is a unique case of a small city with extremely low numbers of commercial and multi-family customers; the large proportion of residential customers contributes to the unusually high diversion rate in Piedmont.



**Table 3
Franchised Diversion by Tons**

Year	Jurisdiction	Diversion %	Residual Accounted for?
2016	Wildomar	24%	Yes
2016	Half Moon Bay	32%	No
2016	Martinez	43%	Yes; recycling only
2015	South Bayside Waste Management Authority	48%	Yes; recycling only
2012	Alameda	49%	Yes; recycling only
2016	Unincorporated Sonoma County	50%	Yes; recycling only
2015	San Francisco	55%	Yes
2017	Los Altos	63%	Yes
2016	Piedmont	67%	No
2016	Napa County Recycling and Waste Services	70%	No

Tonnages by Sector

MTWS does not directly track residential and commercial diversion tonnages separately, since material in carts from both sectors is collected in the same vehicles. However, it is clear that the majority of the diversion is associated with the residential waste stream, which is substantially larger compared to the number of commercial, multi-family, City public facilities, and school accounts.

Commercial Diversion Analysis

R3 analyzed the current solid waste and diversion (recycling and organics) service levels (cubic yards per week of service) as one means of assessing the effectiveness of MTWS’s public education and outreach efforts.

The results of our subscription analysis are provided in Tables 5 and 6 on the following pages. Table 4 shows the total number commercial accounts subscribed to organics and recycling service, as well as the percentage of the accounts subscribed to organics and recycling service.⁶



⁶ Note that City ordinance requires subscription to recycling and organics service for all customers, with limited exemptions.

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**Table 4
Commercial Customer Accounts, 2017**

Category	Organics	Recycling	Garbage	Total
Number	183	384	452	452
Percentage	40%	85%	100%	100%

85% of commercial customers are subscribed to recycling services in addition to their regular garbage service. It should be noted that a number of customers are also subscribed to recycling service and are not subscribed to garbage service at all. These customers likely share carts with neighbors, and are excluded from the total for the purposes of this analysis. 85% subscription is quite high in comparison to other communities, and reflects MTWS’s commitment to diverting materials from landfill.

40% of commercial customers are subscribed to organics service. Unlike residential, commercial customers have wide variability in the amounts of organics they produce. According to statewide data, 51% of waste produced by restaurants is food waste (even more of the waste is eligible for diversion as food-soiled paper, although less data exists on how much of the total waste stream is food-soiled). Some commercial customers might produce next to no organics waste at all, such as a dentist’s office or a gas station without a convenience store. Given this, 40% subscription to organics services is higher than most other communities.

Table 5 displays the number of cubic yards of organics service for commercial customers, as well as the proportion of the total cubic yards that each stream accounts for. This is used as a measure of participation.

**Table 5
Commercial Cubic Yards in Service, 2017**

Category	Organics	Recycling	Garbage	Total
Number	1507	5936	6023	13466
Percentage	11%	44%	45%	100%

With 44% of the total service volume accounted for by recycling, MTWS is subscribing customers to recycling service at adequate levels to enable these customers to divert; in fact, the average commercial customer subscribed to recycling service actually has larger capacity for recycling than garbage. We would therefore consider participation in recycling service to be high. Given the complications in organics service for commercial, which are described above, the lower service volume (at 11%) is expected.

Table 6 on the following page shows the proportion of total tonnage represented by organics and recycling tons for commercial accounts only. We used the 2017 service volume for residential, multi-family, City, and commercial accounts to allocate the tons reported for carts and bins in the 2016 annual report.



Table 6
Commercial Tonnages
 Calculated using 2017 service volumes and 2016 annual tons

Category	Organics	Recycling	Garbage	Total
Number	635	889	2703	4227
Percentage	15%	21%	64%	100%

While lower diversion performance is generally expected in the commercial sector, our findings indicate that additional outreach in the commercial sector may be fruitful.

2.8 Outreach and Education Review

Objectives

To review MTWS’s outreach and education program implementation and materials for compliance with the Agreement.

Background

Per Article 14 Public Outreach Services, MTWS’s Public Outreach Program should target single-family, multi-family, and commercial customers, and schools, with sector-specific outreach materials and outreach activities. Campaigns should focus on certain diverted materials or “problem” areas where improvements can be maximized. Targets of outreach should be based on local trends and recycling patterns based on information obtained by both the City Representative and MTWS staff. The public school campaigns shall correspond with the school year, and should target student, faculty and staff participation in the diversion of recyclable materials and organic waste. Public outreach and education requirements are also described in Exhibit 7, Public Education Plan, and Exhibit 8, Diversion Plan.

Annual Action Plan

Per the Franchise Agreement, no later than August 1, 2010, and no later than April 1st each Agreement Year thereafter, MTWS must submit a Public Education and Outreach Plan that incorporates key features of its Public Education Program (Exhibit 7), Community Involvement Plan (Exhibit 12) HHW Collection Plan (Exhibit 11), School Recycling Plan (Exhibit 13), and Community Reuse E-Network Plan (Exhibit 14).

Recycling Coordinator

MTWS must provide for the equivalent of 2/5 full-time Recycling Coordinator dedicated to Los Altos. Approved Subcontractors may be used by MTWS to perform some or all the duties assigned to the Recycling Coordinator.

Annual Collection Service Notice

Each year MTWS must provide separate notices to all single-family, multi-family, and commercial customers regarding their sector-specific collection services. At a minimum, these notices should include definitions of the materials to be collected, procedures for setting out the materials, collection and disposal options for unacceptable materials such as hazardous waste, maps of the service area indicating the day of the week that collection service will be provided, and MTWS’s customer service phone number and website address. Notices are to be distributed by MTWS no later than November 1st of each year, and must be provided in English and other languages as reasonably directed by the City.

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Methodology

R3 reviewed the following documents:

- MTWS’s Public Education and Outreach Plan dated April 2015.
- 2017 Outreach Report.
- Educational materials posted on MTWS website.
- Exhibits 7 and 8 of the Agreement.
- Article 14 of the Agreement.

R3 then assessed and documented MTWS’s compliance with the franchise agreement requirements for outreach and education including, but not limited to, technical assistance, outreach tools, and special events and activities.

Findings

R3 found MTWS’s implementation and compliance with public education and outreach requirements stated in the Agreement to be partial. Significant exceptions to compliance with the Public Education and Outreach Program include:

- Preparation of annual action plan. One was completed in 2015, but not before or after that year.
- Distribution of an annual collection service notice.
- Conducting recycling opportunity assessments in the commercial sector, which include distribution of how-to information, signs and indoor collection containers, and assertive training, follow-up and monitoring, with a major focus on food scrap collection.
- Engaging with multi-family dwellings, with twice annual recycling opportunity assessments including review of complex program components, proposing increase in recycling service, identifying solutions to problems, and providing literature to tenants and posters to collection points.
- Engaging with schools by annually contacting every school, public and private, within the City limits to inform administrators and individual teachers of MTWS resources for schools, and brief and interactive presentations prepared for each age group.

All Sectors Outreach

Proposed action plans must be submitted to the City for approval no later than August 1, 2010, and no later than April 1st each Agreement Year thereafter. However, no Public Education and Outreach Plans were provided to R3 to verify their timely submittal and outreach activities aside from the 2015 Public Education and Outreach Plan.

The Annual Action Plan reviewed by R3 outlines MTWS’s sector-specific outreach goals and objectives, with planned outreach activities and the materials to be utilized described for each sector. Local trends and recycling patterns are summarized as MTWS’s observance of a significant increase in landfill diversion early in the contract term that has since leveled out. This data is not applied to assist MTWS in targeting its outreach as intended.

The Agreement calls for MTWS to develop campaigns that focus on certain diverted materials or “problem” areas where improvements can be maximized. It is our understanding that a public outreach and education campaign constitutes a series of efforts designed to inform an audience about a specific issue.



The main purpose is to change behavior, which can be achieved through several functions, including mail, events, meetings, etc. Therefore, while “campaign” is not defined in the Agreement, the practice of distributing the same set of outreach materials and fulfilling basic outreach functions as a campaign in our opinion does not meet the Agreement’s intent for an ambitious program. MTWS’s required annual distribution of sector-specific annual collection service notices is not addressed in this document, and MTWS has not otherwise confirmed that they have been sent out.

MTWS also states its intention to continue work with the Environmental Commission and groups such as GreenTown Los Altos, the Chamber of Commerce, LAVA, Kiwanis, and Rotary to disseminate information. It should be noted that the company owner, Louie Pellegrini, is a resident of Los Altos and an active community member. He has given several presentations to community groups including GreenTown Los Altos and the Environmental Quality Commission, and has expressed interest in continued personal engagement with the City’s residents.

Single-Family Outreach

The 2015 Annual Action Plan references focusing single-family outreach on topics that its Customer Service Department is frequently asked. No detail is given on what those topics are. Several different outreach materials are made available and distributed to single-family customers, covering varied topics such as proper HHW disposal, key programs including food scraps and cleanup/large item collection, and tips for home composting. MTWS is also present at community events and staffs an informational booth to directly engage with the public on recycling, composting, and waste reduction.

Commercial

MTWS could not demonstrate that they fully complied with the requirement to perform the commercial recycling technical assistance and recycling opportunity assessments described in MTWS’s Transition Plan and Exhibit 8.

Per the Agreement, MTWS engaged its subcontractor, Cascadia Consulting Group, to make all reasonably assertive business efforts to increase commercial recycling participation. However, MTWS reported to R3 that Cascadia did not complete its technical assistance contract. As the primary contractor of the Agreement, MTWS is ultimately responsible for ensuring compliance with these Agreement terms and without additional information it remains uncertain that business and multi-family customers have received the active technical assistance they were due.

For the commercial sector, Recycling Opportunity Assessments include distribution of how-to information, signs and indoor collection containers, and assertive training, follow-up and monitoring, with a major focus on food scrap collection.

Multi-Family Outreach

MTWS could not demonstrate that they were performing active technical assistance required for multi-family. Recycling Opportunity Assessments for both multi-family and commercial sectors are listed as ongoing activities to be carried out by Cascadia Consulting Group, and for all multi-family complexes are to be carried out twice annually (Exhibit 7). In the 2015 Public Education and Outreach Plan, MTWS states the following regarding outreach to multi-family:

Outreach to owners and residents of multi-family complexes will include site visits and the continued distribution of our Multi-Family Recycling Guide, posters (showing what goes in each container), kitchen pails, and recycling tote bags. We may also send a newsletter or bill insert to multi-family property owners reminding them of AB 341 requirements and of available assistance through Mission Trail.

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The provision of these resources and materials is in accordance with the Agreement. However, MTWS could not demonstrate that they were performing active technical assistance required for multi-family. For multi-family, this includes review of complex program components, proposed increase in recycling service, identifying solutions to problems, and providing literature to tenants and posters to collection points. This was proposed to be provided to each multi-family complex twice annually.

R3 suggests that the City consider not requiring MTWS to engage in extensive outreach to schools for which they are not the franchised collection service provider.

Schools

MTWS is not providing the level of outreach and engagement with local schools which is required by the contract. Per the Agreement, MTWS must annually contact every school, public and private, within the City limits to inform administrators and individual teachers of MTWS resources for schools. Information presented should reinforce school and home recycling programs, and relate non-program environmental information. A variety of brief and interactive presentations should be created for each age group (Exhibit 7).

In the 2015 Public Education and Outreach Plan, MTWS states the following regarding outreach to schools:

Because MTWS does not hold the contract to service the public school district, we will educate local students via our residential newsletters and billing inserts, information booths at events, and through work with the private schools we do service. In terms of outreach, private schools are treated as a commercial customer and receive the same newsletters, posters, assessments, and assistance. On request, we will give classroom presentations (to both public and private schools) about waste reduction, our industry and the services we offer.

The approach is not the targeted School Recycling Program specified in Exhibit 13. Per the Agreement, the School Recycling Program must include, at a minimum, on-site classroom visits, worm composting, internships, written and electronic materials, and sponsorship of environmental field trips (Section 10.03.6). In addition, MTWS is to provide public school campaigns that correspond with the school year and target student, faculty, and staff participation in the diversion of recyclable materials and organic waste (Article 14). Active engagement with schools is necessary to fulfill these contracting terms, and failing that, a good faith effort should be demonstrated.

Customer Outreach Material Review

MTWS has provided R3 a list of outreach and education activities, including a state-of-the-art website dedicated to services accessible to the public. The website includes answers to frequently asked questions, rates for Collection Services, listing and description of Recyclable Materials and Organic Waste, contractor’s email and website, and other related topics.

Educational material required by the Agreement (as Exhibit 7) and not included on the MTWS website or any newsletters are:

- How-to information in poster form for enclosures.
- School Administrator/Teacher/Employee Training videos in English and Spanish copied to CDs for distribution and posted to website.
- How-to videos for commercial generators.
- Information about diversion goal.

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Section 3: Financial Compliance Assessment

3.1 Test of Subscribers

Objective

The purpose of this test is to determine the extent to which residential and commercial subscribers are billed correctly for the level of service provided, and if billings are consistent with the appropriate rate schedule.

Background

Single-family customers are billed quarterly in advance. Their bills are generated and sent to the mailing house (Bend Mailing) by MTWS staff on or around the 5th of the month. Single-family customers are required to be billed no earlier than the 20th day of the first month of the quarter (Section 4.01.2).

Multi-family and commercial customers are billed monthly. These bills are generated and sent to the mailing house on or around on the 5th of the month after services were performed. Multi-family and commercial customers are required to be billed no less than 10 days preceding the month for which services are being billed (Section 4.01.3).

MTWS uses a comprehensive database software, Tower, to manage customer service, subscription data, work orders for drivers including large item services and cart delivery services, and billings. Data is exported out of Tower only when it is ready to be delivered to the mailing house. Adjustments to service level and account cancellation results in automatic adjustments to the billed amounts, reducing human error and ensuring high accuracy in billings.

In case of customer requests for adjustments in billing, the customer service representatives each have the authority to review evidence provided by customers for adjustments (such as the sale of a property) and adjustments are automatically accepted in the database. Some adjustments are escalated to the accounting manager.

Methodology

MTWS provided R3 two documents:

- Complete subscription dataset for November 2017.
- Billing register for the billing cycle of the third quarter of 2017, which included a complete residential and commercial billing cycle as well as roll-off services for the prior month.

R3 reviewed the subscription dataset to determine:

- If the rates charged for the various service levels are consistent with the approved rate schedule.
- If the MTWS was providing services under the approved rate categories.

We also reviewed a representative set of approximately 10% of single-family customers, and 10% of Multi-family/Commercial customers in the billing register to determine:

- If the rates billed matched the rates in the subscription dataset.

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- If the date of billing is consistent with the contract’s requirements (with residential customers billed on a quarterly cycle in advance, and commercial on a monthly cycle in arrears).

In addition to reviewing the accuracy of the rates charged by MTWS for the billed service levels, we also conducted residential and commercial route audits to compare the billed service level to the actual service levels provided in the field (Route Audit). MTWS provided a list of residential accounts, which were then sorted by collection day and street address.

We conducted field audits covering two different days of the week and multiple routes on each of those days. The audits compared MTWS’s billed service level to the actual service level provided and covered a sample population of 1,293 single-family accounts (14%) and 32 commercial/MFD accounts (7%).

Findings

Rates vs. Rate Schedule

The objective of this task was to determine if the rates charged for the various service levels are consistent with the approved rate schedule. Our review found that MTWS was charging the approved (correct) rate in all cases.

Charging of Approved Rate Categories (Service Levels)

The objective of this task was to determine if all rates charged have been approved (i.e., are there any charges that are billed but are not listed on the approved rate schedule such as finance charges, push/pull charges, etc.). Our review found a few cases where MTWS was charging a rate (service level) that were not on the approved rate schedule. Those rates were:

- 1- and 3-yard compactor rates (charged at \$392.74 and \$1,115.40, respectively). We recommend that the City add 1- and 3-yard compactors to the approved rate schedule and evaluate an appropriate charge for these customers, rather than having an unregulated rate charged by MTWS to customers (regardless of the rate’s reasonableness).
- Providing 20-gallon containers to MFD at single-family rate. No 20-gallon rate exists for MFD/Commercial.

Route Audit

The residential route audits identified 10 potential billing discrepancies. MTWS reviewed those accounts for which R3 found billing discrepancies, finding that in six of these cases, the billing record appeared to be accurate. MTWS has begun reaching out to customers to affirm desired service levels and adjusting billing records as appropriate. With the adjustments to the billing discrepancies, and with residential route audit of a total of 1,293 accounts, we found a 0.31% inaccuracy rate, which compares very favorably to results of other billing audits we have conducted.

Because some customers were found to be billed at a higher rate than their actual subscription level, and some at a lower rate, the actual revenue effect observed is negligible (at \$36). The total discrepancy observed was \$636.36, with two accounts charged more than their actual service level warranted, and 8 accounts charged less.

The commercial audit did not identify any discrepancies between the billed service level and the actual service level provided. In three cases, the service level of recycling service (which is not a billed service) did not fully match the subscription database, although in each case, some amount of recycling service was reflected in the subscription database.

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Date of Billing

For the billing sample, it was observed that 99% of Residential billings were invoiced on the first day of the quarter (July 1, 2017). 87% of commercial accounts were also invoiced on the first day of the quarter. According the Agreement, single-family customers are required to be billed no earlier than the 20th day of the first month of the quarter (Section 4.01.2). Multi-family and commercial customers are required to be billed no less than 10 days preceding the month for which services are being billed (Section 4.01.3).

While the date the invoice is generated is not always the date that the customer receives the bill, it appears that in most cases, MTWS is not in compliance with the Agreement's requirements on billing schedule. We do not find that the current schedule adversely affects customers in Los Altos, and recommend that the City make a determination on whether the current billing schedule is acceptable. If the City determines that it is acceptable, R3 recommends the City and MTWS sign a letter of understanding on the billing schedule for Los Altos customers.

3.2 Test of Revenue Transactions

Objective

The purpose of the test of revenue transactions was to determine if revenues from subscription services are properly recorded in MTWS's accounting system.

Background

The rates for solid waste services in Los Altos are escalated according to the agreement terms and the calculations are reviewed by the City. MTWS bills those rates to customers on a monthly cycle for commercial accounts and on a quarterly cycle for residential accounts. All rates, billings, payments, and adjustments to payments (e.g. credits, additional approved charges, etc.) are tracked via MTWS's Tower system.

Methodology

In conducting this test, R3 interviewed with MTWS's accounting staff, and worked with accounting staff to verify that the rates, billed amounts, and corresponding payments of a set of randomly selected residential and commercial subscribers were correct and properly posted to the accounting system.

Findings

R3's findings related to this test of revenue transactions are detailed below. In summary, we found that the subscription data matched the billed amounts with exceptions that were due to changes in customer subscriptions between the quarterly billing cycle and the subscription dataset date (November 2017).

Rates

Service rates for the City of Los Altos are hard keyed by MTWS accounting staff into a table in Tower for each container size and service type. All customer account charges draw directly from that table; if a customer starts service or changes services with a CSR, their rate is determined by a specific charge code that corresponds to the type and size of service selected. Billings are automatically prorated through the billing period by Tower.

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MTWS processes billing runs utilizing the information stored in Tower. Actual bills are generated by the mailing house used by MTWS.

Additionally, adjustments and credits to billings and payments – such as requests from customers for courtesy credits for overage charges and late payment fees, as well as other adjustments – are largely implemented at the discretion of the CSR staff. CSR staff receives the adjustment requests from customers and, where appropriate, requests documentation from the customer. The same CSR staff reviews that documentation and approves the request without escalation to higher levels of the company. In special cases such as real estate sale, the request is reviewed and approved by the accounting manager.

Payments

MTWS collects mail, phone, and in-person payments at the MTWS office in Santa Clara. Any check payments are hand-entered by the CSRs into Tower and then checked by the Customer Service Manager. The remainder of the payments, including online payments, are processed out of another office. The dispatcher is responsible for a daily reconciliation of roll-off tonnages and other on-call charges to customers. Tonnage records are reconciled with the records from the transfer station scalehouse, and the scalehouses at other facilities (i.e. the landfill and organics processing facility). The accounting manager is responsible for releasing the online payments via “autopay” by bank account or credit card.

Billings that have not been paid after 60 days past billing due dates are written off and forwarded to MTWS’s collection company. No late fees are assessed, but residential customers are downsized to a 20-gallon garbage and their recycling and organics service is removed.

Test of Transactions

R3 reviewed rates, billings, and payments for a sampling of Los Altos residential and commercial accounts. This process involved:

- Summing the billed amounts for each customer from an Excel export in the selected sample period; in this case, the third quarter of 2017. This was necessary because many customers were billed in multiple line items in the export.
- Randomly selecting a representative set of sample customers (10% of the total single-family customers, and 10% of the total MFD/commercial customers) and comparing these customers’ billed amounts to those in the subscription dataset, which had already been reviewed for accuracy of rates.

Because there was a delay in the sample sets (November subscription records compared against third-quarter billings), some differences were expected, and discovered. R3 requested backup for the discrepancies from MTWS. We were able to review records on-site that confirmed subscription changes that resulted in some discrepancies for billed customers.

For all samples tested, container rates tied directly to the approved rate schedules, and billings tied directly to the rates.

In consideration of these tests, interviews and observations discussed in this Report, R3 finds that the MTWS’s billing systems accurately and appropriately record billings and payments. R3 finds that the basis for recording billed receivables and payments into the accounting system are accurate.

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3.3 Test of Franchise Fee Transactions

Objective

The purpose of this test was to determine whether franchise fees paid by MTWS were properly calculated in accordance with the terms of the Agreement.

Background

MTWS is required to pay the City a 15% franchise fee on gross revenues collected each month. Gross revenue includes revenue received by MTWS from any entity, including Federal, State, County or other local facilities within the Los Altos service area for the provision of collection services. Revenue received by MTWS from the sale of recyclable materials and from related California Redemption Value (CRV) payments are not counted within the gross revenue total when calculating franchise fees.

Per Agreement Section 4.03.2, the administrative fee was originally set at \$800,000, to be escalated by the % change in CPI as approved via the rate adjustment process on a yearly basis. The first amendment to the Agreement adjusted the administrative fee by reducing it by a flat figure of \$171,000 (\$14,250 monthly), starting on October 15th. The amendment describes the fee clearly as reducing the administrative fee *after* yearly adjustment, meaning that the total fee remains \$800,000 yearly, and continues to increase by CPI from that original figure of \$800,000.

The franchise fee and the administrative fee are both due to the City on the 15th of the month following the month the revenues are collected.

Methodology

In conducting this test, R3 requested that MTWS provide the check register of all franchise payments made to the City for calendar years 2015, 2016, and the available months of 2017. R3 reviewed the check register to ensure that the total franchise fees reported as paid per year tied to the financial statements reported as part of the payment of franchise fees to the City. R3 also compared the financial statements reported as part of the payment of franchise fees to the City (which are self-reported and unaudited) to the cash receipts posted to MTWS's General Ledger (GL). Finally, the City provided a record of all fees paid by MTWS to the City, including franchise fees and the administrative fee, for every payment remitted to the City beginning in 2010.

Findings

Upon review of the information described above, R3 determined that MTWS's methodology for calculating franchise fees is accurate and in keeping with the Agreement; MTWS has paid the 15% franchise fees on gross revenues to the City. Specifically, for the years and payments reviewed:

- The total of MTWS's check register of franchise fee payments match the total franchise fee payments reported in the support for franchise fee payments.
- These total franchise fee payments match MTWS's GL.
- The City's records of franchise fees and administrative fees paid matched the MTWS reported figures without exception.

The administrative fee payments were made according to the Agreement's requirements; however, it appears that the calculations used to adjust the administrative fee may not have been done precisely in accordance with the Agreement's requirements.

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Discrepancies are small; we recommend that the City review the adjustments to the administrative fee moving forward as a part of the annual CPI adjustment to rates.

Late Payments

R3 found that in 29% of cases, the date of the check was later than the due date of the 15th of the month following. Table 7, next page, displays the due dates of the payments and the actual dates the checks were generated. R3 finds that the lateness of these payments is not excessive.

**Table 7
Payment Due Dates**

Date Paid	Date Due	Days Overdue
3/16/2014	3/15/2014	1
3/16/2015	3/15/2015	1
2/16/2015	2/15/2015	1
5/18/2015	5/15/2015	3
8/17/2015	8/15/2015	2
9/21/2015	9/15/2015	6
11/16/2015	11/15/2015	1
1/18/2016	1/15/2016	3
4/18/2016	4/15/2016	3
5/16/2016	5/15/2016	1
7/18/2016	7/15/2016	3
9/19/2016	9/15/2016	4
10/17/2016	10/15/2016	2
12/19/2016	12/15/2016	4
1/16/2017	1/15/2017	1
5/22/2017	5/15/2017	7
7/17/2017	7/15/2017	2
9/19/2017	9/15/2017	4
10/16/2017	10/15/2017	1
11/20/2017	11/15/2017	5

We were unable to verify the date the City received the checks from MTWS, as the City was not recording this information. The date the check was processed by the City was recorded, but is not an accurate measure of whether the fees were in fact paid to the City on time. There are no liquidated damages directly associated with failure to pay the fees due to the City on time, although we recommend that MTWS generate checks to the City by the date that they are due, which they have committed to doing.



Administrative Fee Calculations and Payments

We have found that MTWS may not have properly calculated the amounts due to the City on a yearly basis since the beginning of the contract. Our findings are in Table 8, below, showing a total difference of \$784 between the calculations completed by R3 and those submitted by MTWS over the period of the contract.

Table 8
Administrative Fee Calculations and Payments

Month	MTWS-Calculated Annual Fee	MTWS "After Amendment 1 Reduction"	Corrected Annual Fee	Corrected "After Amendment 1 Reduction"	Difference "After Amendment 1"	Actual Fee Paid
Sep-10	\$666,667	N/A	\$666,667	N/A	N/A	\$666,667
Jul-11	\$800,000	N/A	\$800,000	N/A	N/A	\$800,000
Jul-12	\$830,880	N/A	\$830,800	N/A	N/A	\$830,880
Jul-13	\$852,150	\$723,900	\$852,068	\$723,818	\$82	\$723,900
Jul-14	\$871,809	\$700,809	\$871,325	\$700,325	\$483	\$757,172
Jul-15	\$895,809	\$724,809	\$896,245	\$725,245	-\$437	\$724,809
Jul-16	\$919,816	\$748,816	\$920,264	\$749,264	-\$448	\$748,816
Jul-17	\$948,881	\$777,881	\$949,345	\$778,345	-\$464	\$777,881

Given the magnitude of differences in calculated values, which is small, we suspect that the differences are due to rounding differences (i.e. using four decimal places rather than two in the CPI adjustment figure), and would recommend that the City consider accepting these small past differences in calculated value. Moving forward, we suggest that the annual CPI adjustment application for service recipient rates also include a section on the adjustment to the administrative fee, such that these adjustments are made and evaluated simultaneously, and that clear documentation exists.

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Appendix 1: Facility Review Detail

Areas of Concern/Violation for Transfer Station

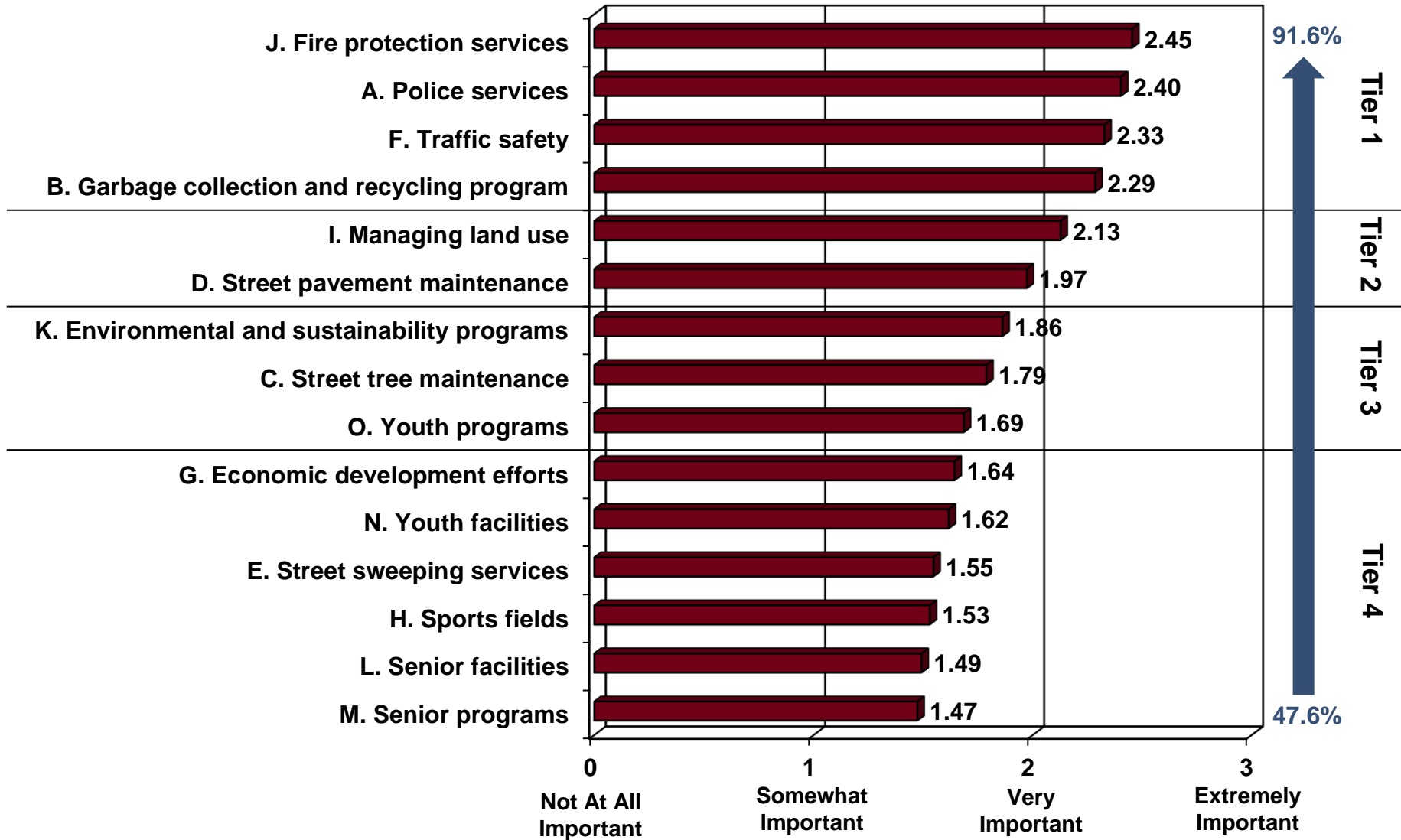
Year	Category	Regulation	Description
2016	Violation	18221.6-Transfer/ Processing Reporting Requirements	Food waste stored on ground as stockpile inside transfer building
2014	Area of Concern	17407.2-Cleaning	Dust accumulation
2014	Area of Concern	17407.4-Dust Control	Dust accumulation

Areas of Concern/Violation for Recycling Facility

Year	Category	Regulation	Description
2012	Area of Concern	17410.3 Training	No training records
2012	Area of Concern	17410.3 Training	No training records
2012	Area of Concern	17415.2 Fire Fighting Equipment	No extinguishers on some equipment
2013	Area of Concern	PRC 44014(b)-Operator Complies with Terms & Conditions	Annuals were dumped onto the loading dock and not in the transfer trailer
2013	Area of Concern	PRC 44014(b)-Operator Complies with Terms & Conditions	Outside storage of baled recyclables
2013	Area of Concern	17410.4-Vector, Bird and Animal Control	Fly infestation
2013	Area of Concern	18221.6-Transfer/ Processing Reporting Requirements	Disposed of pit area waste in annuals bins
2014	Area of Concern	PRC 44004-Significant Change	Recyclables and residuals stored outside
2014	Area of Concern	17403.9-Transfer/ Processing Reporting Requirements	Recyclables and residuals stored outside
2014	Area of Concern	17403.9-Transfer/ Processing Reporting Requirements	Recyclables and residuals stored outside
2014	Area of Concern	PRC 44004-Significant Change	Recyclables and residuals stored outside
2014	Violation	17414-Record Keeping Requirements	Failed to report incident
2014	Area of Concern	PRC 44002-Operator Authorized by SWF Permit	Storing annuals outside of facility
2014	Area of Concern	17418.3-Traffic Control	Driving wrong way on 1-way
2014	Area of Concern	17407.5-Hazardous Liquids and Special Wastes	Burned collection truck leaking
2014	Area of Concern	17407.2-Cleaning	Leak with trash
2015	Violation	PRC 44014(b)-Operator Complies with Terms & Conditions	Maximum tonnage exceeded

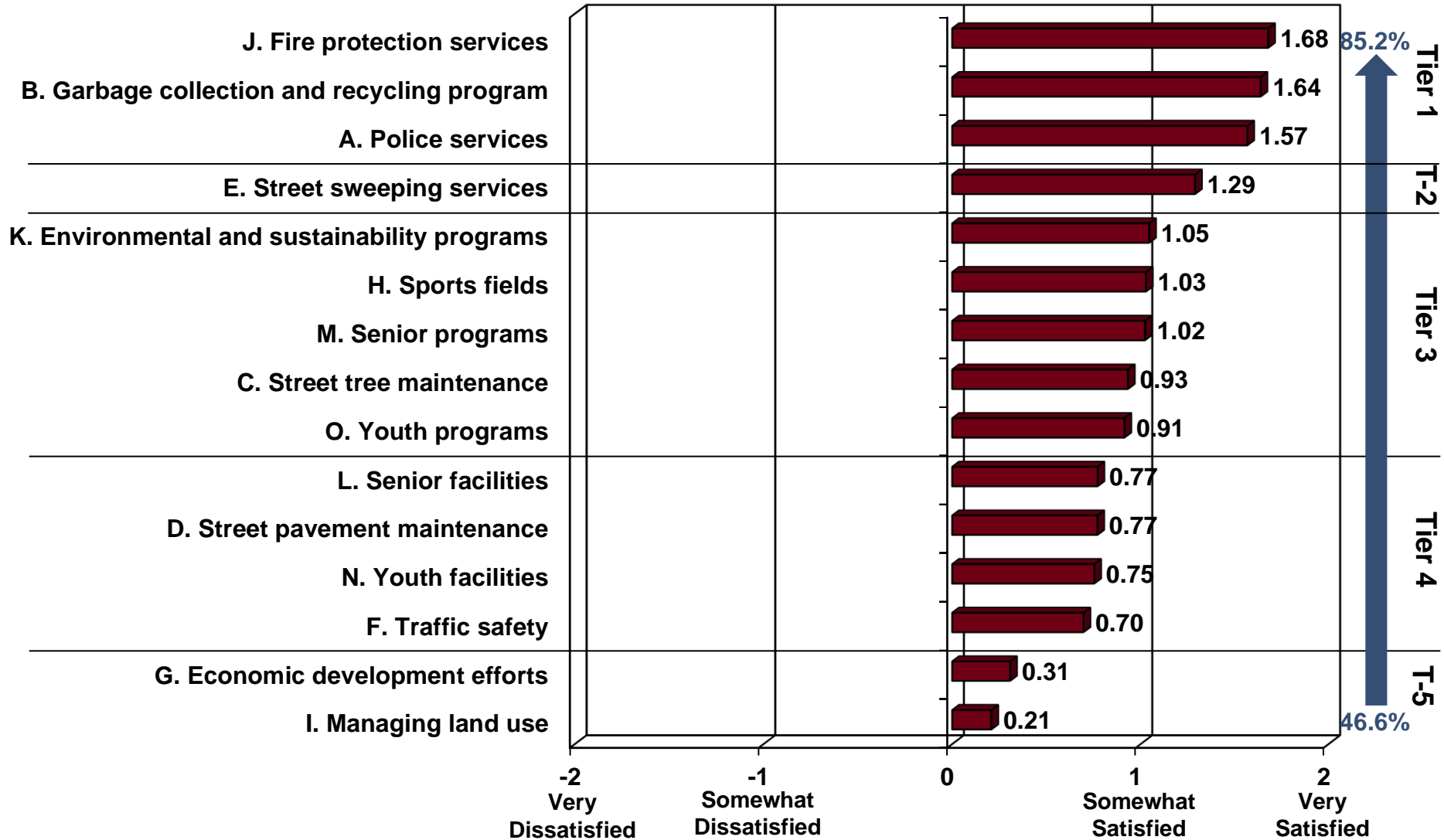
Year	Category	Regulation	Description
2015	Area of Concern	PRC 44014(b)-Operator Complies with Terms & Conditions	Maximum tonnage exceeded
2015	Area of Concern	PRC 44014(b)-Operator Complies with Terms & Conditions	Maximum tonnage exceeded
2016	Area of Concern	PRC 44004-Significant Change	New equipment was installed prior to being approved by LEA
2016	Area of Concern	PRC 44014(b)-Operator Complies with Terms & Conditions	Exceeding maximum permitted tpd
2016	Area of Concern	17408.7-Personnel Health and Safety	LEA observed unsafe behavior
2017	Area of Concern	17410.4-Vector, Bird and Animal Control	Birds roosting
2017	Area of Concern	17408.7-Personnel Health and Safety	Driver without PPE
2017	Area of Concern	17407.2-Cleaning	Fines need containers, dust
2017	Area of Concern	17408.7-Personnel Health and Safety	Not wearing PPE
2017	Area of Concern	17407.2-Cleaning	Fines need containers, dust
2017	Area of Concern	17408.8-Protection of Users	Not wearing PPE

Q5. Importance of City Services, Programs and Facilities (n=446)



Note: The above rating questions have been abbreviated for charting purposes, and responses were recoded to calculate mean scores: "Extremely Important" = +3, "Very Important" = +2, "Somewhat Important" = +1, and "Not At All Important" = 0.

Q6. Satisfaction with City Services, Programs and Facilities (n=446)



Note: The above rating questions have been abbreviated for charting purposes, and responses were recoded to calculate mean scores: "Very Satisfied" = +2, "Somewhat Satisfied" = +1, "Somewhat Dissatisfied" = -1, and "Very Dissatisfied" = -2.

	Total			
	Column N %	Count	Σ or Mean	
3. What are the two most important issues facing Los Altos?	Affordable housing	28.5%	127	
	Traffic	24.4%	109	
	Controlling growth	19.8%	88	
	Education	13.7%	61	
	Downtown needs revitalization	10.8%	48	
	Condition of streets (roads and streets)/Sidewalks	7.1%	32	
	Condition of civic buildings	6.1%	27	
	Parking	5.6%	25	
	Need store/Restaurants	4.9%	22	
	City's economic health	4.6%	20	
	Quality of life	4.4%	20	
	Taxes	3.7%	16	
	Crime	3.2%	14	
	School site issue	3.1%	14	
	Government/Listen to voters	2.6%	12	
	Public transportation	2.0%	9	
	Protection of open space	2.0%	9	
	Downtown growth/Tall Buildings	1.9%	9	
	Teen programs	1.8%	8	
	Neighborhood preservation	1.3%	6	
	Race relations	1.1%	5	
	Environmental health	0.4%	2	
	Poor cell coverage	0.3%	1	
	Inconvenient library hours	0.0%	0	
	Other mention - Positive	0.0%	0	
	Other mention - Negative	0.9%	4	
	None/Nothing	0.8%	4	
	Other mention	3.3%	15	
	DK/NA	4.4%	20	
	4. Overall, are you satisfied or dissatisfied with the job the City of Los Altos is doing to provide City services?	Very satisfied	35.2%	157
		Somewhat satisfied	46.8%	209
Somewhat dissatisfied		10.3%	46	
Very dissatisfied		1.7%	8	
DK/NA		6.0%	27	
- Total Satisfied		82.0%		
- Total Dissatisfied		12.0%		
- Ratio Sat to Dissat	6.9			

IMPORTANCE OF CITY SERVICES, PROGRAMS AND FACILITIES

		Total		
		Column N %	Count	Σ or Mean
5A. Police services	Extremely important	52.3%	233	88.6%
	Very important	36.3%	162	
	Somewhat important	9.6%	43	
	Not at all important	1.3%	6	
	DK/NA	0.5%	2	
5B. Garbage collection and recycling program	Extremely important	41.8%	186	87.3%
	Very important	45.5%	203	
	Somewhat important	12.2%	54	
	Not at all important	0.5%	2	
	DK/NA	0.0%	0	
5C. Street tree maintenance	Extremely important	18.4%	82	61.9%
	Very important	43.5%	194	
	Somewhat important	35.8%	160	
	Not at all important	1.9%	8	
	DK/NA	0.4%	2	
5D. Street pavement maintenance	Extremely important	25.9%	116	71.4%
	Very important	45.5%	203	
	Somewhat important	27.9%	124	
	Not at all important	0.3%	1	
	DK/NA	0.4%	2	
5E. Street sweeping services	Extremely important	12.0%	54	47.7%
	Very important	35.7%	159	
	Somewhat important	47.0%	210	
	Not at all important	5.2%	23	
	DK/NA	0.1%	0	
5F. Traffic safety	Extremely important	48.8%	218	85.6%
	Very important	36.7%	164	
	Somewhat important	12.5%	56	
	Not at all important	1.8%	8	
	DK/NA	0.2%	1	
5G. Economic development efforts	Extremely important	18.1%	81	53.6%
	Very important	35.5%	158	
	Somewhat important	32.1%	143	
	Not at all important	10.1%	45	
	DK/NA	4.1%	18	
5H. Sports fields	Extremely important	14.3%	64	50.5%
	Very important	36.2%	161	
	Somewhat important	35.2%	157	
	Not at all important	12.7%	57	
	DK/NA	1.6%	7	
5I. Managing land use	Extremely important	35.2%	157	78.3%
	Very important	43.1%	192	
	Somewhat important	15.3%	68	
	Not at all important	3.7%	17	
	DK/NA	2.7%	12	

SATISFACTION WITH CITY SERVICES, PROGRAMS AND FACILITIES

		Total		
		Column N %	Count	Σ or Mean
6A. Police services	Very satisfied	60.4%	269	91.8%
	Somewhat satisfied	31.4%	140	
	Somewhat dissatisfied	2.7%	12	
	Very dissatisfied	0.4%	2	
	DK/NA	5.1%	23	
6B. Garbage collection and recycling program	Very satisfied	66.4%	296	96.2%
	Somewhat satisfied	29.8%	133	
	Somewhat dissatisfied	1.9%	8	
	Very dissatisfied	0.0%	0	
	DK/NA	1.9%	9	
6C. Street tree maintenance	Very satisfied	29.1%	130	77.5%
	Somewhat satisfied	48.4%	216	
	Somewhat dissatisfied	8.7%	39	
	Very dissatisfied	6.0%	27	
	DK/NA	7.8%	35	
6D. Street pavement maintenance	Very satisfied	27.3%	122	73.3%
	Somewhat satisfied	46.0%	205	
	Somewhat dissatisfied	18.0%	80	
	Very dissatisfied	4.4%	20	
	DK/NA	4.3%	19	
6E. Street sweeping services	Very satisfied	45.6%	203	85.9%
	Somewhat satisfied	40.3%	180	
	Somewhat dissatisfied	5.6%	25	
	Very dissatisfied	2.4%	11	
	DK/NA	6.1%	27	
6F. Traffic safety	Very satisfied	25.6%	114	73.4%
	Somewhat satisfied	47.8%	213	
	Somewhat dissatisfied	15.9%	71	
	Very dissatisfied	7.8%	35	
	DK/NA	3.0%	13	
6G. Economic development efforts	Very satisfied	13.3%	59	45.6%
	Somewhat satisfied	32.3%	144	
	Somewhat dissatisfied	19.2%	86	
	Very dissatisfied	8.6%	38	
	DK/NA	26.7%	119	
6H. Sports fields	Very satisfied	26.1%	116	63.7%
	Somewhat satisfied	37.6%	168	
	Somewhat dissatisfied	7.9%	35	
	Very dissatisfied	2.7%	12	
	DK/NA	25.7%	115	
6I. Managing land use	Very satisfied	13.2%	59	46.6%
	Somewhat satisfied	33.4%	149	
	Somewhat dissatisfied	24.7%	110	
	Very dissatisfied	9.2%	41	
	DK/NA	19.5%	87	

		Total		
		Column N %	Count	Σ or Mean
6J. Fire protection services	Very satisfied	62.5%	279	85.2%
	Somewhat satisfied	22.6%	101	
	Somewhat dissatisfied	1.5%	7	
	Very dissatisfied	0.2%	1	
	DK/NA	13.2%	59	
6K. Environmental and sustainability programs	Very satisfied	22.2%	99	65.1%
	Somewhat satisfied	42.9%	191	
	Somewhat dissatisfied	6.7%	30	
	Very dissatisfied	1.8%	8	
	DK/NA	26.4%	118	
6L. Senior facilities	Very satisfied	13.9%	62	45.0%
	Somewhat satisfied	31.1%	139	
	Somewhat dissatisfied	7.7%	34	
	Very dissatisfied	3.8%	17	
	DK/NA	43.5%	194	
6M. Senior programs	Very satisfied	18.7%	83	50.0%
	Somewhat satisfied	31.3%	140	
	Somewhat dissatisfied	5.3%	23	
	Very dissatisfied	2.3%	10	
	DK/NA	42.5%	189	
6N. Youth facilities	Very satisfied	15.2%	68	51.2%
	Somewhat satisfied	36.1%	161	
	Somewhat dissatisfied	12.6%	56	
	Very dissatisfied	2.1%	9	
	DK/NA	34.1%	152	
6O. Youth programs	Very satisfied	15.4%	69	54.6%
	Somewhat satisfied	39.3%	175	
	Somewhat dissatisfied	8.0%	36	
	Very dissatisfied	1.6%	7	
	DK/NA	35.8%	159	