

TOWN OF WINDSOR AGENDA REPORT

Joint Windsor Town Council, Windsor Redevelopment Successor Agency and Windsor Water District Meeting Date: August 5, 2026

To: Mayor and Town Council
From: Kristina Owens, Government Operations Manager
Subject: Approval of Solid Waste Franchise Agreement with Sonoma County Resource Recovery for Garbage, Recyclable Materials, and Organic Waste Collection Services, effective October 1, 2027

Recommendation to Council:

1. Adopt a resolution approving a Solid Waste Management Franchise Agreement with Sonoma County Resource Recovery, LLC, for the residential, multi-family, and commercial garbage, recyclable materials, and organic waste collection services for the period October 1, 2027, through September 30, 2037, and authorize the Town Manager to execute it on behalf of the Town.
2. Adopt a resolution setting the Franchise Fee at \$1,225,000 for October 1, 2027, through September 30, 2028, with a cost-of-living escalator for year two and consecutive years following for the term of the Franchise Agreement, to recover the costs of solid waste related services in the Town of Windsor.

Strategic Plan Element:

The recommended action supports the goals of Fiscal Health, Infrastructure and Livability. Goal Statement: Ensure the economic health and long-term financial viability of the Town. Goal Statement: Through a lens of sustainability and innovation, invest in the Town's infrastructure and public facilities to meet the needs of future generations. Goal Statement: Preserve community character by maximizing the use of existing amenities and creating future opportunities that enhance quality of life for all.

Background:

On November 4, 1996, a voter initiative was approved requiring solid waste services to be competitively bid every ten years. This initiative, referred to as the “Refuse, Recycling, and Composting Competitive Bid Ordinance,” requires that “all Town recycling, solid waste and green waste collection programs, whether provided through an exclusive or non-exclusive agreement, shall be subject to a competitive bid process.”

On August 2, 2017, after the completion of the Town of Windsor’s (“Town’s”) third consecutive competitive bidding process, the Town contracted with Sonoma County Resource Recovery (“SCRR”) for exclusive collection of residential and commercial solid waste. By Town Code, the Town is required to issue a Request for Proposal (“RFP”) for a competitive formal bid process in which the Town solicits proposals from potential vendors. A new agreement must be in place by October 1, 2027, as the existing agreement with SCRR will expire on September 30, 2027, and cannot be extended beyond this date.

Shaping the RFP

On August 6, 2025, in preparation for the SCRR agreement expiration, the Town Council approved a contract with R3 Consulting Group, Inc. (“R3”) to assist the Town in developing an RFP and drafting a

new solid waste franchise agreement (“FA”). At this same meeting, Town Council formed a Council Ad Hoc Committee (“Ad Hoc”), appointing Vice Mayor Potter and Councilmember Leep. The Ad Hoc was directed to work with R3 and staff to set initial programming and service parameters and to clearly outline how potential proposals, as well as the costs associated with these proposals, will be submitted. Moreover, the Town Council directed the Town Manager to work with the Ad Hoc to determine if a Community Committee could be beneficial in providing feedback and comments on the development and drafting of a new exclusive FA.

On September 25, 2025, the Town Manager and the Ad Hoc established and appointed a five-member Solid Waste Community Committee (“Committee”) from among the eight parties who had expressed interest. The Committee was established using a whole community approach, and with consideration of the service sectors that are served by the terms of an FA. Furthermore, the Town Manager created an Evaluation Panel (Panel) comprised of key Town staff with oversight responsibility for solid waste services. The Ad Hoc worked with the Committee and the Panel (“RFP Team”) worked collaboratively to review community feedback and survey results, establish a prioritization of community feedback, agree on a list of desired solid waste programs, draft the RFP guiding principles, and propose the evaluation criteria and scoring matrix to be used on submitted proposals.

The Town held two Solid Waste Public Meetings in October, to gather feedback and to inform residents and the business community about the procurement process, the history behind the competitive bidding and selection process, the fundamental outline of what solid waste collection service entails, and the potential array of programs and services that might be provided as part of a new agreement. During the public meetings, and in the resulting written and spoken comments, attendees expressed strong concerns about costs and expressed a desire for more transparency in both how rates are set and how often various programs get used.

The Town also released a non-statistical survey seeking the same feedback regarding solid waste programs and received 312 responses. Survey respondents were asked to rank their prioritization of five common goals for solid waste services: Cost, Reliability of Service, Sustainability, Customer Service, and Extra Programs and Services. Cost and Reliability of Service were the clear priorities expressed, with both receiving about the same ranking. This and other survey results were used by the Ad Hoc and RFP Team in compiling their list of desired solid waste programs, the RFP guiding principles, and the evaluation criteria and scoring matrix mentioned above.

Competitive RFP Issuance

On February 18, 2026, the Council directed Town staff to pursue a competitive RFP. The primary objective of the RFP was to provide the Town’s residents and businesses with the appropriate level of service, of the highest quality, and at the best rates, according to the evaluation criteria set by the Town Council on February 18. The RFP and Draft Franchise Agreement (together referenced as “RFP”) were released on February 19, 2026, with proposals due on April 15, 2026.

Proposal Evaluation Process

Proposals were received by April 15, 2026, from the following three entities:

1. GreenWaste Recovery
2. Recology Sonoma Marin
3. Sonoma County Resource Recovery

The three proposals went through an initial completeness review to check for compliance with RFP requirements. After the initial review, it was determined that all three proposals conformed to the Town’s requirements, and the proposers were invited to interview with the Panel. All three proposers

were interviewed and following these interviews all three proposers were asked to submit best and final offers (BAFOs) of their rates based on a set of programs and priorities intended to allow the Panel to do a like-for-like rate comparison.

With R3 providing technical assistance to the Panel, the Panel then engaged in a thorough review of proposals, including the BAFOs, and went through a consensus scoring process to rank the proposers, which included several meetings to discuss scoring and proposal details. Proposals were reviewed and scored based on the evaluation criteria established by the Town Council on February 18:

- Service Rates – 50 points
- Cost of Service & Fiscal Transparency – 20 points
- Customer Service & Reliability – 15 points
- Sustainability – 10 points
- Exceptions to Agreement – 5 points

After the initial consensus evaluation, which compared all three proposers using the submitted proposals, interviews, interview presentation materials, and BAFOs, the Panel decided to remove GreenWaste from further consideration based on the fact that GreenWaste’s base rate proposal would have significantly increased rates for single-family residential customers whereas both SCRR’s and Recology’s proposals included rate reductions for single-family residential customers. The Panel then proceeded to score and rank SCRR’s and Recology’s BAFOs in comparison to one another, which resulted in SCRR as the highest ranked proposal with 89 out of 100 points and Recology with 88 points. The results are summarized in Table 1 - Summarized Consensus Scoring of Recology and SCRR BAFO Proposals below with the full details listed in *Attachment 3 - Proposal Evaluation Process Detailed Consensus Scoring*.

Table 1 Summarized Consensus Scoring of Recology and SCRR BAFO Proposals

Category	Maximum Points Possible	Recology	SCRR
Service Rates	50	45	44
Cost of Service & Fiscal Transparency	20	17	18
Customer Service & Reliability	15	13	15
Sustainability	10	9	7
Exceptions to Agreement	5	4	5
Total Possible Proposal Evaluation Score	100	88	89

The scoring results of Recology and SCRR were very close. Both proposers put forth strong proposals that met the Town’s needs and priorities, including the “Guiding Principles” laid out in the RFP and recommended by the Ad Hoc and RFP Team. While Recology scored 1 point higher on rates and 2 points higher on sustainability, SCRR scored 2 points higher in customer service, 1 point higher in cost of service / transparency, and 1 point higher in exceptions. Based on these scores, the Town entered negotiations with SCRR as the highest ranked proposer.

Discussion:

Final Agreement Negotiations

Over a period of about a month, Town staff, with support from R3, negotiated the terms and conditions

of a final Franchise Agreement with SCRR, with final negotiations concluding in June of 2026. Negotiations were productive, resulting in lower rates than were proposed in SCRR’s original proposal and final BAFO, and without sacrificing any of the optional programs that were under consideration in the RFP. The final negotiated Franchise Agreement provides key benefits to the Town’s residents and businesses, including the following:

General Terms and Conditions:

- 10-year term from October 1, 2027, through September 30, 2037.
- Updated agreement terms and conditions with up-to-date performance and legal standards.
- Preservation of current programs for residents, businesses, and the Town.
- Fulfillment of services required for compliance with State laws, including Senate Bill (SB) 1383.
- \$200,000 reimbursement of Town’s costs for conducting RFP process, which will be spent down by the Town when billed for services as an invoice credit.
- Replacement of split-container recycling carts with new single-stream recycling carts.

Solid Waste Collection Service Rates and Adjustments:

1. Rates that reflect cost of service by sector, with separate rate sheets for Single-Family, Multi-Family*, Mixed Use, and Government sector customers.
2. Town, Windsor Unified School District, and Sonoma County Fire District customers paying directly for service, using Government sector rates.
3. Multi-Family, Mixed Use, and Government rates that include transparent pricing for all three waste streams.
4. Annual indexed rate adjustments to solid waste collection service rates, commencing October 1, 2028, with:
 - Adjustments to rate compensation to SCRR for collection services cost categories adjusted by a series of industry-standard price indexes.
 - Adjustments to rate compensation to SCRR for external post-collection services cost categories (landfill disposal, organics composting, and recyclables processing) adjusted based on annual change in tipping fees at the disposal and processing facilities (which are not controlled by SCRR).
 - Adjustments to rate compensation addressing timing differences between local Town rate adjustments and regional Countywide adjustments to the disposal and organics processing rates are allowed in order to accommodate April 1st increases of the County’s disposal and organics processing rates.
 - Senior Discount (10% discount per month) for customers 62 and older.
 - Limitations on future changes in solid waste collection service rates due to changes in law or extraordinary changes in cost.

*In the RFP, Multi-Family was further broken down into “MFD-I”, which is multi-family service for residents that receive collection service via individual carts per dwelling unit, and “MFD-C”, which is multi-family service for residents that receive collection service via centralized containers that are shared by multiple dwelling units.

Retention and Expansion of Programs & Services

Program & Services	Description	Program Expansion
Bulky Waste	One free pick-up per year for Single-Family, Multi-Family, and Mixed Use	
	Second free pick-up per year for Single-Family, Multi-Family, and Mixed Use	Provided at no cost, contractor goodwill

	Service available to Government customers for a fee	
Holiday Trees	Curbside holiday tree collection for one week for Single-Family	
	Curbside holiday tree collection for second week for Single-Family	Provided at no cost, contractor goodwill
	Curbside holiday tree collection upon request for Multi-Family, Mixed Use, and Commercial	
	Holiday tree drop-off service for residents and businesses for two weeks	Provided at no cost, contractor goodwill
Batteries	Curbside battery collection for Single-Family, Multi-Family, and Mixed Use	
	Battery drop-off service at Town offices	Provided at no cost, contractor goodwill
Curbside Motor Oil and Filter Collection	Single Family	
Kitchen Food Waste Pails	Available upon request to all sectors	
Annual Inspection and Cleaning of Containers	Available for all sectors	
Cardboard	Cardboard-only recycling service available to Multi-Family, Mixed Use, Commercial, and Government customers	
	Cardboard drop-off bins for resident and business use at up to five locations around Town	Provided at no cost, contractor goodwill
Street Sweeping	Weekly in commercial areas, every other week in residential areas	
	Town enforcement clean-up support	
Town-Sponsored Events	Collection and service of trash receptacles	Provided at no cost, contractor goodwill
Town's Public Trash Cans	Collection and service of trash receptacles	Provided at no cost, contractor goodwill
Abandoned Waste	Removal of up to 400 cubic yards annually	Provided at no cost, contractor goodwill
CRV Drop-Off Center	Site available for use	Provided at no cost, contractor goodwill

Transition Services

While SCRR is the incumbent, they will be transitioning all existing blue recycling carts from a split cart to a single-stream cart by or before October 1, 2027. Existing carts and bins for other service types will remain, as a cost-saving measure. They will be transitioning some customers to a new service sector, and they will transition all governmental service units to paying customers, which will include a right-sizing process and the implementation of a new billing process. SCRR has committed to ensuring a smooth transition into the new contract, working in collaboration with the Town such that customer needs are carefully handled during the process. This includes, but is not limited to:

- Development of a detailed transition plan (details included in Franchise Agreement).
- Frequent planning and management meetings with Town staff, effective immediately, to ensure smooth transition of services.
- Outreach to residents and businesses prior to the October 1, 2027, commencement of new services.
- Individualized support and container right-sizing for all Government customers as well as, upon request, Multi-Family, Mixed Use, and Commercial customers.
- \$200,000 credit of Town's costs for conducting the RFP procurement process and \$75,000 credit of Town's costs for overseeing transition of the solid waste collection contract, both of which will be spent down by the Town when billed for services as an invoice credit. Total solid waste service credit to the Town of \$275,000.

Taken together, the terms and conditions of the new recommended Franchise Agreement with SCRR fulfill the priorities set by Council and recommended by both the Ad Hoc and RFP Team through the RFP, including:

- Solid waste collection service of high quality that meets current regulatory, legal, and performance standards.
- Rates that are lower than existing 2026 service rates.
- Rates that are attested to be proportionate to the cost of providing services and the amounts of solid waste generated, without cross-sector subsidization.
- Expanded access to special programs and services for Multi-Family, Mixed Use, and Commercial customers.

Solid Waste Collection Service Rates

As explained above, all three proposers were provided with the opportunity to submit BAFOs during the evaluation process, after being presented with a set of programs and priorities to include a process that was set up to allow the Panel to do a like for like rate comparison across proposers. The Panel used these BAFOs to compare proposers within the Evaluation Criteria framework. With GreenWaste being eliminated from consideration, the final analysis focused on Recology and SCRR's rates. Both Recology's and SCRR's BAFOs came in with lower rates than current Town rates across nearly all container and waste stream types for all non-governmental sectors—Single-Family, Multi-Family, Mixed Use, and Commercial rates overall would all go down under either proposer.

When the two BAFOs were analyzed in comparison to one another as shown in ***Attachment 3 - Proposal Evaluation Process Detailed Consensus Scoring***, Recology and SCRR scored equally on Single-Family rates, Recology scored slightly higher on Commercial, Multi-Family, and Mixed-Use rates, and SCRR scored higher on Government rates. Based on the overall evaluation criteria scoring, SCRR was selected for negotiations. Negotiations with SCRR, which began on June 3, culminated in a final negotiated set of SCRR rates (SCRR Final Rates) included in the Franchise Agreement.

During the period when the Town was negotiating with SCRR, the Town received an unsolicited revised BAFO from Recology, dated June 17 (Recology Revised BAFO). The Recology Revised BAFO included Single-Family rates that were \$0.50 per month lower than Recology's prior BAFO. Though the Town was under no obligation to consider the Recology Revised BAFO, R3 and the Town did evaluate and analyze it in comparison to the SCRR Final Rates. Ultimately, it was determined that the \$0.50 reduction in Single-Family monthly rates was not material enough to have an effect on rate proposal scoring, proposal ranking, or the Town's selection of SCRR for negotiations.

The following statements and evidence below present the exceptions and observations between Recology's Revised BAFO to the SCRR Final Rates. The summarized rate comparison listing the

service types, current subscription levels as of July 2026, and the frequency of 1 time per week are shown in ***Attachment 4 Final Negotiations Solid Waste Collection Service Rate Comparison***.

Single Family (SFD) and Multi-Family Individual (MFD-I) Rates

SCRR's rates are LOWER than Recology's for all Single-Family and MFD-I rates, with the following 8 exceptions (out of a total of 28):

- 96-gallon bundled service: SCRR's rates are 0.4% (\$0.33 per month) higher than those included in the Recology Revised BAFO for the minority (8%) of Single-Family customers who are subscribed to the largest garbage container size.
- Elective on-premises service for 32-, 64- and 96-gallon bundled service (including seniors): SCRR's rates are 5.5% to 35.4% higher than Recology for these elective services that are provided as an optional service to customers who desire to pay for on-premises collection rather than bring their containers to the curb. (Customers with disabilities receive this service at no additional cost.)
- Certain elective fees: the additional bulky item collection fee, the overload fee, and the resume-service fee. SCRR's fees for all three of these services are set at current amounts.

Attachment 4 - Table 2 Single Family (SFD) / Multi-Family (MFD-I) Rate Comparison provides a comparison between current Town rates, SCRR final rates, and the Recology Revised BAFO for a selection of rates for SFD and MFD-I customers.

Multi-Family Commercial (MFD-C) Rates

SCRR's rates are LOWER than Recology's for many Multi-Family (MFD-C) rates, with the following 12 exceptions (out of a total of 38):

- 32-gallon and 64-gallon garbage: SCRR's rates are 2.1% to 4.4% higher than Recology for these rates, but SCRR's rates are lower than Recology's for all other garbage rates.
- All recycling rates: SCRR's MFD-C recycling rates are 1.6% to 4.0% higher than Recology's MFD-C recycling rates.
- 96-gallon organics twice-weekly: SCRR's rate is 64% higher for this MFD-C rate, but lower than Recology for all other organics rates.

Attachment 4 - Table 3 Multi-Family (MFD-C) Rate Comparison provides a comparison between current Town rates, SCRR Final Rates, and the Recology Revised BAFO for a selection of MFD-C rates.

Mixed Use (MXD) Rates

SCRR's rates are LOWER than Recology's for most Mixed Use rates, with the following 4 exceptions (out of a total of 38):

- 32-gallon and 64-gallon garbage: SCRR's rates are 2.1% to 4.4% higher than Recology for these two rates, but lower than Recology for all other Mixed Use garbage rates.
- 96-gallon recycling: SCRR's rate is 1.6% higher for 96-gallon recycling, but lower than Recology for all other Mixed Use recycling rates.
- 96-gallon organics twice-weekly: SCRR's rate is 48% higher for this rate, but lower than Recology for all other organics rates.

Attachment 4 - Table 4 Mixed Use (MXD) Rate Comparison provides a comparison between current Town rates, SCRR Final Rates, and the Recology Revised BAFO for a selection of MXD rates.

Commercial (COM) Rates

SCRR's rates are APPROXIMATELY THE SAME AS Recology's for many Commercial rates, with the following observations:

- Garbage rates: SCRR's rates are 0.1% to 4.4% higher than Recology's for most Commercial garbage rates, and 0.1% lower than Recology's for larger Commercial garbage subscriptions.

- Recycling rates: SCRR's rate for 96-gallon recycling is 1.6% higher than Recology's. For all other recycling rates, SCRR rates are 0.1% to 0.4% lower than Recology's.
- Organics rates: SCRR's rates for organics in carts range from 0.8% lower to 64.2% higher than Recology's. SCRR's rates for mixed organics in bins are 4.9% lower than Recology's.

Attachment 4 - Table 5 Commercial (COM) Rate Comparison provides a comparison between current Town rates, SCRR Final Rates, and the Recology Revised BAFO for a selection of Commercial rates.

Government (GOV) Rates

SCRR's rates are LOWER than Recology's for all Government rates, with the following 3 exceptions (out of a total of 61):

- 64-gallon food-only, 96-gallon mixed organics, and 96-gallon food-only, when each is being picked up twice per week: SCRR's rates are 22.6% to 23.2% higher than Recology's for these three services, but lower than Recology's for all other organics rates.

Attachment 4 - Table 6 Government (GOV) Rate Comparison provides a comparison between current Town rates, SCRR Final Rates, and the Recology Revised BAFO for a selection of GOV rates.

The full list of final negotiated rates effective October 1, 2027, for each service type, material type, and frequency with additional services included in the Franchise Agreement as Form K are shown in ***Attachment 5 SCRR Final Rates Effective October 1, 2027***.

Fees for Additional Services

There are some variances between SCRR's and Recology's extra fees and charges for all ratepayers. SCRR's fees for all of these services are set at current amounts, whereas Recology's fees were both above and below existing fees, depending on the type of service. These fees are for elective services or are charges for contamination or overloads, which SCRR has indicated they do not intend to charge except when necessary to change behaviors. Customers who do not need additional services and who properly participate in collection programs will not incur additional fees.

Franchise Fee

Article XI of the California Constitution and the California Public Resources Code allows local governments to regulate refuse and recycling services. These services are pursuant to the terms and conditions in the recommended Franchise Agreement, which outlines the services that must be provided by the company and the methodology to set customer rates each year. The Franchise Agreement includes a Franchise Fee, which recovers the Town's costs of providing solid waste-related services, including the administration of solid waste services as well as charges for the reasonable value of the use of Town property for the provision of solid waste services.

The Town has analyzed its costs for the administration of solid waste services as well as charges for the reasonable value of the use of Town property for the provision of solid waste services. This analysis known as Windsor Franchise Fee Study was approved by Town Council on April 17, 2024 (***Attachment 7***). Staff are recommending that the Town set the franchise fee at a first year (October 1, 2027, through September 30, 2028) amount of \$1,225,000 pursuant to the amount justified by the Town's analysis.

Fiscal Impact:

Franchise Fee payments per the Franchise Agreement are set at \$1,225,000 for the first year of the Agreement. Effective October 1, 2028, and annually every October 1st thereafter, the Franchise Fee shall be adjusted in proportion to the annual percentage change in the Consumer Price Index for All urban Consumers (CPI-U) for the San Francisco-Oakland-Hayward California area (U.S. Bureau of Labor Statistics series ID: CUURS49BSA0).

The reimbursement of Town's costs for conducting the RFP process set at \$200,000, and the Town's costs for overseeing transition of the solid waste management collection services contract set at \$75,000, will be held as an invoice credit in the amount of \$275,000 by SCRR and the credit will be spent down by the Town when billed for services.

Environmental Review:

The approval of the proposed Franchise Agreement does not have a significant effect on the environment; such approval is exempt from California Environmental Quality Act (CEQA) review pursuant to CEQA Guidelines Section 15061 (b)(3). Additionally, the approval of the franchise fee is not a project pursuant to CEQA Guidelines section 15378(b)(4) because the Town is setting a Franchise Fee for Town services, property, and facilities provided for solid waste services, and as such, the action involves a funding mechanism or fiscal activity within the meaning of the CEQA Guidelines.

Attachment(s):

1. Resolution - Solid Waste Management Franchise Agreement
2. Resolution - Franchise Fee
3. Proposal Evaluation Process Detailed Consensus Scoring
4. Final Negotiated Solid Waste Collection Service Rates Comparison
5. SCRR Final Rates Effective October 1, 2027
6. Solid Waste Management Franchise Agreement (10/1/27 - 09/30/37)
7. Windsor Franchise Fee Study
- 13.1 Correspondence Received After Meeting
- 13.1 PowerPoint

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