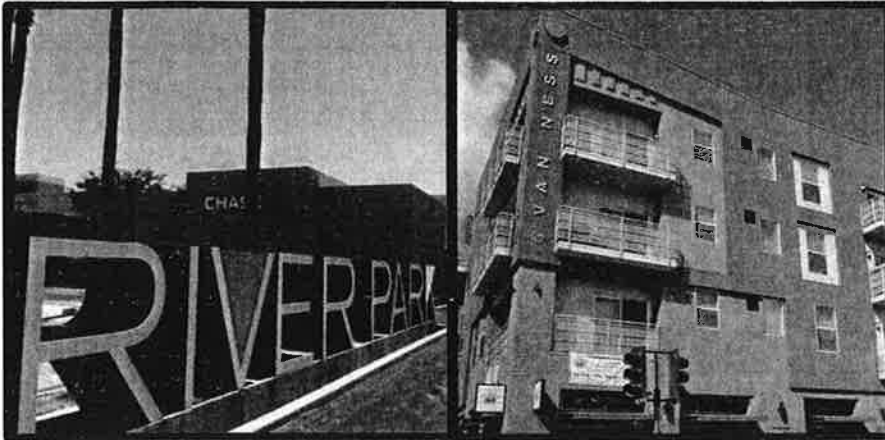




City of Fresno

Commercial Franchise Contractor
Performance Review (RFP #9393)



ORIGINAL

January 17, 2017

RECEIVING # 17 2017
JAN 17 2017
SIGN & DATE



HF&H Consultants, LLC

201 N. Civic Drive, Suite 230
 Walnut Creek, California 94596
 Telephone: 925/977-6950
 Fax: 925/977-6955
 www.hfh-consultants.com

Robert D. Hilton, CMC
 John W. Farnkopf, PE
 Laith B. Ezzet, CMC
 Richard J. Simonson, CMC
 Marva M. Sheehan, CPA
 Robert C. Hilton, CMC

January 17, 2017

Mr. Jerry L. Schuber Sr.
 City of Fresno
 Department of Public Utilities
 2600 Fresno Street, Room 4019
 Fresno, CA 93721

Subject: Proposal: Commercial Franchise Contractor Performance Review (RFP #9393)

Dear Mr. Schuber,

HF&H Consultants, LLC (HF&H) is pleased to submit this proposal to the City of Fresno (City) to perform consulting services related to the City's Commercial Franchise Performance Review of Allied Waste Services of Fresno (Allied) and Mid Valley Disposal (Mid Valley).

We have prepared and organized our proposal based on the instructions contained in your RFP and trust that we are fully responsive to your directions.

HF&H brings the following unique qualifications and benefits to the City:

Unique Qualifications	Benefit to the City	Staff Members
Ex-Controllers and managers in the Solid Waste Industry	Effectiveness; Able to provide "real world" recommendations	Marva Sheehan
Experience with the City, Allied and Mid Valley	Efficiency / Reasonableness; Familiar with the books and records of Allied and Mid Valley	Marva Sheehan Ric Hutchinson
Extensive Audit and Contract Compliance Experience	Ability to Focus on Key Issues; Knows the "at risk" areas	Marva Sheehan Ric Hutchinson
Certified Public Accountant	Thorough Process; Trained in audit processes	Marva Sheehan Ric Hutchinson (Inactive)

Perhaps better than anything else, one fact demonstrates our qualifications: during the past 20 years and multiple similar engagements, HF&H performance review and franchise fee audit findings and recommendations have been consistently accepted and adopted by the special district boards of directors, city councils, and county boards of supervisors responsible for providing solid waste services. We believe these results are achieved through two main characteristics of our work:

Mr. Jerry L. Schuber Sr.

January 17, 2017

Page 2 of 2

1. HF&H pioneered and has maintained an independent, systematic and expert approach to performance reviews and franchise fee audits since 1989. We do not work for industry, so we have no actual or perceived conflicts of interest. Our systematic utility approach is comprehensive, detailed and focuses on quality control. The staff performing the reviews and analysis have substantial expertise qualifying them to perform the work assigned. In fact, we are proposing for this engagement the active involvement of one owner of the firm and a senior manager, each with decades of experience and professional certifications.
2. HF&H presents its findings and recommendations authoritatively, succinctly and clearly. HF&H engagement directors and managers are senior experienced consultants who speak with the authority of their years of experience. Our presentations are designed to simply communicate to elected officials (with a wide range of responsibility and limited industry expertise) the major factors behind our findings and the basis for our recommendations. Our responses to inquiries are direct, complete and clear, which builds confidence in our findings and recommendations. In our most recently-conducted client satisfaction survey, 96% of respondents agreed with the statement that "HF&H presentations were effective and well organized."

* * * * *

If you would like to discuss our proposal, I can be reached directly at (925) 977-6961 or mshreehan@hfh-consultants.com.

Sincerely,

HF&H CONSULTANTS, LLC



Marva M. Sheehan, CPA
Vice President

cc: Ric Hutchinson, HF&H
Kim Erwin, HF&H

Enclosures

TABLE OF CONTENTS

SECTION 1: STATEMENT OF QUALIFICATIONS	1
Company Ownership	1
HF&H Point-of-Contact Information	2
Company Background and History	2
Length of Time Providing the Requested Services.....	2
SECTION 2: PROPOSED STAFFING.....	7
HF&H Key Staff	7
SECTION 3: EXPERIENCE AND REFERENCES	11
City of Fresno Experience	11
Other Relevant Project Experience	12
SECTION 4: APPROACH AND METHODOLOGY	17
Procedures	17
Standards	17
Methodology	18
SECTION 5 FEE ESTIMATE.....	25

ATTACHMENTS

- A. Acknowledgement of Addenda (RFP Exhibit C)
- B. Statement of Acceptance of Indemnification & Insurance Requirements (RFP Exhibit D)

This document is printed on 100% recycled, post-consumer content paper

Section 1:
Statement of Qualifications



SECTION 1: STATEMENT OF QUALIFICATIONS

HF&H specializes in providing advisory services to managers of solid waste, water, wastewater, and stormwater activities. Since 1989, HF&H has assisted jurisdictions throughout California with designing their recycling and solid waste systems, selecting contractors for the provision of those services, managing the contracts, implementing those systems, and auditing private waste and recycling companies. In order to prevent any potential or perceived conflict of interest, HF&H works exclusively for public sector clients.

HF&H’s relevant experience is unique compared to others. We are proposing a team of professional consultants to the City of Fresno (City) with experience unmatched by other consulting firms.

- For a performance review, you need a team that has “lived” in the industry. Our team includes an ex-controller for a solid waste company that was responsible for monitoring operations for cost-effectiveness and contract compliance, as well ensuring customer satisfaction.
- For a financial compliance review, you need a team that understands the calculations from the “inside out”. Our team has 13 years of calculating monthly/quarterly franchise fee payments to agencies throughout California. Our team has been “reviewing” those calculations for 35+ years. We know the calculation components regardless of the system each company uses. Our team has audited most of the hauling companies in Northern/Central California in one capacity or another. As an added benefit to the City, we are proposing Ms. Sheehan as your engagement director and Mr. Hutchinson as your engagement manager. Ms. Sheehan is an active CPA and Mr. Hutchinson is an “inactive” CPA, both with years of public accounting audit experience.

Team Member Name	Engagement Role	Experience			
		City	Industry	Audit	CPA
Marva Sheehan	Director	✓	✓	✓	✓
Ric Hutchinson	Manager	✓	✓	✓	✓(inactive)
Dave Hilton	Analyst	✓	✓	✓	
Geoffrey Michalczyk	Analyst		✓	✓	

In this section, we describe the following:

- Company Ownership
- HF&H Point-of-Contact Information
- Company Background and History
- Length of Time Providing the Requested Services

Company Ownership

Hilton Farnkopf & Hobson began performing consulting services in 1989. The firm was founded by Robert Hilton, John Farnkopf, and Scott Hobson. On August 2, 2006, we legally changed our name to HF&H Consultants, LLC. We highly value the contributions of our founders; however, we realize that the

name HF&H Consultants better reflects our status, long-term vision, and capabilities. We have recruited and developed the best group of consultants in the industry - a complete team of experienced, nationally-certified professionals across multiple disciplines. Our team works hard to help our clients significantly reduce costs by applying proven management tools and creative solutions to their challenges and program goals.

HF&H Point-of-Contact Information

Marva M. Sheehan, CPA, Vice President, will serve as the point-of-contact for the City of Fresno (City) with regard to a contract resulting from this proposal. Marva’s contact information is as follows:

Marva M. Sheehan, CPA
Vice President
HF&H Consultants, LLC
201 North Civic Drive, Suite 230
Walnut Creek, CA 94596
Tel: (925) 977-6961
Fax: (925) 977-6955
Email: msheehan@hfh-consultants.com

Company Background and History

HF&H has performed over 2,000 projects for more than 450 municipalities since its inception nearly 27 years ago. More specifically, HF&H has extensive knowledge of the solid waste conditions and marketplace in the City. In Section 3, we provide an extensive list of the consulting services we have provided the City over the years, dating back to the early 2000’s.

Length of Time Providing the Requested Services

HF&H has been providing the services requested in the City’s RFP since its inception in September 1989. HF&H has recently performed similar services for cities such as Union City, Dana Point, Alameda, Milpitas, and Santa Cruz County. We are currently providing similar services as those requested in the City’s RFP to the City of San Leandro. We provide descriptions of these projects, as well as client contact information, in Section 3.

HF&H has conducted hundreds of audits of recycling and solid waste haulers. The matrix provided below gives the City an idea of the depth and breadth of our auditing experience. We would be happy to provide the City more information on any of the audits/reviews listed below.

Figure 2: Audit Experience Matrix

	# of Projects	# of Haulers	Scope of Audit/Reviews				
			Fee Payments	Tons	Billings	Hauler Compliance	Operating Data Cost
Alameda	8	1				X	X
Arcadia	2	4	X	X			
Bellflower	3	2	X	X	X	X	X
Berkeley	1	1				X	
Beverly Hills	9	5	X	X	X	X	

	# of Projects	# of Haulers	Scope of Audit/Reviews				
			Fee Payments	Tons	Billings	Hauler Compliance	Operating Data Cost
Brentwood	1	1					X
Burbank	13	28	X	X			
Carlsbad	1	1					X
Castro Valley Sanitary Dist.	2	1					X
Central Contra Costa SWA	15	2		X		X	X
Cerritos	1	1				X	
Cotati	1	1	X				
Covina	6	1				X	X
Cupertino	1	1				X	X
Dana Point	3	1	X	X	X	X	X
Diamond Bar	1	1	X		X		
Downey	1	1				X	
El Centro	3	1					X
El Cerrito	2	2					X
El Monte	3	2	X	X	X		X
Fairfax	3	1					X
Folsom	2	1					X
Foster City	2	1					X
Fresno	4	1					X
Fullerton	1	1	X	X	X		
Glendale	1	43	X	X			
Hermosa Beach	1	1					X
Hesperia	1	1					X
Indian Wells	1	1			X		
Inglewood	2	1	X		X	X	
Kensington	3	2					X
La Habra	1	1					X
La Palma	4	1	X	X	X		
Las Gallinas Valley Sanitary Dist.	1	1					X
Lawndale	3	2	X	X			
Livermore	6	1			X		X
Long Beach	3	8	X	X			X
Los Altos	1	1					X
Marina	1	1					X
Millbrae	3	1					X
Milpitas	3	12	X	X	X		X

	# of Projects	# of Haulers	Scope of Audit/Reviews				
			Fee Payments	Tons	Billings	Hauler Compliance	Operating Data Cost
Mission Viejo	1	1					X
Mountain View	1	1					X
Napa	1	1					X
Novato	2	1					X
Orange (City of)	1	1	X	X	X	X	X
Orange County	1	4		X			
Pacifica	6	1	X		X		X
Palm Springs	1	1	X	X	X	X	X
Palo Alto	1	1					X
Pebble Beach	1	1					X
Petaluma	3	1	X				X
Pinole	1	1					X
Pomona	2	4	X	X			
Poway	1	1	X				
Redondo Beach	4	1	X	X	X		X
Rohnert Park	1	1					X
San Anselmo	1	1					X
San Bruno	2	1					X
San Francisco	1	1					X
San Jose	5	5	X		X	X	X
San Mateo	1	1					X
San Mateo (County)	3	1					X
San Rafael	19	1			X	X	X
Sand City	1	1					X
Santa Barbara County	3	3	X	X			X
Santa Clarita	2	3	X	X			X
Santa Monica	2	1				X	X
Sausalito	1	1				X	X
SBWMA	27	1		X		X	X
Seaside	1	1					X
Selma	1	1					X
Stanislaus	10	4		X			X
Stockton	3	2	X		X		X
Sunnyvale	15	1				X	X
Thousand Oaks	1	1				X	X
Torrance	4	35	X	X			

	# of Projects	# of Haulers	Scope of Audit/Reviews				
			Fee Payments	Tons	Billings	Hauler Compliance	Operating Data Cost
Tustin	1	1					X
Union City	13	3					X
Vallejo	6	1					X
Vernon	1	22	X	X			X
West Bay Sanitary District	5	1					X
WCCIWMA	4	1		X			X
WVSWMA	2	1	X		X	X	X

This page intentionally left blank

Section 2: Proposed Staffing



SECTION 2: PROPOSED STAFFING

From among HF&H's team of 20 certified public accountants, economists, and professional engineers who focus on water, wastewater, stormwater and solid waste consulting, this section highlights the experience of the particular staff we have chosen to perform the work requested by the City of Fresno. We believe that no other firm can offer you this breadth and depth of qualified professionals. According to our most-recent client satisfaction survey, 100% of our clients agreed with the statement, "HF&H staff were professional, experienced, and well-qualified."

HF&H Key Staff

We are proposing a team of senior consultants who have prior experience performing comparable performance review services for agencies throughout Northern California, and who have the ability to delegate to qualified, less-senior staff certain analytical tasks in order to perform our services as cost-effectively as possible.

Marva Sheehan, CPA, Vice President

Engagement Director



Ms. Sheehan has over 35 years of financial and accounting experience as a consultant and controller, the past 23 years in the solid waste industry. During her 11 years with HF&H, she has managed rate review projects, billing and franchise fee audits, procurement and contract negotiations, and financial and operational reviews for jurisdictions throughout Northern California. She developed long-term financial forecasts for the City of San Diego as part of a study of the City's long-term management options for its landfill and collection operations.

Prior to joining HF&H, Ms. Sheehan was a controller in the solid waste industry, participating in management of solid waste and recycling collections, MRFs, transfer stations and landfills. Ms. Sheehan has prepared rate applications for several Allied Waste Industries divisions. The process included the preparation of the rate application package as well as working with the outside consultants during the review. She developed the policies and procedures for jurisdictional cost allocations and participated in the Franchise Fee audits for several cities in the Bay Area, including the City of Fremont and the City of San Jose.

Marva Sheehan's expertise is in analyzing the financial aspects of solid waste operations; rate setting; short and long-term financial forecasts; and billing and fee audits. Her background as an auditor in public accounting and as the regional lead for Allied Waste Industries in implementing Sarbanes Oxley 404 internal control evaluation, provide her the professional background to efficiently assess a company's accounting and operational controls and identifying possible weaknesses.

Ms. Sheehan has managed performance reviews for the City of Union City and the West Valley Solid Waste Management Authority. She is currently directing the performance and financial review for the City of San Leandro. She has managed franchise and other fee audits for the Cities of Stockton, Petaluma, Milpitas, San Jose, and Union City. She has also managed a billing and franchise fee audit for West Valley Solid Waste Management Authority (Campbell, Saratoga, Los Gatos and Monte Sereno) and the City of Napa. In addition to the review of the billing records for the City of Napa, she reviewed the hauler's internal controls and provided recommendations for improvements.

Ric Hutchinson, Senior Manager**Engagement Manager**



Mr. Hutchinson is a Certified Public Accountant (inactive) with more than 40 years of experience in the fields of accounting, auditing, and financial and management consulting for state and local governments.

He has an extensive background in preparing rate and franchise fee and performance audits, rate development and modeling, financial analysis, procurement of solid waste collection and recycling services, and preparation of solid waste and construction and demolition ordinances. Mr. Hutchinson recently performed franchise fee and performance audits for the Cities of Elk Grove, Citrus Heights, Rancho Cordova, West Sacramento and the Sacramento Regional Waste Authority (SWA).

Mr. Hutchinson has managed numerous performance & franchise fee audits and rate reviews involving divisions of Waste Management, Allied, Recology and other national, regional and local franchised haulers. These services were performed for a variety of municipal jurisdictions including but not limited to; Citrus Heights, Dublin; El Dorado County, Elk Grove, Fresno, Merced, Mill Valley, Tracy, Novato Sanitary District, Pleasanton, Rancho Cordova, Sacramento Regional Waste Authority (SWA), San Francisco, San Jose, South Lake Tahoe, and the Yuba-Sutter Regional Waste Management Authority.

Dave Hilton, CAPM, Senior Associate**Engagement Analyst**



As a Senior Associate with HF&H, Dave Hilton has experience in the solid waste and recycling industry involving field audits, operational reviews, and surveys, contract analysis, procurement evaluation, and rate applications. With the experience and business knowledge to assist upper management with the collection, organization, and analysis of data, Mr. Hilton is committed to delivering high quality service to the firm and its clients by understanding business needs, developing strong relationships and communication with employees and management, and a consistent follow-through that meets or exceeds expectations.

Mr. Hilton has assisted as well as led many field audits. Some of this experience includes: a field audit of garbage and recycling service needs for over 400 businesses and multi-family properties in the City of Ridgecrest to provide necessary data for the competitive procurement of their garbage contract; a field audit of reported service levels at over 30 businesses and verification of franchise fee payments by various garbage haulers under contract with the City of San José; service level and billing verification for over 100 commercial and residential customers in the City of Napa; and, a field audit of reported service levels at over 50 residential and business locations for a client in support of a project that identified a total of over \$800,000 in unpaid fees by the client's garbage contractor.

Geoffrey Michalczyk, Associate**Engagement Analyst**



Mr. Michalczyk is an Associate Analyst in our Northern California office. He provides solid waste and water and wastewater consulting services to cities, counties, and special districts throughout California. He has assisted in creating utility rate structures and connection fees in compliance with Proposition 218, Proposition 26, AB 1600, and industry standards. Additionally, he has developed long-term financial plans for the operations of water and wastewater systems. Mr. Michalczyk specializes in municipal finance and is knowledgeable in developing rates and fees that provide adequate funding for the long-term needs of his clients.

Since joining HF&H, Mr. Michalczyk assisted in the solid waste rate adjustment reviews for the Marin Franchisors Group, the City of Union City and is currently assisting in the rate adjustment review for the City of Livermore. His financial expertise will be beneficial to the review of the franchise fee payments.

This page intentionally left blank

Section 3:
Experience and References



SECTION 3: EXPERIENCE AND REFERENCES

HF&H has extensive experience in performing a variety of performance, operational and financial reviews of franchised haulers as requested by the City. This Section of our proposal discusses not only our experience with the City of Fresno, but also our experience in performing similar services for other California municipal agencies.

City of Fresno Experience

HF&H is familiar with the conditions in the City, having performed numerous projects in the past ten years. HF&H's **extensive experience** with the City is demonstrated by the various types of projects we have participated in; from assisting in the procurement of the commercial solid waste services that are the focus of this RFP, to the development of the City's current solid waste rate model and five-year rate plan, to facilitating in the negotiation of the City's disposal agreement with the County of Fresno.

This experience allows HF&H to begin the project with an in-depth understanding of the complexities that are specific to the Fresno commercial and multi-family collection Franchise Agreements. For example, we understand the purpose behind and thus the importance of, the Performance Review described in Section 8.9 of the current Commercial and Multi-Family Franchise Agreements. Our experience and familiarity with the City's Commercial and Multi-Family Franchise Agreements will be critical in assisting the City in finalizing the required Performance Reviews.

The City engaged HF&H to work with the City Manager's office, City Attorney's office and Public Utilities management and Solid Waste department staff to **develop the structure and requirements for a non-exclusive roll off system**. Through 2010 and 2011, HF&H prepared the initial system design, model franchise agreements and municipal code revisions and facilitated stakeholder meetings.

As noted above, HF&H was engaged by the City to conduct a **procurement for commercial and multi-family solid waste, recycling, and organics collection and processing services**. The City had historically provided these services with municipal forces through its Department of Public Utilities. After a competitive contractor selection process, two companies were ultimately selected and HF&H facilitated the negotiations of the contracts.

In 2014, the County of Fresno engaged HF&H to facilitate the **negotiation of a new disposal agreement** with the City. HF&H developed the agreement and **tip fee calculation model** and facilitated the negotiations with both parties.

In 2006, Mr. Hutchinson, in his position as Principal for R3 Consulting Group was engaged by the City of Fresno to independently assess and evaluate the City's existing rates within the short-term (5-years) and to provide recommendations. The broad objective of this study was to adequately fund the solid waste enterprise funds operations, while keeping rates as competitive as possible.

In order to assist the City in determining the viability its solid waste rate structure Mr. Hutchinson completed the following major tasks;

- Performed an **independent comprehensive review of the City's Rate Model** to ensure mathematical accuracy and logical consistency;
- **Confirmed that the revenue and cost allocations** that the City made among the various services within the Rate Model were based on appropriate assignment of direct expenses and/or

reasonable allocations of any costs that cannot be directly assigned;

- Independently verified that the associated rates were calculated correctly, that they **complied with the requirements of Proposition 218** and that they ensure the funding necessary to satisfy the Division's projected annual revenue requirements, including reasonable rate stabilization and operating reserve funds; and,
- Recommended the development of an updated Rate Model to provide staff with the information they needed to manage the Solid Waste Enterprise Fund.

Following the engagement Mr. Hutchinson was engaged by the City to assist in **developing an interactive rate model** for the City's use in future years and preparing and finalizing solid waste rate structures for FY 2007 – FY 2009. As a result of the services performed as part of that engagement Mr. Hutchinson was also engaged by the City to **prepare and finalize the solid waste rates for FY 2010 – FY 2014**. In addition, HF&H, including Ric Hutchinson and Marva Sheehan were engaged by the City to **prepare and finalize the solid waste rates for FY 2010 – FY 2014**. Most recently HF&H has been engaged to **prepare and finalize the solid waste rates for FY 2020 – FY 2025**.

Other City Projects

Additional past projects with the City are identified below:

In 2005 and 2006, HF&H performed a **vehicle impact analysis** to determine the impact of refuse, recycling, and construction vehicles and City transit buses on all of the streets in the City. HF&H found that refuse and recycling collection vehicles accounted for approximately \$726,000 per year in impacts to the City's streets, while construction vehicles accounted for \$7,912,000 per year. The City's transit buses accounted for approximately \$597,000.

In 2006 and 2007, HF&H was engaged by the City to make a presentation to the Utilities Commission regarding their **Recyclable Materials Processing contract**. HF&H recommended that the City develop and implement a plan to achieve industry standard contamination rates for curbside recyclable materials, and that the City audit the contract provisions to assure that the contractor is complying with the terms.

Other Relevant Project Experience

HF&H has chosen the following projects to highlight our relevant experience managing projects similar to the one required by the City.

Other project descriptions are available upon request and may be useful in demonstrating our broader range of services and the full depth of the team's expertise.

City of San Leandro**Performance Review (2016 - Current)****Project Description**

The City of San Leandro (City) has a 25 year contract with Alameda County Industries (ACI) to perform all commercial and residential solid waste, recycling, and organics collection services. Because of the length of the contract, there are mandatory five year rate and performance review requirements. The City's objectives were to:

1. Determine the extent to which ACI was materially complied with all provisions of the franchise agreement;
2. Identify opportunities for performance and customer service enhancements; and,
3. Verify that ACI is fulfilling the financial terms of the agreement including the proper billing of customers and accurate remittance of payments to the City.

Client Contact

Jennifer Auletta
Deputy Public Works
Director
(510) 577-6022

HF&H Solution

To achieve the City's objective HF&H staffed the project with an extraordinary team. Our team of ex-controllers for solid waste companies has been responsible for monitoring operations for cost-effectiveness, contract compliance, and customer satisfaction, as well as financial compliance. We also included, a subcontractor, who has performed numerous customer service reviews and commercial and multi-family service audits. Our team is currently evaluating ACI's efforts and achievements in the following areas:

Performance Review

1. Responsiveness of ACI's customer service department;
2. Accuracy and completeness of ACI's quarterly and annual reports, including opportunities for waste diversion;
3. Review of facility operations, including ACI's material recovery facility;
4. Adequacy of commercial and multi-family account service levels;
5. Condition and labeling of front loader bins and public litter cans, including adequacy of inventory; and,
6. Notification procedures in the event of an oil or vehicle fluid spill, emergency or operational changes.

Financial Compliance

1. Review of franchise fee and other fee payments;
2. Review of customer billing records; and,
3. Review of delinquent account status and collection of funds.

Our review includes not only the review of reports, etc., we are also performing customer site visits, as well as visiting ACI's operations and administration facility to gather information.

Project Results

Pending

Key HF&H Staff

Marva Sheehan, Scott Holt

City of Union City**Performance Review (2014)****Project Description**

Since 2006 HF&H has performed rate reviews for the City of Union City , whose solid waste services are currently provided by Republic Services (Republic) and recycling and green waste services are currently provided by Tri-Cities Economic Development Corporation's (Tri-CED) (collectively Companies). The initial terms of both collection agreements were set to expire in 2015. The City had to decide whether to negotiate long-term extensions or pursue a competitive proposal process and select a contractor from among those proposers. The goal of this engagement was to provide the City with an independent assessment of the performance of the Republic and Tri-CED, to assist in this decision.

Client Contact

Roberto Munoz
Recycling and Solid
Waste Manager
(510) 675-5466

HF&H Solution

To achieve the City's objective HF&H evaluated both Republic's and Tri-CED's efforts and achievements in the following areas:

7. Technological, economic, and regulatory changes in the collection of solid waste, recyclable materials and organic materials have been reviewed in order to achieve a continuing, advanced collection system;
8. Services are being provided with adequate quality, effectiveness and economy. Verified by review of operational statistics and from reports prepared by the contractors and submitted to the City;
9. Collection and customer service operations are performing in an efficient manner, and are in compliance with the agreements with the City; and
10. Public education and community outreach programs are substantial compared to other programs we have seen in the Bay Area.

HF&H established an objective base for the assessment using comparison to agreement requirements; comparison to local industry benchmarks and standards of service; and, comparison to the Companies own performance over time.

Project Results

In general, the Companies met most of the agreement requirements and overall had reasonable productivity when compared to industry benchmarks or the productivity requirements set forth in their agreements. HF&H reported to the City the Companies' successful performance as well as identifying and recommending methods to capitalize on opportunities for improvement.

The City used the results from the performance review and the recommendations in the negotiation discussions with both Republic and Tri-CED for an extension of its agreements.

Key HF&H Staff

Marva Sheehan, Colleen Costine

County of Santa Cruz**Non-Exclusive Roll-off Audit (2015)**

Project Description

The County of Santa Cruz implemented a non-exclusive roll-off system in January 2014, with nine haulers granted franchise agreements. The agreement with each hauler includes a County fee structure, disposal reporting, and recycling outreach requirements. The County contracted with HF&H to perform individual reviews to assess the effectiveness of the programs for fee and reporting accuracy and ensure uniform compliance by each of the nine haulers.

Client Contact

Tim Goncharoff
Department of Public Works
(831) 454-2970

HF&H Solution

HF&H reviewed annual fee remittances, reported receipts, performed site visits and verified the accuracy of reported tonnages, and reviewed required hauler outreach and recycling programs.

Project Results

The audit identified more than \$2,500 in under reported franchise fee payments for the period reviewed. The assessment of the recycling outreach effort by each hauler identified areas the County can target for increased enforcement. Additionally, a discrepancy in determining the monthly revenue was identified with one hauler. The County and the hauler are developing a mutually-agreeable resolution.

Key Staff

Marva Sheehan, Scott Holt, Dave Hilton

City of Milpitas**Non-Exclusive Debris Box Audit (2015)**

Project Description

The City of Milpitas has 12 non-exclusive debris box franchise agreements with haulers. The City wished to evaluate the reasonableness and accuracy of the monthly reporting and fee requirements and contracted with HF&H to perform an audit on six of the non-exclusive franchise haulers.

Client Contact

Elizabeth Koo
Administrative Analyst
(408) 586-3353

HF&H Solution

HF&H worked with the City staff to select a cross sample of haulers to audit. HF&H reviewed annual franchise fee remittances, reported receipts, and determined the reasonableness and accuracy of tonnage reported by the selected haulers under the non-exclusive agreements.

Project Results

The audit identified more than \$5,000 in under reported franchise fee payments for the six haulers combined. Additionally, the audit identified haulers that double reported tonnages and misreported the disposal site of landfill tonnages reported to the City.

Key Staff

Marva Sheehan, Scott Holt, Dave Hilton

WVSWMA**Performance Review (2012)****Project Description**

The initial term of the solid waste collection and processing contract with West Valley Collection and Recycling, LLC (WVC&R) was set to expire in 2014. The Board of the West Valley Solid Waste Management Authority (WVSWMA) needed to decide whether to extend the existing agreement up to 36 months or issue a request for proposals and select a contractor from among those proposers.

Client Contact

Kirsten Powell
WVSWMA Counsel
(408) 402-9542

In order to prepare itself to decide on whether to extend the existing agreement, negotiate a new agreement with WVC&R, or conduct a competitive selection process, the Board decided to exercise its right under its agreement with WVC&R to conduct a performance review.

HF&H Solution

HF&H assisted the WVSWMA by providing an objective assessment of the quality, effectiveness, and economy of the services provided by WVC&R. Additionally, WVC&R was requested to provide suggested changes to achieve and maintain an advanced and compliant waste system. HF&H specifically performed a review of current services provided, a review of customer service and the feasibility and desirability of new services and technologies.

HF&H evaluated WVC&R's performance based on cost per customer, productivity (accounts/route/day) and diversion (compliance with AB 341). HF&H found WVC&R that performed well when compared to industry and local benchmarks.

HF&H evaluated WVC&R's customer service based on call center responsiveness, quality of interaction with customers, and timeliness of issue/request resolution. HF&H reviewed phone system reports and determined that current phone system and staff resources were adequate. WVC&R hires an outside firm to evaluate the quality of its customer service. HF&H reviewed the reports and noted the average scores were over 90% for the most recent two quarters. HF&H reviewed service change requests and missed pick-up reports and noted that the response times were adequate.

HF&H also reviewed WVC&R's outreach and public education materials and concluded it met or exceeded the contract requirements and determined the content is of high quality.

WVC&R proposed new programs and HF&H recommended that some should be implemented immediately and others would need to be incorporated into a new agreement due to cost.

Project Results

The Board used the results from the performance review to in its discussions with WVC&R for an extension of its contract. An amended and restated 10 year agreement was ultimately negotiated.

Key HF&H Staff

Marva Sheehan, Peter Deibler

Section 4: Approach and Methodology



SECTION 4: APPROACH AND METHODOLOGY

This section contains a description of our project approach and our method for completing each task in the scope of work. It reflects our understanding of the City's needs based on the scope of services as presented in the RFP. Our approach to performance and financial compliance reviews is comprised of developing procedures and standards and applying those standards to the defined procedures, using qualified and supervised consultants.

We are proposing two levels of effort for the City to consider. We understand the cost is a critical component of the consultant selection criteria. We are presenting a "base cost" proposal that meets the requirements of the RFP and have added a Contingency task that will allow us to perform optional tasks if requested by the City.

Procedures

Our experience has taught us the value of a systematic approach to consulting, which we will apply to the City's project. Our system has the following characteristics:

1. With our client we document: the goals and objective of the engagement; the scope of work (including limitations and work products); the schedule; and, our compensation.
2. The Manager prepares detailed work plans, which are reviewed by Directors, to guide the staff in the performance of the various tasks.
3. The Director assigns qualified staff to perform each task.
4. The Manager supervises staff in the performance of their tasks.
5. Staff document, in work papers, the findings and conclusions from each task.
6. The Manager reviews the documentation and identifies any necessary additional work.
7. The Director and Manager review the findings and conclusions with the City's Contractors (i.e., Allied Waste Services and Mid Valley Disposal) and, where appropriate, revise them after performing additional analysis.
8. The Manager drafts the report.
9. The Director reviews the draft report and supporting work papers, directing further work, where necessary.
10. The final draft report is reviewed with the City and, where appropriate, amended.

Standards

The performance of each operational and financial performance review is governed by the particular contractual guidelines that apply to the engagement being conducted.

Such guidelines are seldom sufficiently comprehensive or complete and other standards must be applied. These may include, but are not limited to:

- Generally Accepted Accounting Principles and Generally Accepted Auditing Standards published by the Accounting Standards Board (ASB) of the American Institute of Public Accountants (AICPA); and,
- Standards for financial forecasts and projections issued by the ASB of the AICPA.

With regard to common solid waste industry practices, we rely principally on our experience from hundreds of solid waste engagements that are contained in our work papers and summarized in our

engagement database. Beyond this, we routinely conduct surveys of municipal agencies and private companies to obtain information on less common practices.

Methodology

In general, our scope of work is organized according to the scope of work outlined in the City's RFP. Our tasks are organized as follows:

1. Pre-field Work
2. Performance (and Financial Compliance) Review
 - 2.1. Fee Audit
 - 2.2. Rate Increase Review
 - 2.3. Customer Satisfaction Survey
 - 2.4. Complaint Review
 - 2.5. Employee Review
 - 2.6. Diversion Review
3. Report Findings and Workshop Presentation

Task 1: Pre-Field Work

Purpose: It is important that we fully understand the City's objectives for the engagement and that our work plan be designed to meet those objectives.

Task 1.1: Kick-off Meeting with the City

To prepare for the meeting, HF&H will request and review relevant background documents, such as the Franchise Agreements, current rate schedules, authorized annual rate increase amounts, quarterly and annual reports that were submitted to the City by the Contractors.

Key team members will meet with the City to ensure that we clearly understand the City's objectives, are fully briefed on relevant historical information and issues, and discuss relevant background information. During the meeting, we will review each of the tasks presented below with City staff, in terms of both the approach to be taken and the specific objectives to be achieved. In addition we will discuss the specific information that is needed and determine which items are available from the City and which must be obtained from the Contractors or other sources. We will also discuss the customer satisfaction survey described in Section 2.3 of this scope of work to determine if the City would like to include any specific additional questions.

Task 1.2: Kickoff Meeting with Allied and Mid Valley

Immediately following the City kick-off meeting, key team members and City staff will meet with Allied and Mid Valley management to review the scope of work and schedule. In addition we will discuss the information that will be required of each Contractor, the availability of that information and the person to be assigned as each Contractors main contact person. We will also discuss the customer satisfaction survey described in Section 2.3 of this scope of work to determine if either Contractor would like to include any specific additional questions.

Task 1.3: Update Work Scope

Based on the results of the kick-off meeting with City staff and the Contractors, HF&H will revise the scope of work and work plan (tasks, responsibilities, and schedule) as necessary and agreed to by the

City, to ensure the goals and objectives of the City are met in the most efficient, effective, and timely manner.

Task 1.4: Finalize and Send Request for Information

Using the information from the kick-off meetings, HF&H will finalize requests for information for the financial compliance and performance review that are specific to the City, Allied and Mid Valley.

Task 2: Performance Review

Section 8.9 of the Franchise Agreements with Allied and Mid Valley requires that the City review the Contractors performance under the Franchise Agreements. Section 8.9 A. sets forth the 6 specific areas to be reviewed and Section 8.9 B. sets forth the minimum standards of performance for each of those 6 specific areas.

The objective of the performance review is to verify each Contractor's compliance with the terms and conditions of their Franchise Agreement as set forth in Sections 8.9 A and B.

The tasks below specifically address the above areas of concern. However, we may also evaluate other provisions of the Franchise Agreements as we encounter them and will communicate our findings, if any, to the City.

Task 2.1 Fee Audit

Purpose: Accurate customer billing records are extremely important to the City. The City wants assurance its ratepayers are being billed the correct amounts based on service received and that the rates charged are the City-approved rates. Additionally, the City's franchise fees are calculated based on customer billing records. Inaccurate billing records equal inaccurate franchise fees. The franchise fees represent a significant source of income to the City. The Franchise Agreements specify a franchise fee of 14.1 percent of actual gross receipts remitted by customers for Collection Services in the Service Area. (Section 10.1). As part of the City's fiduciary responsibilities, it wants confirmation that all franchise fees due the City have been remitted in accordance with the Franchise Agreements.

Section 8.9 A. 1) of the Franchise Agreements require that the Fee Audit be performed for the most recently concluded Rate Period, which will be Rate Period 5 (period ended December 31, 2016).

HF&H will perform the following services for each Contractor.

Billings and Services. To the extent either Contractor has performed and documented the results of the Billing Reviews required by Section 7.2 D. of the Franchise Agreements for any of the prior Rate Periods we will review that documentation to determine if significant issues were discovered and resolved.

For each Contractor, we will then review the records for one billing cycle for Rate Period 5 that includes multi-family and commercial customers. We will select 30 multi-family and commercial customers from that billing cycle and perform the following steps:

- We will perform a site visit for the selected multi-family and commercial accounts to determine the actual levels of solid waste, recycling and organic services being provided. At the site visit we will examine the actual containers being provided for the collection of solid waste, recycling and organic services and note the container size in our workpapers. In addition we will send a letter to each of the 30 customers asking them to confirm the frequency of collection contained in the billing records.
- We will compare the information from the site visits and confirmation letters to the subscription information in the Contractors billing records to determine if the subscribed solid

waste, recycling and organic service levels agree to the actual solid waste, recycling and organic service levels.

- We will compare the amount billed per the billing records for subscription and special services to the approved billing rates to determine if the customer is being billed for the correct level of service at the approved amount.
- To the extent the information is readily available from either Contractor, we will also review the billing history of each of the selected accounts for Rate Periods 1-4 and determine if the prior rates charged for subscribed and special services were in accordance with the City's then-approved rates.

In the event we find material errors in services provided or rates charged we will discuss it with the City at that time to determine if the scope of this review should be expanded prior to performing the franchise fee review set forth below.

Franchise Fees. HF&H will review the Contractor's accounting procedures and underlining reports with appropriate staff in order to understand how data is accumulated, reported, posted, and accounted for internally. We will review the payments for the Rate Period 5 (ended December 31, 2016) to ensure that the reported fees can be reconciled to the Contractor's supporting documentation. We will confirm the mathematical accuracy of the calculated payments.

This review will take into account the findings of the Billings and Services review described above.

HF&H will document the results of our findings related to billings and services and franchise fees and discuss those findings with City staff and the Contractors. The findings will be included in our letter report and presented to City Council at a workshop scheduled by City staff.

Task 2.2: Rate Increase Review

Purpose: The Franchise Agreements state that rates charged by the Contractors cannot increase by more than 15% from Rate Period 1 to Rate Period 5. The City needs assurance that the Contractors have not exceeded this threshold.

We will determine the percentage increase in each approved customer rate as set forth in Forms 1A, 1B, 1C and 1D of Exhibit J to each Contractor's Franchise Agreement, and such other customer rates as may have been approved by the City since the Franchise Agreements were executed, between Rate Period 1 and Rate Period 5.

HF&H will document the results of our findings related to the percentage increase in rates from Rate Period 1 and Rate Period 5 and discuss those findings with City staff and the Contractors. The findings will be included in our letter report and presented to City Council at a workshop scheduled by City staff.

Task 2.3: Customer Satisfaction Survey

Purpose: Customer satisfaction is important to the City for any service it or its Contractors perform. The Franchise Agreements took this into consideration by requiring a "Customer Satisfaction Survey" to determine how many responding customers would answer "yes" to the question, "Considering your experience with the Contractor over the past 5 years are you generally satisfied with the service provided by the Contractor?" (We understand that the Franchise Agreements say 4 years but the survey will actually be sent out in Rate Period 6 so we are proposing to ask the question over the 5 year period).

We will conduct a customer satisfaction survey for each Contractor to assess whether the customers are generally satisfied with the overall service they have received. The Franchise Agreements define

Customer as "...the Person to whom Contractor submits billing invoices and from whom Contractor collects payment for Collection services provided to a Premises ...". Accordingly we will request a customer contact list, containing the billing address, from each Contractor and use that list as the basis for the survey. Each survey will be mailed to the billing address of all customers included in the customer contact list provided by each Contractor and will include a self-addressed postage pre-paid envelope. In the event the service address is different, we will send the survey to the service address, as well. However, since service recipients who are not invoiced and do not pay the Contractor are not Customers as defined in the Franchise Agreements we would tabulate the results separately for informational purposes only and not include them in the published results. This additional information will provide the City with an assessment of the Contractors' performance. Each survey will contain the primary question "*Considering your experience with the Contractor over the past 5 years, are you generally satisfied with the service provided by the Contractor?*" The survey will be formatted to only allow this question to be answered "yes" or "no". In addition, the survey will include any additional questions developed by the City or either Contractor as discussed in Sections 1.1 and 1.2 of this scope of work.

We will tabulate the responses to the primary question and determine the percentage of customers responding to the survey and the percentage of those customers who responded "yes".

In the event the City or either Contractor has added additional questions to the survey and requests that we tabulate those responses we will meet with the City to discuss that service. Since we cannot know at this time the types of additional questions, ("yes" or "no", "discussion", or "specific example") if any, that might be asked we are not able to reasonably determine the time that would be needed to tabulate the responses.

HF&H will document the results of our findings regarding the customer satisfaction surveys and discuss those findings with City staff and the Contractors. The findings will be included in our letter report and presented to City Council at a workshop scheduled by City staff.

HF&H has successfully performed many customer surveys using on-line tools such as "Survey Monkey". The on-line process saves on paper and postage and the tabulation time is usually shorter as well. If the City is interested in modifying this requirement to allow the use of on-line survey tools we would be pleased to discuss this at the kick-off meeting or earlier at your convenience.

Task 2.4: Complaint Review

Purpose: Understanding the significance of the complaints received by the Contractors is important to the City. One method to gain that understanding is to determine the total number of customer complaints as a percentage of the total service opportunities during the review period. It will be important to understand that one customer can actually have multiple of service opportunities (multiple service types, frequency of service, etc.) So service opportunities will greatly exceed the number of customers.

Section 8.9 A. 4) of the Franchise Agreements require that the Complaint Review be performed for at least the Rate Period immediately preceding Performance Review, which will be Rate Period 5.

We will review the customer service reports maintained by the City for Rate Period 5 and discuss overall customer service with City staff. We will then meet with each Contractor to review their customer service policies and procedures and discuss the process with management. We will also review the reports and Complaint Logs maintained by each Contractor as required by Section 7.3.2 of the Franchise Agreements. We will calculate the number of Complaints, as defined in Article 1 of the Franchise Agreements, for each Contractor. If there is a disagreement over whether or not a Customer call

represents a Complaint (as defined) we will discuss this with the Contractor and the City before finalizing our results.

We will utilize the customer billing information obtained from each Contractor as part of Task 2.1 to determine their number of "service opportunities", as defined in Section 8.9 A. 4. of the Franchise Agreements, for Rate Period 5.

We will compare the number of service opportunities of each Contractor to the number of Complaints from their customers and calculate the percentage of Complaints to service opportunities.

HF&H will document the results of our findings regarding the Complaint Review and discuss those results with City staff and the Contractors. The findings will be included in our letter report and presented to City Council at a workshop scheduled by City staff.

Task 2.5: Employee Review

Purpose: When the Franchise Agreements were awarded, it was very important that the employees previously employed by the City were given an opportunity to obtain employment with the Contractors. Sections 8.5 B. and 8.9 B. 5 of the Franchise Agreements include specific provisions related to requirements for both Contractors to offer employment to those City employees. We will verify compliance with those provisions in the following manner:

We will request a list from the City of those thirty-one City employees that filled commercial solid waste positions in Area No. 1 and thirty-nine City employees that filled commercial solid waste positions in Area No. 2 forty-five days prior to the Commencement date of the Franchise Agreements. We will then review the personnel records of each Contractor to determine:

- How many of those employees were offered employment by the appropriate Contractor;
- How many of those employees were actually employed by the appropriate Contractor;
- How many of those employees were not employed by the appropriate Contractor and why;
- How many of those employees are still employed by the appropriate Contractor; and
- How many of those employees are no longer employed by the appropriate Contractor and when and why their employment ended.

In the event some or all of this information is not available we will meet with City staff to discuss what other steps the City may wish to have performed.

In addition, to the extent the information is available we will review each Contractor's employment litigation history, California Department of Industrial Relations complaint history, Occupational Safety and Health Administration complaint history, and/or the records of any other applicable employee-related regulatory agency to which we have or can obtain access to establish each Contractor's record of handling employee grievances, claims, or other formal complaints.

In the event we learn of the existence of any employee records that may be pertinent to this review but which are not available we will meet with City staff to discuss what other steps the City may wish to have performed.

To the extent allowed under state and federal law, HF&H will document the results of our findings regarding the Employee Review and discuss those results with City staff and the Contractors. In the event we are aware of information that may not legally be included in a public document we will state this in our letter report. The findings will be included in our letter report and presented to City Council at a workshop scheduled by City staff.

Task 2.6: Diversion Program Review

Purpose: The City places high importance on meeting CalRecycle's diversion goals. In the Franchise Agreements, specific programs were to be implemented to help the City achieve its goals. The City wants assurance that the Contractors have: 1) fully implemented all collection, public education, and outreach programs within six months of the Commencement Date of their Franchise Agreement; 2) continued to consistently perform such services as required by their Franchise Agreement; and, 3) implemented diversion and education programs required by their Franchise Agreement to the satisfaction of CalRecycle.

We have reviewed the implementation, promotion, and program requirements of Article 5 of the Franchise Agreements as well as the public education and outreach requirements of Section 7.1 and Exhibit G of each proposal.

We will review (Task 1.1) the portions of the Quarterly Reports set forth in Section 9.5 F. (Education Activities), 9.5 G. (Pilot and New Programs) and 9.5 H. (Summary Assessment) of the Franchise Agreements for Rate Periods 1 through 5. We will then meet with City staff to discuss the specific operational requirements of Article 5 as well as the individual public education and outreach programs proposed by each Contractor and included in their Franchise Agreement. As part of this task we will discuss the implementation and continuance of these programs with City staff and any major modifications that may have been agreed to by the City.

We will then meet with each Contractor to review the documentation maintained by the Contractor to substantiate compliance with the required education and outreach programs.

In addition we will meet with Department of Resources, Recycling, and Recovery (CalRecycle) staff responsible for overseeing the City's implementation of programs under AB 939 and AB 32 to determine their level of satisfaction with Contractor's implementation of diversion and education programs. We will also request information regarding any fine(s), compliance order(s), or local assistance plans issued or pending from any State agency regulating AB 939 or AB 32 compliance related to programs for which the Contractor is responsible.

HF&H will document the results of our findings regarding the Diversion Program Review and discuss those results with City staff and the Contractors. The findings will be included in our letter report and presented to City Council at a workshop scheduled by City staff.

Task 3: Report and Workshop Presentation

We will prepare a draft report, and a final report. We will meet with the City and each individual Contractor to discuss the portion of the draft report related to that Contractor. We will finalize the report and present the results to the City Council at a workshop to be scheduled by the City.

Task 3.1: Prepare Draft Report

We will document and provide preliminary findings in a draft report to the City, with appropriate portion of the report going to each Contractor. Within 10 days of providing the draft report, HF&H staff will meet by teleconference with City staff and the management of each Contractor to review the preliminary findings and receive their comments and any additional information.

Based on comments and/or additional information provided after the meetings with the City staff and the management of each Contractor, we will adjust our preliminary findings (if warranted) to ensure

that all matters have been satisfactorily reviewed and that the report effectively communicates our findings.

Task 3.2: Prepare and Present Final Report

We will revise the draft report as appropriate, and issue the final report. We will present the final report to the City Council at a workshop and be available to answer questions.

Task 4: Contingency

The results of the work we perform in Tasks 2.1, 2.3 and 2.5 could result in the need to expand or modify this Scope of Work. For example, the Billing and Services review performed as part of Task 2.1 forms the basis for the Franchise Fee review. If the Billing and Services review were to determine that there were material errors in the billings during Rate Period 5, we would meet with the City to discuss the need to expand the testing to determine the full extent of the problem. In addition, if this situation occurred the City might wish to expand the testing to other Rate Periods.

In order to provide the City with the ability to proactively address these types of situations or other situations identified during the performance review without having to modify the contract, we have included this Task 4. This Task and the associated budget will not be used unless the additional work is approved by the City in writing.

Section 5:
Fee Estimate



SECTION 5 FEE ESTIMATE

HF&H proposes to perform the work described in Section 4 above on a time and materials basis not to exceed \$80,630, including travel/mileage expenses in the amount of \$3,740. Our fee estimate does NOT include the postage for the customer survey. We are assuming City has a bulk postage system that can be utilized for this purpose. Our proposed level of effort, by individual and task, and the resultant fee estimate are presented below. Due to the nature of projects like this, HF&H reserves the right, within the not-to-exceed total for the project, to reallocate budget among staff and tasks to respond to the evolving needs of the project. In the event that the level of effort required for this project exceeds that described in our scope of work, HF&H will meet and confer with City staff about the best approach to meet the needs of the project, which may include some of the out-of-scope work done by City staff or augmenting HF&H's proposed budget to accommodate the expanded scope of work.

	M Sheehan \$255	R Hutchinson \$240	D Hilton \$180	G Michalczyk \$145	Administrative \$110	Total Hours	Proposed Cost
Task 1 Pre-Field Work	10	13	16	0	1	40	\$ 8,660
Task 2 Performance Review	11	13	91	106	16	237	\$ 39,435
Task 3 Report and Workshop Presentation	15	15	12	18	6	66	\$ 12,855
Task 4 Contingency	4	8	40	40	0	92	\$ 15,940
Total Labor - All Tasks	40	49	159	164	23	435	\$ 76,890
Out-of-Pocket Expenses							\$ 3,740
Total Budget							\$ 80,630

Attachment A:
Acknowledgement of Addenda
(RFP Exhibit C)



**EXHIBIT C
ACKNOWLEDGEMENT OF ADDENDA
RFP FOR COMMERCIAL FRANCHISE CONTRACTOR PERFORMANCE REVIEW**

Acknowledgement by Proposer

Each Proposer is requested to acknowledge receipt of all addendums by his/her signature affixed hereto and to file same with and attach to his/her response to this RFP due by 3:00 p.m., (PST), January 13, 2017.

These addendums are applicable to the project designated above. It is an amendment to the services and response requested and as such it will be considered part of and included in the contract documents. **All Proposers MUST acknowledge receipt of these addendums by entering the Addendum number, issue date, initials, with a signature in the spaces provided and include this form with their response.**

Addendum No.	Date Issued	Initials
1	11/30/2016	MS
_____	_____	_____
_____	_____	_____
_____	_____	_____

The undersigned acknowledges receipt of the addendums listed above and in accordance with instructions under the RFP.

Marva Sheehan
Primary Project Manager Signature

1/13/2017

Marva Sheehan

Primary Project Manager Name
HF&H Consultants, LLC

Prospective Consultant Company

Attachment B:
Statement of Acceptance of
Indemnification & Insurance Requirements
(RFP Exhibit D)



**EXHIBIT D
STATEMENT OF ACCEPTANCE OF THE INDEMNIFICATION
AND INSURANCE REQUIREMENTS**

RFP FOR COMMERCIAL FRANCHISE CONTRACTOR PERFORMANCE REVIEW

The Proposer shall sign below that the Proposer accepts in whole the Indemnification and Insurance Requirements set forth in Exhibit A of this RFP. If the Proposer takes exception to some portions, those portions shall be listed here below and the Proposer shall sign that the Proposer accepts all portions of the requirements not listed.

Note: Any exceptions may render the Proposer non-responsive.

ACCEPT
 DO NOT ACCEPT

If "DO NOT ACCEPT" is checked, please list exceptions:

Marva Sheehan
Signature of Authorized Person

Marva Sheehan, Vice President

Marva Sheehan, Vice President
Type or Print Name of Authorized Person



HF&H Consultants, LLC
201 N. Civic Drive, Suite 230
Walnut Creek, CA 94596