



Mendocino County

Legislation Details (With Text)

File #: 17-0006 **Version:** 1 **Name:**
Type: Approval **Status:** Approved
File created: 1/4/2017 **In control:** Board of Supervisors
On agenda: 1/10/2017 **Final action:**
Title: Approval for Mendocino County Solid Waste Director to Transmit a Letter to Solid Waste of Willits (SWOW) Rescinding Waiver of Performance Bond Requirements for Franchise Areas 1, 3, 4, the Caspar Transfer Station, and the County Transfer Station Agreements (Sponsors: Supervisors Hamburg and McCowen - Solid Waste of Willits Ad Hoc Committee)

Sponsors:

Indexes:

Code sections:

Attachments: 1. SWOW letter performance bond January 10_2017-FINAL.pdf

Date	Ver.	Action By	Action	Result
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To: Board of Supervisors

From: Supervisor Hamburg and Supervisor McCowen

Meeting Date: January 10, 2017

Department Contact: Supervisor Hamburg

Phone: 463-4441

Department Contact: Supervisor McCowen

Phone: 463-4441

Item Type: Consent Agenda

Time Allocated for Item: N/A

Agenda Title:

Approval for Mendocino County Solid Waste Director to Transmit a Letter to Solid Waste of Willits (SWOW) Rescinding Waiver of Performance Bond Requirements for Franchise Areas 1, 3, 4, the Caspar Transfer Station, and the County Transfer Station Agreements (Sponsors: Supervisors Hamburg and McCowen - Solid Waste of Willits Ad Hoc Committee)

Recommended Action/Motion:

Approve Mendocino County Solid Waste Director to transmit a letter to SWOW rescinding Waiver of Performance Bond Requirements for Franchise Areas 1, 3, 4, the Caspar Transfer Station, and the County Transfer Station Agreements; and authorize Chair to sign same.

Previous Board/Board Committee Actions:

On December 20, 2016, Jerry Ward, representing Solid Waste of Willits (SWOW), represented to the Board of Supervisors that SWOW was unable to meet payroll and at imminent risk of insolvency.

Summary of Request:

On December 20, 2016, Jerry Ward, representing Solid Waste of Willits (SWOW), represented to the Board of

Supervisors that SWOW was unable to meet payroll and at imminent risk of insolvency. The County holds contracts with SWOW to provide solid waste services in County Franchise Areas 1, 3, and 4 and to operate the Caspar Transfer Station and a separate contract to operate five additional County transfer stations. These contracts typically include a requirement that the County may require SWOW to post a performance bond at a value up to 25% of the estimated annual revenues generated by the contract. The contracts also provide that the County waives the performance bond requirement but that the County may, at any time, rescind waiver of the performance bond requirement. If the County rescinds waiver of the performance bond requirement, the cost of the performance bond shall be considered a County imposed cost that may be recovered as a pass-through rate adjustment. Based on SWOW's representation of imminent insolvency, the Ad Hoc Committee recommends Board approval for Mendocino County Solid Waste Director Morris to transmit the attached letter rescinding waiver of the performance bond requirement.

Alternative Action/Motion:

Do not approve transmittal of letter or approve transmittal of letter as amended

Supplemental Information Available Online at: N/A

Fiscal Impact:

Source of Funding: N/A

Current F/Y Cost: N/A

Budgeted in Current F/Y: N/A

Annual Recurring Cost: N/A

Supervisory District: All

Vote Requirement: Majority

Agreement/Resolution/Ordinance Approved by County Counsel: N/A

CEO Liaison: Janelle Rau, Deputy CEO

CEO Review: Yes

Comments: