



## County of Santa Cruz Board of Supervisors

### Agenda Item Submittal

**From:** Community Development and Infrastructure

**Subject:** Agreement for recycling centers operation services

**Meeting Date:** May 6, 2025

**Formal Title:** Approve agreement with Grey Bears in the amount of \$409,003 for recycling center operation services, and take related actions

### Recommended Actions

1. Approve contract 26D2738 with Grey Bears for recycling center operation services in the amount of \$409,003 for the term of July 1, 2025, to December 31, 2025; and
2. Authorize the Director of Community Development and Infrastructure to sign the agreement on behalf of the County.

### Executive Summary

A six-month agreement with Grey Bears to provide recycling center operation services to the County's Buena Vista Landfill and Ben Lomond Transfer Station is required for the period of July 1, 2025, through December 31, 2025, to ensure the public recycling drop-off program remains available while the County's Recycling and Solid Waste Services transitions to providing these services via County staff by January 1, 2026.

### Discussion

On June 25, 2024, the Board of Supervisors (Board) approved an agreement with Grey Bears to provide recycling center operation services for fiscal year 2024-25 after a Request for Proposals solicitation process conducted by Recycling and Solid Waste Services (R&SW). As communicated to the Board in the June 25<sup>th</sup> letter, Grey Bears was the only proposal received, and their cost to provide this service had nearly doubled from the previous fiscal year (2023-24). A cost-benefit analysis indicates the County is better served assuming internal operation of the recycling centers for the following reasons:

- Lower operational cost and predictable budgeting
- Ability to directly supervise staff use of essential equipment (baler, forklift, bins)
- Direct management and safe operation of recycling centers consistent with County protocols
- Integration of the recycle center with Buena Vista Landfill's existing diversion programs, which will further transition into overall transfer station operation at landfill closure (estimated in 2030)

The County R&SW division supports Grey Bears' mission and need to recuperate overhead costs and operate a viably funded business but cannot sustain the significant increase to the R&SW budget long-term. The original Grey Bears contract was for a one-year term, with option for two one-year extensions. Grey Bears has agreed to shorten their contract extension to six months and enter into a separate contract with updated scope language in lieu of a contract amendment. Over the six-month term, R&SW will work with County Personnel to finalize the creation of the recycle center worker job classification and complete the recruitment and hiring process. Grey Bears

has indicated they will assist their displaced staff in applying for these County positions, and moving forward, R&SW staff will be exploring ways to further support edible food recovery services in compliance with SB 1383 (Short-Lived Climate Pollutants) regulations, and new opportunities to partner with food rescue organizations like the Grey Bears.

**Financial Impact**

Sufficient funding is included in the Proposed fiscal year 2025-26 Recycling and Solid Waste Service budget for the proposed 6-month contract and the addition of the new County recycle center worker positions to assume operations by January 2026 (625110/62330). The shift in using County employees rather than a contractor will require some changes in distribution of appropriations in the Public Works Administration Internal Service Fund (GL 601000). This shift in appropriations and the authorization for the new positions will be considered in the Supplemental budget scheduled to be presented to the Board on June 4<sup>th</sup>, 2025.

**Strategic Initiatives**

Equity Framework - County Facilities & Infrastructure, Workplace & Workforce, Leadership, Operations & Services  
Operational Plan - Sustainable Environment, Operational Excellence  
Climate Action - Waste, Government Operations

**Submitted By:**

Matt Machado, Deputy CEO / Director of Community Development and Infrastructure

**Recommended By:**

Carlos J. Palacios, County Executive Officer

**Artificial Intelligence Acknowledgment:**

Artificial Intelligence (AI) did not significantly contribute to the development of this agenda item.