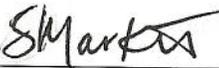


## REQUEST FOR APPROVAL

**To:** Mark De Bie, Deputy Director  
Waste Permitting, Compliance & Mitigation Division

**From:**   
Susan Markie, Chief  
Permitting & Assistance Branch

**Request Date:** April 8, 2013

**Decision Subject:** Approval of the Scope of Work and Authorization to Solicit Request for Proposals Pending Receipt of Sufficient Funds for a Study to Compare and Contrast the Ability of Captive Insurance and Other Financial Assurance Mechanisms to Provide for the Costs of Closure, Postclosure Maintenance, and Corrective Action at Solid Waste Landfills (AB 480 Captive Insurance: Solid Waste Facilities)

**Action By:** April 17, 2013

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**Summary of Request:** Department of Resources Recycling and Recovery (CalRecycle) staff propose to solicit Request for Proposals in order to complete the study required by AB 480 (Solario, Chapter 713, Statutes of 2012). AB 480 temporarily revises the conditions under which the use of captive insurance as a financial assurance mechanism for solid waste landfills would be allowed, while limiting its use to providing not more than 50 percent of an owner's and operator's financial assurance obligation for closure, postclosure maintenance and corrective action. AB 480 requires CalRecycle to submit a report to the Legislature no later than January 1, 2017 that assesses the ability of captive insurance to serve as an effective financial assurance mechanism.

In order to complete the study required by AB 480, CalRecycle will have to contract for the work to be done as the department and other state agencies do not have the specific expertise to complete the study. Therefore, a contractor will need to be selected to complete the tasks as described in the Scope of Work. This study will only commence if CalRecycle determines that it has received sufficient private funds to conduct the study and to complete the report required by Public Resources Code (PRC) Section 43601.2.

This requested action is to approve the Scope of Work for the contract and authorize the solicitation of proposals to perform the work needed to complete the required study. The proposed Scope of Work presented in Attachment 1 outlines the contract objectives and work to be performed, identified tasks, and proposed contract timeframes. The contract is anticipated to take approximately three years, including final review and approval of all contract deliverables.

**Recommendation:** Staff recommends approval of the Scope of Work and authorization to solicit proposals for completion of the study required by AB 480 for an amount of \$200,000. The Governor's budget includes \$200,000 for the anticipated cost of the study for the 2013/14 fiscal year.

**Funding Information:**

<b>Fiscal Year</b>	<b>Fund Source</b>	<b>Amount Available</b>	<b>Amount to Fund Item</b>	<b>Amount Remaining</b>	<b>Line Item</b>
13/14*	Pending	\$200,000**	\$200,000**		Contracts

\*Pending Governor's Budget Approval.

\*\*Pending receipt of sufficient private funds to conduct the study.

**Deputy Director Action:**

On the basis of the information and analysis in this Request for Approval, I hereby approve the Scope of Work and authorization to solicit request for proposals for the Study to Compare and Contrast the Ability of Captive Insurance and Other Financial Assurance Mechanisms to Provide for the Costs of Closure, Postclosure Maintenance, and Corrective Action at Solid Waste Landfills.

**Dated:** April 17, 2013



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Mark De Bie, Deputy Director  
Waste Permitting, Compliance & Mitigation Division

**Attachment:**

Scope of Work – Pending Receipt of Sufficient Funds, a Study to Compare and Contrast the Ability of Captive Insurance and Other Financial Assurance Mechanisms to Provide for the Costs of Closure, Postclosure Maintenance, and Corrective Action at Solid Waste Landfills