



DEPARTMENT OF RESOURCES RECYCLING AND RECOVERY

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Catherine Reheis-Boyd
President
Western States Petroleum Association
1415 L Street, Suite 600
Sacramento, California 95814

Ms. Reheis-Boyd,

Thank you for your recent comments regarding the Scopes of Work (SOW) for the Life Cycle Analysis (LCA) contract and the International Organization for Standardization (ISO) Critical Review contract associated with the Used Oil Life Cycle Analysis project. After reviewing your comments, staff has made a number of modifications to the SOWs. Below please find an explanation/summary of the changes we made and the recommendations that we did not incorporate into the SOWs.

ISO Critical Review contractor SOW:

1. You recommended that the ISO requirements be reproduced in full within the SOW.
 - a. Pursuant to discussions with our Legal Office, it is sufficient to incorporate by reference the ISO standards meant to be adhered to under this contract.
2. You recommended that the same reviewer be responsible for both the LCA and the forthcoming Economic study.
 - a. It would not be appropriate to have the same reviewer responsible for the economic study and the LCA because the studies require entirely different sets of expertise. We can discuss the need to incorporate a review panel for the economic study when we discuss the SOW for that study.
3. You recommended that we remove/alter the language allowing the CalRecycle contract manager to approve all written deliverables
 - a. This is a vital part of CalRecycle's duty to ensure the terms of the contract are completed adequately. CalRecycle also has a duty to ensure that the funds expended on this (and all) contracts are done so efficiently and effectively. We must retain the ability to require the contractor to revise deliverables if they are not in compliance with the scope of work. We appreciate your concern that the review remain independent and have amended the language slightly to clarify that our approval will be based on completeness and full compliance with the terms of the contract.



4. You recommended that the number of panel members be increased to account for the high level of complexity this project entails.
 - a. We have amended the SOW to increase the number of panel members from three to “up to five”.
5. You recommended that the expertise reflected in the panel members not be restricted solely to certain industry sectors.
 - a. The original language was a recommendation only and not meant to restrict the expertise to only those listed. However, the language in the SOW has been altered to clarify that as well as to include additional areas of expertise that would be suitable for members of the review panel.
6. You recommended that panel members should not be restricted to those that possess LCA expertise.
 - a. This was never the intention and the original language did not restrict the panel members in this manner. However, clarifying language has been added.
7. You recommended that we remove the requirement to “ensure that the study is conducted in the most efficient and effective manner” on the grounds that it “appears to conflate the roles of the reviewer and that of the LCA and Economic Analysis Practitioners.”
 - a. CalRecycle is responsible for managing these contracts and for reporting to the Legislature. We have developed a project plan to ensure stakeholder input, transparency, integration, and CalRecycle oversight and approval at all steps of the process. It is CalRecycle’s role to ensure that the study is conducted in the most efficient and effective manner possible. CalRecycle’s Contractors should be expected to assist in this effort whenever possible.

ISO Critical Review contract statement of qualifications:

1. You asked if the constraints listed in the statement of qualifications is limited to the selection of the chair of the review panel and not to be imposed on all the member of the panel.
 - a. That is correct and the requirements for the additional members of the panel are discussed further within the body of the SOW.
2. You suggested that at least one member of the panel possess expertise in complex waste management systems.
 - a. Language has been added ensuring that at least one member of the panel will possess this expertise.
3. You expressed concern with the wording associated with conflicts of interest.
 - a. We are working with our legal office as well as representatives from WSPA and API to craft alternate language.

Life Cycle Analysis (LCA) contractor SOW:

1. You requested that CalRecycle explicitly state within the SOW our assumption that the SOW for this contract will be “framework” in nature and that we expect further development and alterations in the future.
 - a. Clarifying language has been added to the SOW indicating that many of the details associated with the LCA will be developed during the course of the contract term, specifically during the workplan development and in further consultation with the CalRecycle Contract Manager.
2. You expressed concern regarding transparency of the data, assumptions, algorithms, etc...
 - a. Additional language has been added as a summary of task 2 clarifying the need for transparency. Some of this information however will be protected either due to confidentiality agreements (possibly needed in order to obtain data) or due to licensing restrictions associated with the LCA software used to perform the LCA.
3. You expressed a desire that CalRecycle make available the model used by the contractor.
 - a. The software model that will be used by the LCA Contractor shall be disclosed. However, we cannot provide the actual software to the public due to use restrictions protecting this software. The software will however be of a model that is widely commercially available and any interested party can easily purchase it.
4. You recommended that there be a separation of the model development and model application.
 - a. The model is contained within the software package that will be used by the LCA Contractor. There is the ability to “fine tune” or “customize” this to suit our needs. This customization will be conducted for the most part prior to the application of the model to various scenarios; however some level of iteration will be necessary to create the most meaningful and appropriate results.
 - b. There have been discussions about the option of creating a “robust” model that could be used separate from this contract or at a future date by another party. I was not able to determine if this was the concept that you were attempting to convey with this comment (or the previous one). We do not believe this type of model that can be used by the public and adjusted or modified for future situations is within the scope of this project. We will attempt to anticipate the most appropriate and likely scenarios and evaluate them for inclusion in the report to the Legislature.
5. You recommended that additional language be inserted into the SOW clarifying the need for integration between the environmental analysis performed by the LCA contractor and the economic study to be performed by a different contractor.
 - a. It is our intent that the LCA Contract work closely with the Economic Contractor and additional clarifying language has been added to the SOW (see task 2). Also, please be aware that task 1a.i specifically requires the LCA Contractor to hire an economic expert specifically to facilitate this integration.

6. You suggested that the Contractor must determine how used oil is being managed currently, in order to effectively evaluate alternative management scenarios. You further pointed out the need to include oil beyond automotive lubricant.
 - a. Clarifying language has been added to ensure that this will occur. Much of the details regarding this will be worked on and reported by one of the stakeholder sub-groups.
 - b. Public Resources Code (PRC) 48651 is clear that the scope of this project is to include both lubricating oil as well as industrial oil. Further, PRC 48616 and PRC 48618 define used oil and lubricating oil. CalRecycle fully intends to adhere to the requirements of PRC 48651 and the definitions in PRC 48616 and 48618.

7. You recommended that we ensure used oil that is not collected be included in this project scope.
 - a. Much of this work is being discussed by one of the stakeholder sub-groups, however PRC 48651 clearly states that the LCA is to analyze, "...the used lubricating and industrial oil management process, from generation through collection, transportation, and reuse alternatives." We believe that this includes oil that is handled improperly, illegally, or lost via some other means. We will make every effort to include all meaningful data/material flows in this project.

8. You reiterated your request for transparency regarding assumptions and simplifications and impact assessments.
 - a. Additional clarifying language has been added; please see response on similar subject above.

The final version of this SOW will be brought to the CalRecycle Public meeting on March 15, 2011. If you would like an opportunity to discuss this further, please attend this meeting. Details regarding this meeting can be found on the CalRecycle website at <http://calrecycle.ca.gov/Calendar/>

Sincerely,

Howard Levenson, Ph. D
Deputy Director
Materials Management and Local Assistance Division