

CITY OF
LONG BEACH

Residential Recycling

March 8, 2016

Why Do We Have Residential Recycling?

- California Integrated Waste Management Act – AB939 (1989)
 - Requires local agencies to provide: (1) waste source reduction, (2) recycling and composting, and (3) environmentally safe disposal.
 - Long Beach initiated residential recycling in 1993.
- Mandatory Commercial Recycling – AB341 (2012)
 - Requires any multifamily residential dwelling of five units or more to arrange for recycling services.
 - The City provides recycling for multifamily buildings with ten or fewer units. Larger buildings must contract directly with franchise service providers.

Long Beach's Recycling Activities

- Currently the City contracts with Waste Management who services approximately 118,000 active accounts with curbside pick-up. (Note: this contract ends 6/30/2016)
- Collected 27,593 tons of residential recycling in FY 2015, with about 19.5% of residual material (non-recyclable waste, which is delivered to SERRF).
- Received \$605,941 in revenue from sale of recyclables and California Redemption Value (CRV).
- Currently, the collected material is sorted at "Potential Industries" in the City of Wilmington.



Procurement Process RFP Timeline

- 1/2015 = Engaged HF&H, a recognized expert in public sector solid waste procurements
 - HF&H has assisted approximately 300 public agencies with solid waste programs and procurements, including San Jose, Oakland and Fresno.
 - HF&H prepared the RFP documents in a manner consistent with procurements they conducted for other clients, including the forms used to determine cost. This standardization is important, as firms generally provide different options as enhanced services.
- 4/2015 = RFP Issued
- 7/2015 = RFP responses were due back to the City
- 10/2015 = Revised proposals were provided to the City
- 11/2015 = Interviews with proposers completed
- 1/2016 = Notice of Intent to award posted
- 3/2016 = Recommended vendor presented to the City Council

Procurement Process

- Four Companies Responded to the RFP
 - Athens Services
 - EDCO
 - Republic Services
 - Waste Management
 - Core Contract Requirement
 - Provide weekly curbside recycling collection for up to 123,000 accounts
 - Operate clean-burning, alternate fuel powered collection vehicles
 - 10 year term (no renewals)
 - Unique Proposal Features
 - Each Vendor provided different “Enhanced” proposal features
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Recommendation

- Waste Management
 - Competitive price (first year savings of \$387,000 from current contract)
 - Excellent unique proposal features
 - Represented labor
 - No transition plan required
 - No disruption to service
 - Twenty-two years of quality prior service in Long Beach
 - Best safety record when compared to industry and other 3 bidders

Addendum

- During the review process, staff determined there was an opportunity to reduce costs by pushing the term to 10 years and subsequently asked vendors to provide updated pricing.
- When the City issued the Notice of Intent to Award a protest was received from Republic, which is not uncommon in large contracts such as this.
 - Republic contended that staff did not accurately reflect their pricing and missed some of the enhanced features of their proposal.
- Staff took additional time to review the concerns of the protest, issued a memo to Council, and responded to Republic with updated findings.
 - That memo indicated that even if Republic's lower price was used to analyze their proposal, it is still significantly higher than the recommended vendor.
 - Staff also updated the attachment to include "all" enhanced bid features for all vendors.

Summary

- This is a large contract for a significant term, because it provides the best value for rate payers.
 - To ensure a proper recruitment was conducted, the City hired one of the top consulting firms in HF&H.
 - There are multiple features to consider beyond price, which is the reason for utilizing a RFP process.
 - After a full review, HF&H provided two recommendations to the City:
 - 1) initiate a contract with EDCO for the lowest price (\$3.4 million);
 - 2) initiate a contract with Waste Management, for the best combination of price and features, and the least impact to customers (\$3.5 million).
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Questions