



CITY OF LONG BEACH

DEPARTMENT OF PUBLIC WORKS

R-17

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February 9, 2016

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt Specifications No. RFP PW 15-091 and award a contract to USA Waste of California, dba Waste Management of Long Beach, for recyclable collection services, in an annual amount not to exceed \$3,500,000, plus an annual Consumer Price Index (CPI) adjustment; authorize a 10 percent contingency in the amount of \$350,000; and authorize the City Manager, or designee, to execute all documents necessary to enter into the agreement for the term of July 1, 2016 to June 30, 2026 (ten years), including any necessary amendments thereto regarding the term and/or scope of services. (Citywide)

DISCUSSION

City Council approval is requested to enter into a contract with Waste Management of Long Beach (Waste Management) for recyclable collection services for City serviced residential and commercial refuse accounts. The proposed contract period is for a term of ten years, from July 1, 2016 to June 30, 2026.

On April 21, 2015, the City Council extended the current contract with Waste Management on a month-to-month basis, until June 30, 2016, to provide staff sufficient time to develop a comprehensive Request for Proposals (RFP) and to allow for a competitive procurement process. An independent consulting firm that specializes in public sector procurements, HF&H Consultants (HFH), was hired to assist staff with the development of the RFP and the Recyclable Collection Service Agreement. HFH also assisted with the evaluation of the proposals.

The RFP was advertised in the Press-Telegram on April 21, 2015, and 961 potential bidders specializing in recyclable collection services were notified of the RFP opportunity. Of those notified, 29 downloaded the specifications via the City's electronic bid system. The RFP document was made available through the Purchasing Division, located on the Seventh Floor of City Hall, and the Division's website at www.longbeach.gov/purchasing. An RFP announcement was also included in the Purchasing Division's weekly update of Open Bid

HONORABLE MAYOR AND CITY COUNCIL

February 9, 2016

Page 2

Opportunities, which is sent to 22 local, minority and women-owned business groups. Four proposals were received on July 1, 2015. Of those proposals, none were Minority-owned Business Enterprises (MBEs), Women-owned Business Enterprises (WBEs), certified Small Business Enterprises (SBEs), or Disadvantaged Business Enterprises (DBEs), and two were Long Beach businesses (Local).

Four companies submitted proposals in response to the RFP:

1. Arakelian Enterprises Inc., dba Athens Services
2. EDCO Waste and Recycling Services
3. Consolidated Disposal Services, dba Republic
4. USA Waste of California, dba Waste Management of Long Beach

A Selection Committee, comprised of City staff from the Department of Public Works and the City Manager's Office, evaluated the proposals based on the following criteria:

- Demonstrated competence in providing the desired service
- Experience in performance of comparable engagements
- Technical elements of the proposal
- Reasonableness of cost
- Expertise and availability of key personnel to support ongoing operations
- Financial stability
- Conformance with the terms of the RFP

As a result of the information gathered during the interview process, the City requested all four proposers to submit revisions to their respective proposals with potential cost savings options. The annual cost of the respondents varies greatly, ranging from \$3.3 million to \$6.8 million. The two most competitive proposals were received from Waste Management and EDCO Waste and Recycling Services, as shown in the attached matrix.

The Selection Committee determined that the proposal from Waste Management was the most responsive to the terms of the RFP and represents the best combination of price and services. Furthermore, Waste Management has successfully provided recycling collection for City-serviced residential and commercial accounts for the past 22 years. Their selection assures there will be no impact to collection schedules, and the City will continue to receive excellent service.

Waste Management has the necessary experience, financial stability, an excellent safety record, and a number of unique added value proposal features, including: free battery and light bulb collection at City libraries, biannual bicycle recycling events, recycling education in schools, funding the City's monthly composting classes, sponsoring the hiring of Long Beach youth into summer intern positions in the City's Office of Sustainability, supporting the City's existing neighborhood cleanups, running shoe recycling at the Long Beach Marathon,

HONORABLE MAYOR AND CITY COUNCIL

February 9, 2016

Page 3

seasonal support to the City for collection and recycling of discarded Christmas trees, and limited financial support for other waste diversion programs. While each vendor proposed unique features, Waste Management's proposed features are most supportive of the City's current needs.

Staff recommends the City enter into a ten-year contract with Waste Management. The resulting contract will generate approximately \$394,000 per year net savings over current recycling contract costs.

Local Business Outreach

In an effort to align with the City's outreach goal, Long Beach businesses are encouraged to submit proposals for City contracts. The Purchasing Division also assists businesses with registering on the Bids Online database to download the RFP specifications. Through outreach, 127 Long Beach vendors were notified to submit proposals, of which four downloaded, and two submitted proposals. The Purchasing Division is committed to continuing to perform outreach to local vendors to expand the bidder pool.

This matter was reviewed by Deputy City Attorney Amy R. Webber on January 13, 2016 and by Budget Management Officer Victoria Bell on January 14, 2016.

TIMING CONSIDERATIONS

City Council action to adopt Specifications No. RFP PW15-091 and award a contract concurrently is requested on February 9, 2016, to ensure the contract is in place expeditiously.

FISCAL IMPACT

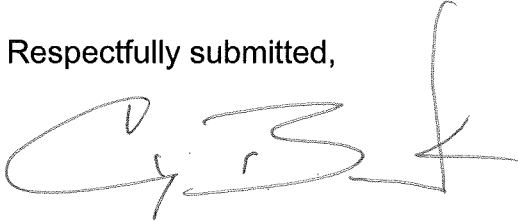
In the first year of the contract term, the total contract amount will not exceed \$3,850,000, including the recommended 10 percent contingency of \$350,000. The base contract amount represents a cost savings of \$394,000 compared to actual contract expenditures for recycling collection services paid in FY 15. Each year thereafter, the contract amount can increase, subject to an annual adjustment based on the Consumer Price Index (CPI), for the Los-Angeles-Riverside-Orange County Metropolitan Area. The CPI fluctuates from year to year but will be capped in the contract at 4 percent annually.

Sufficient funding to support the contract award is budgeted in the Refuse/Recycling Fund (EF 330) in the Public Works Department (PW). Approval of this recommendation will provide continued support to the local economy as Waste Management employs over 100 Long Beach residents.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



CRAIG A. BECK
INTERIM DIRECTOR OF PUBLIC WORKS



JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

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CB:DM:bs

ATTACHMENT

APPROVED:



PATRICK H. WEST
CITY MANAGER

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The following provides a summary of the major elements included in the RFP responses:

FIRM	EVALUATION/UNIQUE PROPOSAL FEATURES	FIRST YEAR COST
<p>USA Waste of California, dba</p> <p>Waste Management of Long Beach</p>	<ul style="list-style-type: none"> • Cited collection experience in 25 cities in LA County • Current service provider with 22 years of experience collecting recyclables from City of Long Beach (City) residential and commercial accounts • Represented labor (Teamsters local 396) • No transition plan required • Up to 110,000 carts replaced as needed • Partnerships with the City include: residential and commercial recycling collection; ash reuse at landfill (estimated disposal cost savings \$2,250,000), Harbor Department trash collection; one of 15 private waste hauling companies operating in LB • 33,910 tons of waste from LB and surrounding communities delivered to SERRF - est. \$2,102,420 • Most recent safety rating: 0.71 (1.0 is considered average; lower is better) • Residential battery and light bulb collection from City facilities • Proposed school education program includes: support to rebuild City Traveling Recycling Education Center (TREC), five school programs per year with Grades of Green • Supports hiring of local youth through sponsorship of City internship program • Funds monthly composting classes • Support for neighborhood cleanups by providing receptacles and disposal • Supports neighborhood grants for related projects in the amount of \$5,000 each year • In support of the City's goal to become a more bike friendly city, WM will sponsor biannual "Recycle Your Bicycle" events • Grant funding and support for City "LB Exchange," the City material exchange program that links businesses with local non-profits for donation of reusable goods • Collect and donate used running shoes from LB Marathon • Two document shredding events per year • WM is exploring the possibility of generating new shared revenue streams through advertising on WM vehicles • Support for annual holiday tree recycling effort • Current collection program employs nearly 100 LB residents 	<p>\$3,500,000</p>

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FIRM	EVALUATION/UNIQUE PROPOSAL FEATURES	FIRST YEAR COST
EDCO Waste and Recycling Services	<ul style="list-style-type: none"> • Cited collection experience in 5 cities in LA County • City would be largest account in Los Angeles County • As a privately held company, EDCO is unable to release any financial information or working papers that would be subject to the Public Records Act and, thus, be available for public review in support of their financial soundness • Labor is not collectively represented • Transition plan required • Up to 80,000 carts replaced as needed (30,000 fewer than RFP standard of 110,000) • Provides regional facility for household hazardous waste drop-off at no cost to City; street median disposal contract; City agreement for solid waste disposal at transfer station; one of 15 waste hauling companies operating in LB • 19,650 tons of waste from LB and surrounding communities delivered to SERRF – est. \$1,218,300 • Most recent safety rating: 0.99 (1.0 is average; lower is better) • Estimated to purchase of \$529,000 of natural gas from City over life of contract for CNG vehicles • EDCO will implement the "Recycler of the Month" award and provide the recipient with a \$200 check in a public presentation • Proposed school education program of "EDCO Recycling Challenge" • EDCO will provide the City \$50,000 per year for anti-scavenging enforcement to be used at the City discretion • Up to six shred day events per year including free mulch and e-waste collection 	<p>\$3,325,000*</p> <p>*City is taking the risk for any carts needed over 80,000. If full replacement of 110,000 carts is needed, City will incur costs of an additional \$1,500,000 over 10 years</p>

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FIRM	EVALUATION/UNIQUE PROPOSAL FEATURES	FIRST YEAR COST
<p>Arakelian Enterprises Inc., dba</p> <p>Athens Services</p>	<ul style="list-style-type: none"> • Cited collection experience in 22 cities in LA County • City would be largest one in Los Angeles County • Labor is not collectively represented • Transition plan required • Up to 110,000 carts replaced as needed • Non-exclusive franchise operator • 28,100 tons delivered to SERRF – est. \$1,742,200 • Most recent safety rating: 0.72, 1.0 is average (lower is better) • Two community compost give away events per year • Provide 100 cu. Yds. of compost to City annually • Two E-waste and clothing recycling events per year 	<p>\$6,146,000</p>

FIRM	EVALUATION/UNIQUE PROPOSAL FEATURES	FIRST YEAR COST
<p>Consolidated Disposal Services, dba</p> <p>Republic</p>	<ul style="list-style-type: none"> • Cited collection experience in 13 cities and 5 County Districts in LA County • Teamsters Local 396 • Transition plan required • Up to 110,000 carts replaced as needed • City agreement for solid waste disposal at transfer station; non-exclusive franchise operator • 6,181 tons delivered to SERRF – est. \$383,222 • Most recent safety rating: 0.98 , 1.0 is average (lower is better) • Internships made available for LB students • Proposed school education programs include: nine \$500 college scholarships; "Link Learning" program, school presentations with "MRFy the Robot" mascot, provide milk carton recycling bins; Operation Jump Start College Mentoring Program • Annual toy drive • Recycling at LB Muni Band concerts with proceeds being donated to Band • Will recognize 100 residences for exemplary recycling each year • Serve as liaison for Keep California Beautiful and City • Two document shredding events per year 	<p>\$6,762,000</p>