



CITY OF LONG BEACH

DEPARTMENT OF PUBLIC WORKS

333 WEST OCEAN BOULEVARD • LONG BEACH, CA 90802 • (562) 570-6383 • FAX (562) 570-6012

June 14, 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, CA, for recyclable collection services, in an annual amount not to exceed \$3,500,000, plus an annual Consumer Price Index (CPI) adjustment; 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

On March 22, 2016, the City Council reviewed and discussed agenda item number 14 regarding the award of a contract to Waste Management for recyclable collection services (staff report attached). The City Council voted unanimously to [1] conduct a review within 30 to 60 days that does not trigger a contract extension; [2] request the City Attorney to select the vendor who conducts the review; [3] for the City Attorney to oversee the review process and report back to the City Council when completed; and [4] based on that review, the City Council will decide whether to award the contract as recommended, or direct the City Manager to rebid the contract.

The review has concluded and the City Attorney is providing his findings to the City Council. Staff supports its initial recommendation and requests City Council approval to award the contract to Waste Management.

This matter was reviewed by Deputy City Attorney Amy R. Webber on June 2, 2016 and by Revenue Management Officer Julissa José-Murray on June 3, 2016.

TIMING CONSIDERATIONS

City Council action to adopt Specifications No. RFP PW15-091 and award a contract concurrently is requested on June 14, 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 \$3,500,000. The base contract amount represents a cost savings of \$394,000 compared to actual contract expenditures for recycling collection services paid in FY 2015. 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
DIRECTOR OF PUBLIC WORKS



JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

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ATTACHMENT – MARCH 8, 2016 STAFF REPORT

APPROVED:



PATRICK H. WEST
CITY MANAGER



CITY OF LONG BEACH
DEPARTMENT OF PUBLIC WORKS

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333 WEST OCEAN BOULEVARD • LONG BEACH, CA 90802 • (562) 570-6383 • FAX (562) 570-6012

March 8, 2016

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
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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; 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 USA Waste of California (Waste Management) for recyclable collection services for City-serviced residential and commercial refuse accounts. The proposed contract period is 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 supported staff and 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,

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March 8, 2016

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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 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), and three 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 two most competitive proposals were received from Waste Management and EDCO Waste and Recycling Services. The attached matrix provides a summary of the RFP responses.

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. 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, seasonal support to the City for

collection and recycling of discarded Christmas trees, and limited financial support for other waste diversion programs. 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. 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 three 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 February 23, 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 March 8, 2016, to ensure the contract is in place expeditiously.

FISCAL IMPACT

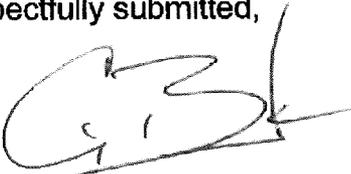
In the first year of the contract term, the total contract amount will not exceed \$3,500,000. The base contract amount represents a cost savings of \$394,000 compared to actual contract expenditures for recycling collection services paid in FY 2015. Each year thereafter, the contract amount can increase, 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 approximately 100 Long Beach residents.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



CRAIG A. BECK
INTERIM DIRECTOR OF PUBLIC WORKS

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CAB:DM:bs

ATTACHMENT



JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:


PATRICK H. WEST
CITY MANAGER

ATTACHMENT

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

FIRM	PROPOSAL CHARACTERISTICS	FIRST YEAR COST
<p>USA Waste of California, dba</p> <p style="text-align: center;">Waste Management of Long Beach</p>	<ul style="list-style-type: none"> • Cited collection experience in 25 cities in Los Angeles County including 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 • 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 average; lower is better) • Current collection program employs approximately 100 LB residents • Partnerships with the City include: <ul style="list-style-type: none"> ○ Residential and commercial recycling collection ○ SERRF ash reuse at landfill (estimated disposal cost savings \$2,250,000) ○ Harbor Department collection ○ Current franchised commercial refuse collection operator in CLB 	<p>\$3,500,000</p>
	ENHANCED FEATURES	
	<ol style="list-style-type: none"> 1. WM will implement its Recycle Often, Recycle Right Public Education Campaign, which uses community based social marketing to complement the City of Long Beach outreach program. The program includes: traditional public outreach, grassroots community outreach, social media, and school outreach. 2. WM will implement WM Logistics, a web based fleet optimization software and services. The program includes: route optimization, planning, scheduling, dynamic dispatching and mobile communication, performance auditing, GPS real-time asset tracking, and may ultimately be used to aid City crews in optimization of the refuse collection routes. 3. WM will provide school presentations to grades K-12 at schools in the City. WM will also rebuild the City's Traveling Recycling Education Center (TREC), and bring to school and community events (estimated one-time value of \$10,000). 4. WM will implement a partnership with Grades of Green, funding approximately five school programs per year, to bring sustainability programs to Long Beach schools. 5. WM will sponsor additional interns (at least five interns per year) for the City's Demonstration Edible Garden at City Hall, and seek green-economy based workforce employment in the City. 6. WM will fund at least one composting class per month at a City facility. 7. WM will provide two document shredding events per year (open to City of Long Beach residents only). 8. WM will provide and collect "Bagster Bags" from community cleanup and beautification events (number of bags and events TBD). 9. WM will share and collaborate with City managers to improve safety and operational best practices. 10. WM will provide and collect from residential battery and light bulb drop-off boxes placed at City facilities. 11. WM will provide up to \$5,000 per year for participatory budgeting projects to City Council Districts and neighborhood associations. 12. WM will host biennial (every other year) "Recycle Your Bicycle" bike collection and re-use drives in conjunction with the City's Public Works Department, Partners for Parks and members of the bike community. 13. WM will provide grant funding (amount TBD) and consultative support (possibly including internships) to help the City manage the "LB-Exchange" reuse database and smart phone app. 14. WM will collect and donate used running shoes from the Long Beach Marathon and Half Marathon. 15. Co-Branding of WM trucks. WM is exploring the possibility of generating revenue that could be shared with the City of Long Beach through commercial co-branding of WM's trucks with outside vendors that would be approved by both WM and the City. 16. WM will provide seasonal support to City of Long Beach collection crews to collect and process discarded Christmas trees. 	

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FIRM	PROPOSAL CHARACTERISTICS	FIRST YEAR COST
<p>EDCO Waste and Recycling Services</p>	<ul style="list-style-type: none"> • Cited collection experience in 5 cities in LA County – Long Beach would be largest city account in Los Angeles County • 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) • 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) • Partnerships with the City include: <ul style="list-style-type: none"> ○ CLB utilizes EDCO transfer station for solid waste disposal ○ Provides regional facility for household hazardous waste drop-off ○ Green waste diversion contract with City ○ Current franchised commercial refuse collection operator in CLB 	<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>
	<p align="center">ENHANCED FEATURES</p>	
	<ol style="list-style-type: none"> 1. EDCO will purchase ~\$529,000 of natural gas and transmission line services from the City of Long Beach Gas and Oil Department to fuel the CNG collection fleet during the life of the contract. 2. EDCO will provide up to six residential "Shred Day" events per year. The events will be fully staffed, publicly noticed, and held at designated locations throughout the City or at the ER&T. 3. EDCO will provide free mulch to residential customers at the "Shred Day" events. 4. EDCO will collect e-waste at the "Shred Day" events. 5. EDCO will invest in four-way recording safety cameras on all collection vehicles serving the City of Long Beach. 6. EDCO will implement the "EDCO Recycler of the Month" award and provide the recipient with a \$200 check in a public presentation. 7. EDCO will implement the "EDCO Recycling Challenge" for all public and private schools that participate in the City's recycling program. 8. EDCO will make the Public Education Room at ER&T available for use by the City of Long Beach to promote recycling, source reduction, proper waste disposal and other items of interest. 9. EDCO will fund an additional \$50,000 per year, to be invested at the discretion of the City, to support anti-scavenging efforts. EDCO also offers to remove this investment, reducing compensation by \$50,000. 10. EDCO will offer a supplemental public education effort to support the efforts of the ESB. 11. EDCO will offset any interim rate reduction the incumbent service provider proposes to enact prior to the proposed June 1, 2016 start date. 	

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FIRM	PROPOSAL CHARACTERISTICS	FIRST YEAR COST
<p>Arakelian Enterprises Inc., dba Athens Services</p>	<ul style="list-style-type: none"> • Cited collection experience in 22 cities in LA County – Long Beach would be largest city account in Los Angeles County • Labor is not collectively represented • Transition plan required • Up to 110,000 carts replaced as needed • 28,100 tons delivered to SERRF – est. \$1,742,200 • Most recent safety rating: 0.72 (1.0 is average; lower is better) • Partnerships with the City include: <ul style="list-style-type: none"> ○ Current franchised commercial refuse collection operator in CLB 	<p>\$6,146,000</p>
	<p>ENHANCED FEATURES</p>	
	<ol style="list-style-type: none"> 1. Athens will use its website to promote environmental programs within the City of Long Beach. Athens will establish a dedicated location for the City of Long Beach customers. Athens will also develop a YouTube Channel called "Your Athens Services" to showcase educational videos to supplement the City's outreach program. 2. Athens will host at least two community-based compost give-away events per year. 3. Athens will provide up to 100 cubic yards of compost annually to the City for use in parks, parkways or other areas for beautification. 4. Athens will provide two residential E-waste Recycling and Clothing Drop-Off events per year. Athens will collaborate with the City to identify a Long Beach charitable organization to receive the donated materials. 5. Athens will provide the Long Beach City Council with regular updates on the program, services, new technologies, and the general state of the waste and recycling industry, as well as on updates on government actions that impact the City. 	

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FIRM	PROPOSAL CHARACTERISTICS	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 Los Angeles County • Represented labor (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) • Partnerships with City include: <ul style="list-style-type: none"> ○ CLB utilizes Republic transfer station for solid waste disposal ○ Green waste diversion contract with City ○ Current franchised commercial refuse collection operator in CLB 	<p>\$6,762,000*</p> <p>*Republic provided a footnote that shows a lower amount of \$4,131,036 as their first year cost to the City</p>
	<p>ENHANCED FEATURES</p>	
	<ol style="list-style-type: none"> 1. Republic will utilize its Contamination Elimination Program, which involves: targeting specific commodity types, visual confirmation via photos, timely follow-ups, and the ability to identify contaminant trends. 2. Republic will hire a variety of positions including drivers, mechanics, customer service representatives, administrative personnel and management trainees from Long Beach-based Pacific Gateway Workforce Investment, which prioritizes recruiting and hiring job applicants from within the Long Beach area. 3. Republic will provide multiple career path internships to students from the Long Beach Unified School District, Long Beach City College, and California State University Long Beach. 4. Republic will provide nine \$500 scholarships each year to assist college-bound high school seniors. To qualify, students must host a recyclable drive on their school campus. 5. Republic will partner with the Long Beach Unified School District and the Long Beach Education Foundation to provide the "Link Learning" program, which would provide Long Beach students the opportunity to gain career experience at various Republic Services facilities in the area. 6. Republic will provide school presentations using its branded character "MRFy the Robot." 7. Republic will provide Long Beach schools with milk carton recycling bins and "how to" materials. 8. Republic will support Operation Jump Start College Mentoring Program by hosting workshops and field trips, and also by developing environmental sciences and recycling mentoring programs. 9. Republic will host an annual Holiday Toy Drive to support New Image Homeless programs in Long Beach. 10. Republic will host two document shredding events per year. 11. Republic will support Keep California Beautiful programs, and will serve as a liaison between Keep California Beautiful and the City of Long Beach, with a focus on bringing grant funds to the City. 12. Republic will work with City staff to increase recycling at special events in Long Beach. Republic will provide recycling containers throughout the concert area in all four parks during the Long Beach Municipal Band Concerts in the Park. Republic will donate all proceeds from the recycling efforts to the Municipal Band Fund. 13. Republic will recognize 100 residences each year for making an exemplary effort in participating in curbside recycling. The rewards value will be capped at \$2,500 per year. 	