



Legislation Text

File #: 16-0122, **Version:** 2

Recommendation to 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 adjustment; and authorize 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)

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, located on the Seventh Floor of City Hall, and the Division's website at www.longbeach.gov/purchasing <<http://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.

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.

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.

Approve recommendation.

CRAIG A. BECK
INTERIM DIRECTOR OF PUBLIC WORKS

JOHN GROSS
DIRECTOR OF FINANCIAL MANAGMENT

APPROVED:

PATRICK H. WEST
CITY MANAGER