

DEPARTMENT OF PUBLIC WORKS

BUREAU OF SANITATION
BUREAU OF CONTRACT ADMINISTRATION
JOINT BOARD REPORT NO. 1
July 10, 2015

ADOPTED BY THE BOARD
PUBLIC WORKS OF THE CITY
of Los Angeles California

JUL 10 2015


Executive Officer
Board of Public Works

CD: ALL

BUSINESS INCLUSION PROGRAM EVALUATION RESULTS FOR THE CITYWIDE EXCLUSIVE FRANCHISE SYSTEM FOR MUNICIPAL SOLID WASTE FROM PRIVATELY SERVED COMMERCIAL AND MULTIFAMILY CUSTOMERS INCLUDING COLLECTION, PROCESSING, TRANSFER AND DISPOSAL (FRANCHISE SYSTEM)

RECOMMENDATIONS

1. Deem AAA Rubbish Inc., Athens Services, CalMet Services, Inc., Consolidated Disposal Service, LLC DBA Republic Services, CR&R, NASA Services, Inc., Pacific Coast Waste, Recology, SVT Services, Inc., United Pacific Waste, Universal Waste Systems, Inc., USA Waste of California, Inc. DBA Waste Management, Ware Disposal, Inc., Waste Connections of California, and Waste Resources, Inc. responsive to the Business Inclusion Program (BIP) requirements for the Citywide Exclusive Franchise System for Municipal Solid Waste from Privately Served Commercial and Multifamily Customers including Collection, Processing, Transfer, and Disposal (Franchise System).

TRANSMITTALS

1. Copy of the RFP "FOR THE CITYWIDE EXCLUSIVE FRANCHISE SYSTEM FOR MUNICIPAL SOLID WASTE FROM PRIVATELY SERVED COMMERCIAL AND MULTIFAMILY INCLUDING COLLECTION, PROCESSING, TRANSFER AND DISPOSAL."
2. Copy of the adopted Bureau of Sanitation (LASAN) and Bureau of Contract Administration Joint Board Report No.1, dated June 11, 2014, authorizing LASAN to distribute a REQUEST FOR PROPOSALS (RFP) FOR "THE CITYWIDE EXCLUSIVE FRANCHISE SYSTEM FOR MUNICIPAL SOLID WASTE FROM PRIVATELY SERVED COMMERCIAL AND MULTIFAMILY INCLUDING COLLECTION, PROCESSING, TRANSFER AND DISPOSAL."

DISCUSSION

Project Background

On June 11, 2014, the Board authorized LASAN to distribute a RFP (Transmittal No. 1) and to negotiate personal service contracts for the Franchise System (Transmittal No. 2).

The primary objectives of this RFP process are:

1. Higher Recycling (90% diversion from landfills by 2025)
2. Fair Customer Rates
3. Reduced Street Impacts and Cleaner Air
4. Superior Customer Service
5. Improved health and safety for solid waste workers
6. Long Term Competition
7. Reliable system Infrastructure

This RFP provided the opportunity for waste collection companies to submit proposals for initial ten-year contracts with the City of Los Angeles (City). Each company will become the exclusive provider of Solid Waste, Commingled Recyclables, and Organics collection and handling services for privately served Commercial and Multifamily customers in one or more of the Franchise Zones defined by the City. The City has established a total of eleven (11) Franchise Zones. Three (3) of the Franchise Zones were designated as "small" in order to create opportunities for smaller collection companies to compete for Franchise contracts. A proposer awarded any one of the "small" Franchise Zones may not be awarded any of the other ten (10) Franchise Zones.

To maximize efficiency, the City allowed proposers to submit proposals for multiple zones as a single group, called a bundle. In this RFP, the City created three (3) bundles for this purpose. The proposers may also develop one (1) bundle as well. Therefore, each proposer could propose on any or all of the eleven (11) individual zones, and up to four (4) bundles.

LASAN seeks to award an individual contract for each zone or bundle of zones. Therefore, this RFP will result in multiple contracts. As there are eleven (11) zones, there may be as many as eleven (11) contracts. However, there may be one or more bundle contracts awarded, thereby reducing the number of contracts. No single proposer will be awarded more than 49% of all customers. This will ensure that there are sufficient resources available in the case where redundancy is needed and will foster the availability of long-term competition.

LASAN is requesting that the Board approve the recommendation of the BIP proposal results. Upon approval, LASAN shall negotiate personal service contracts with the most qualified proposers. LASAN will then return to the Board with a list of recommended contractors and request authority to execute personal service contracts to meet the Franchise System Goals as approved by the Mayor and City Council.

Business Inclusion Program

Fifteen proposals were received in response to the RFP prior to the October 29, 2014 due date. LASANs Centralized Contracts Unit (CCU) reviewed the BIP documentation submitted with each proposal. In order to be deemed responsive, proposers were required to submit BIP documentation as described in Appendix 7 of the RFP, and to successfully complete the seven (7) indicators of the BIP Outreach requirements.

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After a detailed review and evaluation by CCU of the BIP documentation submitted by the fifteen (15) proposers (AAA Rubbish Inc., Athens Services, CalMet Services, Inc., Consolidated Disposal Service, LLC DBA Republic Services, CR&R, NASA Services, Inc., Pacific Coast Waste, Recology, SVT Services, Inc., United Pacific Waste, Universal Waste Systems, Inc., USA Waste of California, Inc. DBA Waste Management, Ware Disposal, Inc., Waste Connections of California, and Waste Resources, Inc.), CCU found all fifteen (15) to be responsive.

STATUS OF FINANCING

There is no impact to the General Fund. The estimated overall value of this contract is \$2,500,000,000 for an initial contract term of ten (10) years. The contract then has two (2) optional five (5) year extensions. However, this contract will be paid by the customers, not by the City. Therefore, there is no City funding required for this work.

FUTURE ACTION

Upon Board approval, LASAN will negotiate with the highest ranked Proposers. As part of negotiations, Proposers will be required to submit a Schedule B (Subcontractor Information Form) which includes specific pledged participation amounts for the appropriate subcontractors listed on their Schedule A (List of Potential Subcontractors). Subsequent to the negotiation process, LASAN will return to the Board for authority to award contracts for the eleven Franchise Zones after confirming compliance with all other City contracting requirements.

Respectfully submitted,

COMPLIANCE REVIEW PERFORMED
AND APPROVED BY



HANNAH CHOI, Program Manager
Office of Contract Compliance
Bureau of Contract Administration


ENRIQUE C. ZALDIVAR, Director
Bureau of Sanitation
JOHN L. REAMER, JR., Director
Bureau of Contract Administration

Prepared by: Dan Meyers SRCRD
(213) 485-3932