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CALIFORNIA

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2013 OCT -2 AM 9:22
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OFFICE OF THE BOARD OF PUBLIC WORKS

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ARLEEN P. TAYLOR
EXECUTIVE OFFICER

<http://www.bpw.lacity.org>

September 27, 2013

#2 BOS/BCA

Mayor Eric Garcetti
Room No. 305
City Hall
Attn: Mandy Morales

Subject: AUTHORITY TO EXECUTE SUPPLEMENTAL AGREEMENT TO PERSONAL SERVICES CONTRACT WITH WASTE MANAGEMENT BRADLEY LANDFILL AND RECYCLING CENTER, FOR THE RECEIPT, TRANSFER, PROCESSING, AND REUSE OF RESIDENTIAL GREEN MATERIAL

As recommended in the accompanying report of the Directors of the Bureaus of Sanitation and Contract Administration, which this Board has adopted, the Board of Public Works requests approval and forwarding to the City Council for approval and authorization to execute the Supplemental Agreement with Waste Management Bradley Landfill and Recycling Center (C-107485) for the receipt, transfer, processing, and reuse of residential green material.

FISCAL IMPACT

The cost estimate for the services required from Waste Management will be \$35,858,000. Funds for the first fiscal year estimated cost of \$15,652,634 will be funded by the Solid Resources Support Services (SRSSD) Adopted Budget for FY 2013-2014 in Fund 508, Dept. 50, Account 50KX82, Object 602. The remaining funding in the amount of \$20,205,366 will be requested in future fiscal year's Bureau of Sanitation operating budget.

Respectfully submitted,

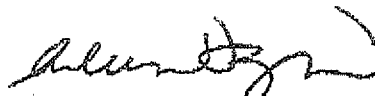
Arleen P. Taylor, Executive Officer
Board of Public Works

APT/TS:mp



DEPARTMENT OF PUBLIC WORKS

BUREAU OF SANITATION
BUREAU OF CONTRACT ADMINISTRATION
JOINT BOARD REPORT NO. 2
SEPTEMBER, 27, 2013


Executive Officer

CD: ALL

AUTHORITY TO EXECUTE SUPPLEMENTAL AGREEMENTS TO PERSONAL SERVICES CONTRACT C-107485 BETWEEN THE CITY OF LOS ANGELES AND WASTE MANAGEMENT BRADLEY LANDFILL AND RECYCLING CENTER, AND PERSONAL SERVICES CONTRACT C-107486 BETWEEN THE CITY OF LOS ANGELES AND COMMUNITY RECYCLING AND RESOURCE RECOVERY, INC. FOR THE RECEIPT, TRANSFER, PROCESSING, AND REUSE OF RESIDENTIAL GREEN MATERIAL

**

RECOMMENDATIONS

1. Approve and forward this report with transmittals to the Mayor and City Council, with the request that the Board of Public Works (Board) be authorized to execute a Supplemental Agreement with Waste Management (WM) Bradley Landfill and Recycling Center (C-107485) for the receipt, transfer, processing, and reuse of residential green material.
- ** 2. Approve and forward this report with transmittals to the Mayor and City Council, with the request that the Board be authorized to execute a Supplemental Agreement with Community Recycling and Resource Recovery, Inc. (CRRR) (C-107486) for the receipt, transfer, processing, and reuse of residential green material.
3. Upon the Mayor's and the Council's approval, the President or two (2) members of the Board will execute the Supplemental Agreements.
4. Return the executed Supplemental Agreements to the Bureau of Sanitation (Bureau) for further processing. Contact Nicoleta Serbanescu, SRSSD at (213) 485-3592 for pick-up.

TRANSMITTALS

1. Copy of the Adopted Board Report, dated May 26, 2004, granting authority to execute Personal Services Contracts (C-107485 and C-107486) for the Receipt, Transfer, Processing and Recycling of Green Waste.
2. Copy of the Adopted Board Report, dated November 24, 2010 granting authority to execute Amendment No. 2 to the Personal Services Contract C-107485 between the City and Waste Management (WM) Bradley Landfill and Recycling Center.

3. Copy of Amendment No. 2 to the Personal Services Contract C-107485 between the City and Waste Management (WM) Bradley Landfill and Recycling Center, effective October 14, 2010.
4. Copy of the Adopted Board Report, dated October 29, 2010, granting authority to execute Amendment No. 2 to the Personal Services Contract C-107486 between the City and Community Recycling and Resource Recovery, Inc. (CRRR).
5. Copy of Amendment No. 2 to the Personal Services Contract C-107486 between the City and Community Recycling and Resource Recovery, Inc. (CRRR) effective October 14, 2010.
6. Copy of the proposed Supplemental Agreements to C-107485 and C-107486.

DISCUSSION

Background

The City of Los Angeles, Bureau of Sanitation (Bureau) provides curbside collection of green material to approximately 750,000 single-family residences and small multi-family complexes (comprised of four units or less). Maintaining the green material program allows the City to meet California's Integrated Solid Waste Management Act (AB939) requirements, and contributes toward the achievement solid waste diversion goal by 2013.

On a daily average basis, the Bureau collects approximately 1,800 tons of green material from City residents. The majority of the collected green material is delivered to privately-owned processing facilities, such as WM and CRRR. The remaining green material is delivered to City-owned Harbor Mulching Facility and Lopez Canyon Environmental Center. Currently, WM processes about 1,000 tons per day (tpd) of residential green material at their Bradley facility in Sun Valley, and about 220 tpd at their Metro transfer station in Los Angeles. CRRR processes 400 tpd of residential green material at their Sun Valley facility.

In September 2002, the City released a Request for Qualification (RFQ) to identify interested and qualified parties to provide "all inclusive" turnkey recycling services for the receipt, processing, and reuse of green material (yard trimmings and horse manure) collected through the City's Curbside Collection Program. Five (5) respondents were deemed qualified by the City. These were Waste Management, Community Recycling & Resource Recovery, Ecologics, Brown & Ferris Industries, and BLT Enterprises.

In March 2003, the City issued a Request for Bids (RFB) to the five (5) qualified parties to receive, process, and reuse residential green materials. All five (5) submitted bids. Waste Management Bradley Landfill and Recycling Center (WM) and Community Recycling & Resource Recovery (CRRR) were deemed to be the most qualified respondents as determined through the evaluation criteria stated in the RFB.

On May 26, 2004, the Board approved and forwarded a report to the Mayor and the City Council with the request that the Board be authorized to execute personal services contracts with WM and CRRR each for a term of three (3) years with two (2) three (3) year renewal options (Transmittal 1).

On October 14, 2004, Contract C-107485 with WM and Contract C-107486 with CRRR were fully executed. In 2007, the City exercised its first three (3) year renewal option for both contractors. In 2010, the City exercised its second and final three (3) year renewal option for both contractors (Transmittals 2, 3, 4 and 5). These contracts will expire on October 13, 2013.

The Bureau has recently distributed a Request for Proposal (RFP) and is currently evaluating the submitted proposals for the processing of green material, food material, and horse manure. The most qualified proposer(s) will be awarded the new contract(s). The new contract(s) will not be fully executed before the existing contracts expire. Therefore the Bureau is processing Supplemental Agreements to the WM and CRRR contracts. These Supplemental Agreements will enable the Bureau to continue providing the City residents with uninterrupted, critical and essential green material collection and processing services. Such services cannot be abruptly stopped as it will greatly affect the solid waste collection operations, which may lead to potential public health and environmental issues. It is the City's desire to retain WM and CRRR through execution of these Supplemental Agreements to provide the required professional and technical services specified in their original contracts and subsequent amendments.

The Supplemental Agreements will extend the existing contracts C-107485 and C-107486 for a term of two (2) years from October 14, 2013 to October 13, 2015 (Transmittal 6).

MBE/WBE/OBE Subcontractor Outreach Program

At the time of distribution of the RFB this contract, the City had established an MBE/WBE/OBE Subcontractor Outreach Program for this project with anticipated MBE and WBE participation levels of 12 percent and 5 percent, respectively. When the contract was awarded, the pledged participation levels for CRRR contract C-107486 were 0% MBE, 0% WBE, and 12.86% OBE. For Amendment 1, the pledged participation levels were 0.16% MBE, 0% WBE, and 10.75% OBE. For Amendment 2, the pledged participation levels were 0.08% MBE, 0% WBE, and 9.32% OBE. As of June 15, 2013, the achieved participation levels were 0.11% MBE; 0% WBE, and 5.25% OBE. Upon approval of this Supplemental Agreement, the pledged participation levels will be 0.09% MBE, 0% WBE and 4.39% OBE.

Gender/Ethnicity:

- | | |
|------------------------------|-----------------------------------|
| AA = African American | HA = Hispanic American |
| APA = Asian Pacific American | SAA = Subcontinent Asian American |
| NA = Native American | C = Caucasian |
| M = Male | F = Female |

The achieved MBE/WBE/OBE subcontractor participation levels for CRRR as of June 15, 2013 are as follows:

SUBCONTRACTOR	MBE/WBE/OBE	Gender/Ethnicity	% of Contract Amount Invoiced	Subcontract Amount Invoiced
J.I. Gandara Transport	MBE	M/HA	0.11%	\$42,213
Bermudez Trucking	OBE		0.53%	\$200,727
Mora Trucking	OBE		2.46%	\$928,510
CU Trucking	OBE		1.72%	\$650,407
Mormastro	OBE		0.54%	\$203,509
TOTAL MBE Participation			0.11%	\$42,213
TOTAL WBE Participation			0.00%	0
TOTAL OBE Participation			5.25%	\$1,983,153
TOTAL MBE/WBE/OBE Participation			5.36%	\$2,025,366
TOTAL Invoiced Amount				\$37,768,645

The pledged MBE/WBE/OBE subcontractor participation levels for **CRRR** for the Supplemental Agreement are as follows:

SUBCONTRACTOR	MBE/WBE/OBE	Gender/Ethnicity	% of Contract Amount Pledged	Subcontract Amount Pledged
J.I. Gandara Transport	MBE	M/HA	0.09%	\$42,213
Bermudez Trucking	OBE		0.42%	\$201,663
Mora Trucking	OBE		1.93%	\$928,510
CU Trucking	OBE		1.36%	\$655,050
Mormastro	OBE		0.59%	\$283,053
TOTAL MBE Participation			0.09%	\$42,213
TOTAL WBE Participation			0%	\$0
TOTAL OBE Participation			4.30%	\$2,068,276
TOTAL MBE/WBE/OBE Participation			4.39%	\$2,110,489
TOTAL Anticipated Contract Amount				\$47,994,668

CRRR has exceeded its Amendment 2 pledged MBE participation level. However, CRRR has not been meeting their Amendment 2 OBE participation level. This level has decreased due to recent significant increases in diesel fuel costs coupled with lower processing volumes hindering the amount of subcontracting work. Therefore, for the Supplemental Agreement CRRR is pledging a more realistic OBE participation level.

At the time of distribution of the RFB for this contract, the City had established an MBE/WBE/OBE Subcontractor Outreach Program for this project with anticipated MBE and WBE participation levels of 12 percent and 5 percent respectively. When the contract was awarded, the participation levels for WM contract C-107485 were 14.94% MBE, 0% WBE, and 0% OBE. For Amendment 1, the pledged participation levels were 18.63% MBE, 0% WBE, and 0% OBE. For Amendment 2, the pledged participation levels were 13.54% MBE, 0% WBE, and 3.82% OBE. As of June 15, 2013, the achieved participation levels were 14.38% MBE, 0% WBE, and 0.26% OBE. Upon approval of this Supplemental Agreement, the pledged participation levels will be 13% MBE, 0% WBE, and 1% OBE.

Gender/Ethnicity

AA = African American HA = Hispanic American
 APA = Asian Pacific American SAA = Subcontinent Asian American
 NA = Native American C = Caucasian
 M = Male F = Female

The achieved MBE/WBE/OBE subcontractor participation levels for **WM** comprising of the combined subcontractor utilization for both Bradley and Metro facilities as of June 14, 2013 are as follows:

SUBCONTRACTOR	MBE/WBE/OBE	Gender/Ethnicity	% of Contract Amount Invoiced	Subcontract Amount Invoiced
Jl Gandara Transport	MBE	M/HA	14.38%	\$11,976,524
Ecology Transport	OBE		0.26%	\$217,560
TOTAL MBE Participation			14.38%	\$11,976,524
TOTAL WBE Participation			0%	\$0
TOTAL OBE Participation			0.26%	\$217,560
TOTAL MBE/WBE/OBE Participation			14.64%	\$12,194,084
TOTAL Invoiced Amount (as of June 14, 2013)				\$83,315,376

The pledged MBE/WBE/OBE subcontractor participation levels for **WM** with this Supplemental Agreement are as follows:

SUBCONTRACTOR	MBE/WBE/OBE	Gender/Ethnicity	% of Contract Pledged	Subcontract Amount Pledged
J.I.Gandara Transport	MBE	M/HA	13.00%	\$15,555,671
Ecology Transport	OBE		1.01%	\$1,214,393
TOTAL MBE Participation			13.00%	\$15,555,671
TOTAL WBE Participation			0%	\$0
TOTAL OBE Participation			1.01%	\$1,214,393
TOTAL MBE/WBE/OBE Participation			14.01%	\$16,770,064
TOTAL Anticipated Contract Amount				\$119,659,007

Although WM has been exceeding their Amendment 2 MBE participation pledged levels, they have not been meeting their Amendment 2 OBE participation levels because they had over anticipated the use of these subcontractors. For the Supplemental Agreement, WM has adjusted both the MBE and OBE participation levels to reflect more realistic achievable levels in the next two years.

Other Policies and Compliance

All Contractors are current with all insurance requirements and have provided the following documents:

- Non-Discrimination/Equal Employment Practices/Affirmative Action
- Living Wage Ordinance
- Child Care Policy
- Equal Benefits Ordinance
- Business Tax Registration Certificate
- Child Support Obligation Ordinance
- Americans with Disabilities Act
- Service Contract Worker Retention Ordinance
- Slavery Disclosure Ordinance
- Contract History
- Non-collusion Affidavit
- LA Residence Info
- Municipal Lobbying Ordinance
- Contract Bidder Campaign Contribution and Fundraising Restriction
- First Source Hiring Ordinance

Term and Value of Contracts

The term of the Supplemental Agreement with WM will be for two (2) years from October 14, 2013 to October 13, 2015. The estimated total cost to pay for the Contractor's services for two (2) years under this Supplemental Agreement shall not exceed \$35,858,000.

The term of the Supplemental Agreement with CRRR will be for two (2) years from October 14, 2013 to October 13, 2015. The estimated total cost to pay for the Contractor's services for two (2) years under this Supplemental Agreement shall not exceed \$11,764,000.

These Supplemental Agreements may be terminated by the City if new contracts for similar services are fully executed before October 13, 2015.

Contractor Responsibility Ordinance

All Contractors participating in this program are subject to compliance with the requirements specified in the City of Los Angeles' Contractor Responsibility Ordinance #173677, [Article 14, Chapter 1, Division 10, L.A.C.C.]. Failure to comply with requirements specified in this Ordinance will render the contracts subject to termination pursuant to the conditions expressed therein.

Contractor Performance Evaluation Ordinance

In accordance with Article 13, Chapter 1, Division 10 of the City of Los Angeles Administrative Code, the appropriate City Personnel responsible for the quality control of these Personal Services Contracts shall submit Contractor Performance Evaluation Reports to the City Administrative Officer (CAO) upon completion of these contracts.

Contract Administration

Responsibility for administration of these Supplemental Agreements will be with the Solid Resources Support Services Division, Bureau of Sanitation.

Headquarters and Work Force Information

The headquarters of WM is located at 9081 Tujunga Avenue, Sun Valley, CA 91352. The Contractor has a staff of 98 full-time employees assigned to this contract and 23% of the employees reside within the City of Los Angeles.

The headquarters of CRRR is located at 9189 DeGarmo Avenue, Sun Valley, CA 91352. The Contractor has a staff of 235 full-time employees assigned to this contract and 64% of the employees reside within the City of Los Angeles.

City Attorney Review

The proposed Supplemental Agreements have been approved as to form by the Office of City Attorney.

STATUS OF FINANCING

The cost estimate for the services required from Waste Management (WM) will be \$35,858,000. Funds for the first fiscal year estimated cost of \$15,652,634 will be funded by Solid Resources Support Services (SRSSD) Adopted Budget for FY 13-14 in Fund 508, Dept. 50, Account 50KX82, Object 602. The remaining funding in the amount of \$20,205,366 will be requested in future fiscal year's Bureau of Sanitation operating budget.

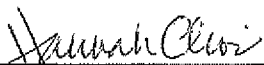
The cost estimate for the services required from Community Recycling and Resource Recovery (CRRR) will be \$11,764,000. Funds for the first fiscal year estimated cost of \$5,217,545 will be funded by Solid Resources Support Services (SRSSD) Adopted Budget for FY 13-14 in Fund 508, Dept. 50, Account 50KX82, Object 602. The remaining funding in the amount of \$6,546,455 will be requested in future fiscal year's Bureau of Sanitation operating budget.

The contracts contain a "Financial Liability Clause" which states that "the City's liability under this contract shall only be to the extent of the present City appropriation to fund the contracts. However, if the City shall appropriate funds for any succeeding years, the City's liability shall be extended to the extent of such appropriation, subject to the terms and conditions of the contracts."

Respectfully submitted,

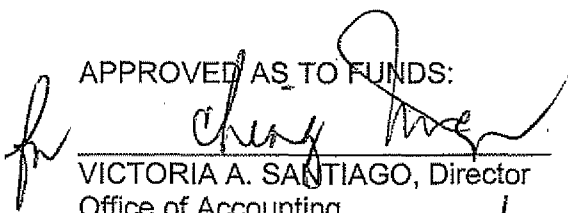

ENRIQUE C. ZALDIVAR, Director
Bureau of Sanitation

COMPLIANCE REVIEW PERFORMED
AND APPROVED BY:


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


JOHN L. REAMER JR., Director
Bureau of Contract Administration

APPROVED AS TO FUNDS:


VICTORIA A. SANTIAGO, Director
Office of Accounting
Date: _____

9/30/13

Prepared by:
Stanton Lewis, SRSSD
(213) 485-3581

TRANSMITTAL 1

DEPARTMENT OF PUBLIC WORKS

BUREAU OF SANITATION
 BUREAU OF CONTRACT ADMINISTRATION
 JOINT BOARD REPORT NO. 1
 MAY 26, 2004

ADOPTED BY THE BOARD OF
 PUBLIC WORKS OF THE CITY
 of Los Angeles, California
 AND REFERRED TO THE MAYOR
 MAY 26 2004

Jim [Signature]
 Secretary

CD: ALL

AUTHORITY TO EXECUTE CONTRACTS FOR THE RECEIPT, TRANSFER,
 PROCESSING AND RECYCLING OF GREEN WASTE

RECOMMENDATIONS

1. Approve and forward this report with transmittals to the Mayor and City Council with the request that the Board of Public Works be authorized to execute a 3-year personal services contracts with two (2) three-year contract renewal options with Waste Management, Ecologics, and Community Recycling, for the receipt, transfer, processing and recycling of green material.
2. Upon Mayor and Council approval, the President or two members of the Board of Public Works will execute the contracts, and;
3. The executed contracts will be returned to the Bureau of Sanitation for further processing (contact the Board Report Section at (213)473-8038).

FISCAL IMPACT STATEMENT

The unit rates offered by the proposed contractors are less than the current contract rates paid by the City for green waste processing services. In addition, under these contractual arrangements, on-route collection time in the West Los Angeles and North Central watersheds will increase by eliminating the longer haul times through the use of the contractors' local facilities. It is anticipated that the award of these contracts will result in a savings to the General Fund.

TRANSMITTALS

1. Copy of Board Report No. 2, adopted by the Board of Public Works on September 23, 2002, authorizing the Bureau of Sanitation to distribute a Request for Qualifications (RFQ) for the receipt, transfer and reuse of green material.
2. Copy of Board Report No. 2, adopted by the Board of Public Works on March 17, 2003, authorizing the Bureau of Sanitation to distribute a Request for Bids (RFB) for the receipt, transfer and reuse of green material.

BUREAU OF SANITATION
BUREAU OF CONTRACT ADMINISTRATION
JOINT BOARD REPORT NO. 1
MAY 26, 2004

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3. Copy of the Request for Bid (RFB) for the receipt, transfer, and reuse of green material.

DISCUSSION

Background

The City of Los Angeles, Bureau of Sanitation, services over 740,000 single-family residences and small apartment complexes and collects approximately 1,800 tons of green material per day. The curbside green material collection program continues to be the single largest contributor to the City's curbside diversion effort as mandated by AB939, contributing over 435,948 tons of material which is source separated by the City residents and collected by Sanitation staff. The majority of this material is processed through contracts with several private companies that prepare the material for hauling and processing at various reuse and distribution sites.

The City of Los Angeles, Bureau of Sanitation, Solid Resources Support Services Division (SRSSD) solicited proposals from contractors to provide "all-inclusive" turnkey recycling services for the receipt, processing and reuse of green material (yard trimmings and horse manure) collected through the City's Curbside Collection Program. The recycling services to be provided by the selected contractor include the designation of a local drop-off (transfer) site, removal of contamination from the green material, handling, transporting and disposing of the contaminants at a City designated solid waste facility. The selected contractor will also provide green material processing operations consisting of but not limited to chipping and grinding, composting, and co-composting. Processing of the green material including marketing, transporting, and delivering the final product to end-users will be arranged and designated by the contractor.

Two-Phase Procurement Process

The Bureau of Sanitation initiated a two-phase procurement process in order to find the best contractor(s) capable of handling the City's green material. Phase One was the Request for Qualifications (RFQ) where interested companies submitted proposals to demonstrate their qualifications. The intent of the RFQ was to establish a short list of pre-qualified contractors who would then be eligible to participate in Phase Two. Phase Two is the Request for Bids (RFB) process where only the pre-qualified contractors as determined in

BUREAU OF SANITATION
BUREAU OF CONTRACT ADMINISTRATION
JOINT BOARD REPORT NO. 1.
MAY 26, 2004

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Phase-One are eligible to participate. The successful bidder will be determined by whoever has the lowest responsive bid.

Phase One - Request for Qualification (RFQ)

On September 23, 2002, the Board of Public Works authorized the Bureau to distribute the Request for Qualifications (RFQ). Five (5) vendors: BLT Enterprises, Browning & Ferris Industries, Community Recycling, Ecologics, and Waste Management participated. The Bureau deemed all vendors to have successfully met the qualifications criteria and were recommended to proceed to the Request for Bid (RFB) process. On March 10, 2003, the Board of Public Works approved the list of pre-qualified contractors and authorized the Bureau of Sanitation to release the RFB.

Phase Two - Request For Bids (RFB)

The Bureau of Sanitation released the RFB to the qualified proposers as determined through the RFQ process, namely: Waste Management Recycling, Ecologics, Community Recycling, Browning & Ferris Industries and BLT Enterprises. On May 23, 2003, the bids were opened and read at the regular meeting of the Board of Public Works. Waste Management was the lowest responsive bidder for the Valley and Metro service areas. Ecologics was the lowest responsive bidder for the Western service area. The bid results are shown in the table below. All bidders have designated local drop-off (transfer) sites, where they will remove contamination from the green material, and will handle, transport and dispose of the contaminants at a designated solid waste facility. The selected bidders will also provide green material processing operations consisting of but not limited to chipping and grinding, composting, and co-composting. Processing of the green material including the marketing, transporting, and delivering the final product to end-users will be arranged and designated by the contractor.

In the last two (2) years, several green material processors, utilized by the City were forced to shutdown due to environmental regulations, weather conditions, regulatory actions, market shifts, etc.

The City needs to have Community Recycling as a secondary contractor for green material processing to address any service interruptions. In addition Community Recycling will be utilized to absorb any seasonal increases in green material that cannot be handled by the primary contractor.

BUREAU OF SANITATION
 BUREAU OF CONTRACT ADMINISTRATION
 JOINT BOARD REPORT NO. 1
 MAY 26, 2004

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Contractor	Service Area	Lowest Bidder (**)	Unit Price @100 tpd (\$/ton)	Tons Per Day	Estimated Annual Amount (\$)
Waste Management Community Recycling BFI	Valley	(**)	\$25.42	881	\$5,845,100
	Valley		\$34.92	100	\$911,412
	Valley		\$44.50		
Waste Management BIF Enterprises	Metro	(**)	\$36.62	442	\$4,033,400
	Metro		\$39.70		
Ecologics	Western	(**)	\$33.48	275	\$2,403,027
Total					\$13,192,939

Through the RFB process the City reserved the right to award multiple contracts to maintain a reliable green material recycling program. On this basis, Community Recycling has also been selected for award of a contract.

Proposed Term of Contract

The proposed term of the contract will be three years, with (2) two 3-year contract renewal options for potential total contract term of nine (9) years, to be exercised at the sole discretion of the City. Execution of the contract requires Council Approval because of the potential total term is for nine (9) years. The execution of future contract renewal options shall not require City Council approval.

City Requirements

The selected vendor shall comply with all City of Los Angeles requirements including:

- o Nondiscrimination/Equal Employment Practices/Affirmative Action
- o Insurance/Bonding Requirements
- o Business Tax Registration Certificate
- o Child Care/Support Policy
- o Equal Benefits Ordinance
- o Contractor Responsibility Ordinance
- o Living Wage and Service Contractor Worker Retention Ordinance
- o Contractor Evaluation

In accordance with Article 13, Chapter 1, Division 10 of the City of Los Angeles Administrative Code, the appropriate City personnel responsible for the quality control of this personal services contract shall submit Contractor Performance Evaluation Reports to the City Administrative Officer (CAO) upon completion of this contract.

BUREAU OF SANITATION
 BUREAU OF CONTRACT ADMINISTRATION
 JOINT BOARD REPORT NO. 1.
 MAY 26, 2004

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All contractors participating in this project are subject to compliance with the requirements specified in the City of Los Angeles' Contractor Responsibility Ordinance #173677, [Article 14, Chapter 1, Division 10, L.A.A.C.]. Failure to comply with all requirements specified in the Ordinance will render the bidder's contract subject to termination pursuant to the conditions expressed therein.

Notification Of Intent To Contract And Charter Section 1022

The required Notification of Intent to Contract has been filed with the CAO Clearinghouse for this proposed request for bids.

MBE/WBE/OBE Subcontractor Outreach Program

The qualified contractors are required to comply with the MBE/WBE/OBE Subcontractor Outreach Program during Phase Two. The Request for Proposal was advertised with anticipated participation levels of 12 percent MBE and 5 percent WBE. The qualified contractors submitted adequate Good Faith Effort documentation.

Subconsultant information for Waste Management of Los Angeles, Community Recycling & Resource Recovery, Inc. and Eco-Logics, Inc. is as follows:

Gender/Ethnicity Codes:

AA = African American AS = Hispanic American
 APA = Asian Pacific American SAA = Subcontinent Asian American
 NA = Native American C = Caucasian
 M = Male F = Female

Waste Management of Los Angeles - Valley Area

Listed Subconsultants	Gender/ Ethnic.	MBE/ WBE/ OBE	% of Contract	Contract Amount
J.I. Gandara Transport Inc.	M/HA	MBE	14.94%	\$99,138.00
Total MBE Participation			14.94%	\$99,138.00
Total WBE Participation			0.00%	\$0.00
Total OBE Participation			0.00%	\$0.00
Total Contract				\$663,462.00

*Per Mayor's memorandum dated April 26, 2004 regarding restriction on contracts with public relations companies, Ted Short & Associates, Lovejoy & Company, and Strategy Workshop, Inc. will not be included in this contract. All three firms were originally listed in the proposal to perform public relations work.

BUREAU OF SANITATION
 BUREAU OF CONTRACT ADMINISTRATION
 JOINT BOARD REPORT NO. 1
 MAY 26, 2004

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Community Recycling & Resource Recovery, Inc. - Valley Area

Listed Subconsultants	Gender/ Ethnic.	MBE/ WBE/ OBE	% of Contract	Contract Amount
Jose Mora Trucking		OBE	12.86%	\$117,228.00
Total MBE Participation			0.00%	\$0.00
Total WBE Participation			0.00%	\$0.00
Total OBE Participation			12.86%	\$117,228.00
Total Contract				\$911,568.50

ACR
 8286
 Probes
 7.37

Waste Management of Los Angeles - Central Area

Listed Subconsultants	Gender/ Ethnic.	MBE/ WBE/ OBE	% of Contract	Contract Amount
J.I. Gandara Transport Inc.	M/HA	MBE	14.94%	\$142,818.00
Total MBE Participation			14.94%	\$142,818.00
Total WBE Participation			0.00%	\$0.00
Total OBE Participation			0.00%	\$0.00
Total Contract				\$956,043.00

*Per Mayor's memorandum dated April 26, 2004 regarding restriction on contracts with public relations companies, Ted Short & Associates, Lovejoy & Company, and Strategy Workshop, Inc. will not be included in this contract. All three firms were originally listed in the proposal to perform public relations work.

Eco-Logics, Inc. - Western Area

Listed Subconsultants	Gender/ Ethnic.	MBE/ WBE/ OBE	% of Contract	Contract Amount
Cabo Transport & Services Intl	M/HA	MBE	28.96%	\$256,840.00
Gold Coast Resources	M/HA	MBE	8.91%	\$79,021.00
Total MBE Participation			37.87%	\$335,861.00
Total WBE Participation			0.00%	\$0.00
Total OBE Participation			0.00%	\$0.00
Total Contract				\$886,878.00

Headquarters Address and Work Force Information

Ecologics Headquarters Address:
 1926 Hobart Drive, Camarillo, CA 93010

Ecologics Work Force Information: The percentage of their workforce residing in the City of Los Angeles is 60 percent.

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Waste Management (Valley) Headquarters Address:
9081 Tujunga Avenue Sun Valley, CA 92352

Waste Management (Valley) Work Force Information: The percentage of their workforce residing in the City of Los Angeles is 47 percent.

Waste Management (Metro) Headquarters Address:
840 S. Mission Road Los Angeles, CA 90023

Waste Management (Metro) Workforce Information: The percentage of their workforce residing in the City of Los Angeles is 55 percent.

Community Recycling Headquarters Address:
9189 DeGarmo Sun Valley, CA 91352

Community Recycling Workforce Information: The percentage of their workforce residing in the City of Los Angeles is 56% percent.

STATUS OF FINANCING

Funds currently budgeted for FY 2004-05 under Fund 100 (General Fund), Account 6020 (Operating Supplies and Expenses), will be used to pay green waste processing fees. In the 2002-2003 fiscal year the City collected over 438,000 tons of green material. The City cost to process this material was \$14,526,000. With the new rates the City is expected to save over \$900,000 annually in the tip fee budget.

(JP AH EZ CMM)

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Respectfully submitted,

COMPLIANCE REVIEW PERFORMED
AND APPROVED BY:

Hannah Choi FOR
HANNAH CHOI, Program Manager
Office of Contract Compliance
Bureau of Contract Administration

Rita L. Robinson
RITA L. ROBINSON
Director
Bureau of Sanitation

Bryan K. Williams
BRYAN K. WILLIAMS
Interim Director
Bureau of Contract Administration

APPROVED AS TO FUNDS:

Craig V. Bloomquist
CRAIG V. BLOOMQUIST, Director
Office of Accounting

Date 5/20/04

Prepared by:
Javier Polanco, SRSSD
213-473-7921

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TRANSMITTAL 2

DEPARTMENT OF PUBLIC WORKS

BUREAU OF SANITATION
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ADOPTED BY THE BOARD
PUBLIC WORKS OF THE CITY
of Los Angeles California
AND REFERRED TO THE MAYOR
NOV 24 2010


Executive Officer

CD: ALL

AUTHORITY TO EXECUTE AMENDMENT NO. 2 TO THE PERSONAL SERVICES CONTRACT NO. C-107485 WITH WASTE MANAGEMENT – BRADLEY LANDFILL AND RECYCLING CENTER FOR THE RECEIPT, PROCESSING, AND REUSE OF RESIDENTIAL GREEN MATERIAL FROM THE VALLEY AND METRO TRANSFER AREAS

RECOMMENDATIONS

1. Approve and forward this report with transmittals to the Mayor with the request that the Board of Public Works (Board) be authorized to execute Amendment No. 2 to Personal Services Contract C-107485 for the final three (3) year contract term with Waste Management – Bradley Landfill and Recycling Center for the receipt, processing, and reuse of residential green material from the Valley and Metro transfer areas;
2. Upon the Mayor's authorization, the President or two (2) members of the Board will execute the amended contract; and
3. Return the executed amended contract to the Bureau of Sanitation (Bureau) for further processing. Contact Board Report Section at (213) 485-4246 for pick-up.

TRANSMITTALS

1. Copy of the adopted Bureau of Sanitation and Bureau of Contract Administration Joint Board Report No. 1, dated May 26, 2004, authorizing the Bureau to execute a three (3) year personal services contract with Waste Management – Bradley Landfill and Recycling Center for the receipt, processing, and reuse of residential green material.
2. Copy of the proposed Amendment No. 2, to Personal Services Contract No. C-107485 between the City of Los Angeles (City) and Waste Management – Bradley Landfill and Recycling Center for the receipt, processing, and reuse of residential green material from the Valley and Metro transfer areas. Originals will be delivered to the Board Office when the Board Report Section is notified at (213) 485-4246 that the amendment is ready for execution.
3. Telephone log to document the MBE/WBE/OBE outreach conducted for adding Ecology Auto Parts as a hauling subcontractor.

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DISCUSSION

Background

The City of Los Angeles, Bureau of Sanitation provides curbside collection of green material to approximately 750,000 single-family residences and small multi-family complexes of four (4) units or less. On a daily average, the Bureau collects approximately 1,700 tons of green material from these customers. The collected green material is sent to both City-owned and privately-owned processing facilities for mulching and composting.

In October 2004, the Bureau established a contract with Waste Management for the receipt, transfer, processing, and beneficial reuse of residential green material (yard trimmings and horse manure) from the Valley and Metro areas. The contract required that Waste Management receives no less than 100 tons of green material per day with a contamination level of up to 50 percent (by volume), provide a transfer site, and remove and dispose of contamination prior to further processing.

Proposed Term of Renewal Contract

On May 26, 2004, the Board approved a personal services contract (Transmittal 1) with Waste Management – Bradley Landfill and Recycling Center for a term of three (3) years with two (2) three (3) year renewal options for a potential total contract term of nine (9) years. Following the end of the first term on October 13, 2007, the contract was renewed for another three (3) year term which will expire on October 13, 2010. Council approval is not required for the execution of the second three (3) year term or the final three (3) year term, since the original Council approval on October 14, 2004 included the renewal options. Waste Management satisfactorily complied with all the contract requirements and therefore, the Bureau recommends extending the contract for another three (3) year term. The new contract term will be from October 14, 2010 through October 13, 2013.

Changes to the Contract

With the proposed Amendment No. 2 (Transmittal No. 2) the Bureau is proposing changing the rate schedule and tonnage delivery limits of green material for both Waste Management facilities serving the Metro and Valley areas (see Tables 1 and 2). The unit cost for the processing of contaminants was reduced by approximately 33 percent. The change in tonnage thresholds as well as the cost reduction in processing contaminants will therefore result in lowering the overall contract cost.

This proposed Amendment No. 2 will also provide the City with the option of utilizing the Waste Management - Waste Transfer and Recycling Center Metro facility (WTR) on an "as-needed" basis, provided the City gives Waste Management a minimum forty eight (48) hour notice of its intent to use WTR. There will be no minimum tonnage requirement and no billing cycle commitment associated with the use of WTR.

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This proposed Amendment No. 2 will also remove the residential weekend drop-off service because the City has not used this service at all. It will also add Ecology Auto Parts as a trucking subcontractor.

In addition, this proposed Amendment No. 2 will reduce the pledged MBE participation level from 18.63 percent to 13.28 percent.

TABLE 1 - RATE SCHEDULE					
WASTE MANAGEMENT – METRO FACILITY	DAILY AVERAGE GROSS TONNAGE DELIVERY INCREMENTS - PER BILLING CYCLE				
	*TPD=Tonnage per day				
	Less than or equal to 100 TPD*	Greater than 100 but less than or equal to 250 TPD	Greater than 250 but less than or equal to 450 TPD	Greater than 450 but less than or equal to 600 TPD	Greater than 600 TPD
Total Processing Rate	\$120.00 Per ton	\$75.00 Per ton	\$63.55 Per ton	\$55.64 Per ton	\$54.14 Per ton
Unit Cost for Processing Contaminants	\$120.00 Per ton	\$70.88 Per ton	\$50.50 Per ton	\$46.05 Per ton	\$44.55 Per ton

TABLE 2 - RATE SCHEDULE					
WASTE MANAGEMENT – VALLEY FACILITY	DAILY AVERAGE GROSS TONNAGE DELIVERY INCREMENTS - PER BILLING CYCLE				
	*TPD=Tonnage per day				
	Less than or equal to 100 TPD*	Greater than 100 but less than or equal to 250 TPD	Greater than 250 but less than or equal to 450 TPD	Greater than 450 but less than or equal to 600 TPD	Greater than 600 TPD
Total Processing Rate	\$120.00 Per ton	\$75.00 Per ton	\$46.38 Per ton	\$37.10 Per ton	\$35.60 Per ton
Unit Cost for Processing Contaminants	\$120.00 Per ton	\$70.88 Per ton	\$61.83 Per ton	\$53.58 Per ton	\$52.08 Per ton

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Annual Costs

In FY 2009-10, the City collected over 402,000 tons of residential green material and the total tip fee payments to green material contractors amounted to \$18,477,738. Of this total amount, \$13,070,690 was paid to Waste Management.

City Policies and Requirements

The contractor shall continue to comply with City policies and requirements as follows:

- Non-Discrimination/Equal Employment Practices/Affirmative Action
- Living Wage Ordinance and Service Contractor Worker Retention Ordinance
- Equal Benefits Ordinance
- Business Tax Registration Certificate
- Child Support Obligation Ordinance
- Slavery Disclosure Ordinance
- Insurance and Performance Bond Requirements
- Americans with Disabilities Act
- Municipal Lobbying Ordinance
- Non-Collusion Affidavit
- Contract History
- Los Angeles Residence Information
- First Source Hiring Ordinance

Notification of Intent to Contract

The required Notification of Intent to Contract was filed with the CAO Clearinghouse on April 8, 2010.

Charter Section 1022

On July 12, 2010, the Office of the City of Administrative Officer (CAO) determined that the work proposed to be contracted can be performed more feasibly by a contractor than by City employees. The CAO findings indicate there is insufficient City staff to perform the proposed green material processing service and additional staff cannot be employed and trained in a timely manner to meet the Bureau's needs.

MBE/WBE/OBE Subcontractor Outreach Program

The City established an MBE/WBE/OBE Subcontractor Outreach Program for this contract with anticipated MBE and WBE participation levels of 12 percent and 5 percent, respectively. When the contract was awarded, the pledged participation levels were 14.94 percent MBE, 0.00 percent WBE, and 0.00 percent OBE. For Amendment No. 1, the pledged participation levels were 18.63 percent MBE, 0.00 percent WBE, and 0.00 percent OBE. As of June 30, 2010, Waste Management has achieved participation levels of 16.92 percent MBE, 0.00 percent WBE, and 0.00 percent OBE. Upon approval of Amendment No. 2, the pledged participation levels will be 13.28 percent MBE, 0.00 percent WBE, and 3.97 percent OBE.

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Under the proposed Amendment No. 2, Ecology Auto Parts will be added as a hauling subcontractor as a backup to Gandara Transport. Waste Management informed the City that it had conducted an outreach to MBE/WBE/OBE transportation companies (Transmittal No. 3) and added Ecology Auto Parts to the City's list of approved green material haulers. Out of the six (6) companies that WM contacted, three (3) haulers submitted a bid. Among the three (3) bids received, Ecology Auto Parts, offered the lowest hauling rate and met Waste Management's green material hauling requirements.

Gender/Ethnicity Codes:

AA=African American

SAA= Subcontinent Asian American

C=Caucasian

M=Male

HA=Hispanic American

APA=Asian Pacific American

NA=Native American

F=Female

The actual MBE/WBE/OBE subcontractor participation levels for Waste Management as of June 30, 2010 are:

Subcontractors	Gender/Ethnicity	MBE/ WBE/ OBE	% of Contract Invoice	Subcontract Amount Invoiced
J.I.Gandara Transport	M/HA	MBE	16.92%	\$6,999,579
Total MBE Participation			16.92%	\$6,999,579
Total WBE Participation			0.00%	\$0
Total OBE Participation			0.00%	\$0
Total Invoiced Amount				\$41,379,754

Upon approval of Amendment No. 2, the pledged participation levels for Waste Management will be 13.28 percent MBE, 0.00 percent WBE, and 3.97 percent OBE.

Subcontractors	Gender/Ethnicity	MBE/ WBE/ OBE	% of Pledged Contract	Pledged Subcontractor Amount
J.I.Gandara Transport	M/HA	MBE	13.28%	\$9,812,453
Ecology Auto Parts		OBE	3.97%	\$2,936,409
Total MBE Participation			13.28%	\$9,812,453
Total WBE Participation			0.0%	\$0
Total OBE Participation			3.97%	\$2,936,409
Anticipated Total Contract Amount				\$73,884,661

Contractor Responsibility Ordinance

The contractor for this project will continue to be subject to compliance with the requirements specified in the City of Los Angeles' Contractor Responsibility Ordinance #173677, [Article 14, Chapter 1, Division 10, L.A.A.C.]. Failure to comply with all requirements specified in this

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ordinance will render the contract subject to termination pursuant to the conditions expressed therein.

Contractor Performance Evaluation

In accordance with Article 13, Chapter 1, Division 10 of the City of Los Angeles Administrative Code, the appropriate City Personnel responsible for the quality control of this personal services contract shall submit a Contractor Performance Evaluation Report to the Bureau of Contract Administration (Department of Public Works) upon completion of this contract.

First Source Hiring Ordinance

This contract is subject to the applicable provisions of First Source Hiring Ordinance as specified in Article 18, Chapter 1, Division 10 of the Los Angeles Administrative Code. Violation of the provisions of this ordinance will render the contract subject to termination and/or other legal remedies that may be available.

Contract Administration

Responsibility for the administration of this contract will be with Solid Resources Support Services Division, Bureau of Sanitation.

Headquarters and Workforce Information

Waste Management (Metro) Headquarters Address:
840 S. Mission Road, Los Angeles, California 90023

Work Force Information: 55 percent of their workforce resides in the City of Los Angeles.

Waste Management (Valley) Headquarters Address:
9081 Tujunga Avenue, Sun Valley, California 92352

Work Force Information: 47 percent of their workforce resides in the City of Los Angeles.

City Attorney Review

The proposed Contract Amendment No. 2 has been approved as to form by the Office of the City Attorney.

STATEMENT AS TO FUNDS

To pay for green material processing contractual services, funding in the amount of \$20,526,598 is available in FY 2010-11. The funding source is Fund 508, Department 50, Account G282, Object 602. Of this total amount, \$12,315,959 will be used to pay Waste Management services. Funding for the years following FY 2010-11 will be identified through the City's annual budget process.

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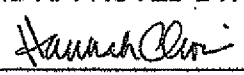
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This contract includes a "Financial Liability Clause" which states that: "The City's liability under this contract shall only be to the extent of the present City appropriation to fund the contract. However, if the City shall appropriate funds for any succeeding years, the City's liability shall be extended to the extent of such appropriation, subject to the terms and conditions of the contract."

Respectfully submitted,

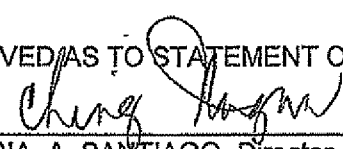

ENRIQUE S. ZALDIVAR, Director
Bureau of Sanitation


COMPLIANCE REVIEW PERFORMED
AND APPROVED BY:


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


JOHN L. REAMER, JR. Director
Bureau of Contract Administration

APPROVED AS TO STATEMENT OF FUNDS


VICTORIA A. SANTIAGO, Director
Office of Accounting
Date: 11/19/10


Prepared by:
Bernadette Halverson, P.E.
Solid Resources Support Services Division
(213) 485-3634