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CALIFORNIA



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OFFICE OF THE BOARD OF PUBLIC WORKS

200 NORTH SPRING STREET
ROOM 361, CITY HALL
LOS ANGELES, CA 90012
(213) 978-0261
(213) 978-0278 Fax

ARLEEN P. TAYLOR
EXECUTIVE OFFICER

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

December 23, 2013

#2 BOS/BCA

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

Subject: AUTHORITY TO AWARD AND EXECUTE PERSONAL SERVICES CONTRACTS FOR HAULING SERVICES FROM THE CITY'S RECYCLING AND TRANSFER STATION (CLARTS) TO DESIGNATED FACILITIES

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 Personal Services Contracts with CR&R Incorporated, Ecology Auto Parts, Inc., Mario Trucking Corp., and K&A Transportation, Inc. for hauling of Municipal Solid Waste from CLARTS to designated facilities.

FISCAL IMPACT

First year (FY 2014-2015) funding will be requested through the normal budgetary process and is as follows: Solid Waste Resources Revenue Fund 508 Account 50_X82 in the amount of \$5,887,918 and CLARTS Trust Fund 47R Account 50_325 in the amount of \$450,000 with a total value of \$6,337,918.

Respectfully submitted,


Arleen P. Taylor, Executive Officer
Board of Public Works

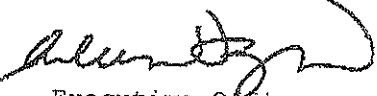
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ADOPTED BY THE BOARD
PUBLIC WORKS OF THE CITY
of Los Angeles California
AND REFERRED TO THE MAYOR
DEC 23 2013

DEPARTMENT OF PUBLIC WORKS

BUREAU OF SANITATION
BUREAU OF CONTRACT ADMINISTRATION
JOINT BOARD REPORT NO. 2
December 23, 2013


Executive Officer

CD: ALL

AUTHORITY TO AWARD AND EXECUTE PERSONAL SERVICE CONTRACTS WITH CR&R Incorporated, Ecology Auto Parts, Inc., Mario Trucking Corp., and K&A Transportation, Inc. FOR HAULING SERVICES FROM CITY OF LOS ANGELES RECYCLING AND TRANSFER STATION (CLARTS) TO DESIGNATED FACILITIES

RECOMMENDATIONS

1. Approve and forward this report with transmittals forthwith to the Mayor and City Council (Council) with the request that the Board of Public Works (Board) be authorized to execute a Personal Services Contracts with CR&R Incorporated, Ecology Auto Parts, Inc., Mario Trucking Corp., and K&A Transportation, Inc. for hauling of Municipal Solid Waste from CLARTS to designated facilities.
2. Upon the Mayor and Council's authorization, the President or two members of the Board will execute the contract;
3. Return the executed contract to the Bureau of Sanitation (Bureau) for further processing. For pick up, contact Antranik Saiyan of Solid Resources Processing & Construction Division (SRPCD) at 213-485-2799 or Quonita Anderson of Sanitation at 213-485-4246.

TRANSMITTALS

1. Copy of the adopted Bureau of Sanitation and Bureau of Contract Administration Joint Board Report No. 1, dated February 1, 2012, authorizing the distribution of a Request for Proposals (RFP) for the Processing/Disposal and Hauling Services for Residual Municipal Solid Waste in the City of Los Angeles.
2. Copy of the adopted Bureau of Sanitation and Bureau of Contract Administration Joint Board Report No. 1, dated January 7, 2013, finding CR&R Incorporated, Ecology Auto Parts, Inc., K&A Transportation, Inc., Mario's Trucking, Corp., and Titan Disposal responsive for successfully completing their respective BIP evaluations.
3. Copy of adopted Joint Board Report No. 1 dated April 8, 2013 authorizing Bureau of Sanitation to negotiate personal services contracts with CR&R Incorporated, Ecology Auto Parts, Inc., Mario's Trucking Corp., and K&A Transportation, Inc. for hauling services.
4. Copy of the proposed Personal Services Contracts between the City of Los Angeles and CR&R Incorporated, Ecology Auto Parts, Inc., K&A Transportation, Inc. and Mario's

Trucking, Corp. Originals will be delivered to the Board Office when Antranik Saiyan (213-485-2799) is notified that the contract is ready for execution.

DISCUSSION

Background

The City of Los Angeles (City) is responsible for the curbside collection of municipal solid waste (MSW) from over 750,000 single family residences and small apartment complexes [less than five (5) units]. On a daily average, the City collects 3,600 tons of refuse and 1,800 tons of yard trimmings from these single family residences and small apartment complexes.

About 1,900 tons per day (tpd) of City collected MSW, 400 tpd of yard trimmings and 300 tpd of commercial waste primarily from South Los Angeles, North Central, and West Los Angeles are transferred through the City's Central Los Angeles Recycling and Transfer Station (CLARTS). CLARTS has a permitted capacity of receiving up to 4,025 tons per day of solid waste.

At CLARTS, the City's Refuse Collection Truck Operators (RCTO's) drop off their loads onto the tipping floor, where the MSW and yard trimmings can be managed separately. The materials are then loaded into long haul trucks/trailers, which are operated by private haulers contracted with the City. City-collected MSW is then hauled to designated sites, mainly to the Sunshine Canyon Landfill and Waste Management's El Sobrante Landfill. The yard trimmings received at CLARTS are hauled to designated green waste processing facilities.

Contracts with the existing private haulers expired on December 31, 2011. After December 2011 Hauling Services were continued to be provided on a month to month extension. Currently, services are being continued through a letter of agreement executed on 9/27/2013 and due to expire on December 31, 2013. These hauling services are crucial to managing residential waste generated from the South Los Angeles, North Central, and West Los Angeles wastesheds.

The release of the Request for Proposals (RFP) for Processing/Disposal and Hauling Services for Residual Municipal Solid Waste (MSW) in the City of Los Angeles was authorized by the Board on February 1, 2012 (Transmittal #1).

The RFP Process

The RFP solicited two separate types of services, 1) Processing/Disposal services and 2) Hauling services. Proposers were allowed to propose on either or both of the requested services. Proposers who wanted to propose on both services were instructed to submit two separate proposals.

On the submittal deadline, the City received a total of ten (10) proposals, five (5) proposals for processing/disposal services, and five (5) proposals for hauling services. One (1) company proposed on both services. All proposals were sent to the Bureau's Centralized Contract Unit (CCU) for evaluation of the Business Inclusion Program (BIP) outreach requirement. CCU deemed all of the proposers responsive to the City's BIP outreach requirement, with the exception of City Terrace Recycling, LLC. The Board approved CCU's BIP recommendations on January 7, 2013 (Transmittal #2).

The evaluation and scoring of the technical proposals for hauling services were completed by an Evaluation Panel consisting of five (5) Bureau of Sanitation Solid Resources staff who evaluated the proposals based on the criteria established in the RFP.

HAULING SERVICES – Proposer Evaluations

In response to the RFP, five (5) proposals were submitted: CR&R Incorporated, Ecology Auto Parts, Inc., Mario Trucking Corp., K&A Transportation, Inc., and Titan Disposal.

The five (5) proposers, who successfully completed their BIP outreach were evaluated and ranked according to the evaluation criteria set forth in the RFP: Prior Experience 10%, Technical Requirements 20%, proposal responsiveness 10% and proposed service fee 60%.

Table 1 shows ranks and scores for each hauling proposer that was evaluated.

Table 1. Scores and Ranks of the Hauling Proposals

Rank	Proposer	Score
1	CR&R Incorporated	95
2	Ecology Auto Parts, Inc.	85
3	Mario's Trucking Corp.	70
4	K&A Transportation, Inc.	67
5	Titan Disposal LLC	48

CR&R Incorporated, Ecology Auto Parts, Mario's Trucking and K&A Transportation. Inc. proposals completely responded to each section of the RFP. Including their past experience with CLARTS, responsiveness and technical ability, they were found to satisfy the needs of the City.

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Titan is a new company incorporated in February 2012. At the time the evaluations were made, the company did not own any trucks or trailers.

On April 8, 2013, the Board adopted the Joint Report (Transmittal #3) requesting authority to negotiate personal services contracts with CR&R Incorporated, Ecology Auto Parts, Inc., Mario's Trucking Corp., and K&A Transportation, Inc. for hauling services. Negotiations with all four (4) haulers have concluded and attached are the proposed contracts (Transmittal #4) for which the Bureau is requesting execution.

Table 2 shows negotiated transportation service fees per load for CR&R Incorporated, Ecology Auto Parts, Inc., Mario's Trucking Corp., and K&A Transportation, Inc. for a list of destinations to which we presently haul or could potentially haul in the future. Also there is a negotiated service fee per load and per mile for new destinations (Item #16).

Table 2. Service Fees per Load for Various Destinations

Destination (Mileage RT)	Address	CR&R	Ecology	Mario	K&A
El Sobrante (128)	1200 West City Ranch Rd Palmdale, CA 93551	\$290	\$319	\$320	\$320
Sunshine (60)	14747 San Fernando Rd Sylmar, CA 91342	\$187.78	\$187.78	\$187.78	\$187.78
Bradley (42)	9081 Tujunga Ave. Sun Valley, CA 91352	\$157	\$157	\$157	\$157
Victorville (184)	18600 Stoddard Wells Rd Victorville, CA 92307	\$400	\$400	\$400	\$400
Other Destinations	\$2.32/mile over 200 miles and less than 300 miles return	\$2.32/mile	\$2.32/mile	\$2.32/mile	\$2.32/mile

Additional Contract Requirements

CR&R Incorporated, Ecology Auto Parts, Inc., Mario's Trucking Corp., and K&A Transportation, Inc. also agreed to additional contract requirements that will improve the contractor's and City employees' safety and reduce air emissions. Some of these requirements are listed below:

South Coast Air Quality Management District (SCAQMD) Rule 1193 Compliance

The Contract requires the Contractor to comply with SCAQMD Rule 1193 "Clean Air on-road residential & commercial refuse collection vehicles." Rule 1193 requires all haulers who execute contracts with Public Agencies to procure clean fuel vehicles when replacing trucks designated for providing hauling services under the Contract.

EMPLOYER PULL NOTICE (EPN) PROGRAM

The Contractor shall have all drivers enrolled in the EPN Program as sponsored by the California Department of Motor Vehicles for the purpose of encouraging driver safety. The Contractor shall produce driver records every six months to the City consisting of an action/activity report from the EPN program. An unsatisfactory record of performance can lead to the City banning drivers from operating at CLARTS. Repeated records of unsatisfactory performance by a majority of the Contractor's drivers is grounds for terminating the Agreement. The Contractor shall submit a signed copy of acknowledging commitments to have drivers enrolled in the EPN Program.

The Contractor agrees to operate the vehicles at all times in a safe manner, in full compliance with all speed limits and other highway and traffic safety laws and the rules and regulations of the CLARTS and Designated Sites. Repeated violations of rules & regulations of CLARTS and Designated Sites is grounds for terminating the Agreement with the Contractor.

BIENNIAL INSPECTION OF TERMINAL (BIT)

The CONTRACTOR shall have all vehicles and trailers employed at the CLARTS registered in the BIT Program as administered by the California Highway Patrol (CHP). The Contractor agrees to permit the City upon request to review records of all fleet vehicles enrolled in the BIT Program. Repeated records of unsatisfactory maintenance of vehicles as revealed through the BIT Program is grounds for terminating the Agreement with the Contractor

PROPOSED TERM OF AGREEMENT AND COST CEILING

The proposed Hauling contract term with all four haulers will be for five (5) years, with one (1) 5-year renewal option. The total estimated contract ceiling for the first 5-year term and the one (1) 5-year renewal option is \$19,929,413 for each hauler for a total of \$79,717,654.

BUSINESS INCLUSION PROGRAM

On January 7, 2013 the Board approved the Bureau recommendation that CR&R Incorporated, Ecology Auto Parts, Inc., Mario Trucking Corp., and K&A Transportation, Inc. be found responsive in successfully completing their respective BIP evaluations (Transmittal #2).

At the time of distribution of the RFP for these services, the City established anticipated participation levels for this contract of 4% MBE, 2% WBE, 1% SBE, 1% EBE & 1% DVBE. Ecology Auto Parts, Inc. has pledged participation levels of 1.65 percent MBE, 0 percent WBE, 0 percent SBE, 0 percent EBE, 42.12 percent DVBE, and 42.12 percent OBE (Table 3). CR&R Incorporated, Mario Trucking Corp., and K&A Transportation, Inc. did not pledge to utilize any subcontractors and therefore have zero participation levels for all categories.

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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

Table 3

SUBCONTRACTOR	MBE/WBE/OBE/SBE/EBE/DVBE	GENDER/ETHNICITY	% OF CONTRACT AMOUNT	SUBCONTRACT AMOUNT
I.D. Industries	MBE	M/HA	1.65%	\$328,835
Oasis Fuels, Inc.	DVBE		42.12%	\$8,394,269
Total MBE Participation			1.65%	\$328,835
Total WBE Participation			0	0
Total OBE Participation			42.12%	\$8,394,269
Total SBE Participation			0	0
Total EBE Participation			0	0
Total DVBE Participation			42.12%	\$8,394,269
Base Estimated Contract Amount				\$19,929,413

OTHER CITY POLICIES AND REQUIREMENTS

CR&R Incorporated, Ecology Auto Parts, Inc., Mario Trucking Corp., and K&A Transportation, Inc. shall comply with all City requirements, including:

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

NOTIFICATION OF INTENT TO CONTRACT

The required Notification of Intent to Contract was filed on August 16, 2010 with the CAO Clearinghouse.

CHARTER SECTION 1022

The CAO issued the 1022 determination report on January 5, 2011 and determined that there was an insufficient number of City staff to perform the work proposed to be contracted.

CONTRACTOR RESPONSIBILITY ORDINANCE

All contractors participating in this program are subject to compliance with the requirements specified in the City of Los Angeles's Contractor Responsibility Ordinance #173677, [Article 14, Chapter 1, Division 10, L.A.C.C.]. Failure to comply with the requirements specified in this ordinance will render the bidder's 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 quality control of this personal services contract shall submit Contractor Performance Evaluation Reports to the Bureau of Contract Administration upon completion of these contract.

LOS ANGELES RESIDENCE INFORMATION

The headquarters of **CR&R Incorporated** is 11292 Western Ave. P. O. BOX 125 **STANTON, CA 90680**. **CR&R Incorporated** employs 1208 people, of which 120 reside in the City of Los Angeles.

The headquarters of **Mario's Trucking Corp.** is 1901 S. Alameda Street Suite 113, **Los Angeles, CA 90058**. **Mario's Trucking Corp.** employs 25 people, of which 25 reside in the City of Los Angeles.

The headquarters of **Ecology Auto Parts, Inc.** is 14150 Vine Place **Cerritos, CA 90703**. **Ecology Auto Parts, Inc.** employs 520 people, of which 61 reside in the City of Los Angeles.

The headquarters of **K&A Transportation, Inc.** is 7050 Stansbury Avenue **Van Nuys, CA 91405**. **K&A Transportation, Inc.** employs 8 people, of which 7 reside in the City of Los Angeles.

APPROVED AS TO FORM

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

CONTRACT ADMINISTRATION

Responsibility for the administration of this contract will be with the Solid Resources Processing & Construction Division, Bureau of Sanitation.

STATUS OF FINANCING

First year (FY 14-15) funding will be requested through the normal budgetary process and is as follows: Solid Waste Resources Revenue Fund 508 Account 50_X82 in the amount of \$5,887,918 and CLARTS Trust Fund 47R account 50_325 in the amount of \$450,000 with a total value of \$6,337,918.

The 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 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.

Total for Fiscal Years 2015-2024 Funds in the amount of \$79,717,652 will be requested during the budget process as follows:

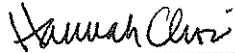
	Fund-Department	Account	Amount Available
FY 2014-2015	508/50	50Xx82	\$5,887,918
	47R/50	50X320	\$450,000
FY 2015-2016	508/50	50Xx82	\$6,182,314*
	47R/50	50X320	\$472,500*
FY 2016-2017	508/50	50Xx82	\$6,491,430*
	47R/50	50X320	\$496,125*
FY 2017-2018	508/50	50Xx82	\$6,816,001*
	47R/50	50X320	\$520,931*
FY 2018-2019	508/50	50Xx82	\$7,156,801*
	47R/50	50X320	\$546,978*
FY 2019-2020	508/50	50Xx82	\$7,514,641*
	47R/50	50X320	\$574,327*
FY 2020-2021	508/50	50Xx82	\$7,890,373*
	47R/50	50X320	\$603,043*
FY 2021-2022	508/50	50Xx82	\$8,284,892*
	47R/50	50X320	\$633,195*
FY 2022-2023	508/50	50Xx82	\$8,699,137*
	47R/50	50X320	\$664,855*
FY 2023-2024	508/50	50Xx82	\$9,134,093*
	47R/50	50X320	\$698,098*
TOTAL			\$79,717,652

*5% annual increase was allowed to account for CPI increase and tonnage increase.

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December 23, 2013

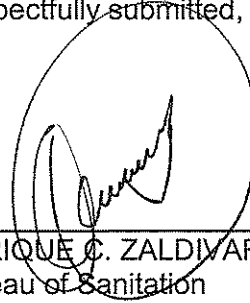
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COMPLIANCE REVIEW PERFORMED
AND APPROVED BY:



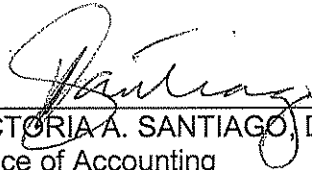
HANNAH CHOI, Program Manager
Office of Contract Compliance
Bureau of Contract Administration

Respectfully submitted,



ENRIQUE C. ZALDIVAR, Director
Bureau of Sanitation

APPROVED AS TO FUND: 



VICTORIA A. SANTIAGO, Director
Office of Accounting



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

Date: 12/19/13

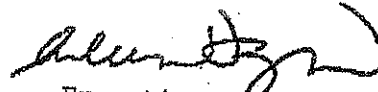
Prepared by:
Antranik Saiyan, SRPCD
213) 485-2799

DEPARTMENT OF PUBLIC WORKS

BUREAU OF SANITATION
 BUREAU OF CONTRACT ADMINISTRATION
 JOINT BOARD REPORT NO. 1
 FEBRUARY 1, 2012

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

FEB - 1 2012


 Executive Officer

CD: ALL

AUTHORITY TO DISTRIBUTE A REQUEST FOR PROPOSALS (RFP) AND TO NEGOTIATE CONTRACTS FOR PROCESSING/DISPOSAL and HAULING SERVICES FOR RESIDUAL MUNICIPAL SOLID WASTE (MSW) IN THE CITY OF LOS ANGELES

RECOMMENDATIONS

Authorize the Director of Bureau of Sanitation (Bureau) to:

1. Distribute and advertise the transmitted Request for Proposals (RFP) for the Processing/Disposal and Hauling services for residual municipal solid waste in the City of Los Angeles.
2. Evaluate the proposals, select, and interview the most qualified proposer(s) based on established rating criteria.
- ** 3. Return to the Board with recommendations on negotiating a contract to perform the work.

TRANSMITTALS

1. Copy of the RFP for the Processing/Disposal and Hauling Services for Residual Municipal Solid Waste in the City of Los Angeles.
2. Copy of the mailing list for distribution of the RFP.

DISCUSSION

Project Background:

The City of Los Angeles (City) is responsible for the collection of residential municipal solid waste (MSW) from over 750,000 single family residences and small apartment complexes (four (4) units or less). On a daily average, the City collects 3,600 tons of residual MSW (i.e., post-source separated MSW or black bin material), 1,800 tons of yard trimmings (i.e., green bin material), and 900 tons of recyclables (i.e., blue bin material) from these single family residences and small apartment complexes.

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February 1, 2012

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The Bureau operates a fleet of over 770 heavy-duty vehicles for the collection of residential MSW from six collection districts or wastesheds: East Valley, West Valley, West Los Angeles, North Central, South Los Angeles, and Harbor.

About 1,300 tpd (36 percent) of residual MSW collected in the East Valley and West Valley wastesheds is directly hauled to Republic Service's Sunshine Canyon Landfill (SCL) in Sylmar (C-93688). South Los Angeles, North Central, and West Los Angeles districts deliver about 1,870 tpd (52 percent) of residual MSW to the City's Central Los Angeles Recycling and Transfer Station (CLARTS). Of the 1,870 tons transloaded at CLARTS, 1,270 tons is hauled to SCL and 600 tons is hauled to Waste Management's El-Sobrante Landfill in Corona (C-110742). The West Los Angeles collection district also delivers about 230 tpd (6.4 percent) of residual MSW to the Southern California Disposal & Recycling (SCD) transfer station in Santa Monica (C-109961) to be transloaded for transport to SCL. In the Harbor wasteshed, about 100 tpd (2.8 percent) of residual MSW is transloaded and hauled through the Falcon Transfer Station (owned by Republic Services), and another 100 tpd (2.8 percent) is sent to the South East Resource Recovery Facility (SERRF) in Long Beach for energy recovery. SERRF is owned by the City of Long Beach and the County Sanitation Districts of Los Angeles through a Joint Powers Authority agreement.

At CLARTS, the residual MSW is transloaded onto semi-tractor trailers operated by contracted private haulers. In addition, private waste (100 to 150 tpd) received at CLARTS is transloaded into semi-tractor trailers for transport to designated landfills. CLARTS also anticipates accepting yard trimmings material at their facility and will separately transload and transport this material to designated facilities for processing into mulch or compost. CLARTS has a capacity of receiving up to 4,025 tpd of solid waste.

The Bureau's disposal service contracts with Waste Management's El-Sobrante, Palmdale, and Lancaster landfills were approved by the Board on August 18, 2006 and have expired on December 31, 2011. These disposal services are important to the Bureau's efforts to maintain contingent disposal services at competitive rates. In addition, City contracts with the private haulers (Mario's Trucking (C-107821), Cabo Transport (C-107822), K&A Transportation (C-107823), and Ecology Auto Parts (C-107824)) for waste transportation from CLARTS were approved by the Board on August 30, 2004, and all have expired as of December 31, 2011. The hauling services are crucial to managing residual MSW generated from the South Los Angeles, North Central, and West Los Angeles wastesheds. On November 16, 2011, the Board adopted a Motion to extend all these contracts on a month-to-month basis until new contracts are fully executed.

Therefore, the City seeks the distribution of a new RFP (Transmittal #1) to replace the existing disposal and hauling contracts to fulfill the City's needs. The ability for the City to contract with more than one disposal facility has served the City well, especially in the event of an emergency or adverse condition at one of the primary disposal sites.

In addition, it is prudent for the City to secure these contingent disposal services at a competitive rate prior to the closure of the Puente Hills Landfill in Whittier on October 31, 2013. When the Puente Hills Landfill closes, the capacity for the Los Angeles Region to dispose of about 12,000 tpd of residual MSW will be lost, generating less disposal capacity in the region and therefore likely increasing landfill disposal costs.

Proposed Term of Contract:

The proposed contract term for each contract will be five (5) years with one (1) renewal option for an additional five (5) years. These proposed contracts will replace the existing contracts with Waste Management (C-110742), Mario Trucking (C-107821), Cabo Transport (C-107822), K&A Transportation (C-107823), and Ecology Auto Parts (C-107824).

REQUEST FOR PROPOSALS (RFP):

This RFP is a solicitation for proposals from qualified and experienced contractors to provide the following services, which are separated into PART 1 and PART 2:

PART 1: PROCESSING / DISPOSAL SERVICES

1. Processing and/or disposal services for 300 tpd (minimum) up to 600 tpd (maximum) of residual MSW.

Processing may include existing technologies for resource recovery or beneficial reuse as an alternative to directly disposing the material.

PART 2: HAULING SERVICES

1. Hauling services for up to 500 tpd of private waste from CLARTS to sites designated by the City.
2. Hauling services for 1,800 to 2,500 tpd of residual MSW from CLARTS to Sunshine Canyon Landfill and other sites designated by the City.
3. Hauling services for up to 400 tpd of yard trimmings to designated facilities.

The above listed tonnages are subject to change depending on operational and/or economic conditions.

Private haulers will be required to comply with the California Air Resources Board's Certified Best Available Control Technology (BACT) for Particulate Matter (PM) and Nitrogen Oxide (NO_x) reduction and any regulations under the South Coast Air Quality Management District's Fleet Rule 1193 for clean on-road residential and commercial refuse collection vehicles.

Rationale for Using a RFP

The RFP process is being employed to solicit available services for the greatest benefit to the City at the most competitive rate. A review committee consisting of City staff will evaluate all proposals to determine which proposal or combination of proposals according to the evaluation criteria identified in Tables 1 and 2 will bring the greatest benefit to the City. Separate evaluation teams will be formed for the processing/disposal services and the hauling services proposals, respectively.

Selection Process and Evaluation Criteria:

The Bureau will send a letter to all firms listed in Transmittal No. 2 notifying them of the RFP. Review of proposals will be conducted by two (2) separate Bureau evaluation teams, one for Processing/Disposal Services and another for Hauling Services, in accordance with the evaluation criteria listed below. The Bureau will then negotiate contract(s) with the most qualified proposer(s). The Bureau will return with a recommendation to the Board for authorization to enter into contract(s) with the selected proposer(s) and forward the contract(s) to the Mayor and City Council for approval.

Table 1. Evaluation Criteria for Processing/Disposal Services Proposals

Item No.	Category	Points
1	Prior Experience <ul style="list-style-type: none"> • At least 5 years of operational experience • Statement of Qualifications • Reference Facilities 	0 - 10
2	Proposal Responsiveness <ul style="list-style-type: none"> • Overall responsiveness to RFP guidelines and objectives 	0 - 10
3	Technical Requirements <ul style="list-style-type: none"> • Overall feasibility of operations • City capacity • Adequate supplies, equipment, and staffing • Permit and Regulatory compliance • Contingency plans 	0 - 20
4	Financial Requirements <ul style="list-style-type: none"> • Performance bonds • Financial statements 	0 - 20
5	Proposed Service Fee <ul style="list-style-type: none"> • Based on a cost per ton (\$/ton) • All-inclusive cost for services • Direct-haul and Transfer-haul options 	0 - 40
TOTAL MAXIMUM POINTS		100

Table 2. Evaluation Criteria for Hauling Services Proposals

Item No.	Category	Points
1	Prior Experience <ul style="list-style-type: none"> • At least 5 years of operational experience • Statement of Qualifications 	0 - 10
2	Proposal Responsiveness <ul style="list-style-type: none"> • Overall responsiveness to RFP guidelines and objectives 	0 - 10
3	Technical Requirements <ul style="list-style-type: none"> • Overall feasibility of operations • Adequate supplies, equipment, and staffing • Permit and Regulatory compliance • Employer Pull Notice Program 	0 - 20
4	Proposed Service Fee <ul style="list-style-type: none"> • Based on a cost per load (\$/load) for each designated delivery site • All-inclusive cost for services 	0 - 60
TOTAL MAXIMUM POINTS		100

Business Inclusion Program:

The Business Inclusion Program will be in compliance with the Mayor's Executive Directive No. 14. The Bureau has established anticipated participation levels of 4 percent MBE, 2 percent WBE, 1 percent SBE, 1 percent EBE, and 1 percent DVBE for each of the contracted services.

Local Business Preference Program:

The award of each contract will be subject to the Local Business Preference Program requirements.

World Wide Web:

The RFP will be posted on the City's World Wide Web site in compliance with City Council Motion 95-1060S2 (www.labavn.org).

Newspaper/Journal Announcement:

Upon authorization from the Board, this RFP will be advertised in at least one local newspaper.

Compliance with Board RFP Policy:

As per Board policy, the RFP was delivered to the Secretary of the Board prior to Board consideration thereof.

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February 1, 2012

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Other City Requirements:

All proposers will be required to comply with the following City policies and requirements:

- City Business Tax Registration Certificate
- City of Los Angeles Non-Discrimination – Equal Employment Opportunity – Affirmative Action Program
- Insurance and Bonds
- Equal Benefits Ordinance package
- Business Inclusion Program Requirements
- Living Wage Ordinance and Service Contractor Worker Retention Ordinance
- Slavery Disclosure Ordinance
- Los Angeles Residence Information Form
- Non-Collusion Affidavit
- Municipal Lobbying Ordinance/ Bidder Certification CEC Form 50
- City of Los Angeles Contract History form
- First Source Hiring Ordinance
- Contract Bidder Campaign Contribution and Fundraising Restrictions/ Bidder Certification CEC Form 55
- Child Support Obligation Policy
- Americans with Disabilities Act
- Local Business Preference Program

Attachments and forms pertaining to these requirements are included in the RFP.

Notification of Intent to Contract:

The required Notification of Intent to Contract was filed with the Office of the City Administrative Officer (CAO) Clearinghouse on August 16, 2010.

Charter Section 1022:

The Office of the CAO released the Charter 1022 determination on January 5, 2011 stating that there is insufficient existing City staff to perform the work proposed to be contracted and additional staff cannot be employed and trained in a timely manner to meet the department's needs. In addition, the CAO noted that the City cannot perform the disposal services as it does not currently own or operate a landfill or alternative technology processing facility. There is also insufficient City staff to perform the waste hauling tasks, which may necessitate the acquisition of vehicles, equipment, fleet storage, and maintenance facilities which may not serve the City's best interest, and that the Contractor will be responsible for the handling of the residual MSW beyond the CLARTS distribution point.

Contractor Responsibility Ordinance:

The most qualified proposer will 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 the Ordinance will render the bidder's 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 these Personal Services Contracts shall submit Contractor Performance Evaluation Reports to the Bureau of Contract Administration upon completion of the contract.

Contract Administration:

The Bureau of Sanitation's Solid Resources Support Services Division (SRSSD) will manage the disposal/processing contract(s) and the Solid Resources Processing and Construction Division (SRPCD) will manage the hauling contract(s).

Estimated Value of Contract:

The estimated value over ten (10) years (including one (1) five (5) year contract term with one (1) five (5) year renewal option) of the contracts is \$57,724,812 for disposal/processing services and \$64,473,758 for hauling services. The funding sources are the Solid Waste Resource Revenue Fund (Fund 508) and the Central Los Angeles Recycling and Transfer Station Fund (Fund 47R). There is no impact to the General Fund.


Future Action:

Subsequent to the negotiation of the contract, the Bureau will request the Board for authority to award and execute the contract(s) negotiated with the highest rated proposer(s).

Respectfully submitted,


ENRIQUE C. ZALDIVAR, Director

COMPLIANCE REVIEW PERFORMED
AND APPROVED BY:


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

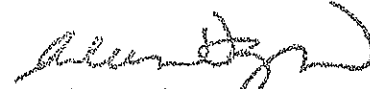

JOHN L. REAMER JR., Director
Bureau of Contract Administration

Prepared by:
Rowena Romano, SRSSD
(213) 485-3626

DEPARTMENT OF PUBLIC WORKS

ADOPTED BY THE BOARD
PUBLIC WORKS OF THE CITY
Los Angeles CaliforniaBUREAU OF SANITATION
Board Report No. 2
January 7, 2013

JAN - 7 2013


Executive Officer

CD: ALL

PROCESSING/DISPOSAL SERVICES AND HAULING SERVICES FOR MUNICIPAL
SOLID WASTE IN THE CITY OF LOS ANGELES BUSINESS INCLUSION PROGRAM
(BIP) RESULTSRECOMMENDATIONS

1. Find City Terrace Recycling, LLC non-responsive for failing to successfully complete the BIP evaluation.
2. Find Chiquita Canyon Landfill, CR&R, Inc., Ecology Auto Parts, Inc., K&A Transportation, Inc., Mario's Trucking, Corp., San Bernardino County, Titan Disposal, and Waste Management responsive for successfully completing the BIP evaluation.

TRANSMITTALS

1. Copy of the adopted Bureau of Sanitation (Bureau) motion, dated November 16, 2011, authorizing the Bureau to extend the hauling service contracts on a month-to-month basis until the new contracts are executed.
2. Copy of the adopted Bureau of Sanitation (Bureau) and Bureau of Contract Administration Joint Board Report No. 1, dated February 1, 2012, authorizing the Bureau to distribute a Request for Proposals (RFP) and to negotiate contracts for the Processing/Disposal and Hauling Services for Residual Municipal Solid Waste (MSW) in the City of Los Angeles.
3. Copy of the RFP for the Processing/Disposal and Hauling Services for Residual Municipal Solid Waste (MSW) in the City of Los Angeles.
4. Copy of the letter sent by the Bureau, Centralized Contracts Unit (CCU) to City Terrace Recycling, LLC, dated October 24, 2012, regarding the BIP evaluation of City Terrace Recycling, LLC.

DISCUSSION**Background**

The City of Los Angeles (City) is responsible for the collection of residential municipal solid waste (MSW) from over 750,000 single family residences and small apartment complexes (four (4) units or less). On a daily average, the City collects 3,600 tons of residual MSW (i.e., post-source separated MSW or black bin material), 1,800 tons of yard trimmings (i.e. green bin material), and 900 tons of recyclables (i.e. blue bin material) from these single family residences and small apartment complexes.

The Bureau operates a fleet of over 770 heavy-duty vehicles for the collection of residential MSW from six collection districts or wastesheds: East Valley, West Valley, West Los Angeles, North Central, South Los Angeles, and Harbor.

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About 1,300 tpd (36 percent) of residual MSW collected in the East Valley and West Valley wasteshed is directly hauled to Republic Service's Sunshine Canyon Landfill (SCL) in Sylmar (C93688), South Los Angeles, North Central, and West Los Angeles districts deliver about 1,870 tpd (52 percent) of residual MSW to the City's Central Los Angeles Recycling and Transfer Station (CLARTS). Of the 1,870 tons transloaded at CLARTS, 1,270 tons is hauled to SCL and 600 tons is hauled to Waste Management's El-Sobrante Landfill in Corona (C110742). The West Los Angeles collection district also delivers about 230 tpd (6.4 percent) of residual MSW to the Southern California Disposal & Recycling (SCD) transfer station in Santa Monica (C109961) to be transloaded for transport to SCL. In the Harbor wasteshed, about 100 tpd (2.8 percent) of residual MSW is transloaded and hauled through the Falcon Transfer Station (owned by Republic Services), and another 100 tpd (2.8 percent) is sent to the South East Recovery Facility (SERRF) in Long Beach for energy recovery. SERRF is owned by the City of Long Beach and the County Sanitation Districts of Los Angeles through a Joint Powers Authority agreement.

At CLARTS, the residual MSW is transloaded onto semi-tractor trailers operated by contracted private haulers. In addition, private waste (100 to 150 tpd) received at CLARTS is transloaded into semi-tractor trailers for transport to designated landfills. CLARTS also accepts yard trimmings material at their facility, and separately transloads and transports this material to designated facilities for processing into mulch or compost. CLARTS has a capacity of receiving up to 4,025 tpd of solid waste.

The Bureau's disposal service contracts with Waste Management's El-Sobrante, Palmdale, and Lancaster landfills were approved by the Board on August 18, 2006 and expired on December 31, 2011. These disposal services are important to the Bureau's efforts to maintain contingent disposal services at competitive rates. In addition, City contracts with the private haulers (Mario's Trucking (C107821), Cabo Transport (C107822), K&A Transportation (C107823), and Ecology Auto Parts (C107824)) for waste transportation from CLARTS were approved by the Board on August 30, 2004, and all have expired as of December 31, 2011. The hauling services are crucial to managing residual MSW generated from the South Los Angeles, North Central, and West Los Angeles wastesheds. On November 16, 2011, the Board adopted a Motion to extend all these contracts on a month-to-month basis until new contracts are full executed (Transmittal No. 1).

On February 1, 2012, the Board of Public Works (Board) authorized the Bureau to distribute a RFP and to negotiate a contract for Processing/Disposal and Hauling Services for Residual Municipal Solid Waste (MSW) in the City of Los Angeles (Transmittal No. 2). The RFP (Transmittal #3) would replace the existing disposal and hauling contracts to fulfill the City's needs.

The ability for the City to contract with more than one disposal facility has served the City well, especially in the event of an emergency or adverse condition at one of the primary disposal sites. In addition, it is prudent for the City to secure these contingent disposal services at a competitive rate prior to the closure of the Puente Hills Landfill in Whittier on October 31, 2013. When the Puente Hills Landfill closes, the capacity for the Los Angeles Region to dispose of about 12,000 tpd of residual MSW will be lost, generating less disposal capacity in the region and therefore likely increasing landfill disposal costs.

Scope of Services

PART 1: PROCESSING / DISPOSAL SERVICES

1. Processing and/or disposal services for 300 tpd (minimum) up to 600 tpd (maximum) of residual MSW.
2. Processing and/or disposal services for up to 3,000 tpd of residual MSW during adverse conditions at the City's primary disposal facilities.

Processing may include existing technologies for resource recovery or beneficial reuse as an alternative to directly disposing the material.

PART 2: HAULING SERVICES

1. Hauling services for up to 500 tpd of private waste from CLARTS to sites designated by the City.
2. Hauling services for 1,800 to 2,500 tpd of residual MSW from CLARTS to Sunshine Canyon Landfill and other sites designated by the City.
3. Hauling services for up to 400 tpd of yard trimmings to designated facilities.

The above listed tonnages are subject to change depending on operational and/or economic conditions.

Proposed Term of Agreement and Estimated Value of the Contract

The proposed contract term for each contract will be five (5) years with one (1) renewal option for an additional five (5) years. The estimated value over ten (10) years (including one (1) five (5) year contract term with one (1) five (5) year renewal option) of the contracts is \$57,724,812 for disposal/processing services and \$64,473,758 for hauling services. The funding sources are the Solid Waste Resource Revenue Fund (Fund 508) and the Central Los Angeles Recycling and Transfer Station Fund (Fund 47R). There is no impact to the General Fund.

Business Inclusion Program (BIP)

It is the policy of the City of Los Angeles to provide Minority Business Enterprises (MBEs), Women Business Enterprises (WBEs), Small Business Enterprises (SBEs), Emerging Business Enterprises (EBEs), Disabled Veteran Business Enterprises (DVBEs), and all Other Business Enterprises (OBEs) an equal opportunity to participate in the performance of City contracts. For the purpose of this RFP, the City set anticipated participation levels of four percent (4 %) MBE, two percent (2%) WBE, one percent (1%) SBE, one percent (1%) EBE, and one percent (1%) DVBE based upon the potential areas of work which may be subcontracted.

On February 1, 2012, the Board of Public Works (Board) authorized the Bureau to distribute a Request for Proposals (RFP) and to negotiate a contract for Processing/Disposal and Hauling Services for Residual Municipal Solid Waste (MSW) in the City of Los Angeles. (Transmittal No. 2) Nine (9) proposals were received in response to the RFP with the May 30, 2012 due date. The Bureau's 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 Attachment F of the RFP, and to successfully complete the seven (7) indicators of the BIP Outreach Requirements.

After a detailed review and evaluation by CCU of the BIP documentation submitted by the nine (9) proposers (Chiquita Canyon Landfill, City Terrace Recycling, LLC, CR&R, Inc., Ecology Auto Parts, Inc., K&A Transportation, Inc., Mario's Trucking, Corp., San Bernardino County, Titan Disposal, and Waste Management) CCU found Chiquita Canyon Landfill, CR&R, Inc., Ecology Auto Parts, Inc., K&A Transportation, Inc., Mario's Trucking, Corp., San Bernardino County, Titan Disposal, and Waste Management to be responsive, each successfully completing all of the BIP requirements. However, CCU determined City Terrace Recycling, LLC failed to successfully complete all of the BIP requirements. CCU emailed correspondence, dated October 24, 2012, to City Terrace Recycling, LLC notifying them of being found Nonresponsive. (Transmittal No. 4)

City Terrace Recycling, LLC did not issue a response to CCU's evaluation of their BIP documentation. As a result, CCU is recommending to the Board of Public Works that City Terrace Recycling, LLC be deemed non-responsive for failing to successfully complete the BIP evaluation.

The following summary of the indicator in contention (Indicator 6) lists:

- (1) The required documentation for Indicator 6;
- (2) City Terrace Recycling, LLC submitted documentation; and
- (3) City Terrace Recycling, LLC stated response to clarification; and
- (4) CCU's response.

Indicator (6)-Negotiated in Good Faith

The requirement for this indicator states that: *"The proposer has responded to every unsolicited offer sent by a Registered Subcontractor using BAVN and has evaluated in good faith bids or proposals submitted by interested MBEs, WBEs, SBEs, EBEs, DVBEs, and OBEs. Proposers must not unjustifiably reject as unsatisfactory a bid or proposal offered by a Registered Subcontractor, as determined by the Awarding Authority. The proposer must submit a list of all subcontractors for each item of work, including dollar amounts of potential work for MBEs, WBEs, SBEs, EBEs, DVBEs, and OBEs, and a copy of any and all bids or proposals received. This list must include an explanation of the evaluation that lead to the bid or proposal being rejected and the explanation must have been communicated to the subcontractor using BAVN. Required Documentation shall include: a) Schedule A MBE/WBE/SBE/EBE/DVBE/OBE Subconsultants Information Form; b) An online Summary Sheet organized by work area, listing the following: 1) The responses and/or bids received; 2) The name of the subconsultant who submitted the bid/quote; 3) A brief reason given for selection/non-selection as a subconsultant; c) Copies of all potential MBE/WBE/SBE/EBE/DVBE/OBE bids or quotes received must be submitted prior to award of a contract by the City; The reasons for selection/non-selection should be included in the notes section of the online Summary Sheet. If the proposer elects to perform a listed work area with its own forces, they must include a bid/quote for comparison purposes and an explanation must be provided and included on the summary sheet. All bids/quotes received, regardless of whether or not the proposer outreached to the subconsultant, must be submitted and included on the on-line Summary Sheet. To that extent, the City expects the proposer to submit a bid from each subconsultant listed on the online Summary Sheet, including those listed on the proposer's Schedule A. All potential subcontractors with whom the bidder has had contact outside of the BAVN must be documented on the online Summary Sheet."*

City Terrace Recycling, LLC failed to submit any BIP outreach documentation under the City Terrace Recycling, LLC name to the Bureau of Sanitation. In addition, City Terrace Recycling, LLC did not outreach, negotiate or select the subcontractor Southland Disposal Company, as indicated on the submitted Southland Disposal Company BAVN summary sheet and Schedule A.

City Terrace Recycling, LLC said in response to the clarification sent by CCU *"the relationship between Southland Disposal and City Terrace Recycling regarding our proposal is a Joint Venture. I will send you our Joint Venture Agreement tomorrow morning when I return to my office."*

Per the Business Inclusion Program Requirements (Attachment F), page seven, of the RFP (Transmittal #3), *"only BIP outreach documentation submitted under the bidders name will be evaluated. Therefore submission by a third party will result in the bidder being deemed non-responsive."* In this case, City Terrace Recycling, LLC submitted a proposal to the Bureau of Sanitation. All throughout this proposal, whether it was noted on its header/footer or throughout its verbiage on the Signature and Authority page and elsewhere stated, *"City Terrace Recycling is pleased to submit the enclosed proposal Processing/Disposal of MSW for the City of Los Angeles."* Clearly City Terrace Recycling, LLC submitted a proposal for the Processing/Disposal of MSW for the City of Los Angeles project. However when referencing the BAVN contact history, which lists all the proposers who conducted outreach to subcontractors for the aforementioned project, there is no mention of City Terrace Recycling, LLC. Instead a company called Southland Disposal Company conducted and submitted the subcontractor outreach for the Processing/Disposal of MSW for the City of Los Angeles, which again is a violation of the Business Inclusion Program (BIP) Requirements cited above. Please note a Joint Venture Agreement was never sent nor mentioned again following the City Terrace Recycling electronic correspondence. Being the case, City Terrace Recycling, LLC should have conducted and submitted the BIP outreach documentation under its own name. Failure to do so results in City Terrace Recycling, LLC being recommended as non-responsive, as third party representative, Southland Disposal Company, cannot conduct nor submit BIP outreach documentation on behalf of City Terrace Recycling, LLC.

Within the RFP, it states, *"All potential subcontractors with whom the bidder has had contact outside of the BAVN must be documented on the online Summary Sheet."* For the purpose of this proposal, City Terrace Recycling, LLC is a processor of solid waste. Southland Disposal Company is a hauler of solid waste. Both are completely separate organizations and offer a different description of work. Being the case, City Terrace Recycling, LLC, which is the proposer for the Processing/Disposal and Hauling Services for Residual Municipal Solid Waste (MSW) in the City of Los Angeles project would be considered the primary proposer; whereas Southland Disposal Company would be considered the subcontractor to City Terrace Recycling. Therefore, if City Terrace Recycling intent was to utilize Southland Disposal Company as a subcontractor on this project, which according to the electronic mail correspondence was the case, City Terrace Recycling should have electronically sent mail to Southland Disposal Company, negotiated and finally select Southland Disposal Company. In addition, documentation in the form(s) of an electronic written notice to a subconsultant, a listing on the BAVN online summary sheet, as well as the Schedule A should have been apparent. However Southland Disposal Company was not documented on any of the three documents; therefore cannot be utilized on this contract, on behalf of City Terrace Recycling, LLC, even with the intent stated in the aforementioned electronic correspondence.

Failure to outreach and negotiate with Southland Disposal Company is a violation of the Business Inclusion Program Requirements as subconsultants cannot arbitrarily be added or deleted, and pledged dollar values cannot deviate from the subcontractor bids without the approval of the Board of Public Works, as per the MBE/WBE/SBE/EBE/DVBE/OBE subcontractor outreach program policy. To simply add a subconsultant, such as Southland Disposal Company and/or pledged dollar value, at any time, without prior approval, is in direct violation of the RFP. In addition, even with the inclusion on the Schedule A, a reasonable interpretation would indicate that City Terrace Recycling, LLC failed to negotiate in good faith.

Therefore, without City Terrace Recycling, LLC satisfactorily completing and submitting the BIP outreach documentation under the City Terrace Recycling, LLC name, as well as failing to properly perform outreach and negotiation with the subcontractor, Southland Disposal Company, a reasonable interpretation would indicate that City Terrace Recycling, LLC did not negotiate in good faith or complete the Business Inclusion Program to the satisfaction of the BIP requirements. As a result, CCU would recommend City Terrace Recycling, LLC, as non-responsive both on Indicator 6 and the Business Inclusion Program.

Summary

The Bureau of Sanitation, Central Contracts Unit, acknowledges receipt of Chiquita Canyon Landfill, City Terrace Recycling, LLC, CR&R, Inc., Ecology Auto Parts, Inc., K&A Transportation, Inc., Mario's Trucking, Corp., San Bernardino County, Titan Disposal, and Waste Management BIP documentation. Of the nine (9) BIP proposals submitted, eight (8) are recommended as responsive, (Chiquita Canyon Landfill, CR&R, Inc., Ecology Auto Parts, Inc., K&A Transportation, Inc., Mario's Trucking, Corp., San Bernardino County, Titan Disposal, and Waste Management), while the remaining proposer, City Terrace Recycling, LLC, did not successfully complete the BIP outreach requirements and is recommended as non-responsive according to the BIP evaluations performed by CCU, and as discussed throughout this Board Report. After reviewing all documentation submitted by City Terrace Recycling, LLC, CCU is unable to recommend City Terrace Recycling, LLC as having successfully completed the BIP outreach requirements. Therefore, CCU recommends the Board find City Terrace Recycling, LLC as a non-responsive proposer for failing to successfully complete the BIP requirements, and Chiquita Canyon Landfill, CR&R, Inc., Ecology Auto Parts, Inc., K&A Transportation, Inc., Mario's Trucking, Corp., San Bernardino County, Titan Disposal, and Waste Management as responsive for the Processing/Disposal and Hauling Services for Residual Municipal Solid Waste (MSW) in the City of Los Angeles Request for Proposals. Upon authorization from the Board, the Bureau will return to the Board for authority to negotiate and award the Processing/Disposal and Hauling Services for Residual Municipal Solid Waste (MSW) personal services contract with the selected proposer(s).

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Respectfully Submitted,



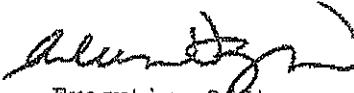
ENRIQUE C. ZALDIVAR, Director
Bureau of Sanitation

Prepared by:
Bryan Cowitz, ADM
(213) 485-3697

DEPARTMENT OF PUBLIC WORKS

ADOPTED BY THE BOARD
PUBLIC WORKS OF THE CITY
of Los Angeles CaliforniaBUREAU OF SANITATION
BUREAU OF CONTRACT ADMINISTRATION
JOINT BOARD REPORT NO. 1
April 8, 2013

APR - 8 2013


Executive Officer

CD: ALL

AUTHORITY TO NEGOTIATE PERSONAL SERVICES CONTRACTS FOR THE
PROCESSING/DISPOSAL AND HAULING SERVICES FOR RESIDUAL MUNICIPAL
SOLID WASTE (MSW) IN THE CITY OF LOS ANGELESRECOMMENDATIONS

Authorize the Director of the Bureau of Sanitation (Bureau) to:

1. Negotiate contracts with USA Waste dba Waste Management El-Sobrante and San Bernardino County for disposal services.
2. Negotiate contracts with CR&R Inc., Ecology Auto Parts, Inc., Mario's Trucking Corp., and K&A Transportation, Inc. for hauling services.
3. Return to the Board of Public Works (Board) for authority to award and execute the contracts.

TRANSMITTALS

1. Copy of Bureau of Sanitation and Bureau of Contract Administration Joint Board Report No. 1, dated February 1, 2012, requesting authority to distribute an RFP for the Processing/Disposal and Hauling Services for Residual Municipal Solid Waste in the City of Los Angeles.
2. Copy of Request For Proposals (RFP) for the Processing/Disposal and Hauling Services for Residual Municipal Solid Waste (MSW) in the City of Los Angeles.
3. Copy of Addenda 1 through 6 to the RFP for the Processing/Disposal and Hauling Services for Residual Municipal Solid Waste (MSW) in the City of Los Angeles as posted on Los Angeles Business Assistance Virtual Network (LABAVN).
4. Copy of Board Report, dated January 7, 2013, requesting approval of Business Inclusion Program (BIP) results.

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DISCUSSION

Project Background

The Request for Proposals (RFP) solicitation for Processing/Disposal and Hauling Services for Residual Municipal Solid Waste (MSW) in the City of Los Angeles was authorized by the Board on February 1, 2012 (Transmittal No. 1). The RFP was made available on the Los Angeles Business Assistance Virtual Network (LABAVN) on February 8, 2012 (Transmittal No. 2). A pre-proposal meeting was held at the Public Works Building on February 22, 2012, in which a total of 51 people attended. Addenda 1, 2, and 3 were issued to address changes to the RFP. Answers to questions asked by proposers were posted on LABAVN on March 7, 2012 (Addendum 4). The original proposal submittal deadline was March 30, 2012; however, at the request of the proposers, the deadline was extended until April 30, 2012 (Addendum 5), and again extended for the same reason, to May 30, 2012 (Addendum 6). Addenda 1 to 6 can be found in Transmittal No. 3.

The RFP solicited two (2) separate types of services, 1) Processing/Disposal services and 2) Hauling services for residual MSW. Proposers were allowed to propose on either or both of the requested services. Proposers who wanted to propose on both services were required to submit two (2) separate proposals.

On the submittal deadline, the City received a total of ten (10) proposals, five (5) proposals for processing/disposal services, and five (5) proposals for residual MSW hauling services. One (1) company proposed on both services. All proposals were sent to the Bureau's Centralized Contracts Unit (CCU) for evaluation of the BIP outreach requirements. CCU deemed all of the proposers responsive to the City's BIP outreach requirements, with the exception of City Terrace Recycling, LLC. The Board approved CCU's BIP results on January 7, 2013 (Transmittal 4).

The evaluation and scoring of the proposals were completed by two (2) separate Evaluation Panels. Following CCU's determination, the two (2) Evaluation Panels completed their evaluation and scoring of only the BIP responsive proposals. Each Evaluation Panel consisted of five (5) Bureau of Sanitation Solid Resources staff who evaluated the proposals based on the criteria established in the RFP.

RFP EVALUATION - PART 1: PROCESSING/DISPOSAL SERVICES

Scope of Work

1. Processing and/or disposal services for 300 tons per day (tpd) (minimum) up to 600 tpd (maximum) of residual MSW.
2. Processing and/or disposal services for up to 3,000 tpd of residual MSW during adverse conditions at the City's primary disposal facilities.

Description of Proposals

The four (4) processing/disposal proposals were evaluated and are described below. The panel members also conducted local site visits of the proposer's facilities from July 18 to July 26, 2012.

CR&R Incorporated

CR&R proposed two options: 1) process, transport, and dispose or 2) transport and dispose of residual MSW. CR&R's Transfer Material Recovery Facility is located in Stanton, CA, which is 24 miles south of the Central Los Angeles Recycling and Transfer Station (CLARTS). Their processing facility includes a combination of manual and mechanical sorting systems to separate recyclables from the MSW. Sorted recyclables are baled or packaged for end-markets, and the remaining material is landfilled.

CR&R's facility is not located near a freeway, and requires driving through residential and business roadways. Their operating hours are also not consistent with City needs, and at the time of the site visit, CR&R did not have sufficient capacity at their facility to receive City waste. In addition, their proposal lacked the financial documents as requested in the RFP. CR&R is a certified Local Business Enterprise.

MDSI of LA, Waste Connections Inc.

MDSI of LA is a wholly owned subsidiary of Waste Connections, Inc. MDSI proposed three disposal options: 1) Disposal at their Chiquita Canyon landfill located in Castaic, CA (44 miles north of CLARTS) at 600 tons per day and up to 3,000 tons per day during adverse conditions, 2) Disposal at their Avenal Regional landfill located in Avenal, CA (193 miles north of CLARTS) at 600 tons per day and up to 3,000 tons per day during adverse conditions, or 3) Disposal at their Chiquita Canyon landfill as the primary facility, and contingency services at the Avenal Regional landfill.

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JOINT BOARD REPORT NO. 1
April 8, 2013

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MDSI's second option was proposed on the condition that the City would bear the cost of transporting the material to the Avenal Regional Landfill. MDSI's third option was proposed in the event that they are not able to renew their Chiquita Canyon Landfill Conditional Use Permit (CUP) which will expire on November 24, 2019. MDSI is currently in the process of revising their CUP.

The Chiquita Canyon landfill is located near a major freeway and the operating hours are consistent with City needs.

San Bernardino County Department of Public Works Solid Waste Management Division

The San Bernardino County Department of Public Works Solid Waste Management Division proposed disposal capacity of 600 tons per day of residual MSW at their Mid-Valley Landfill in Rialto, CA (54 miles from CLARTS) and up to 3,000 tons per day during adverse conditions. In addition, they offered contingency services at their San Timoteo Landfill located in Redlands, CA (66 miles east of CLARTS).

San Bernardino County contracts with Burrtec Waste Industries, Inc. for the operation and maintenance of their solid waste facilities, whereas the County manages the scales and capital improvement projects.

The Mid-Valley landfill is located near a major freeway. The current operating hours are not consistent with City needs; however per their proposal these hours can be modified.

USA Waste of California, Waste Management

USA Waste of California is a wholly owned subsidiary of Waste Management. USA Waste of California proposed disposal capacity for 600 tons per day of residual MSW at the Waste Management El-Sobrante Landfill located in Corona, CA (58 miles from CLARTS) and up to 3,000 tons per day during adverse conditions. In addition, they offered 100 tons per day contingency disposal services at their Simi Valley Landfill located in Simi Valley, CA (46 miles northwest of CLARTS).

USA Waste of California dba Waste Management was created in 1994, and operates as a public-private partnership with Riverside County. Waste Management conducts all operations of the landfill while Riverside County controls transactions at the scale house. USA Waste of California has previously held contracts with the City for residual MSW disposal services since 2006 (C-110742), providing their El-Sobrante landfill for primary disposal of residual MSW, and Lancaster and Palmdale Landfills for contingency disposal services.

The landfill is located near a major freeway, and the operating hours maintained is consistent with the City's needs.

Evaluation and Scoring of Proposals

The Evaluation Panel scored and ranked the processing/disposal proposers based on the RFP criteria and the facility site visits. The scoring was based on the following criteria:

- Prior Experience (10%),
- Proposal Responsiveness (10%),
- Technical Requirements (20%),
- Financial Requirements (20%),
- Proposed Service Fee (40%).

The following table shows the rank and score of each processing/disposal proposer.

Table 1. Scores and Ranks of the Processing/Disposal Proposals

Rank	Proposer	Score
1	USA Waste of California / Waste Management	91.79
2	San Bernardino County Department of Public Works Solid Waste Management Division	86.79
3	MDSI of LA, Waste Connections	68.72
4	CR&R	46.87

USA Waste of California was ranked first with a score of 91.79. As a whole, their proposal was found to satisfy and exceed the needs of the City. The City has held contracts with USA Waste of California dba Waste Management and their company has proven to be reliable. Their personnel have been very responsive to the City, especially when the City's primary facility (i.e., Sunshine Canyon Landfill) experiences adverse conditions. The City has not experienced any adverse conditions days at the El-Sobrante landfill whereby disposal services could not be rendered to the City. Furthermore, Waste Management has several other locally available landfills that may provide the City with multiple disposal alternatives during adverse conditions. The El-Sobrante landfill does not have any CUP conditions on its Solid Waste Facility Permit, and has an estimated closure date of Year 2045.

San Bernardino County was ranked second with a score of 86.79. As a whole, their proposal was found to satisfy the needs of the City. Although the operating hours at the landfill are from 7 AM to 5 PM, per their proposal, these hours can be modified as necessary. In addition, the proposal offered contingency services at the Timoteo Landfill. The Mid-Valley Landfill does not have any CUP conditions on its Solid Waste Facility Permit, and has an estimated closure date of Year 2033.

MDSI of LA (Waste Connections) was ranked third with a score of 68.72. The Chiquita Canyon Landfill has a pending CUP expiration date of November 24, 2019, and the proposed contingent landfill is 193 miles north of Los Angeles. Thus the proposal does not provide the operational flexibility needed by the City.

CR&R was ranked fourth with a score of 46.87. The proposed facility does not have sufficient capacity for City waste nor did the proposal provide sufficient planning for contingencies during disruptions. In addition, the operating hours are not consistent with City needs. Therefore, the proposal does not fully meet the needs of the City.

RFP EVALUATION - PART 2: HAULING SERVICES

Scope of Work

1. Hauling Services for up to 500 tpd of private waste from CLARTS to disposal sites designated by the CITY.
2. Hauling Services for 1,800 to 2,500 tpd of residual MSW from CLARTS to Sunshine Canyon Landfill and other sites designated by the CITY.
3. Hauling Services for up to 400 tpd of yard trimmings to designated facilities.

Description of Proposals

Five (5) hauling services proposals were evaluated. The panel members conducted interviews from August 23 to August 28, 2012.

CR&R Incorporated

CR&R proposed to haul solid waste from CLARTS to all destinations requested by the RFP at the cost terms proposed with no specified base price for the fuel. CR&R proposed to haul the solid waste using trucks and trailers they currently own that are compliant with South Coast Air Quality Control Management District's Rule 1193.

CR&R has been providing hauling services from CLARTS as a subcontractor of Cabo Transport Services since January 2011 (C-107822).

Mario's Trucking

Mario's Trucking proposed to haul solid waste from CLARTS to all destinations requested by the RFP at the cost terms proposed with a specified fuel base price. Mario Trucking proposed to haul the solid waste using trucks and trailers they currently own that are compliant with South Coast Air Quality Control Management District's Rule 1193.

Mario's Trucking has been providing hauling services from CLARTS since January 2005 (C-107821).

Ecology Auto Parts

Ecology Auto Parts proposed to haul solid waste from CLARTS to all destinations requested by the RFP at the cost terms proposed with a specified fuel base price. Ecology Auto Parts proposed to haul the solid waste using trucks and trailers they currently own that are compliant with South Coast Air Quality Control Management District's Rule 1193.

Ecology Auto Parts have been providing hauling services from CLARTS since September 2008 (C-107824).

K&A Transportation

K&A Transportation proposed to haul solid waste from CLARTS to all destinations requested by the RFP at the cost terms proposed with a specified fuel base price. K&A Transportation proposed to haul the solid waste using trucks and trailers they currently own that are compliant with South Coast Air Quality Control Management District's Rule 1193.

K&A Transportation has been providing hauling services from CLARTS since January 2005 (C-107823).

Titan Disposal

Titan Disposal proposed to haul solid waste from CLARTS to all destinations requested by the RFP at the cost terms proposed with no specified base price for the fuel. Titan Disposal proposed to haul the solid waste using trucks and trailers that they will purchase after the signing of the contract with the City that are compliant with South Coast Air Quality Control Management District's Rule 1193.

Titan Disposal has not provided hauling services for CLARTS in the past.

Evaluation and Scoring of Proposals

The Evaluation Panel scored and ranked the hauling proposers based on the RFP evaluation criteria as follows:

- Prior Experience (10%),
- Proposal Responsiveness (10%),
- Technical Requirements (20%),
- Proposed Service Fee (60%).

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The following table shows the rank and score of each hauler proposer that was evaluated.

Table 2. Scores and Ranks of the Hauling Proposals

Rank	Proposer	Score
1	CR&R Incorporated	95
2	Ecology Auto Parts, Inc.	85
3	Mario's Trucking Corp.	70
4	K&A Transportation, Inc.	67
5	Titan Disposal LLC	48

CR&R Incorporated, Ecology Auto Parts, Mario's Trucking and K&A Transportation proposals completely responded to each section of the RFP. As a whole, including their past experience with CLARTS, responsiveness and technical ability were found to satisfy the needs of the City. Average service fees were calculated to include the 14 destinations and the alternate site service fee for each proposer to allocate the rankings and scores for service fees.

Titan disposal was the least responsive. Titan is a new company incorporated in February 2012 with no trucks or trailers.

Proposed Term of Contracts

The term of agreement for each contract will be for five (5) years from the date of contract execution with one (1) five-year renewal option.

City Requirements

The selected contractor(s) will be required to comply with the following City policies and requirements:

- City Business Tax Registration Certificate
- City of Los Angeles Non-Discrimination – Equal Employment Opportunity – Affirmative Action Practices
- Insurance and Bond Requirements
- Equal Benefits Ordinance
- Living Wage Ordinance and Service Contractor Worker Retention Ordinance
- Slavery Disclosure Ordinance
- Los Angeles Residence Information Form
- Non-Collusion Affidavit
- Municipal Lobbying Ordinance/ Bidder Certification CEC Form 50
- City of Los Angeles Contract History form
- First Source Hiring Ordinance
- Contract Bidder Campaign Contribution and Fundraising Restrictions/ Bidder Certification CEC Form 55
- Child Support Obligation Policy
- Americans with Disabilities Act

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Attachments and forms pertaining to these requirements are included in the RFP.

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 these personal services contracts shall submit Contractor Performance Evaluation Reports to the Bureau of Contract Administration upon completion of the contracts.

Contractor Responsibility Ordinance

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

Notification of Intent to Contract:

The required Notification of Intent to Contract was filed with the Office of the City Administrative Officer (CAO) Clearinghouse on August 16, 2010.

Charter Section 1022:

On January 5, 2011, CAO determined that there is insufficient existing City staff to perform the proposed work.

Business Inclusion Program:

In compliance with the Mayor's Executive Directive No. 14, the Bureau established anticipated participation levels of 4% MBE, 2% WBE, 1% SBE, 1% EBE, and 1% DVBE.

The pledged participation levels as shown in the tables below were submitted with the proposals. However, as negotiations are pending, the subcontractor and total contract dollar amounts have been excluded and will be presented in subsequent Board reports.

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

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The MBE/WBE/OBE subcontractor pledged participation levels for San Bernardino County Department of Public Works Solid Waste Management Division are:

SUBCONTRACTORS	GENDER/ ETHNICITY	MBE/WBE/ OBE	% of CONTRACT AMOUNT
Burrtec Waste Industries	M/C	OBE	40%
Total MBE Pledged Participation			0%
Total WBE Pledged Participation			0%
Total OBE Pledged Participation			40%

CR&R Incorporated, MDSI of LA (Waste Connections), and USA Waste of California dba Waste Management did not have any pledged subcontractor participation levels for processing/disposal of MSW.

The MBE/WBE/OBE subcontractor pledged participation levels for Ecology Auto Parts are:

SUBCONTRACTORS	GENDER/ ETHNICITY	MBE/WBE/ OBE	% of CONTRACT AMOUNT
I.D. Industries	M/HA	MBE	1.6 %
Oasis Fuels	F/C	OBE	42 %
Total MBE Pledged Participation			1.6%
Total WBE Pledged Participation			0%
Total OBE Pledged Participation			42%

The MBE/WBE/OBE subcontractor pledged participation levels for Titan Disposal are:

SUBCONTRACTORS	GENDER/ ETHNICITY	MBE/WBE/ OBE	% of CONTRACT AMOUNT
Patten Energy Enterprises	M/AA	MBE	4 %
Total MBE Pledged Participation			4%
Total WBE Pledged Participation			0%
Total OBE Pledged Participation			0%

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CR&R Incorporated, K&A Transportation, and Mario's Trucking did not have any pledged subcontractor participation levels for hauling of MSW.

Estimated Value of Contract:

The estimated value over the ten (10) years (which includes one (1) five-year contract term with one (1) five-year renewal option) of the contracts is \$57,724,812 for disposal services and \$64,473,758 for hauling services. The funding sources are the Solid Waste Resource Revenue Fund (Fund 508) and the Central Los Angeles Recycling and Transfer Station Fund (Fund 47R). There is no impact to the General Fund.

Future Action:

Subsequent to the negotiation of the contracts, the Bureau will request the Board for authority to award and execute the contracts negotiated with the recommended proposers.

Respectfully submitted,


ENRIQUE C. ZAIDNAR, 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

Prepared by:
Rowena Romano, SRSSD (213-485-3626)
Antranik Saiyan, SRPCD (213-485-2799)