

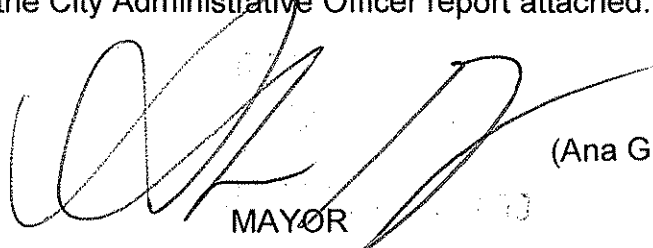
0150-09489-0001

**TRANSMITTAL**

TO The Council	DATE FEB 13 2014	COUNCIL FILE NO.
FROM The Mayor	COUNCIL DISTRICT All	

**Personal Services Contracts with CR&R Incorporated,  
Ecology Auto Parts Incorporated, Mario Trucking Corporation and  
K&A Transportation Incorporated for Hauling Municipal Solid Waste  
From the Central Los Angeles Recycling and Transfer Station (CLARTS)**

Approved and forwarded for consideration.  
See the City Administrative Officer report attached.

  
(Ana Guerrero)  
MAYOR

MAS:EMM:06140062t

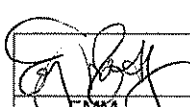
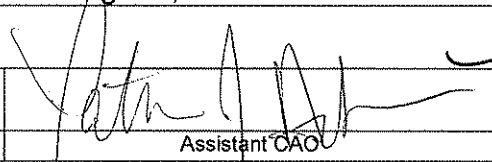
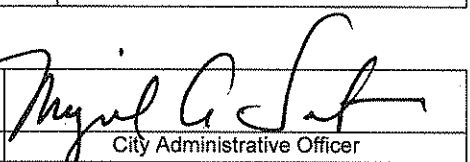
**Report From**  
**OFFICE OF THE CITY ADMINISTRATIVE OFFICER**  
**Analysis of Proposed Contract**  
(\$25,000 or Greater and Longer than Three Months)

To: The Mayor	Date: 02-04-14	C.D. No. All	CAO File No.: 0150-09489-0001
Contracting Department/Bureau: Public Works/Bureau of Sanitation		Contact: Antranik Salyan; (213) 485-2799	
Reference: Transmittal from the Board of Public Works dated December 23, 2013; referred for report on December 26, 2013.			
Purpose of Contract: For hauling services from the City's Central Recycling and Transfer Station to designated facilities.			
Type of Contract: (X) New contract ( ) Amendment		Contract Term Dates: Five years with one five-year renewal option and a second option to extend for an additional twelve months on a month-to-month basis for a total potential term of eleven years.	
Contract/Amendment Amount: \$6,337,918 (estimated first year cost) \$79,717,654 (estimated cost for the entire term of the contract)			
Proposed amount \$ 79,717,654 + Prior award(s) \$ 0 = Total \$ 79,717,654			
Source of funds: Solid Waste Resources and Revenue Fund No. 508 and the CLARTS Trust Fund No. 51			
Name of Contractor: See Report.			
Address: See Report.			
	Yes	No	N/A*
1. Council has approved the purpose	x		
2. Appropriated funds are available	x		
3. Charter Section 1022 findings completed	x		
4. Proposals have been requested	x		
5. Risk Management review completed	x		
6. Standard Provisions for City Contracts included	x		
7. Workforce that resides in the City: see report.			
		8. Contractor has complied with:	
	Yes	No	N/A*
a. Equal Employmt. Oppty./Affirm. Action	x		
b. Good Faith Effort Outreach**	x		
c. Equal Benefits Ordinance	x		
d. Contractor Responsibility Ordinance	x		
e. Slavery Disclosure Ordinance	x		
f. Bidder Certification CEC Form 50	x		
*N/A = not applicable ** Contracts over \$100,000			

**COMMENTS**

In accordance with Executive Directive No. 3, The Board of Public Works (Board), on behalf of the Bureau of Sanitation (Bureau), is requesting authority to execute four Personal Services contracts for solid waste transportation from the City's Central Los Angeles Recycling and Transfer Station (CLARTS) with the following vendors:

Contractor	Address	Workforce Residing in the City of Los Angeles
CR&R Incorporated	11292 Western Ave, Stanton, CA 90680	10%
Ecology Auto Parts, Incorporated	14150 Vine Place, Cerritos, CA 90703	12%
K&A Transportation, Incorporated	7050 Stansbury Avenue, Van Nuys, CA 91405	88%
Mario Trucking Corporation	1901 South Alameda Street Suite 113, Los Angeles, CA 90058	100%

 EMM	Analyst	06140062	 Assistant CAO	 City Administrative Officer
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The term of the proposed contract is five years with one five-year extension option and one month-to-month extension option for a maximum of twelve months for a total term of eleven years. The maximum allowable compensation for the contract is \$19,929,413 for each hauler for a total ceiling of \$79,717,654. In accordance with Los Angeles Administrative Code Section 10.5(a), Council approval is required as the term of the agreements exceeds three years.

## **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. The City's Refuse Collection Truck Operators (RCTOs) collect about 3,600 tons per day (tpd). About 1,900 tons per day of MSW and 300 tpd of commercial waste are transferred through CLARTS. Waste transferred through CLARTS originates primarily from South Los Angeles, North Central and West Los Angeles wastesheds. MSW is dumped from collection vehicles onto the CLARTS tipping floor where it is weighed according to allowable weights per axle and reloaded into long haul trucks for transport to certain designated landfills. Weighing each truck's load ensures compliance with State CalRecycle and Federal Environmental Protection Agency (EPA) laws. Waste transfer stations such as CLARTS help reduce the impact of trucks traveling to and from disposal facilities, as long haul trucks have a larger capacity. The average weight capacity of a long haul truck traveling from CLARTS to a disposal site is approximately 22 or 24 tons depending on the type of vehicle. The primary disposal sites for CLARTS MSW are Sunshine Canyon Landfill (SCL) in Sylmar, CA and El Sobrante Landfill in Corona, CA. Of the 1,900 tpd delivered to CLARTS, 1,300 tpd is delivered to SCL and 600 tpd is delivered to El Sobrante Landfill in Corona, CA in accordance with the Council policy (C.F. 05-1364).

On April 13, 2005, the Council (C.F. 05-0761) authorized the transfer and assumption of four contracts for hauling services assumed by the City through the purchase of the CLARTS facility from Browning-Ferris industries in 2004. On February 19, 2008, the Council (C.F. 08-0261) authorized the Bureau to execute three-year and eleven-month extensions to the contracts. These contracts expired on December 31, 2011. The Board subsequently approved the extension of the contracts on a month-to-month basis until new contracts could be executed.

## **Contractor Selection Process**

In accordance with Charter Section 1022, the Personnel Department determined that City employees have the expertise to perform the work to be contracted. On January 5, 2011, this Office determined that it is more feasible to perform the work by contractor as the City does not have sufficient staff. Additionally, the City assumes less risk through a contractual relationship as the contractor is responsible for compliance with all associated State and Federal regulatory requirements relating to the transport of MSW from CLARTS.

A Request for Proposals (RFP) was issued by the Bureau on February 1, 2012. The RFP included solicitations for both landfill disposal as and waste hauling services. Proposers were allowed to submit separate bids for both types of service. On February 1, 2012, the City received five proposals responding to the hauling services solicitation. The proposals were ranked and scored according to the evaluation criteria set forth in the RFP: Prior experience (10 percent), technical requirements (20 percent), proposal responsiveness (10 percent) and proposed service fee (60 percent). Of the five

proposers, the contractors receiving the four highest scores were found to be the most qualified and on April 8, 2013 the Board authorized the Bureau to negotiate a contract with the Contractor for hauling services.

**Scope of Work**

Under the terms of the contract, the contractors will provide the following services:

- Deliver waste loaded from CLARTS to designated landfills as specified by the City;
- Tarp the vehicles in order to prevent waste from falling out of the trailers during transport to designated sites in accordance with applicable laws;
- At the Contractor's expense, provide a minimum of 12 vehicles dedicated for exclusive use at CLARTS with appropriate capacity and size as specified by the City;
- Register all vehicles employed at CLARTS in the California Highway Patrol (CHP) Biennial Inspection of Terminal (BIT) Program. This program monitors the Contractors' compliance with weight and covering restrictions for waste transport. The CHP retains the ability to halt trucking operations should the Contractor violate the terms of the BIT;
- Comply with the South Coast Air Quality Management District (SCAQMD) Rule 1193 which requires all haulers contracting with Public Agencies to procure clean fuel vehicles when replacing trucks designated for providing services under the contract; and,
- Enroll all driver employees in the Department of Motor Vehicles' (DMV) Employer Pull Notice (EPN) program, and provide the City with driver records every six months.

**Compensation, Invoicing and Payment**

Per Article 10.1 of the contract, the contractors will be required to submit bi-weekly invoices including waste manifests as backup documents for hauling charges. The Bureau's \$6,337,918 first year cost estimate is based on the assumption that the haulers will haul a total of 1900 tpd from CLARTS at an average of 21 tons per truckload. The contractors will be compensated based upon the transportation fees specified in each contract and as indicated in the table below:

**Services Fees per Load for Various Destinations:**

<b>Destination</b> <small>(Mileage Round Trip)</small>	<b>Address</b>	<b>CR&amp;R</b>	<b>Ecology</b>	<b>Mario</b>	<b>K&amp;A</b>
El Sobrante (128)	1200 West City Ranch Road Palmdale, CA 93551	\$290	\$319	\$320	\$320
Sunshine (60)	14747 San Fernando Road Sylmar, CA 91342	\$187.78	\$187.78	\$187.78	\$187.78
Bradley (42)	9081 Tujunga Avenue Sun Valley, CA 91352	\$157	\$157	\$157	\$157
Victorville (184)	18600 Stoddard Wells Road 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

The transportation fees shall be adjusted on a weekly basis according to the Transportation Fuel Adjustment, which accounts for fluctuations in the price of diesel fuel. Weekly diesel prices are

monitored and maintained by the Federal Energy Information Administration. The contractors agree to utilize the shortest available legal truck route from CLARTS to each designated site.

Over the term of the contract, the prices noted in the chart on the previous page are subject to an annual increase of up to five percent. The maximum allowable compensation of \$19.9 million per contractor reflects both the maximum Consumer Price Index (CPI) as well as anticipated growth in tonnage over the potential 10-year term (initial term plus five-year renewal term).

## **RECOMMENDATION**

That the Mayor and Council authorize the Bureau to execute four personal services contracts with CR&R Incorporated, Ecology Auto Parts, K&A Transportation and Mario's Trucking Corporation for a term of five years with one five-year renewal option for a total of ten years, for solid waste hauling services from the Central Los Angeles Recycling and Transfer Station (CLARTS) to designated facilities. The City Attorney has approved these contracts as to form.

## **FISCAL IMPACT STATEMENT**

There is no impact to the General Fund. First year funding for the estimated \$6,337,918 is available in the Solid Waste Resources and Revenue Fund (\$5,887,918) and the Central Recycling Transfer Station Fund (\$450,000) to support the 2014-15 costs of the contract. Funding beyond the current year will be appropriated through the City's budget process, which is subject to Mayor and Council approval. The contract includes a Financial Liability Clause which limits the City's annual financial obligation to the amount approved in the corresponding year's annual budget. The recommendation in this report complies with the City's Financial Policies as ongoing revenue will support ongoing expenditures.