

# CITY OF LOS ANGELES

CALIFORNIA



ERIC GARCETTI  
MAYOR

November 20, 2013

OFFICE OF THE  
BOARD OF PUBLIC WORKS

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ARLEEN P. TAYLOR  
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#3 BOS/BCA

Mayor Eric Garcetti  
Room No. 305  
City Hall

Attn: Mandy Morales


Subject: AUTHORITY TO AWARD AND EXECUTE PERSONAL SERVICES  
CONTRACTS TO PROVIDE ELECTRONIC WASTE (E-WASTE)  
COLLECTION AND RECYCLING SERVICE

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 Electronic Recyclers International, Inc. as a Primary Contractor and with Sims Recycling Solutions as a Back Up Contractor for support of the City's Electronic Waste (E-Waste) Collection and Recycling Services

### FISCAL IMPACT

Funding is available from the Household Hazardous Waste Special Fund 567 and appropriated for expenditure in Sanitation's Fund 100, Department 82, Account 003040, "Residential Special Materials collections facilities and mobile events contract" line item 76 in Fiscal Year 2013-2014.

Respectfully submitted,

  
Arleen P. Taylor, Executive Officer  
Board of Public Works

APT:mp

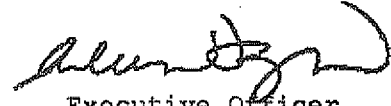




DEPARTMENT OF PUBLIC WORKS

BUREAU OF SANITATION  
BUREAU OF CONTRACT ADMINISTRATION  
JOINT BOARD REPORT NO. 3  
NOVEMBER 20, 2013

ADOPTED BY THE BOARD  
PUBLIC WORKS OF THE CITY  
of Los Angeles California  
AND REFERRED TO THE MAYOR  
NOV 20 2013



Executive Officer

CD: ALL

AUTHORITY TO AWARD AND EXECUTE PERSONAL SERVICE CONTRACTS WITH ELECTRONIC RECYCLERS INTERNATIONAL, INC. AS A PRIMARY (PRIME) CONTRACTOR AND SIMS RECYCLING SOLUTIONS AS A SECONDARY (BACK UP) CONTRACTOR TO PROVIDE ELECTRONIC WASTE (E-WASTE) COLLECTION AND RECYCLING SERVICE

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#### RECOMMENDATIONS

1. Approve and forward this report with transmittals to the Mayor, and City Council (Council) with the request that the Board of Public Works be authorized to execute a Personal Services Contract with Electronic Recyclers International, Inc. as a Primary Contractor and a Personal Services Contract with Sims Recycling Solutions as a Back Up Contractor for support of the City's E-Waste Collection and Recycling Services.
2. Upon the Mayor's and Council's authorization, the President or two members of the Board will execute the contracts;
3. Return the executed contracts to the Bureau of Sanitation (Sanitation) for further processing. For pick up, contact Brian Ahn of Solid Resources Citywide Recycling Division (SRCRD) at 213-485-3827 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 dated August 25, 2010 authorizing the distribution of a Request for Proposals (RFP) to provide E-Waste collection and recycling services and negotiate a contract with the selected proposer.
2. Copy of the adopted Board Report dated October 1, 2012 finding Electronic Waste Center (E-Waste Center) non-responsive for failure to achieve a passing score on the Good Faith Effort (GFE) and finding Cal Micro Recycling, Electronic Recyclers International, Inc., and Sims Recycling Solutions to be responsive on their respective GFE evaluations.

3. Copy of the proposed Personal Services Contracts between the City of Los Angeles and Electronic Recyclers International, Inc. and City of Los Angeles and Sims Recycling Solutions. Originals will be delivered to the Board Office when Brian Ahn (213-485-3827) is notified that the contract is ready for execution.

## DISCUSSION

### **Background**

Collection of electronics and computer equipment started in the City of Los Angeles (City) in November 2000, where unwanted TVs, VCRs, computers, and other electronic equipment were accepted through the City's Residential Special Materials (RSM) Program. Initially RSM and E-Waste were collected and processed under a single contract. However, as the City's RSM Program grew and the quantity of E-Waste collected increased, staff recognized the need to establish separate contracts for RSM and E-Waste. The City also needed tighter control and oversight of the processes and recycling of E-Waste. In 2005, the City established contracts for the processing and recycling of E-Waste. Currently the City contracts with Electronic Recycling International (ERI) (Contract C-111595) as the Primary Contractor and E-Recycling (Contract C-111596) as the Back Up Contractor for the collection, processing and recycling of E-Waste. These contracts expired in May 2010. On May 5, 2010, the Board approved a motion to extend these contracts on a month-to-month basis until new contracts are executed.

Effective July 1, 2004, the Electronics Recycling Act of 2003 (SB 20) codified the collection and processing of E-Waste in the Public Resources Code (PRC) Sections 24260 to 42485. The Electronics Recycling Act requires that retailers collect a front-end fee from consumers for each computer monitor, TV, or other CRT-related device sold by the retailer. For the purpose of these regulations the State of California (State) refers to computer monitors, TVs, or other CRT-related devices as "covered electronic devices". Retailers began collecting fees on January 1, 2005. Monies collected by retailers are remitted to the Department of Resources Recycling and Recovery (CalRecycle) for disbursement to authorized recyclers and collectors of covered electronic devices at the rate of \$0.23/lb. for recycling and \$0.16/lb. for collection. The State only reimburses for covered electronic waste (computer monitors, TVs, or other CRT-related devices). The State does not reimburse for other electronic waste such as computers, printers, and cell phones. The City filed an application with CalRecycle on October 28, 2004, to become an approved Collector. On February 4, 2005, CalRecycle approved Sanitation as a Certified Collector of covered electronic waste.

The City does not get reimbursed directly from CalRecycle for the collection of covered electronic waste. Claims for reimbursement are submitted to CalRecycle by the recycler (E-Waste contractors for the City). CalRecycle distributes all reimbursements directly to the recycler and in turn the recycler reimburses the collector. Although the state designated \$0.16/lb for collection, Sanitation was able to negotiate higher reimbursement rates through its E-Waste contracts. Currently the City is reimbursed \$0.22/lb for covered electronic waste. In addition, under the current contract with ERI the City is also reimbursed for the collection of computers. Under the contract with ERI, there is no charge for the processing and recycling of other E-Waste.

Since the program began in 2000, the City has collected over 28 million pounds of E-Waste through the S.A.F.E. Collection Centers and mobile events. During Fiscal Year 2011-2012, Sanitation received \$248,914.92 in reimbursements through the E-Waste contracts. Revenue from these contracts helps to offset the cost of maintaining facilities open to the residents for free recycling of their E-Waste and RSM such as paint, household chemicals, fluorescent tubes, electrical switches, mercury gauges, thermostats, and household batteries.

### **Summary of Proposals**

On August 25, 2010, the Board authorized Sanitation to distribute a RFP to select and negotiate contracts to operate the City's RSM Management Program and E-Waste Transportation and Processing (Transmittal No. 1). Proposers could submit proposals for either RSM, E-Waste, or both.

On November 2, 2010, Sanitation received two (2) proposals for RSM and six(6) proposals for E-Waste. Recommendations contained in this report are for the E-Waste Program only. The Board executed the contract for the primary RSM contractor on November 2, 2012.

### **Selection of Proposers**

In response to the advertised RFP, six (6) proposals were submitted: Alianza; All Green Electronics Recycling, LLC; Cal Micro Recycling; E-Waste Center; Electronic Recyclers International, Inc.; and Sims Recycling Solutions. All Green Electronics Recycling, LLC, submitted its proposal after the deadline, thus the proposer was deemed non-responsive.

The five (5) proposers, submitting proposals by the deadline, were evaluated and ranked by their reimbursement rates; and, charges for labor, materials, and transportation. Alianza was found to be the most expensive and provided the least reimbursement of the remaining five (5) proposers and hence was not included on the short list.

The short list included four (4) final proposers: Cal Micro Recycling, E-Waste Center, Electronic Recyclers International, Inc., and Sims Recycling Solutions.

Staff made unannounced site visits to the final four proposers' designated locations. Sanitation prepared a non-joint Board Report recommending that the GFE for Electronic Recyclers International, LLC, Cal Micro Recycling, and Sims Recycling Solutions be found responsive and that the GFE for E-Waste Center be deemed non-responsive. On October 1, 2012, the Board approved Sanitation's recommendation (Transmittal No. 2). As a result, Electronic Recyclers International, LLC, Cal Micro Recycling, and Sims Recycling Solutions were invited to give presentations for their proposals.

Based on the proposal, presentation, and site visits, Cal Micro Recycling, Electronic Recyclers International, Inc., and Sims Recycling Solutions were evaluated on their abilities to meet the objectives of the RFP and scored based on the evaluation criteria in the RFP as follows: Record of Past Performance (20 Points), Technical Proposal (25 Points), Proposal Price (45 Points), and Waste Management (10 Points). The selection panel of three RSM staff reviewed all proposals. Based on staff's evaluation, three proposers are ranked as follows:

| Selection Criteria         | Electronic Recyclers International, Inc. | Sims Recycling Solutions | Cal Micro Recycling |
|----------------------------|--|--------------------------|---------------------|
| <b>Total Score Awarded</b> | <b>88</b>                                | <b>82.66</b>             | <b>62.67</b>        |

Electronic Recyclers International, Inc. was found to be the top ranked proposer and Sims Recycling Solutions was found to be the second ranked proposer.

Electronic Recyclers International, Inc. and Sims Recycling Solutions met the objectives of the RFP including pricing and its ability to handle the E-Waste volume generated by the City; compliance with regulations; and, recycle E-Waste to commodity levels.

Based on the proposal, presentation, and site visits, and negotiations with Electronic Recyclers International, Inc. and Sims Recycling Solutions, Sanitation recommends that Electronic Recyclers International, Inc. be selected as the Primary Contractor and Sims Recycling Solutions as the Back Up Contractor for support of the City's E-Waste Collection and Recycling Services.

Based on the proposals and the revised negotiated rates, these contracts are estimated to generate \$413,000.00 annually. The revenue generated from these contracts will be used to offset the operation and maintenance costs to maintain a free E-Waste and RSM program for all City residents.

In the case of unforeseen changes in the State's SB20 reimbursements, staff anticipates that \$100,000 annually may be needed to continue the E-Waste program.

11-12  
 \$250K

The five-year estimated cost of the proposed E-Waste Primary Contract shall not exceed \$500,000; the sum of the Primary and Back Up contract ceilings shall not exceed \$800,000.

**MBE/WBE/OBE SUBCONTRACTOR OUTREACH PROGRAM (BY BUREAU OF SANITATION CENTRALIZED CONTRACTS UNIT (BOS CCU))**

At the time of distribution of the RFP for these services, the City established anticipated participation levels for this contract of 18 percent MBE and 2 percent WBE. On October 1, 2012, the Board approved Sanitation's non-joint Board report (Transmittal No. 2) which recommended "That Cal Micro Recycling, Electronic Recyclers International, LLC, and Sims Recycling Solutions be found to be responsive in their respective GFE evaluations." Electronic Recyclers International, Inc. has pledged participation levels of 37.78 percent MBE and 4.44 percent WBE, and 56.11 percent OBE. SIMS Recycling Solutions has pledged participation levels of 0 percent MBE, 0 percent WBE, and 0 percent to its listed OBE subcontractors for their back up contract.

Gender/Ethnicity Codes:

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

The pledged subconsultant participation levels for Electronic Recyclers International, Inc. are as follows:

| SUBCONSULTANTS                            | MBE/<br>WBE/<br>OBE | GENDER/<br>ETHNICITY | % OF<br>CONTRACT<br>AMOUNT | SUBCONTRACT<br>AMOUNT |
|---|---------------------|----------------------|----------------------------|-----------------------|
| Nela Enterprises, Inc.                    | MBE                 | M/HA                 | 27.78%                     | \$ 250,000.00         |
| IQ Personnel, Inc.                        | MBE                 | F/HA                 | 10.00%                     | \$ 90,000.00          |
| United Traffic Services & Supply,<br>Inc. | WBE                 | F/HA                 | 4.44%                      | \$ 40,000.00          |
| J & R Farms Trucking, Inc.                | OBE                 | -                    | 3.33%                      | \$30,000.00           |
| Philip Services Corporation               | OBE                 | -                    | 33.33%                     | \$300,000.00          |
| KLX, Inc.                                 | OBE                 | -                    | 0.00%                      | \$0.00                |
| Sierra Packaging Solutions                | OBE                 | -                    | 2.78%                      | \$25,000.00           |
| Allied Box Company                        | OBE                 | -                    | 11.11%                     | \$100,000.00          |
| Anserteam                                 | OBE                 | -                    | 5.56%                      | \$50,000.00           |
| Command Center Staffing                   | OBE                 | -                    | 0.00%                      | \$0.00                |
| <b>Total MBE Participation</b>            |                     |                      | <b>37.78%</b>              | <b>\$ 340,000.00</b>  |
| <b>Total WBE Participation</b>            |                     |                      | <b>4.44%</b>               | <b>\$ 40,000.00</b>   |
| <b>Total OBE Participation</b>            |                     |                      | <b>56.11%</b>              | <b>\$505,000.00</b>   |
| <b>Base Bid Amount*</b>                   |                     |                      |                            | <b>\$ 900,000.00</b>  |

\* This amount reflects the estimated expenses only and does not correlate with the RFP's contract ceiling amount which is considered a safeguard in case anticipated revenue are not realized.

The pledged subconsultant participation levels for Sims Recycling Solutions are as follows:

| SUBCONSULTANTS                 | MBE/<br>WBE/<br>OBE | GENDER/<br>ETHNICITY | % OF<br>CONTRACT<br>AMOUNT | SUBCONTRACT<br>AMOUNT |
|--------------------------------|---------------------|----------------------|----------------------------|-----------------------|
| Asbury Environmental Services  | OBE                 | -                    | 0.00%*                     | \$ 0.00*              |
| Airgas, Inc.                   | OBE                 | -                    | 0.00%*                     | \$ 0.00*              |
| Teocal Trucking, Inc.          | OBE                 | -                    | 0.00%*                     | \$ 0.00*              |
| <b>Total MBE Participation</b> |                     |                      | <b>0.00%</b>               | <b>\$ 0.00</b>        |
| <b>Total WBE Participation</b> |                     |                      | <b>0.00%</b>               | <b>\$ 0.00</b>        |
| <b>Total OBE Participation</b> |                     |                      | <b>0.00%*</b>              | <b>\$ 0.00*</b>       |
| <b>Base Bid Amount</b>         |                     |                      |                            | <b>Unknown</b>        |

\*Sims Recycling Solutions listed 'Unknown' for OBE Dollar Value of Subcontract.

**OTHER CITY POLICIES AND REQUIREMENTS**

Electronic Recyclers International, Inc. and Sims Recycling Solutions 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 June 4, 2008 with the CAO Clearinghouse.

**CHARTER SECTION 1022**

Sanitation requested a Charter Section 1022 determination from the CAO for these specific services. The CAO issued the 1022 determination report on June 30, 2009 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 contracts.

**LOS ANGELES RESIDENCE INFORMATION**

The headquarters of Electronic Recyclers International, Inc. is located at 2860 S. East Ave. Fresno, CA 93725. Electronic Recyclers International, Inc. employs 230 people, of which zero (0) reside in the City of Los Angeles.

The headquarters of Sims Recycling Solutions is 20212 South Rancho Way Rancho Dominguez, CA 90212. Sims Recycling Solutions employs 1200 people, of which 53 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 these contracts will be with the Solid Resources Citywide Recycling Division, Bureau of Sanitation.

**CONTRACT TERM**

The proposed E-Waste contract terms will be for five (5) years, with two (2) 3-year renewal options. The total contract ceiling for the Primary Contract is \$500,000, not to exceed a total of \$800,000 for the Primary Contract and Back Up Contract.

**STATUS OF FINANCING**

Funding is available from the Household Hazardous Waste Special Fund 567 and appropriated for expenditure in Sanitation's Fund 100, Department 82, Account 003040, "Residential Special Materials collections facilities and mobile events contract" line item 76 in Fiscal Year 2013-2014.


The contracts include a "Financial Liability Clause" which states that the City's liability under these contracts shall only be to the extent of the present 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.

mount of \$10,000.00 are available as follows:

|              | Fund-Department | Account | Amount Available |
|--------------|-----------------|---------|------------------|
| FY 2013-2014 | 100/82          | 003040  | \$10,000         |
| <b>TOTAL</b> |                 |         | <b>\$10,000</b>  |

The remainder of \$490,000 dollars will be allocated during the budget process for the following fiscal years, bringing the contract ceiling to \$500,000 dollars


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 FUNDS:

  
\_\_\_\_\_  
VICTORIA A. SANTIAGO, Director  
Office of Accounting  
Date: 11/15/13  
Prepared by: Brian Ahn, SRCRD  
(213) 485-3827

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

## DEPARTMENT OF PUBLIC WORKS

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

BUREAU OF SANITATION  
BUREAU OF CONTRACT ADMINISTRATION  
JOINT BOARD REPORT NO.2  
August 25, 2010

AUG 25 2010

  
Executive Officer

CD: ALL

AUTHORITY TO DISTRIBUTE A REQUEST FOR PROPOSALS (RFP) AND TO NEGOTIATE A CONTRACT TO OPERATE THE CITY OF LOS ANGELES RESIDENTIAL SPECIAL MATERIALS (RSM), CONDITIONALLY EXEMPT SMALL QUANTITY GENERATOR (CESQG), PERMANENT COLLECTION SITES AND MOBILE COLLECTION EVENT PROGRAMS; AND E-WASTE TRANSPORTATION AND PROCESSING

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RECOMMENDATIONS

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

1. Distribute and advertise the transmitted RFP to operate the City of Los Angeles (City) RSM, CESQG, Permanent Collection Sites and Mobile Collection Event Programs; and E-Waste Transportation and Processing.
2. Evaluate the proposals and select the most qualified proposer(s) based on established rating criteria.
3. Negotiate a contract(s) with the most qualified proposer(s)
4. Return to the Board of Public Works (Board) for authority to award and execute the contract(s).

TRANSMITTALS

1. Copy of the RFP for the RSM, CESQG, Permanent Collection Sites, and Mobile Collection Event Programs; and E-Waste Transportation and Processing.
2. Copy of mailing list for distribution of the RFP.

DISCUSSION**Background**

In 1988, the City started the RSM Collection Program (Program). The Program began with a series of weekend mobile collection events where residents could drop off household hazardous waste such as paint, pesticides, used motor oil and other household chemicals. The Program has grown to include six (6) permanent RSM collection sites, known as SAFE (Solvents, Automotive, Flammables and Electronics) Centers located throughout the City. The Program has served over 300,000 residents and small businesses, collecting 25 million pounds of RSM.

BUREAU OF SANITATION  
BUREAU OF CONTRACT ADMINISTRATION  
JOINT BOARD REPORT NO.2

August 25, 2010

Page 2

The SAFE Centers and mobile RSM collection events allow the City to provide critical and necessary services to both local residents and small businesses. Moreover, permanent collection facilities add convenience to the disposal of RSM. The goal of the RSM collection program is to provide a convenient location for residents to dispose RSM to decrease illegal dumping of these materials into local landfills, sewers and storm drains. To help achieve this goal, the Bureau is planning on constructing two (2) additional SAFE Collection facilities in underserved areas within the next five (5) years.

Through the addition of the SAFE Collection Centers and the Bureau's outreach efforts, the collection of RSM continues to increase every year. For fiscal year 2008-2009, the City collected 7,043,277 pounds of waste (including E-Waste) from 80,000 participants.

The State of California (State) continues to append the list of materials that cannot be disposed in the regular trash. The addition of electronics and computer waste (E-Waste) to the State of California list created the biggest impact. The Electronic Recycling Act of 2003 (SB20) codified the collection and processing of E-Waste in Public Resources Code Section 24260 to 42485. The Electronic Recycling Act requires that retailers collect a front-end fee from consumers for each computer monitor, TV, other CRT-related device sold by the retailer. Money collected by retailers is remitted to the Department of Resources Recycling and Recovery (CalRecycle) for disbursement at the rate of \$0.39/lb. The \$0.39/lb disbursement is split between authorized collectors (the City) and recyclers of designated electronic devices (City E-Waste Contractors). The State allocates \$0.16/lb to the authorized collectors and \$0.23/lb to the recyclers. Although the State only allocates \$0.16/lb to authorized collectors, the Bureau negotiated a reimbursement rate of \$0.22/lb through the existing E-Waste contracts. Because CalRecycle has determined the City is an approved collector, the Bureau receives approximately \$250,000 annually, which is used to offset the cost of recycling other E-Waste products such as printers, fax machines and computers, as well as household batteries and fluorescent tubes.

Much like the collection of RSM, the Bureau has created a comprehensive infrastructure to provide residents with safe, convenient and legal means to properly recycle and/or dispose of E-Waste. The Bureau collects E-Waste at temporary mobile and community E-Waste collection events, SAFE Collection Centers and City facilities. The City E-Waste contractor is required to dismantle or shred all E-Waste for recycling or proper disposal, prior to being shipped out of the State. Through this program the Bureau collects an annual average of 3.7 million pounds of E-Waste annually.

To meet the demands of the RSM Program and to ensure that hazardous materials and E-Waste are collected and disposed in compliance with all safety and regulatory requirements, the City requires the resources and expertise provided by EPA certified private contractor(s).

### **Scope of Services**

This RFP is intended only for the RSM Safe Center Program Operation. A separate on-call contract exists for use by other City agencies for their Hazardous Waste Management needs.

The selected RSM proposer(s) will be required to operate on a weekly basis, a minimum of six (6) permanent collection centers, and to plan and implement several mobile weekend events for areas with no permanent centers for the term of the contract. This task will include event planning and coordination, the provision of all supplies, materials, equipment, and labor necessary, and collection, management, and proper disposal of all RSM collected at each event. The selected proposer(s) will also develop and implement monthly CESQG collections at permanent sites that will include similar task specifications as the RSM collection events described above.

The selected E-Waste proposer(s) will be required to transport and recycle/dispose E-Waste from SAFE Centers, Refuse Collection Yards and Piper Tech. In addition, the selected proposer(s) shall operate E-Waste only collection events and community events, on Saturdays or Saturdays and Sundays at various locations throughout the CITY. The selected E-Waste proposer shall dismantle the E-Waste to commodity levels, recycle, treat or dispose all that is collected. All E-Waste must be dismantled within the State. No whole units shall be shipped out of California.

The City needs qualified contractor(s) to provide the necessary services for safe, legal, and efficient collection and disposal of these materials.

### **Requests for Proposals**

The Bureau is requesting authorization to release a RFP soliciting proposals from qualified contractors to operate the RSM, CESQG Permanent Collection Sites, and Mobile Collection Event Programs; and E-Waste Transportation and Processing. The proposers may submit proposals for either RSM or E-WASTE or both. Although the proposer may submit proposals for both RSM and E-WASTE, separate proposals and rate schedules are required for each.

The PROPOSER may submit a supplemental proposal and rate schedule to show cost savings offered for award of CONTRACTS for both RSM and E-WASTE.

### **Rationale for using an RFP**

The RFP process is being used instead of the bid process in order to solicit the best available specialized and certified services at the most competitive price. The review committee will evaluate all proposals in order to determine which proposal or combination of proposals will bring the greatest benefit to the City.

### **Selection Process and Evaluation Criteria**

The Bureau will notify the firms listed in Transmittal No. 2 of the availability of the RFP. A Proposal review committee consisting of City staff will evaluate all proposals. The Bureau will then negotiate contracts with the most qualified proposer(s) and return with a recommendation for the Board to review the contract(s) and forward them to the Mayor and City Council for approval.

The criteria to be used for the selection of the proposer(s) are outlined in the RFP with a maximum total of one hundred (100) points weighted in the four (4) categories summarized as

|                              | <b>EVALUATION CRITERIA</b>  | <b>POSSIBLE POINTS</b> |
|------------------------------|---|------------------------|
| 1                            | RECORD OF PAST PERFORMANCE - Experience of the proposer, proposed project manager, technical and key personnel; recommendations received from clients, other jurisdictions and CITY departments; review of files from regulatory agency (agencies).   | 20                     |
| 2                            | TECHNICAL PROPOSAL - Completeness of the proposal in addressing system components and their design and operation and approach relative to the technical requirements set forth in the RFP, including but not limited to: long-term impact on CITY liability; demonstrated strength and experience; demonstration of management knowledge and methods to deliver performance requirements; compliance with Local, State and Federal regulations; demonstrated knowledge, experience, and familiarity with operating household hazardous waste/ (from) RSM, and/or E-Waste collection events in California. | 25                     |
| 3                            | PROPOSAL PRICE – Proposer shall completed cost tables listed in the RFP for the program operation and disposal/recycling of RSM and or E-Waste. Innovative disposal and operational techniques will be considered during the evaluation of submitted proposals. Any cost savings due to an innovative approach will need to be noted in the proposal.   | 45                     |
| 4                            | WASTE MANAGEMENT - Demonstrated knowledge of all regulations associated with all phases of hazardous waste and/or E-WASTE management including, but not limited to, packaging, transportation and recycling/treatment/disposal.   | 10                     |
| <b>TOTAL POSSIBLE POINTS</b> |   | <b>100</b>             |

follows:

**Proposed Term of Contracts**

The proposed RSM contract term will be for five (5) years, with two (2) 3-year renewal options. The current contracts with Clean Harbors (Contract No. C-111177) and Philip Services Corporation (C-111178) for RSM management services expired on January 11, 2010. On January 6, 2010, the Board of Public Works approved a month-to-month extension of the existing contracts with Philip Services Corporation (C-111178) and Clean Harbors Environmental Services (C-111177), until a new contract(s) are executed for the RSM Program. This month-to-month extension was necessary to protect public health and safety, and to help ensure the proper disposal of hazardous waste.

The proposed E-Waste contract term will be for five (5) years with two (2) 3-year renewal option. The current contracts with Electronic Recyclers of America, LLC (ERI) (C-111595) and e-Recycling of California (e-Recycling) (C-111596) for E-Waste management expired on May 7, 2010. On May 5, 2010, the Board of Public Works approved a month-to-month extension of the existing contracts with Electronic Recyclers of America, LLC (ERI) (C-111595) and e-Recycling (C-111596), until a new contract(s) are executed for the RSM Program. This month-to-month extension was necessary to protect health and safety and to help ensure the proper disposal of hazardous waste.

#### **Cost Estimate of Contract and Fiscal Impact Statement**

The five-year estimated cost of the proposed RSM contract shall not exceed \$25,000,000; in the event of multiple contracts, the sum of the contract ceilings shall not exceed \$30,000,000.

The proposed E-Waste contract is estimated to generate \$250,000 in revenue annually. However, to account for unforeseen changes in the State's SB20 reimbursements, staff anticipates that \$100,000 annually may be needed to properly handle the E-Waste program. The five-year estimated cost of the proposed E-Waste contract shall not exceed \$500,000; in the event of multiple contracts, the sum of the contract ceilings shall not exceed \$800,000.

As a part of the Bureau budgetary process, funding shall be available in Fund 760, Department 50, Account 282. There is no impact to the General Fund.

#### **MBE/WBE/OBE Subcontractor Outreach Program**

The MBE/WBE/OBE Subcontractor Outreach Program will be administered in accordance with the Mayor's Executive Directive No. 2001-26. PROPOSALS for Tasks A through C & E, the CITY has established anticipated participation levels of 12% MBE and 4% WBE. PROPOSALS for Task F, the CITY has established anticipated participation levels of 18% MBE and 2% WBE. The anticipated participation levels for Task D are 12% MBE and 4% WBE.

Additionally, there is a potential for as-needed services as it relates to facility maintenance and repairs. The proposers will be required to include these services (as specified in the RFP) in their outreach and submit a Schedule A-1, "List of Potential Subcontractors." This list will consist of pre-qualified subcontractors that the proposer is committed to utilizing if as-needed services are required.

#### **World Wide Web**

The RFP will be posted on the City's World Wide Web Site in compliance with City Council Motion 95-1060-S2. It will be available for download on [www.labavn.org](http://www.labavn.org).

#### **Newspaper/Journal Announcement**

Upon authorization from the Board, this RFP will be advertised in at least one widely circulated newspaper. Firms that respond to the notice and public advertisement will be sent the RFP documents.

**Compliance with Board Policy**

To comply with Board policy, the RFP was delivered to the Secretary of the Board prior to Board consideration thereof.

**Other Standard City Requirements**

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

- Nondiscrimination/Equal Employment Practices/Affirmative Action Program
- Insurance and Performance Bond requirements
- Living Wage Ordinance and Service Contractor Worker Retention Ordinance
- Equal Benefits Ordinance
- Municipal Lobbying Ordinance
- Los Angeles Residence Information
- Contract History
- Non-collusion Affidavit
- Business Tax Registration Certificate
- MBE/WBE/OBE Subcontractor Outreach Program
- First Source Hiring Ordinance

**Contractor Responsibility Ordinance**

The selected 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.

**Notification of Intent to Contract**

The required Notification of Intent to Contract was filed on January 16, 2009 with the CAO Clearinghouse.

**Charter Section 1022**

The Bureau requested a Charter Section 1022 determination from the CAO for these specific services. The CAO issued the 1022 determination report August 26, 2009 and determined that there was an insufficient number of 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 City's needs.



**Contract Administration**

Responsibility for the administration and management of these contracts will rest with the Solid Resources Citywide Recycling Division, Bureau of Sanitation.

**City Attorney Review**

The City Attorney has reviewed this RFP and has approved it as to form.

FUTURE ACTIONS

Upon authorization by the Board, the RFP will be mailed to each of the prospective proposers listed in Transmittal No.2 and advertised in at least one widely circulated newspaper.


A review committee will evaluate all the proposals received then rank and select the most highly qualified proposers. The Bureau will then negotiate personal services contracts with the most qualified proposer(s) to provide the required services stated in the RFP.

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

Respectfully submitted,

  
ENRIQUE C. ZALDIVAR, Director  
Bureau of Sanitation

COMPLIANCE REVIEW PERFORMED  
AND APPROVED BY:

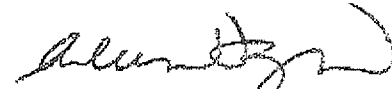
  
HANNAH CHOI, Program Manager  
Office of Contract Compliance  
Bureau of Contract Administration

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

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

## DEPARTMENT OF PUBLIC WORKS

OCT - 1 2012

BUREAU OF SANITATION  
BOARD REPORT NO. 1  
October 1, 2012  
Executive OfficerELECTRONIC WASTE TRANSPORTATION AND PROCESSING GOOD FAITH  
EFFORT EVALUATIONSRECOMMENDATION

1. Find Electronic Waste Center, Inc. non-responsive for failure to achieve a minimum passing score of 75 out of 100 points on their Good Faith Effort (GFE) evaluation.
2. Find Cal Micro Recycling, Electronic Recyclers of America, LLC, (ERI), and SIMS Recycling Solutions (SIMS) as responsive on their respective Good Faith Effort (GFE) evaluations.

TRANSMITTALS

1. Copy of the adopted Board Report, dated August 25, 2010, authorizing the distribution of a Request for Proposals (RFP) to provide Residential Special Materials, Conditionally Exempt Small Quantity Generator, Permanent Collection and Mobile Collection Event Programs and E-Waste Transportation and Processing.
2. Copy of the RFP for the Residential Special Materials, Conditionally Exempt Small Quantity Generator, Permanent Collection and Mobile Collection Event Programs and E-waste Transportation and Processing
3. Copy of the letter sent by the Bureau of Sanitation (Bureau), Centralized Contracts Unit (CCU) to Electronic Waste Center, Inc., dated April 25, 2011, regarding the GFE evaluation of Electronic Waste Center, Inc.
4. Copy of the protest letter sent by Electronic Waste Center, Inc. to the Bureau, dated May 5, 2011, in response to CCU's GFE evaluation of Electronic Waste Center, Inc.
5. Copy of the letter sent by the Bureau, CCU to Electronic Waste Center, Inc., dated May 20, 2011, in response to Electronic Waste Center's GFE evaluation Formal Protest.

DISCUSSIONBackground

The Electronic Recycling Act of 2003 (SB20) codified the collection of processing of E-Waste in Public Resources Code Section 24260 to 42485. The Electronic Recycling Act requires that retailers collect a front-end fee from consumers for each computer monitor, TV, or other CRT-related device sold by the retailer. Money collected by retailers is remitted to the State of California, Department of Resources Recycling and Recovery (CalRecycle) for collectors (the City) and recyclers of designated electronic devices (City E-Waste Contractors). The State allocates \$.16/lb to the authorized collectors and \$.23/lb to the recyclers.

Although the State only allocates \$.16/lb to authorized collectors, the Bureau negotiated a reimbursement rate of \$.22/lb through the existing E-Waste contracts. Because CalRecycle has determined the City is an approved collector, the Bureau receives approximately \$250,000 annually, which is used to offset the cost of recycling other E-Waste products such as printers, fax machines and computers, as well as household batteries and fluorescent tubes.

The Bureau has created a comprehensive infrastructure to provide residents with safe, convenient and legal means to properly recycle and/or dispose of E-Waste. The Bureau collects E-Waste at temporary mobile and community E-Waste collection events, SAFE Collection Centers and City facilities. The City E-Waste contractor is required to dismantle or shred all E-Waste for recycling or proper disposal, prior to being shipped out of the State. Through the E-Waste program the Bureau collects an annual average of 3.7 million pounds of E-Waste annually.

**Scope of Services:**

The selected E-Waste proposer(s) will be required to transport and recycle/dispose E-Waste from SAFE Centers, Refuse Collection Yards and Piper Tech. In addition, the selected proposer(s) shall operate E-Waste only collection events and community events, held on Saturdays or Saturdays and Sundays at various locations throughout the City. The selected E-Waste proposer shall dismantle the E-Waste to commodity levels, recycle, treat or properly dispose all that is collected. All E-Waste must be dismantled within the State. No whole units shall be shipped out of California.

**Proposed Term of Agreement and Estimated Value of the Contract**

The proposed E-Waste contract term will be for five (5) years with two (2) 3-year renewal options. The current contracts with Electronic Recyclers of America, LLC (ERI) (C-111595) and e-Recycling of California (e-Recycling) (C-111596) for E-Waste management expired on May 7, 2010. On May 5, 2010, the Board of Public Works approved a month-to-month extension of the existing contracts with Electronic Recyclers of America, LLC (ERI) (C-111595) and e-Recycling (C-111596), until a new contract(s) are executed for the E-Waste program. This month-to-month extension was necessary to protect health and safety and to help ensure the proper disposal of hazardous waste. On August 25, 2010, the Board authorized the distribution of a Request for Proposals (RFP) to provide Residential Special Materials, Conditionally Exempt Small Quantity Generator, Permanent Collection and Mobile Collection Event Programs and E-Waste Transportation and Processing (Transmittal 1). The RFP allowed for the award of a primary and back-up E-Waste contractor. The proposed E-Waste contract is estimated to generate \$250,000 in revenue annually. However, to account for unforeseen changes in the State's SB20 reimbursements, staff anticipates that \$100,000 annually may be needed to properly handle the E-Waste program. The five-year estimated cost of the proposed E-Waste contract shall not exceed \$500,000; in the event of multiple contracts, the sum of the contract ceilings shall not exceed \$800,000.

**MBE/WBE/OBE Subcontractor Outreach Program**

Based on Executive Directive 2001-26, it is the policy of the City of Los Angeles to provide Minority-owned Business Enterprises (MBE), Women-owned Business Enterprises (WBE) and Other Business Enterprises (OBE) an equal opportunity to participate in the performance of all City contracts. Organization(s) responding to this RFP shall assist the City in implementing this policy by taking all reasonable steps to ensure that all available business enterprises, including MBE and WBE, have an equal opportunity to compete for and participate in City contracts. For the purpose of this RFP, the City set anticipated participation levels of eighteen percent (18%) MBE and two percent (2%) WBE based upon the potential areas of work which may be subcontracted.

A total of five (5) proposals were received in response to the GFE submittal deadline of November 2, 2010. One of the five proposals, Alianza, was not considered as a result of not making the short-list, as determined by the Bureau's technical assessment team. Therefore, the Bureau's CCU reviewed the remaining four (4) proposals for their GFE documentation submitted. In order to be deemed responsive, proposers were required to submit GFE documentation as described in Attachment G of the RFP (Transmittal No. 2), and to achieve a minimum passing score of 75 out of 100 GFE points.

After a detailed review and evaluation by CCU of the GFE documentation submitted by the four (4) proposers (Cal Micro Recycling, Electronic Recyclers of America, LLC, (ERI), Electronic Waste Center, Inc. (EWC), and SIMS Recycling Solutions (SIMS)), CCU found Cal Micro Recycling, SIMS and ERI to be responsive, each achieving or exceeding the minimum passing score of 75. However, CCU determined EWC failed to achieve the minimum passing score of 75 out of 100 points. CCU faxed correspondence, dated April 25, 2011, to all proposers notifying them of their scores.

In response to the faxed correspondence, EWC submitted a letter, dated May 5, 2011, protesting CCU's evaluation of their GFE documentation. Upon receipt of the protest letter and re-review of the EWC GFE documentation, CCU determined that EWC's score should remain at 59 out of 100 points, which is below the minimum passing score of 75 out of 100 points. As a result, CCU faxed correspondence, dated May 20, 2011, to EWC notifying them of the CCU re-review and lack of any change in scoring following their protest. To summarize, EWC was awarded points for the following: Indicator 2 (ten points) (Pre-Bid Meeting Attendance), Indicator 3 (ten points) (Sufficient Work Identified for Subconsultants), Indicator 4 (nine points) (Advertisement), Indicator 6 (ten points) (Follow Up On Initial Solicitation), Indicator 7 (five points) (Plans, Specifications, and Requirements), Indicator 8 (ten points) (Contacted Recruitment/Placement Organizations) and Indicator 10 (five points) (Bonds, Lines of Credit, and Insurance Assistance).

The following summary of each of the indicators lists:

- (1) The required documentation for each indicator; and
- (2) Proposer submitted documentation; and
- (3) Proposer stated reason for protesting; and
- (4) CCU's response.

*CCU's Evaluation of Electronic Waste Center, Inc. Non-Responsive Indicators*

**Indicator (5) - Written Notices to Subconsultants-15 Points**

The requirement for this indicator states that *"the proposer provided written notice of its interest in receiving potential subconsultant proposals to those business enterprises, including MBEs, WBEs and OBEs, having an interest in participating in such selected work. All notices of interest shall be provided not less than ten (10) calendar days prior to the date the proposals are required to be submitted. In all instances, proposer is to document that information concerning its interest in subproposer work was sent to available MBEs, WBEs and OBEs for each item of work to be performed...A copy of each letter sent to potentially available MBEs, WBEs and OBEs for each item of work to be performed. If there is only one master notification, then a copy of the letter along with a listing of all recipients will suffice. Faxed copies must include the fax transmittal confirmation slip showing the date and time of transmission. Mailed letters must include copies of the metered envelopes or certified mail receipts. Letters must contain areas of work to be subconsulted, City of Los Angeles project name, name of the proposer, and contact person's name, address, and telephone number."*

Electronic Waste Center, Inc. submitted a total of twelve (12) faxed letters to subconsultants with date and time posted. Of the twelve (12) confirmed fax letters, however there were six (6) MBE, six (6) WBE, and zero (0) OBE written notices sent (which of the three (3) work areas failed to address the requirement of, at the minimum, at least one (1) MBE, one (1) WBE, and (1) OBE be sent a written notice for each anticipated item of work to be performed).

Electronic Waste Center, Inc. stated in their response that, *"EWC believed that "OBE" referred to "Organizations," evidenced by the original submissions to organizations such as Minority Business Opportunity Center and the Engineering Contractors' Association, and made good faith efforts to reach out to these organizations for sub bids. Notwithstanding the confusion of the definition of OBE, many of the companies that EWC reached out to as MBE/WBE may have had expired certifications. In such case, it's EWC's understanding that such businesses would then be defaulted to an OBE status, and thus satisfy the requirement of reaching out to an OBE for each of the three work area."*

The CCU has the following response. The RFP states "a copy of each letter sent to potentially available MBEs, WBEs and OBEs for each item of work to be performed." Being the case, for each of the three (3) work areas there should have been, at the least, a minimum of one (1) MBE, one (1) WBE, and one (1) OBE sent written notices. However there was not. There were no written notices sent to OBEs for all three (3) work areas. OBEs should not be excluded from any opportunity or work area. Therefore, the Proposer is in direct violation of Proposition 209 or the Civil Rights Initiative which bans preferences based on race or gender in the public sector education, employment, and contracting. As a result, the CCU awarded zero (0) points for Indicator (5).

#### **Indicator (9)-Negotiated in Good Faith-26Points**

The requirement for this indicator states that "*The proposer negotiated in good faith with interested MBEs, WBEs and OBEs and did not unjustifiably reject as unsatisfactory bids prepared by any enterprise...Copies of all MBE/WBE/OBE proposals or quotes received whether or not they were received as a result of the outreach effort; b) Schedule A; and c) Summary sheet organized by work area, listing proposals or quotes received, from all MBE/WBE/OBE subconsultants, the subconsultant selected for that work area, and a brief reason given for each selection/nonselection as a subconsultant. If the proposer elects to perform a listed work area with its own staff, include an explanation.*"

Electronic Waste Center, Inc. submitted two (2) subconsultant bids following the GFE submittal deadline of November 2, 2010. Per the November 2, 2010 Schedule A, there were no subconsultants selected. Per the revised Schedule A (submitted with appeal documentation on May 5, 2011), Industrial Labor Management was selected. At no time was a summary sheet ever provided. In addition, there were no proposals or quotes listed, nor reasons for selection/nonselection given as a result of a lack of summary sheet.

Electronic Waste Center, Inc. stated in their response that, "*Regarding the vendor selected for this contract, Industrial Labor Management (ILM), it was a clerical error of not listing them on Schedule A or providing the original outreach letter. As we discussed, EWC had developed a good business relationship with ILM from working with them over the past year and was definitely invited to bid on this RFP. Please take into consideration that since ILM delivers paychecks to EWC on a weekly basis, we normally exchange any letter via hand delivery at that time. As such, the outreach letter to ILM was exchanged by hand delivery. Further, upon re-reading the RFP language for the "Required Documentation" under Indicator #9 (pg.79), there is NO requirement of date/time stamped correspondence; it just says "copies of all MBE/WBE/OBE proposals or quotes received...Finally, while we did fax Written Notices to several office supply businesses, we did not send out Written Notices to Costco or Office Depot because they were the (internal) costs we compared the MBE/WBE bids to, and ultimately determined that it was more cost effective to use our "frequent buyer" discount at Costco/Office Depot (an internal effort) than to utilize any of the sub bidders.*"

The RFP states that a *"summary sheet organized by work area, listing proposals or quotes received, from all MBE/WBE/OBE subconsultants, the subconsultant selected for that work area, and a brief reason given for each selection/nonselection as a subconsultant"* is considered required documentation. However, EWC failed to provide both a summary sheet, and as a result, reasoning to their subconsultant selections/non-selections. This is especially important considering the proposer had the intent to add two subconsultants (Industrial Labor Management and Office Management or Costco), as evident by their appeal documentation, which stated *"EWC had developed a good business relationship with ILM from working with them over the past year,"* and their late insertion followed the November 2, 2010 GFE submittal deadline. Based on this language, and apparent pre-determined selection of ILM, this language indicates that the other sub-proposals may have been *"unjustifiably rejected."* By already having established agreements, at the time of the RFP, potentially denied other subcontractors, such as Temps Inc. or Best Office Products, amongst others, *"an equal opportunity to participate in the performance of a City contract,"* and violate the MBE/WBE/OBE subcontractor outreach program of Executive Directive 2001-26.

In addition, selections of subconsultants, however, cannot arbitrarily be selected without following the MBE/WBE/OBE subcontractor outreach program policy. Selections after the GFE submittal deadline could only be added to a contract with the approval of the Board following award. To simply add a subconsultant, at any time, without prior approval is in direct violation of the RFP. Without a summary sheet, as was the case with EWC, and which is again a requirement of the MBE/WBE/OBE Subcontractor Outreach Program of the RFP, there is no way to substantiate the selection of subcontractors, verify the receipt of all bids or proposals, or pledged dollar value of the subcontract, at the time of GFE submittal on November 2, 2010. In this case, EWC had no subconsultants listed on their initial Schedule A. Then, EWC added ILM as a subconsultant (to perform temporary employment) with their revised Schedule A. However, even after adding ILM, EWC still failed to include either Costco/Office Management to fulfill their Packaging Supply needs (work area).

Similarly, without providing a summary sheet which lists all subconsultants who had submitted proposals, there is no indication or way of verifying whether or not the proposer negotiated in good faith with all prospective subconsultants, or if all proposals were received and evaluated fairly and without bias; as that could lead to the unjustifiable rejection of bids and again violate the GFE portion of the RFP whereby not providing *"Minority Business Enterprises (MBEs), Women Business Enterprises (WBEs) and all Other Business Enterprises (OBEs) an equal opportunity to participate in the performance of all City Contracts."*

Similar to the summary sheet, the RFP also states that a "Schedule A" is considered to be a requirement within the MBE/WBE/OBE Subcontractor Outreach Program section. However, EWC failed to complete the Schedule A. The Schedule A should indicate both a pledged dollar amount to each subcontractor and total bid amount, in order to preserve the requirement(s) of the negotiation in good faith. Not only did EWC fail to include a pledged dollar value to the subcontractor, they failed to include the base bid amount, as well as continually alter and re-submit a Schedule A. In other words, they did not complete any pledged agreements with any of their one, or perhaps two, selected or intended subcontractors, even with the subcontractor bids being received. In the original Schedule A(s) provided by EWC with their proposal, the subcontractor column and pledged dollar values were initially left blank. In response to CCU's request for clarification, ILM was added to the Schedule A, however even with a revised Schedule A, a pledged dollar value to the subcontractor was not included. Furthermore, by not listing a pledged dollar value to subcontractors infers there was not a completed negotiation in good faith. In normal circumstances, bids or quotes, which are considered required documentation according the RFP, are utilized to justify the dollar values listed on the Schedule A, or what type of product and/or service(s) was negotiated and agreed upon by both parties. However, in this particular situation, even with the delayed bids or quotes provided, in response to the CCU clarification, a reasonable interpretation would indicate that EWC failed to negotiate in good faith, as not having agreed to a set pledged dollar value.

Therefore, without a summary sheet listing the subcontractors and reasons provided in their GFE documentation, and an incomplete Schedule A, a reasonable interpretation would indicate that EWC failed to negotiate in good faith. As a result, the CCU awarded zero (0) points for Indicator (9).

### **Summary**

The Bureau of Sanitation, Centralized Contracts Unit, acknowledges receipt of Cal Micro Recycling, Electronic Recyclers of America, LLC, (ERI), Electronic Waste Center, Inc. (EWC), and SIMS Recycling Solutions (SIMS) GFE documentation, dated November 2, 2010, as well as a Formal Protest Letter from EWC dated May 5, 2011 (Transmittal No. 5). Of the five (5) proposals submitted, four (4) evaluated, three (3) received a passing score and are recommended as responsive, (ERI, SIMS and Cal Micro Recycling), while the remaining proposer, EWC, did not receive a passing score and is recommended as non-responsive according to the GFE evaluations performed by CCU, and as discussed throughout this Board Report. Upon receipt of their GFE evaluation results, EWC was afforded due process, and as a result, filed a protest with CCU. CCU re-reviewed all documentation, following this protest, and was unable to find any justification or reason to award any additional points, based upon the requirements specified in Attachment G in the RFP.



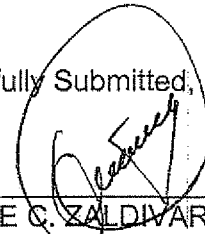
BUREAU OF SANITATION  
Board Report No. 1  
October 1, 2012

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Therefore, CCU recommends the Board find EWC non-responsive, for failure to achieve a passing score of at least 75 points, and ERI, SIMS and Cal Micro Recycling responsive on the Good Faith Effort. Upon adoption of this Board Report, the Bureau shall commence negotiations with the highest ranked and responsive proposers, and return to the Board with recommendations to award and execute the E-Waste Transportation and Processing portion of the Residential Special Materials, Conditionally

Exempt Small Quantity Generator, Permanent Collection and Mobile Collection Event Programs and E-Waste Transportation and Processing.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Enrique C. Zaldivar", is written over a circular stamp. The signature is somewhat stylized and overlaps the text below.

---

ENRIQUE C. ZALDIVAR, Director  
Bureau of Sanitation

Prepared by:  
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