

recycLA

PROGRESS REPORT

recycLA Transition



February 2018



TABLE OF CONTENTS

	Page
<u>Purpose of the Report</u>	02
<u>City Adopted Goals and recycLA progress</u>	04
Meet the City's Zero Waste Goals	04
Meet and Exceed State requirements for waste diversion and mandatory recycling.	04
Improve Health and Safety for Solid Waste Workers enforced by provisions in Franchise Agreements	04
Improve Efficiency of the City's solid waste system.	05
Improve the City's air quality.	05
Provide the highest level of Customer Service.	05
Create a consistent clearly defined system, fair and equitable rates and contingency plans to ensure reliable service	06
Create a system that ensures Long Term Competition	07
Ensure Sufficient Staffing to meet Program Goals	07
Ensure reliable system infrastructure to provide uninterrupted service to Customers.....	07
<u>Transition Process and Pre-Transition Planning</u>	08
Information Technology Preparation	08
LASAN Customer Care Center	09
Transferring Accounts Between recycLA Service Providers – Pre-Transition.....	09
Account Acquisition with Non-recycLA Permitted Haulers	10
<u>Transition Plan Development</u>	12
<u>Transition Findings and Actions</u>	15
Transition Issue - Missed Collections and Customer Perception.....	15
LASAN Response – Root Cause analysis and Solutions.....	17
LASAN Response – Adding Staffing to Customer Care Center.....	17
LASAN Response – Collect materials from customers when necessary	17
LASAN Analysis – Customer counts	18
Solutions – Additional Staffing and Vehicles	19
‘Auto-enroll’ and Impacts	24
Transition Issue – Customer Billing.....	25
LASAN Billing Review Strike Team	25
LASAN recycLA Billing Unit.....	27
Clarification of Extra Service Charges	28
Waste Assessments and Customer Contact	29
<u>Other Contract Requirements</u>	30
Technology Requirements	30
Implementation of Blue Bin recycling at all Customer Accounts	30
Opening Customer Service Centers	31
Procurement and use of Clean Fuel Vehicles	32
Container acquisition, colorization, and deployment.....	33
Collection Vehicle On-Board Software and tracking capability	38
recycLA Infrastructure Development.....	40
Call Center – Customer Service metrics.....	43
Outreach/Education Requirements	46
Food Rescue and Reuse	49
Subcontracting	58
Next Steps	62

Purpose of the Report

This report responds to City Council motions regarding the transition process for the recyclA solid resources system overhaul, which began on July 1, 2017 and concluded on January 31, 2018. On January 10, 2018, two motions were introduced in City Council regarding recyclA and implementation of the program:

CF#17-0878-S3 is a Martinez-Krekorian-Englander-Blumenfield motion which directs LASAN to report back to the Energy, Climate Change, and Environmental Justice (ECCEJ) Committee with a review of the initial six month transition period. It instructs that this review should not only include any successes, but should also discuss any problems or challenges experienced by customers, by the contracted service providers, and by the City itself. It further instructs to include in this review a summary of any actions or efforts taken to address concerns that have been raised. This motion also requests that the recyclA service providers attend the Council Committee meeting, and respond to reports of 28,000 missed collections. It also requests that the City Attorney be present for discussion in closed session, if necessary.

CF#17-0878-S2 is a Koretz-Bonin motion which directs LASAN to report back to the City Council on whether certain recyclA service providers have failed to fulfill their obligations under the recyclA agreements; and whether to proceed with taking the necessary steps to terminate their individual contracts for such substantial failure.

CF#17-0878-S1 is a Bonin-O'Farrell-Martinez-Englander motion that instructs LASAN provide a comprehensive report, presentation, and recommendations to the City Council that address the following with regard to the recyclA program:

- The identification of extra service charges and how they are calculated and applied by waste haulers; including 100+ foot rollout charges and the justification/determination of the Point A to Point B factor used by waste haulers;
- The feasibility of reducing/eliminating extra service charges for distance, access, and the unlocking of gates;
- LASAN's ongoing responsibilities for ensuring that billing errors and disputes are resolved in an equitable and timely manner.

The motion also instructs LASAN to report on the development of a more robust and expansive Citywide outreach effort to promote recycling through the recyclA program and on potential customer incentives for waste reduction and recycling.

In addition, the motion instructs LASAN, in consultation with the City Attorney, Board of Public Works, and other relevant City departments, to provide a comprehensive report to the City Council that provides options available for the City to assess additional penalties, including financial penalties, on waste haulers that fail to provide a reasonable level of service pursuant to their contractual obligations.

Recommendations

1. Direct LASAN to develop and implement a program to perform on-site education and outreach to recycLA customers.
2. Direct LASAN to report recycLA service provider compliance with contract terms related to customer service, including missed collections and service recovery times, to City Council Offices every two weeks.

City Adopted Goals and recyclA Progress

In April, 2013, after many stakeholder meetings, and several hearings before the Board of Public Works, Council Committees, and full Council, the Mayor and City Council approved the Franchise Implementation Plan presented by LASAN, through which the Request for Proposals was modeled (CF#10-1797-S15). This action adopted the baseline goals and objectives for the recyclA program. LASAN developed the Request for Proposals and staffing plan for oversight of the recyclA system in order to meet all of the goals below. The recyclA service provider (RSP) contracts and program encompass all of the following items:

1. Meet the City's Zero Waste Goals.

- a. Blue Bin recycling, at minimum, at every customer site
- b. Preserve existing organic waste separation and recycling programs
- c. Offer green waste collection to all multifamily customers
- d. Include Landfill disposal reduction targets in Franchise agreements with accountability for performance including through liquidated damages

LASAN has requirements in the RSP contracts to encourage maximum Blue Bin recycling, implement robust Green Bin organics programs for yard trimmings, food scraps, and manure, and meet an ambitious goal of over 90% waste diversion from landfill by 2025. RSP's are required to divert over 65% of all materials they collect, which equates to over 1.1 million tons of waste per year. Failure to meet these requirements are subject to liquidated damages. recyclA is making progress already, with 6,200 tons of material being collected from the Blue Bins in December 2017.

2. Meet and Exceed State requirements for waste diversion and mandatory recycling.

- a. Phase in Citywide organics diversion programs
- b. Encourage, through Request for Proposals (RFP) evaluation criteria, proposers to exceed required targets in their proposals by including innovative programs and new technologies.

The State of California has mandatory recycling requirements for commercial businesses (AB 341), for both commingled recycling in the Blue Bin, and organics recycling for large generators (AB 1826). The recyclA contract includes substantial new and improved infrastructure, and waste diversion goals that will require source reduction, reuse, food rescue, and recycling of all potential materials with accountability for failure to meet these requirements.

3. Improve Health and Safety for Solid Waste Workers enforced by provisions in Franchise Agreements.

- a. City certification and inspection of all facilities
- b. Right to inspect facilities for compliance with appropriate rules and regulation
- c. Require compliance with Living Wage Ordinance (LWO) provisions
- d. Require compliance with Service Contract Workers Retention Ordinance and First Source Hiring Ordinance
- e. Establish a City hotline for employee complaints, and protection from retaliation for reporting problems

LASAN has established a certification program for all facilities used by recycLA to verify compliance with regulatory agency permits and best practices, that raises the bar by requiring enclosed facilities for management of mixed solid waste and organics processing and/or transfer. The certification program includes the City's right to inspect. RSP contracts are subject to the LWO, and RSP's have over 760 staff for collections, in addition to call center and management, outreach and education programs.

The Facility Certification program is scheduled to be considered at Board of Public Works by March 2018. Facility Certification goals include: reducing impacts to public health and the environment due to dust, odor, litter and noise; helping to ensure safe and health working conditions; supporting the state requirements for mandatory recycling; and assisting the City in meeting its Zero Waste goals. Key components of the Facility Certification Program are the City's ability to monitor, track, audit and inspect facilities on a regular and as-needed basis. LASAN Staff will conduct scheduled and unscheduled inspections, and facilities will have monthly and annual reporting requirements to maintain certification.

4. Improve Efficiency of the City's solid waste system.

- a. Adopt the Exclusive Commercial Franchise Zone Map with 11 zones
- b. Require routing efficiencies in proposals, and monitor Vehicle Miles Traveled in franchise agreements

The Environmental Impact Report (EIR) prepared to identify and analyze the potential environmental impacts of the program found the recycLA system as described was the environmentally preferred option in comparison with the current open market, or a non-exclusive system with multiple haulers working in each area, even with the implementation of State mandated recycling programs. RSP contracts required efficiency of operation and results include a \$10 million investment in the Harbor area by Athens Services, and a new collection yard within the NorthEast zone built by UWS. Many of the RSP's have begun to re-route (optimize) vehicle routing to minimize vehicle miles traveled.

5. Improve the City's air quality.

- a. Require late model low emission clean fuel vehicles

The RSP's have put at least 395 late model near zero emission natural gas vehicles into service, with another 58 ordered, to create a clean fuel fleet for the recycLA system, bringing the standard up to that of the LASAN fleet. The RSP's have added four new CNG fueling stations, with more planned as facilities are improved.

6. Provide the highest level of Customer Service.

- a. Require contractors to use all forms of communication with their customers (call center, online, etc)
- b. Require extensive, ongoing outreach programs
- c. Include Customer needs and specialized services in RFP and franchise agreements
- d. Provide access to customer service data by LASAN in order to evaluate performance and customer satisfaction
- e. Address Hospital and other special needs in the Franchise service requirements, and through continuing stakeholder involvement

- f. Establish an alternative for studios with the requirements to:
 - i. Use one of the franchise haulers
 - ii. Meet all franchise requirements such as, but not limited to, waste diversion, accurate reporting, payment of fees, and clean air vehicles
 - iii. Require third party auditing of all standards

The recycLA contracts require all six of the above objectives adopted by the Mayor and City Council. Hospitals have been brought into the recycLA programs by all RSP's. Studios are partly excluded, but reporting will be required of the RSP they have selected as a contractor. LASAN modified its Customer Care Center service request tracking system to accept and track recycLA customer inquiries and complaints, and added 30 call center agents. LASAN has also added 23 more field investigators to meet with customers and assist them with any billing or service issues, and LASAN has collected from over 150 accounts when service lapses occurred.

The RSPs have over 230 staff in the field doing waste assessments and customer contact during the transition, and will retain over 150 staff beyond transition. Some of the RSPs such as UWS have provided education and proper signage during first customer contact, and Ware intends to retain its entire outreach staff beyond transition. Some RSP's need to increase their outreach and education to communicate with residents as well as property owners. During the transition period issues such as data issues, errors, and re-routing have prevented LASAN from getting a complete picture of the customer service levels and days of service to further assist customers when they call.

7. Create a consistent clearly defined system, fair and equitable rates and contingency plans to ensure reliable service.

- a. Include only a capped cost of living increase in franchise agreements
- b. Designate the uniform rate model as the preferred alternative, and allow Sanitation to negotiate the best practical and achievable model
- c. Include detailed contingency plans in each franchise agreement, and requirements that they be updated annually. Contingency plans shall include, at minimum:
 - i. Backup provisions in franchise agreements for each service zone, and
 - ii. Monetary consequences for a lapse in service in franchise agreements, such as performance bonds and liquidated damages provisions
- d. Exempt material types from the Exclusive Commercial Franchise System, including:
 - i. Medical waste
 - ii. Hazardous waste
 - iii. Radioactive waste
 - iv. Pharmaceutical waste, and
 - v. Construction and Demolition Debris

This goal has been met. Rates negotiated with the RSP's were able to be implemented Citywide, so that no area of the City would have different base service rates and rate caps are built into the agreements. The recycLA contract contain liquidated damage provisions, for many beginning on February 1st, that are triggered by poor customer service, lack of responsiveness to the City contract manager, and many others.

8. Create a system that ensures Long Term Competition.

- a. Require compliance with City's Business Inclusion Program (MBE/WBE/OBE/DVE/EB Subcontracting)
- b. Designate three small Exclusive Franchise Zones geared towards smaller waste haulers
- c. Designate that no more than 49 percent of service may be performed by one company

This goal has been met. recyclA contracts comply with the City's Business Inclusion Program, three of the recyclA zones are smaller than the other eight, and no company has more than 49 percent of the City's accounts.

9. Ensure Sufficient Staffing to meet Program Goals.

- a. Continue AB939 fee as currently adopted
- b. Designate a City Franchise fee to achieve the City's fiscal goals

This goal has been met. The Mayor and City Council approved a Staffing Plan for the recyclA program, and staff have been hired to provide oversight, monitoring, and enforcement of contract terms, provide additional customer service representatives in the LASAN Customer Care Center, inspect and monitor RSP activities at customer sites, and implement the Facility Certification Program inspection plan. A franchise fee was negotiated with each RSP and is due quarterly.

10. Ensure reliable system infrastructure to provide uninterrupted service to Customers.

- a. Provide for infrastructure development sufficient for management of solid waste

The recyclA contracts collectively require over \$200 million in infrastructure development, primarily for processing of recyclables and organics for reuse or marketing. In addition, the RSP's have improved infrastructure for transfer services, added clean fueling infrastructure, and invested in new vehicles and equipment.

Transition Process and Pre-Transition Planning

The recyclA Ordinance was adopted and EIR certified by the City Council in April 2014. The Mayor signed the ordinance in celebration of Earth Day 2014. The Request for Proposals was issued in June 2014. After two years of proposal evaluation, and extensive, detailed negotiations, the recyclA contracts were approved by the Mayor and City Council in December 2016, and executed by the Board of Public Works in January 2017.

Because of the unprecedented scope and scale of the program, the City was divided into 11 zones for the Request for Proposals process, which yielded 7 contracts. Each recyclA Service Provider was awarded from 1-3 zones, matched with their evaluated ability to bring on needed resources to provide excellent service to their customers, and to meet the City's ambitious goals of the program that includes facility development.

Information Technology Preparation

The recyclA contracts contain numerous information technology (IT) and data reporting requirements necessary to implement the program, and ensure compliance with the terms of the contract. Article 10, entitled Technology Requirements, describes the IT related functional and interfacing requirements for the RSPs. The RSPs have been fully involved in the recyclA program's associated technology requirements since mid-2016. This includes the development of the two key IT systems for administering the contract (the City's CRM for tracking service requests/ customer service performance, and a separate IT system to track data RSP's that are required to submit per contract).

The interface with LASAN's Customer Care Center has gone well, resulting in the successful launch of the recyclA program's MYLA311 interface with each of the RSP's unique call centers by launch deadline on July 1, 2017. Customers have been able to call 24 hours a day/7 days a week, to report service issues, complaints, etc. and create MyLA311 Service Request tickets that are sent to the proper RSP for handling.

Notwithstanding the success of this effort, and despite numerous past and ongoing City and RSP meetings and testing sessions during the transition, there were continual issues with the RSPs closing their Service Request tickets with basic information (such as Service Request tickets being closed without service rendered dates, resolution codes, and/or reason codes.). As of this report, most of those issues have been rectified.

Additionally, there has been a major issue with the RSPs compliance in meeting the customer account interface requirements, and as a result, on October 6, 2017, each RSP was sent a letter asking that they correct issues specified in the notice by a date certain or it will result in non-compliance. One of the RSPs (Waste Management) did not meet the deadlines, and on November 15, 2017 was issued a Notice of Contract Non Compliance for Significant Deficiencies in the Performance of Article 10.

Despite the abovementioned efforts to gain compliance from the RSPs, there still remain issues with data formatting and quality. LASAN continues to work closely with the RSP program managers and staff

to fully develop the information technology systems in order for the City to capture and filter a wide variety of data required under the contract. The deficiencies impact the RSP's ability to provide data required by contract, and/or does not allow LASAN to properly monitor their contract performance.

LASAN Customer Care Center

The City is designated as the first point of contact for customers, both to simplify the service request system, and to allow monitoring of RSP performance for missed collections and other issues. Customers in the commercial and industrial areas of the City can be serviced at any hour of the night, and private haulers frequently begin routes at 3:00 a.m. To accommodate the recyclA customers, the Customer Care Center added 30 operators to its 24 hours a day, 7 day a week operation in July 2017.

Modifications were made to the MyLA system to allow customer service staff to capture service requests and inquiries. Beginning in 2016, LASAN worked with the RSPs to interface the City's MYLA311 Customer Relationship Management (CRM) system with each of the RSPs' unique call center CRM systems. Interface coordination and work between the City and the RSPs resulted in the successful launch of the recyclA program's MYLA311 interface with each of the RSP by launch deadline of July 1, 2017. As of July 1, 2017, customers have been able to call our Customer Care Center (CCC), 24/7, to report recyclA program related service requests, issues and complaints that the LASAN CCC agents turn into MyLA311 Service Request tickets that are directly sent to RSPs for handling.

LASAN Customer Care Center

- Integrated connection with Service Providers call center
- Handles all customer inquiries and complaints (April 2017)
- Open 24/7
- Average wait time under 2 minutes
- LASAN monitors all service requests

LASAN began to hire the necessary staff to prepare for transition in 2015. Based on the recyclA Staffing Plan approved by the Mayor and City Council, LASAN began to hire the 71 total authorities allocated for the program. In addition, 16 full time contract staff were added to the LASAN Customer Care Center in order to address expected higher call volumes.

Transferring Accounts Between recyclA Service Providers – Pre-Transition

In January 2017, recyclA service providers were servicing a total of 16,320 accounts in their awarded zones. Over the next five months, 30,000 accounts were transferred to the proper RSP for that zone. (Perspective – City of San Jose has only 8,000 commercial accounts) between the RSPs. One of the goals of the process was to share information about each account with the new RSP that would aid them in transition to the recyclA program. During this process customer service levels were not changed and customers were charged their previous amounts when this information was provided by the previous

service provider. Unfortunately, due to corporate decisions, Waste Management and Republic did not share previous rates with the other RSP's. This added to the difficulty in keeping customer rates unchanged during this pre-transition process.

Not all customer accounts moved to the appropriate RSP during pre-transition. Transfers occurred based on individual agreements between each RSP. For those accounts not part of the pre-transition transfers, RSP's continued servicing some accounts in other RSP zones, until those accounts were fully transitioned.

Account Acquisition with Non-recyclA Permitted Haulers

In addition to transferring accounts between the RSPs, they also worked with the outgoing non-franchise permitted haulers. Most of these acquisitions occurred prior to August 1, 2017, however, some RSPs made longer term transition agreements with the non-franchise waste haulers. This allowed the non-franchise haulers the ability to continue to service their accounts while the RSP secured the necessary resources. As detailed below, the RSP's secured agreements with at least 21 non-franchise haulers.

UWS reported: " In order to facilitate the smoothest transition possible, Universal Waste Systems Inc. made a business decision to work with non-franchised service providers that had previously serviced the NE zone. UWS bought the route lists and assets of eight Non FSP's (Franchise Service Providers) and all six of the FSP's that had accounts in our zone. These customers were systematically transitioned over a 3-month period, beginning in April and ending in July of 2017 for all non FSP's. UWS honored the existing rates for all customers until they transitioned by subzone into the recyclA program. UWS also made a decision to assume the recycling services at all multifamily recycling customers as a subcontractor to Nasa Services in April. Our goal in an early transition of these customers was to establish recycling routes in our zone prior to transition. This goal was set in order to ensure that we had proper equipment and personnel in the field, and that any abandoned accounts would receive service in a timely manner throughout the transition. UWS completed transitions with AAA Rubbish, Haul Away Rubbish, So Cal Waste, Quality Waste, Valley Vista Services, Southland Disposal, United Pacific Waste, and American Reclamation."

Ware reported: "Ware Disposal Inc. reached an agreement with the following non-FSPs during the pre-transition period to acquire route and equipment:

- AAA Rubbish, 94 containers and route;
- Waste Resources Inc., route only;
- United Pacific Waste, 75 containers and route;
- American Reclamation, route only;
- MELVA Disposal Service, route only;
- G and B Rubbish and Roll Off Service, route only;

- Rolos Disposal Service, 62 containers and route;

Ware Disposal Inc. could not reach an agreement with the following companies, all of which remain active and providing unauthorized franchise collection services:

- Commercial Waste, approximately 60 accounts;
- SVT, approximately 25 accounts;
- Torres Disposal, approximately 20 accounts.

This total represents about 5% of the total accounts in the Southeast zone.

Ware Disposal Inc. did not hire any personnel from the non FSP community. Ware Disposal Inc. did not acquire any vehicles from the non FSP community. As seen above, Ware Disposal Inc. did acquire some containers from AAA Rubbish, United Pacific Waste and Rolos Disposal Service, which was helpful to some degree in the short term.”

Republic reported: “In addition to all of the container and route swaps with the 6 RSP’s, Republic worked collaboratively with many of the outgoing RSP’s and purchased/acquired containers and routes from outgoing providers in SLA and NEV. This collaboration was very beneficial to the transition in both zones. It allowed for the exchange of customer information and unique service data like access – gate keys, codes, etc that assisted with service and customer transition. Republic Services worked with these companies in advance of the July 1 transition to minimize any service interruption from containers being removed prematurely or abandoned altogether. Republic acquired containers and account information from 7 companies – approximately 2500 accounts and 3000 containers.”

NASA reported: – “We reached agreements with 21 non-FSP’s. We acquired roughly 1200 containers and compactors. We hired four employees from non-FSP’s. We did not purchase any non-FSP trucks. The strategy assisted us greatly in terms of having customer billing.”

CalMet Reported:

“Non-FSP agreements:

We reached an agreement with 7 non-FSPs to take over their accounts and bins. The total bins purchased from non-FSPs was 317, and the transitions were seamless. A few of the non-FSPs were non-responsive to our inquiries, and we eventually we were able to transition their accounts either when they were abandoned by the non-FSP, or we were successful in signing each customer up.

We were able to hire 5 employees from non-FSPs that were running routes in our zone previous to recycLA. Hiring drivers with familiarity of the zone was very helpful during our transition period, and is a testament to our excellent service record throughout the subzone transition. We did not purchase any other equipment from non-FSP’s.”

Waste Management reported:

“SoCal Waste

WM purchased bins and customer information from SoCal Waste. The customer list we received from SoCal Waste had nearly 600 accounts that were unknown previously. Additionally, the information we received was incomplete regarding service elements and levels. WM did not purchase collection vehicles as they were non-compliant. Five drivers came to WM.

American Reclamation

WM purchased bins and customer information from American Reclamation. The information we received was incomplete, but better than that received from SoCal Waste. No drivers came to WM.

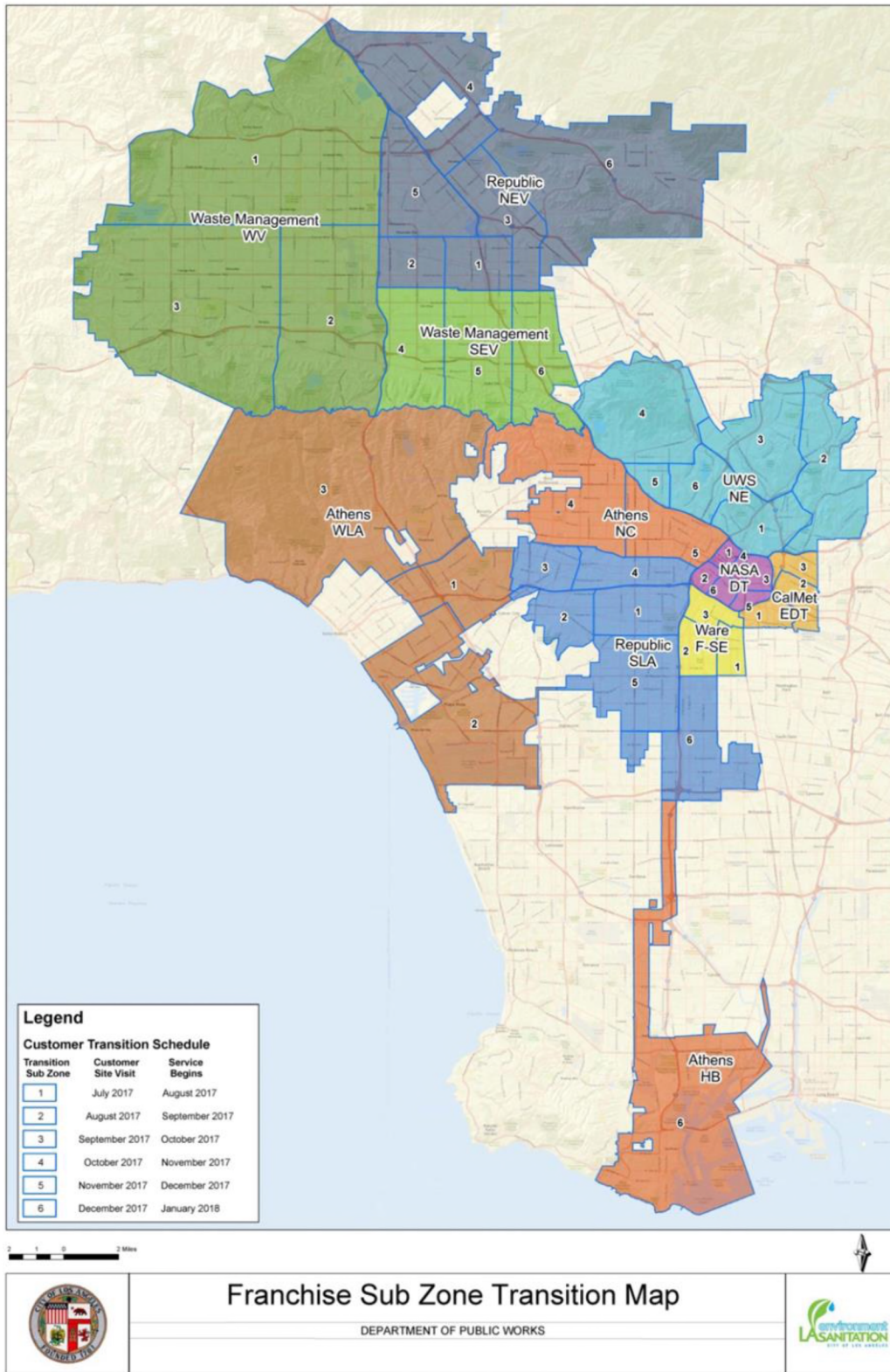
Cordova, SVT and Key Disposal

WM attempted to enter into similar arrangements for bins and customer lists from Cordova, SVT/Key Disposal and Commercial Waste. None of these firms was willing to enter into any type of agreement, and it appears that they are still operating within the City.”

By July 2017, recycLA Service Providers were servicing 47,846 accounts in the proper zones. This allowed the RSPs to learn about these customers before visiting for a waste assessment and to be brought into the recycLA program.

Transition Plan Development

For the transition process, the City initiated a series of planning sessions with the RSPs to discuss each aspect of the transition, including staffing, procurement, planning, and implementation. The RSP’s requested that they would be permitted to prepare a joint transition plan. This plan was presented to LASAN in March 2017. The plan subdivided most zones further into smaller geographic sections. Each section, called subzones, was designated with a number from 1-6. RSP’s planned to methodically move from subzone 1, beginning in July 2017, to subzone 6, in January 2018, performing waste assessments, procuring signed service agreements, and following up with beginning service and billing the following month. Initially, it was envisioned as a six month process, completed by January, 2018, where all customers were to be transitioned in 30 days per subzone. However, due to the scope of recycLA, and with the knowledge that there were approximately 10%-20% more customers than were known to the City along with other factors, the transition was extended to February 1, 2018.



Original Transition Schedule – recycLA contracts

Sub Zone	City Notification Letter	Customer Site Visit	Service Begins for Customers
1	Jun 2017	July 2017	Aug 1, 2017
2	July 2017	Aug 2017	Sep 1, 2017
3	Aug 2017	Sep 2017	Oct 1, 2017
4	Sep 2017	Oct 2017	Nov 1, 2017
5	Oct 2017	Nov 2017	Dec 1, 2017
6	Nov 2017	Dec 2017	Jan 1, 2018

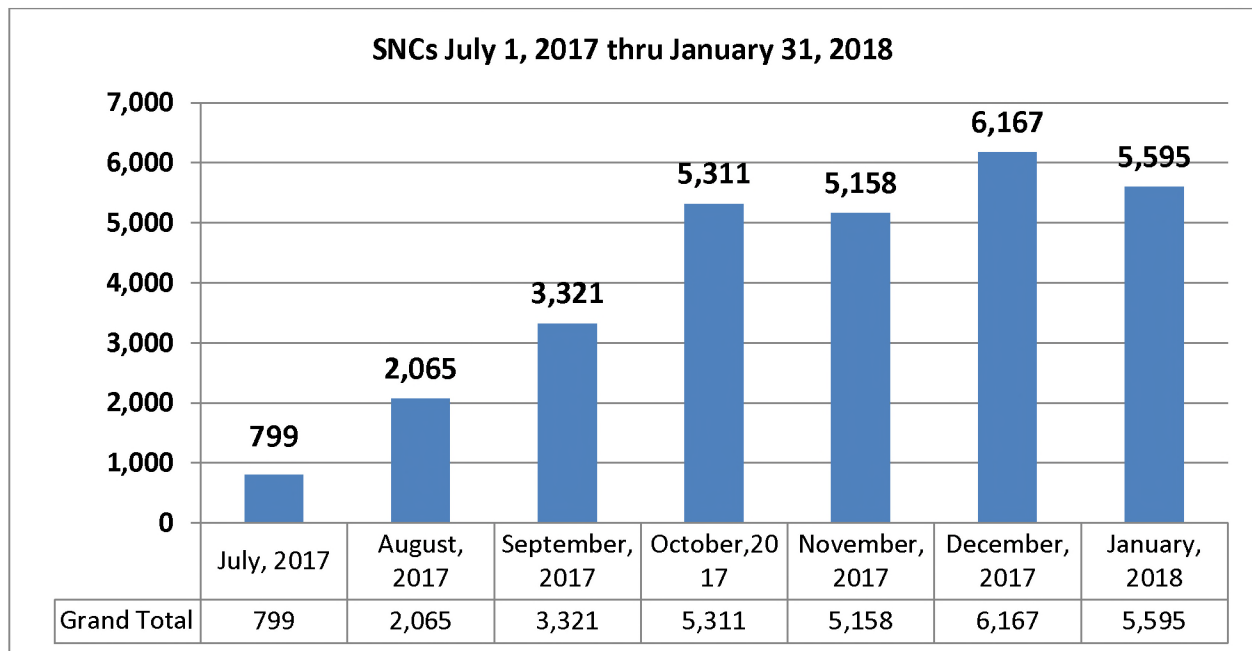
Revised Approved Transition Schedule

Sub Zone	City Notification Letter	Customer Site Visit	Billing Sent for Customers with Signed SA's	Service Begins For Signed Customers	Billing Sent for Auto-enrolled Customers	Service Begins for Auto-Enrolled Customers
1	Completed June	Completed July	Completed July-Aug	Completed Aug 1st	Completed Aug-Sept	Completed Sept 1st
2	Completed July	Completed Aug	Completed Aug-Sept	Complete Sept 1st	Completed Sept -Oct	Completed Oct 1st
3	Completed Aug	Completed Sept	Completed Sept - Oct	Completed Oct 1st	Completed Oct-Nov	Completed Nov 1st
4	Completed Sept	Completed Oct	Completed Oct-Nov	Completed Nov 1st	Completed Nov-Dec	Completed Dec 1st
5	Completed Oct	Completed Nov	Completed Nov -Dec	Completed Dec 1st	Completed Dec- Jan	Completed Jan 1st
6	Complete Nov	Completed Dec	Completed Dec-Jan	Completed Jan 1st	Completed Jan-Feb	Completed Feb 1st

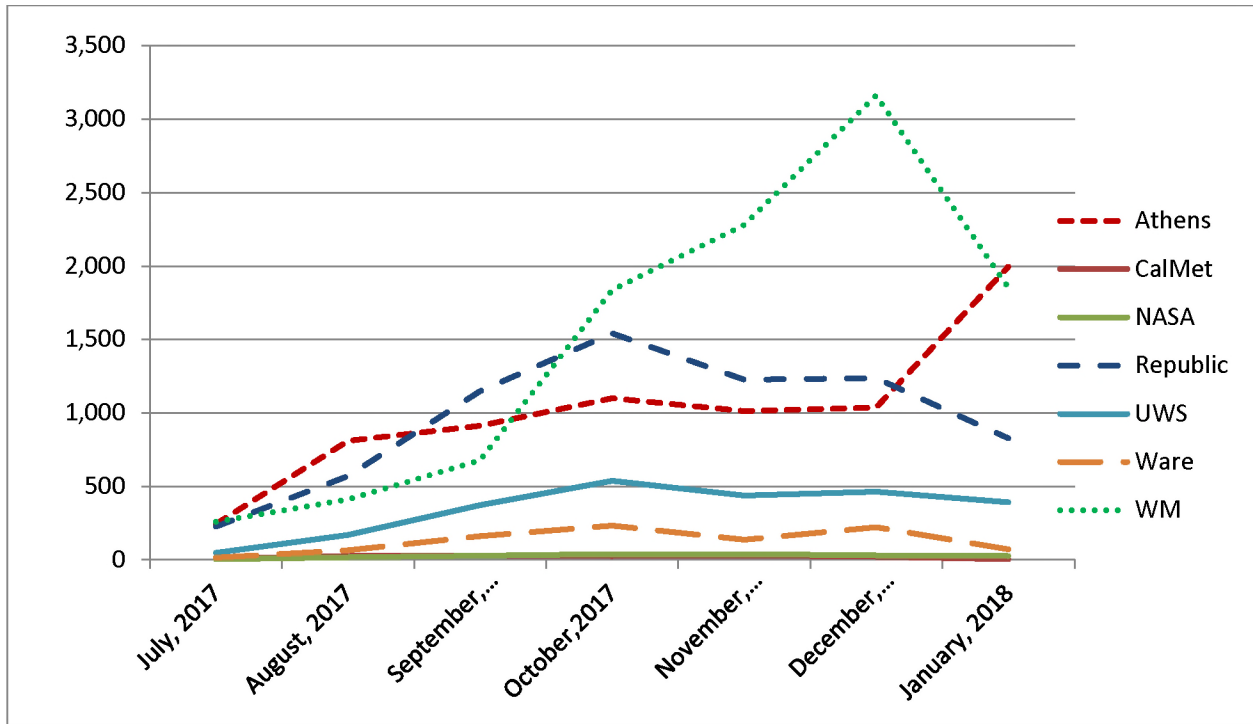
Transition Findings and Actions

Transition Issue - Missed Collections and Customer Perception

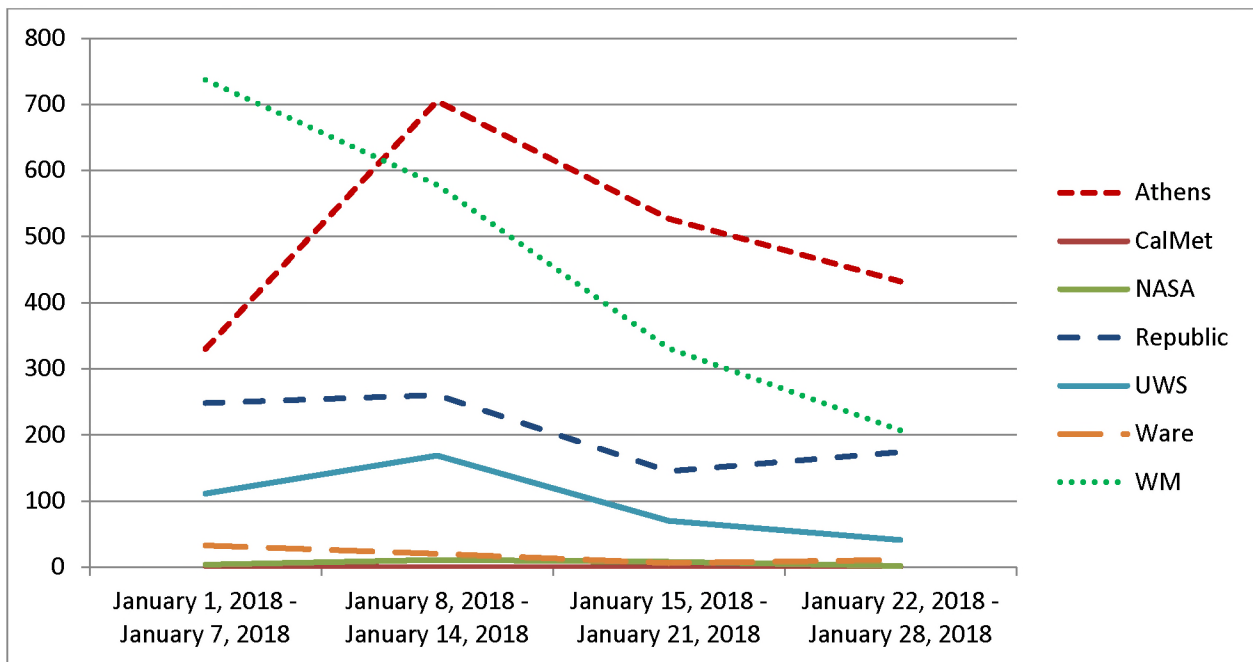
While there are many requirements in the recycLA contracts, none is more important than service to the customer. Missed Collections during the recycLA transition period have been unacceptably high. In addition, a number of customers seem to have ongoing collection issues. A customer Missed Collection is recorded as a Service Not Complete (SNC) in the MyLA311 system. It is clear from the data that there is a wide variation between recycLA providers in both the number of misses, their responsiveness to timely return and collect, and their ability to prevent further missed collections.



The total number of SNC's may not always be an accurate representation of the total missed collections. Therefore, in these charts LASAN filtered the SNC's for reason codes, essentially what caused the customer to have a missed collection. Some of the SNC's were generated for containers that were blocked, or when the RSP could not access the site, for example. These type of service requests were removed. Starting January 2018, all RSPs are able to provide documentation and pictures of blocked containers or gates. The information is check for accuracy by the contract managers.



As indicated in the charts service providers CalMet, NASA and Ware were able to achieve high customer satisfaction in their zones during the entire transition. The data for January , 2018 clearly points out that the other recyclA service providers were able to significantly reduce their missed collections by adding resources as described in the detail below.



LASAN Response – Root Cause analysis and Solutions

When missed collections began to rise steeply, LASAN staff investigated and required the affected RSPs to provide a root cause analysis and a workplan to bring these incidents under control by the end of the transition period. All RSPs under review took this seriously, and began to work within their organizations to correct this issue. For all of the affected RSPs, there were common findings:

1. Customers reported to LASAN that they had tried to call their RSP for missed collections, did not receive service, and indeed only called LASAN after several weeks without service, when the situation impacted their business, tenants or residents.
2. The RSPs reported that their assumptions of collection drivers, scout drivers, and helpers for the recycLA program was low.
3. Related to staffing levels, the number of needed vehicles for collection, scouting bins, and for bin delivery and exchanges were also higher than anticipated.
4. Residents of multifamily complexes were not aware of changes to collection frequency and schedule by apartment owners and managers, for both the black and blue bins, creating confusion and generating additional service requests.
5. System errors and operator errors that caused service requests to be closed without service rendered.
6. Collection and scout drivers had to learn service routes and particular customer needs.

LASAN Response – Add Staffing to Customer Care Center

In the analysis of the recycLA system before its launch, LASAN added 16 operators and two supervisors to the Customer Care Center to handle the increased volume of calls. Due to the sharp increase in the number of calls, and the amount of time needed for each call was significantly higher than anticipated, LASAN subsequently added an additional 14 operators, for a total of 30 new staff to support the recycLA program.

LASAN Response – Collect Materials from Customers when Necessary

To provide service to customers that were not receiving service from their RSP, LASAN dispatched its own vehicles to collect from some multifamily and commercial customers. The customers in July had been abandoned by their previous waste hauler, and LASAN provided some assistance to the RSP. In addition, LASAN established a process whereby LASAN staff was dispatched to service customers that information our Customer Care Center agents that they were not serviced in over a week. LASAN staff also dispatch staff to service accounts that had an open service request of 3 days or more. In December, as repeated missed collections increased dramatically, LASAN dispatched and collected from over 150 accounts. In some cases several weeks of material were on-site. Circumstances varied for the customers, but many had a service agreement in place and were paying for collection services that were not received. Others were concentrated in areas that had not been fully assumed by the recycLA provider.



LASAN Analysis – Customer counts

RSP's have reported to LASAN that they were unaware of the number of customers, and of the service levels needed for the program. Because of the shift from the open market, where much of the customer service data was unknown, this transition differs from a traditional franchise contractor change, with all customers known and understood. Because the RSPs as permitted waste haulers over 71% of the accounts in the City before transition, and also competed for customer accounts under the open market, LASAN analyzed this question, and data shows the following:

Based on the current data supplied to LASAN by the RSP's, it is clear that Republic Service's service areas contain many more customers than were previously reported under permit requirements. However, for the NorthEast Zone, awarded to UWS, there was only a 1-5% discrepancy between recyclA customer counts. UWS states that there are still customers to add to the LASAN database which will increase the number to approximately 6,300. It was known to both NASA and LASAN that the Downtown Zone did not include all of the new construction both recently completed and underway, so the counts would be much lower than the actual accounts.

RSP	DT	EDT	HB	NC	NE	NEV	SE	SEV	SLA	WLA	WV	Total
Athens			3,992	9,766						8,873		22,631
CalMet		1,313										1,313
NASA	2,272											2,272
Republic						7,950			11,993			19,943
UWS					6,166							6,166
WARE							2,117					2,117
WM								8,196			8,781	16,977
As of 1/3	2,272	1,313	3,992	9,766	6,166	7,950	2,117	8,196	11,993	8,873	8,781	71,419
RFP	1,796	1,055	3,029	8,810	5,877	7,050	1,963	7,624	9,266	8,984	8,032	63,486
Delta	476	258	963	956	289	900	154	572	2,727	-111	749	7,933
Percent Increase	27%	25%	28%	10%	5%	13%	8%	7%	28%	-1%	10%	12%

Solutions – Additional Staffing and Vehicles

The following responses from all RSP's comparing 2016 estimates to 2018 needs indicate that 2016 estimates were much lower than necessary for service of the recycLA customers. Below is a summary chart for operational staffing as reported by the RSPs, with their individual reports following:

Operational Staffing Summary

RSP	Collection Drivers	Scouts	Helpers	Current Staff Total	Anticipated Additional Staff	Total
Athens	156	40	95	291	0	291
Republic	124	32	20	176	0	176
Waste Management	103	31	10	144	0	144
UWS	39	10	28	77	0	77
NASA	44			44	8	52
Ware	14	1	1	16	6	22
Calmet	8	1	5	15	0	14
TOTAL						762

Republic Services reported:

SLA	Routes/Drivers	Scout	Helpers	Total
2016 Estimate	37	10	3	50
Current Actual	65	16	13	94
NEV	Routes/Drivers	Scout	Helpers	Total
2016 Estimate	37	9	1	47
Current Actual	59	16	7	82

"Based on the original customer count for NEV and SLA, our estimated number of collection trucks required was 74 collection vehicles and 19 scout vehicles. During transition, Republic identified additional accounts and a significant increase in volume/tons that exceeded our projections and additional trucks and drivers were needed to meet service expectations.

Our current truck count is 103 collection vehicles and 29 scout vehicles. *Republic had to procure 29 additional collection vehicles and 10 additional scout vehicles within a 45 day period. Republic has procured and is in possession all collection vehicles and scout vehicles needed today."*

Athens Services reported:

*	Drivers		Helpers		Scouts		Rolloff Drivers		Total Staff	
	2016	2018	2016	2018	2016	2018	2016	2018	2016	2018
North Central	43	55	20	40	16	17	3	5	82	117
West LA	48	54	28	40	18	19	7	11	101	124
Harbor	17	18	3	15	6	4	8	13	34	50
Total	108	127	51	95	40	40	18	29	217	291
Procurement of Vehicles										
2016 and 2018 Estimates										
Truck Type		2016	2018							
Commercial		108	127							
Roll Off		18	29							
Scout		40	40							
Total		166	189							
Vehicle Delivery Schedule										
Truck Type	Existing Fleet		Jan-18	Feb-18	Jun-18	Total	Comments			
Commercial	91		1	0	35	127	* All needed vehicles will be delivered in June			
Roll Off	25		2	2		29				
Scout	38		2			40				
Total	154		5	2	35	196				

Waste Management reported:

Driver/Helper Category	Original Estimate	Current Staffing
Collection Drivers	85	103
Scout Drivers	16	31
Helpers	2	10
Total	103	144

6/16 - Truck configuration and equipment determined.

12/16 - Truck needs established based on known information, and orders placed.

3/17 - Clean Fuel Collection Vehicle delivery begin

6/17 - 93 Clean Fuel Collection Vehicles received

9/17 - Additional customers and volumes indicate additional trucks required.

10/17 - Orders developed.

11/17 - Orders initiated.

11/17 – Additional trucks from other Sites in SoCal on load to Sun Valley

12/17 – Contract spec trucks from other parts of SoCal being diverted to LA City begins.

1/18 - Additional contract spec trucks ordered - 15

5/18 - Additional contract spec trucks expected to begin

CalMet reported:

B) Procurement of Vehicles -Estimate 2017								
Category	Engine Type	Fuel Type	Manufacturer	Quantity	Age of vehicle	Purchase Order Date	Delivery Date	Service Ready Date
Front Loader	ISL-G NEAR ZERO	NATURAL GAS	PETERBILT	6	0	FEB	JUN	SEP
Rear Loader	ISL-G NEAR ZERO	NATURAL GAS	PETERBILT	1	0	MAR	JUN	SEP
Roll Off	ISL-G NEAR ZERO	NATURAL GAS	PETERBILT	1	0	FEB	JUN	SEP
Scout Truck	OTHER	UNLEADED	CHEVY	1	0	APR	APR	JUL
Reserve Truck	ISL-G NEAR ZERO	NATURAL GAS	PETERBILT	2	0	FEB	JUL	OCT

All trucks were deployed from late August to late September, our estimated delivery schedule did not change.

Estimate of Collection drivers, Scout drivers and Helpers

- 7- Collection drivers
- 1- Roll Off Driver
- 1- Scout Driver
- 5- Helpers

What we estimated our need for servicing our zone is what we are currently using. We did hope to run a few trucks with no helpers, but after feedback from supervisors and drivers we decided to add helpers due to safety reasons.

NASA reported:

Position	2016 Bid Estimate	Current	Estimated Need	Notes
Front load, side load, scout and bin delivery driver and helper positions	31	38	44	NASA is currently training two additional drivers that will be needed for the 2/1/18 new starts and has three new drivers starting on Monday, 1/28/18 to begin training for expanded routes in recycling, roll-off and food waste.
Roll-off drivers	4	6	8	
Vehicle Type	# Estimated in Bid	Current # Procured	# Additional Need	Notes
Front Load	9	16	1	All current trucks in use are new CNG. Additional trucks will be CNG upon route commencement.
Roll-off	4	6	1	Same as above
Side and Rear	2	1	1	Same as above
Scout and Support Vehicles	4	4	1	Same as above

Ware reported:

COLLECTION STAFF	2017 ASSUMED	2018 ACTUAL	2018 ADDITION	INCREASE	PCT INCREASE
FRONT END LOAD REFUSE	8	10	0	2	25%
FRONT END LOAD RECYCLE	1	3	0	2	300%
ROLL OFF	1	1	0	0	0%
SCOUT	1	1	0	0	0%
HELPERS*	0	1	6	6	600%
TOTALS	11	16	6	10	91%

* The six (6) helpers will be added by the end of February 2018 to increase route efficiency.

Ware Disposal Inc. secured sixteen (16) collection vehicles for use in the recycLA program, along with two (2) flatbeds and (2) scout vehicles. Ware Disposal Inc. had all of these vehicles secured for use effective 1 July 2017, as Ware Disposal Inc. purchased an entirely brand new set of vehicles for use in the Southeast zone.

There may be a need to purchase one (1) additional front end load collection vehicle during the course of calendar year 2018, but that determination will not be made until Ware Disposal Inc. consolidates the existing routing matrix at the conclusion of the transition period.

Ware Disposal Inc. did not modify its vehicle purchase for the Southeast zone from 2016 into 2017 into 2018. Ware Disposal Inc. desired to purchase a sufficient number of vehicles for use in the Southeast zone and, if there was a surplus, could be used in other jurisdictions as part of the company's vehicle replacement plan.

UWS reported:

Universal Waste Systems currently employs 39 drivers, 10 scout drivers, and 28 helpers to service the City of Los Angeles Franchise. We anticipated running 28 routes, however; we are currently running 34 routes, plus 3 roll-off routes. We accommodated 9 additional routes. We only estimated acquiring 4 scout routes, but are currently up to 9. We anticipated four roll-off routes and we are currently running 3 routes.

We currently have two additional rear load trucks and two commercial front loaders being built. Both new rear load vehicles will replace #112 and #116, and one of the new front loader will replace #138, which will eliminate the diesel vehicles. We expect the new fleet to be operational by March 2018.

'Auto-enroll' and Impacts

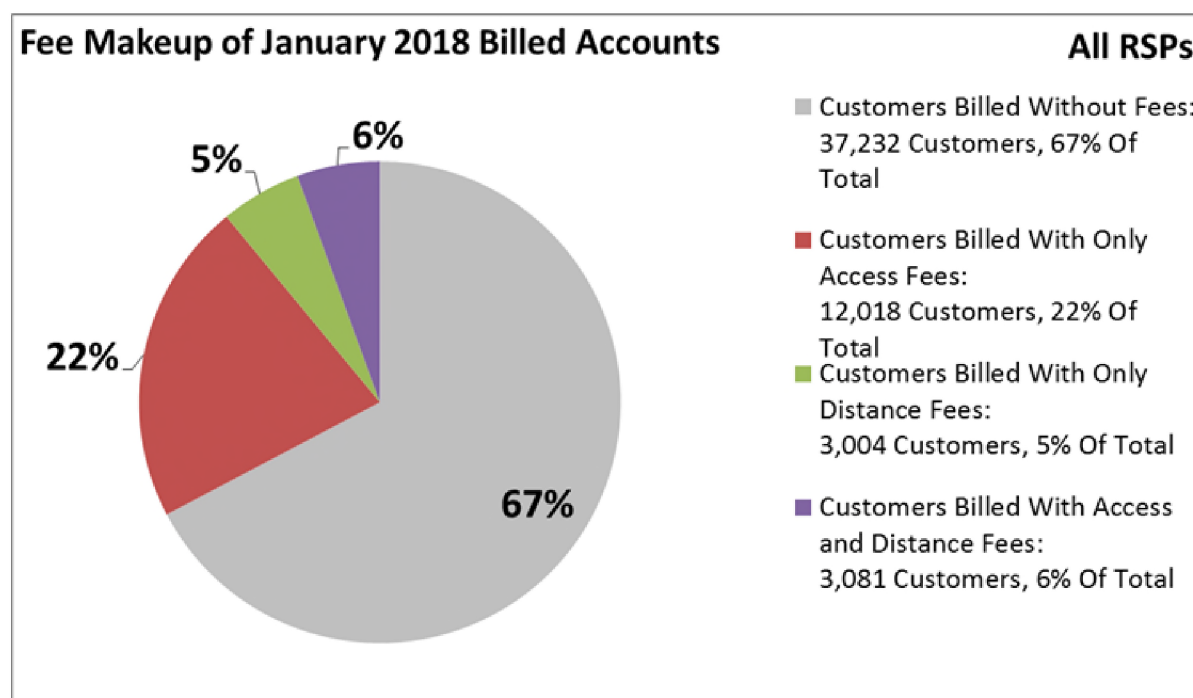
During transition, RSPs were required to perform an on-site waste assessment with each customer, with the goal of providing the appropriate level of recycling, and achieving a signed service agreement. The service agreement allows for the RSP and customer to formalize their service needs. CalMet, NASA, Ware, and UWS have been able to achieve a success rate of over 60% service agreements signed, with CalMet achieving 87%. Athens, Republic and Waste Management were not as successful in obtaining signed service agreements. Early in the transition process, the RSPs reported that they were having difficulty in being granted access to properties to perform waste assessments, and to obtain signed service agreements.

LASAN continued to expect that waste assessments would be performed at all customer accounts, however to continue transition in an orderly method, the RSPs would include an 'auto-enroll' process to bring all customers into the recycLA system. This process included a requirement to use several methods to contact the customers, over a month period, with a minimum number of visits and attempts to contact the customer. Without access to the customer sites, and customer refusal to meet with the RSP and/or sign an agreement, 'auto-enroll' service bills were sent that reflected the last known level of service for the account, generally without changes in the customer's solid waste service level. One consequence of a customer being auto-enrolled was that their solid waste service was not modified to account for the new recycling service, with potentially more solid waste service than needed, and thus with higher associated costs. In addition, auto-enrolled customers typically were not able to mitigate possible extra service charges, such as moving their bin closer to the property line.

RSP Name	NASA	CALMET		Athens		UWS		Republic		WARE		Waste Management
Franchise Zone	DT	EDT	HB	NC	WLA	NE	NEV	SLA	SE	SEV	WV	
Overall Waste Assessments Completed	2,065	1,358	3,921	9,459	9,539	5,443	6,893	9,797	1,875	3,096	6,888	
Overall Service Agreements (SA) Signed	1,308	1,186	590	2,921	3,157	4,130	3,073	3,282	1,370	2,098	2,220	
% of Overall SA Signed based on WA completed	63%	87%	15%	31%	33%	76%	45%	34%	73%	68%	32%	

Transition Issue – Customer Billing

In July, soon after initial site visits and waste assessments began, it became rapidly clear that many customers were reporting significant increases to their current service rates. LASAN obtained the monthly billing issued by the RSPs, and performed an analysis of the rates calculated by the RSPs, and the factors involved in any raising of rates to customers. LASAN was not able to analyze the difference between customer bills pre-recyclA versus recyclA bills due to lack of data. Republic and Waste Management informed LASAN that they could not release pre-recyclA customer bills. It was found that, beyond any increases in the base rate for service, some customers were experiencing significant additional cost increases due to extra services charges. The extra service charges in question included a charge to access a locked premise, and distance charges to push or scout (move with a smaller vehicle) bins to a location where they could be serviced.



LASAN Billing Review Strike Team

In September 2017, LASAN created a billing strike team to investigate and respond to reported billing issues, especially extra service fees. Under a Chief Inspector and four Senior Inspectors, 28 inspection staff reviewed all RSP auto-enroll billing data and identified those customers whose bills were comprised of 40% or more extra service charges. The RSP's were requested to accompany the inspectors on their verification visits.

Inspectors visited the properties of all customers where entrance was granted, and reviewed the extra service charges for accuracy. From September 27th 2017 through January 29th 2018, the Strike Team performed a total of 1,839 inspections at customer locations, and identified 1207 accounts (66%), as opportunities to revise the bill by removing and/or reducing access charges, distance charges, or both.

The Strike Team continues to inspect and verify charges at the properties that fall under this specific billing criteria (auto-enroll bills that comprise greater than 40% extra service fees). As a follow up to the billing review, LASAN sent a letter to 6 of the 7 RSP's on December 15th, 2017, requesting that charges be removed for distance on 298 properties. RSP's have agreed to remove 214 of the charges, 23 accounts resulted in no billing modification needed, 48 are still under investigation, 1 account is unresolved, and 11 accounts were duplicates.

Billing Review Summary as of 01/29/2018

RSP	Total Addresses Sent to Haulers	Total Addressed with Resolution
Athens	132	132
CALMET	0	0
NASA	9	8
Republic NEV	81	37
Republic SLA	51	48
UWS	5	5
WARE	4	4
WM	16	14
Total	298	248

On January 24th 2018, a second letter was sent to all 7 RSPs requesting them to remove any distance and/or access charges from 723 customer accounts. Resolutions on these accounts are still pending.

Billing Review Summary as of 01/24/2018

RSP	Total Addresses Sent to Haulers
Athens	292
CALMET	9
NASA	16
Republic NEV	160
Republic SLA	188
UWS	23
WARE	7
WM	28
Total	723

LASAN recycLA Billing Unit

LASAN also has created a billing unit, available to work with customers and RSPs on billing disputes that are elevated for City review after agreement cannot be made between the parties. Per the contract, LASAN is able to make determinations on appropriate charges when a bill is in dispute. Procedures have been developed to assist all parties with the process. The following is the summary of escalated issues:

- The billing unit has received 909 escalated issues from both city personnel and directly from the customers.
- 393 escalated issues from customers were received via the recycLA webpage form.
- 934 of 1,302 total escalated billing issues have been resolved.
- 352 are still pending LASAN investigation

Findings from the Billing Dispute process:

- Most of the customers make attempts to resolve the issue with their RSP prior to engaging our billing unit.
- There are some cases where an issue has been present for over a month before being escalated to the billing unit.

Clarification of Extra Service Charges

The recyclA system was designed with a single rate structure so that similar customers anywhere in the City would be provided the same service levels for the same monthly charge. The RSPs have approached the extra service charges and their applications differently, which has created confusion amongst customers. Some RSPs included these charges in most situations, others discussed and worked with customers to avoid charging for these services unless significant additional time was needed to provide service to a particular property. For example, CalMet reported that over 85% of customer bills included no extra service charges for access or distance, while Republic Services reported that only 58% of customers had no extra service charges.

RSP January 2018 Billing Data

RSP	Total Accounts Billed	Accounts Billed Without Fees	Accounts Billed With Fees	Accounts Billed With Only Access Fees	Accounts Billed With Only Distance Fees	Accounts Billed With Access and Distance Fees
Athens	18,274	62%	38%	26%	6%	6%
CalMet	1,261	87%	13%	9%	3%	1%
NASA	1,593	70%	30%	23%	3%	4%
Republic	15,269	56%	44%	31%	5%	9%
UWS	5,509	71%	29%	18%	7%	4%
WM	13,429	84%	16%	8%	5%	3%
Grand Total	55,335	67%	33%	22%	5%	6%

For example, a customer was being charged for access to their facility, when the gate to the solid waste bins was not only unlocked, but removed. The RSP claimed that since it was a 'secured' location, that access charges could be applied. Other situations included RSP's charging for distances over 100 feet, when the bin was less than 100 feet from where the collection vehicle could travel. LASAN believed that it was necessary to provide clarification to the RSP's in order to provide consistency in the marketplace on the situations where these types of extra service charges would not apply.

Waste Assessments and Customer Contact

The recycLA contracts require the RSPs to perform a waste assessment at every customer location before beginning service under the recycLA program. The purpose of the waste assessment is to capture the materials generated at the customer location, identify means of increasing waste diversion, and setting goals for future diversion practices. This waste assessment was required to include the following elements:

- Pictures of material in all containers
- Characteristics of establishment type
- Written recommendations for future Diversion Programs
- Provide outreach and education materials appropriate to the establishment type
- Determination of signage placement
- Determination of any ongoing training needs
- Determination of any access needs
- Documentation of any special service needs, (i.e., seasonal, automated on-call compactor, etc.)

Waste assessments have another key role, to provide the customer enough information to allow the right size of black bins and blue bins on site to provide enough capacity for solid waste and recyclables. However, many customers were not willing to participate in a waste assessment, leading to levels of service that are either too low, resulting in overflowing bins, or too high, resulting in a higher cost than necessary, since the cost of the base service is tied to amount of black bin service a customer requires.

During transition, LASAN received many reports that customers were not aware of their rights and responsibilities, and not informed of state law for recycling, which is part of the City's compliance requirements. This increases customer confusion and dissatisfaction with the recycLA program. On the other hand, some customers have had multiple meetings and waste assessments performed, especially large customers with complicated service requirements.

Ongoing Waste Assessments are also Required

The City requires that the customer be regularly assessed for source reduction and recycling opportunities throughout the term of the contract. The RSP, at its own expense, is required to provide follow up waste assessments at customer request or every two years, whichever is more frequent, up to two every 12 months.

Other Contract Requirements

Technology Requirements

The recyclA contracts contain numerous information technology and data reporting requirements necessary to implement and ensure compliance with the terms of the contract. Article 10, entitled Technology Requirements, describes the IT related functional and interfacing requirements for the RSPs. The RSPs have been fully involved in the recyclA program associated technology requirements since the negotiation phase of the contract, including the involvement with developing the two key IT systems for administering the contract (the City's CRM for tracking service requests/ customer service performance, and a separate IT system to track data RSPs are required to submit per contract). LASAN's IT staff has been working closely with the RSPs' program managers and IT staff to fully develop the IT systems necessary for the LASAN to capture and filter a wide variety of data required under the contract.

Notwithstanding the success of the CRM interface between LASAN's CRM system and the each of the RSPs CRM systems, and despite numerous past and ongoing LASAN IT to RSP IT meetings and testing sessions, there still remains issues with the RSPs meeting other IT based data and reporting requirements.

Additionally, there has been a major issue with seeking the RSPs compliance in meeting the customer account interface requirements, and as a result, on October 6, 2017, each RSP was sent a letter they correct issues specified in the notice by a date certain or it will result in non-compliance.

As of this report, LASAN IT staff continues to work closely with the RSPs' program managers and IT staff to rectify the abovementioned issues, along with gaining compliance for other IT issues as they arise, including but not limited to, improperly formatted data and data quality issues. RSPs' IT deficiencies impact the RSPs' ability to provide data required by contract, and/or does not allow the City to properly monitor the contract performance of the RSPs.

Implementation of Blue Bin Recycling at All Customer Accounts

Providing blue bin recycling at all customer accounts is an important milestone. The RSPs are required to include Blue Bins in the base service, as follows: All customers shall receive a base package of services that includes solid waste (black bin) collection and commingled recyclables (blue bin) collection. All customers shall receive at least one collection per week for solid waste, commingled recyclables, and organics.

The minimum service level ratio is that the blue bin service shall be at least fifty percent (50%) by volume of black bin service and shall not be less than 96 gallons. This ratio is for total service volume associated with the base rate, including container volume and collection frequency. In the event that a customer refuses blue bin service, blue bin service is not provided, or the service level of the blue bin falls below the minimum ratio of 50%, the contractor shall remit to the City the portion of the base rate for Recycling Not Provided (RNP). The RNP shall not be calculated or remitted before the start of service date. The RSP may present evidence for exceptions, and LASAN may consider exceptions to the volume

requirements for specific customers, but blue bin service must be provided. LASAN is working to correct some of the issues with customer data provided by the RSPs that currently doesn't allow the City to accurately calculate blue bin ratios.

Opening Customer Service Centers

The RSPs have established a Customer Service Center in each of their zones. The RSPs have personnel available for the purposes of billing inquiries, service requests, complaint resolution, and other matters, Monday through Friday, and on Saturdays. The offices have the ability to assist customers with their recycLA questions and address their needs.

RSP	Zone	Customer Address	Day/Time of Service
Athens	WLA	1950 Sawtelle Blvd., Suite#357, Los Angeles, CA 90025	Monday-Friday 8:00am - 5:00pm, Saturday 8:00am -noon
Athens	NC	6363 Wilshire Blvd, Los Angeles, CA90048-Suite200	Monday-Friday 8:00am - 5:00pm, Saturday 8:00am -noon
Athens	HB	350 W. 5th St, Suite210, San Pedro, CA 90731	Monday-Friday9:00am - 5:00pm, Saturday 8:00am -noon
CalMet	EDT	1955 E Cesar Chavez Ave, Los Angeles, CA 90033	Monday–Friday 8am - 5pm, Saturday 8am - 12pm
NASA	DT	600 Wilshire Blvd, Suite 82, 5th Floor, Los Angeles, CA 90017	Monday-Friday 8am - 5pm
Republic	NEV	9200 Glenoaks Blvd, Sun Valley, CA 91352	Monday-Friday from 8am -5pm, Saturday8:00am -noon
Republic	SLA	Baldwin Hills Crenshaw Plaza: 3560 W. Martin Luther King Jr. Blvd., second floor kiosk#14, L.A. 90008	Monday-Friday 10:00am -7:00pm, Saturday 10:00am -2:00pm
UWS	NE	1645 N Main St. Los Angeles, CA 90012	Monday–Friday 7am - 6pm, Saturday 7am - 12pm
Ware	SE	1740 South Los Angeles Street, Unit 213, Los Angeles, CA 90015	Monday-Friday 9:00am - 4:00pm, Saturday8:00am - 12:00pm

WM	WV	22736 Vanowen St., Suite 205 West Hills, CA 91307	Monday-Friday 8:00am - 5:00pm, Saturday 8:00am -noon
WM	SEV	5906 Van Nuys Blvd., Sherman Oaks, CA 91401	Monday-Friday 8:00am - 5:00pm, Saturday 8:00am –noon

Procurement and Use of Clean Fuel Vehicles

Section 3.19 of the recycLA service contracts describes the requirements for clean fuel vehicles. Primary to the requirements of recycLA is the use of late model clean fuel vehicles for collection activities. To meet this requirement, the majority of the RSPs placed orders for new vehicles, and several also have installed fueling facilities at their service yard locations. The current numbers of vehicles are as follows:

Summary List of Vehicle Procurement

RSP	Collection Vehicles		Scout/Specialized Trucks		Total
	In Operation	To Be Delivered	In Operation	To Be Delivered	
Athens	116	40	38	2	196
Republic	103		29		132
Waste Management	93	15	Not Reported	Not Reported	108
UWS	34	3	9		46
NASA	23		4	4	31
Ware	16		4		20
Calmet	10		1		11
GRAND TOTAL	453		91		544

Container Acquisition, Colorization, and Deployment

The recycLA program promotes the ability to recycle, and also requires that every customer site receive a minimum amount of Blue recycling Bins. The base level of service in the recycLA contract is a 96-gallon black bin and a 96-gallon Blue Bin. In order for the recycLA system to be consistent with the curbside recycling requirements for LASAN-served residents, the same materials are to be collected in Blue Bins throughout the City. All bins used in the recycLA program are required to be colorized appropriately as Black for solid waste, Blue for commingled recyclables, green for organics, and brown for horse manure.

RecycLA Service Providers have been working diligently to achieve uniform colorization of the bins used under the program. New bins being deployed to customer accounts already are the proper color. However, the existing bins for each hauler, as well as bins that were either transferred or purchased from other RSPs or outgoing permitted haulers, have been going through a process of colorization. For the thousands of containers needing restoration and painting, there are limits both on the capacity of vehicles and drivers to deliver and collect bins, as well as permit limits on the number of bins that can be painted each day.

The RSPs are also required to keep their bins in good condition. A new requirement to clean bins once per year for no additional cost, and to remove graffiti up to three times per year, will keep in check the blight associated with bins that are continually tagged. RSPs are also required to promptly repair and/or replace damaged bins that they own.

Athens reported the following:

H) Procurement, colorization and deployment of containers				
Please prepare an estimate of the number of containers purchased vs acquired during the program.				
	Trash - Bins	Trash - Barrels	Recycle - Bins	Recycle - Barrels
New Equipment Purchase	4,464	2,766	7,520	22,000
Non-FSP Acquired Equipment	4,024			
FSP Acquired Equipment	22,634			
Total Bins Acquired	26,658			
Of the bins acquired, how many still need to be colorized and receive recycLA signage?				
	Equipment Count	% Remaining		
Pending Colorization	7,768	29%		
Of the bins how many are currently deployed, and how many remaining?				
	Equipment Count	% Complete	Remaining	
Trash Bin Deployment	18,890	71%	7,768	

Recycle Bin Deployment	4,827	90%	536
Recycle Barrel Deployment	19,855	90%	2,206
Please provide a one paragraph description of how your current estimates for bins were modified after rollout began in July 2017			
Since the July 2017 roll out, there have been changes to recycle equipment deployment versus original assumptions for equipment. We originally predicted more barrels versus bins but that was not the case. Originally we factored delivering 70K recycle carts but in reality, it is trending to be closer to 35K total carts. For recycle bins, we had to purchase more 4yd and 6yd recycle bins and are looking to have 8k+ versus the original 6-7K number.			
Colorization has been slow and steady. The delay in transferring areas by FSP were delayed, it pushed back getting all competitor bins colorized. Customers changing service levels have increased significantly and are priority in completing. Colorization and RecycLA branding is trending to be completed by middle to end of 2nd quarter.			

CalMet reported the following:

H) Procurement, colorization and deployment of containers	
NEW BINS PURCHASED	1410
RSP BINS ACQUIRED	1181
NON FSP BINS ACQUIRED	316
CARTS PURCHASED	1889
BINS DEPLOYED BLACK	1282
BINS DEPLOYED BLUE	874
BINS DEPLOYED GREEN	1
CARTS DEPLOYED BLACK	211
CARTS DEPLOYED BLUE	878
We are at 99% colorization/signage in our zone for trash, 100% for recycling.	
When we audited our zone we were at about 70% 3yd containers currently on route at customers sites. Once we began our site visits & waste audits, we saw that number drop dramatically and larger bins such as 4yds and 6yds were requested instead due to the better pricing per yard. Our plan to use the acquired 3yd bins as recycle bins worked out as planned. We ordered additional blue carts in September as we saw the demand for carts rising due to space constraints.	

NASA reported the following:

Procurement, colorization and deployment of containers – Please prepare an estimate of the number of containers purchased vs acquired during the program.

- Purchase = 700 front-load type bins and 1100 barrels
- Acquire = 3,232 bins.

(1) Of the bins how many are currently deployed, and how many remaining?

- a. Bins = 700 purchase of which 500 already deployed and 200 remain in stock. 3,232 acquired from existing haulers both non-FSP and FSP transactions.
- b. Barrels = 398 deployed and 702 remaining of various colors and sizes.
- c. Of the bins acquired, how many still need to be colorized and receive recycLA signage? From subzone 6 there is roughly 500 bins remaining to be colorized and stickered, which includes the estimated new account starts for February 1, 2018.

(2) Please provide a one paragraph description of how your current estimates for bins were modified after rollout began in July 2017 (one paragraph). – As the estimates for bin needs have increased we have been purchasing additional to meet the needs.

Republic reported the following:

Container Colorization/Purchase NEV/SLA	Containers
Owned/Swapped/Acquired Containers	19,892
Purchased containers	15,663
Total Containers	35,555
2016 Estimate	31,200

- a) *Procurement, colorization and deployment of containers – Please prepare an estimate of the number of containers purchased vs. acquired during the program.*
Of the bins how many are currently deployed, and how many remaining?
Of the bins acquired, how many still need to be colorized and receive recycLA signage?
Please provide a one paragraph description of how your current estimates for bins were modified after rollout began in July 2017 (one paragraph).

Total containers that were owned, swapped or acquired requiring colorization was 19,892 and total containers purchased was 15,663. Total containers – 35,555.

As of December 31, 2017 Republic has colorized and deployed just over 28,000 containers for subzones 1-5. We are on track to complete subzone 6 colorization and recycle deployment by 2/9 and we will go back through all subzones for signage, unknown accounts, exchanges and inaccessible containers according to Customer Transition Plan by the end of March. Republic's initial estimate of containers needed based on RFP and information provided was 31,200. Republic continues to work with customers in all subzones on right sizing and recycling and container counts will continue to change as the program evolves.

Ware reported the following:

Ware Disposal Inc. purchased 2,110 new containers and acquired 1,220 existing containers from various providers for the Southeast zone. Additionally, Ware Disposal Inc. procured 5,800 total carts from Rehrig-Pacific for use in the Southeast zone. Ware Disposal Inc. acquired the following containers from previous providers:

Republic: 581, Waste Management: 301, AAA Rubbish: 94, United Pacific Waste: 75, Universal Waste System: 66, Rolos Service: 62, NASA Services: 22, Cal-Met Services: 19

Total: 1,220

Ware Disposal Inc. possesses a 10% inventory above that which is currently required to provide service to the Southeast zone. This inventory will become vital when bin sizes are exchanged as part of the biennial site visits and overall solid waste trash reduction over the course of the recycLA program.

Colorization: Ware Disposal Inc. have completed 99.50% of the colorization required for the black bins. Ware Disposal Inc. have completed 100% of the colorization required for the blue bins. Ware Disposal Inc. have completed 100% of the colorization required for the green bins. All possess the required recycLA signage.

Ware Disposal Inc. ordered enough containers after determining what would be acquired from the then existing service providers based off of information already learned about the Southeast zone. Ware Disposal Inc. remain grateful to Athens Services for not selling their existing equipment to us, as it required us to then purchase new equipment, which was a necessity and, additionally, saved us significant staff time with the requisite to paint all of the necessary containers in the limited time before 1 July 2017.

Waste Management reported the following:

Procurement, colorization and deployment of containers – Please prepare an estimate of the number of containers purchased vs acquired during the program.

Of the bins how many are currently deployed, and how many remaining?

31,932 deployed, we are still determining the amount left to be deployed and continue to acquire new bins as we identify needs.

Of the bins acquired, how many still need to be colorized and receive recycLA signage?

We do not have this number at this time.

Please provide a one paragraph description of how your current estimates for bins were modified after rollout began in July 2017

We have been steadily obtaining additional bins above the original estimates as we have discovered accounts and service levels that were not included in any data provided. We estimate that we are currently collecting over 60,000 cubic yards per week more than what was known at the start of the Transition.

UWS reported the following:

CONFAB		
150	1.5	1.5 YARD PITCH TOP CONTAINER-BLACK
100	2	2 YARD PITCH TOP CONTAINER-BLACK
50	4	4 YARD PITCH TOP CONTAINER-BLACK
680	3	3 YARD PITCH TOP CONTAINER-BLACK
40	40	40 YD ROLL OFF CONTAINER
REHRIG		
8304	96G	96 GALLON EG CART BLUE
486	96G	96 GALLON EG CART BLACK
486	96G	96 GALLON EG CART GREEN
Wastequip		
240	2	2 YARD FEL CONTAINER PLASTIC
256	3	3 YARD FEL CONTAINER PLASTIC
60	3	3 YARD FEL CONTAINER PLASTIC
Distributors		
500	3	3 YD REAR LOADED
500	2	2 YARD FEL CONTAINER
200	MISC	2,3,4 YARD FEL CONTAINER
35	6	6 YD FEL CONTAINER
Waste Built		
150	3	3 YD REAR LOADED
550	2	2 YD REAR LOADED
250	4	4 YD FEL CONTAINER
50	40	40 YD ROLL OFF CONTAINER
Container Exchanges and Purchases		
6878	MISC	Miscellaneous Commercial Containers

Collection Vehicle On Board Software and Tracking Capability

The recyclA service contracts include many requirements for data integration and operational tracking to assist LASAN in oversight of customer service. All RSP collection vehicles will be equipped with on-board technology (software and hardware) capable of monitoring and recording data, including proof of provision of service. The contract requires that this information will be communicated from the truck in real time, and maintained by the RSP. The data must also be accessible to the City.

The RSP's have made great strides in implementing these tracking and monitoring systems, which help them and LASAN track customer performance and responsiveness. Reports from the RSP's are as follows:

Athens reported that "All vehicles are equipped with on-board computers (OBC) with Mobile-Pak software installed. OBC gives our drivers the ability to document service exceptions, e.g. blocked stops, overfilled containers, etc., take photos, and update notes. Drivers can easily view and scroll through their route list, updates stop activity, and receive dispatched work in real time. Truck locations are displayed via GPS thus providing customer service and operations with an easy view of the entire fleet. All information flows back to Athens in real time with back office functions like route productivity, work orders, and route follow up completed instantly. While data is available to Athens in real time, it is not accessible to the City's CRM in real time, and we currently do not have a solution to meet that requirement. 3rd Eye vehicle monitoring software is installed on all vehicles that captures vehicle dynamics, GPS location, and driver behavior to include video inside the cab and on all sides of the vehicle. Driver education on the software and contract compliance is complete but continues to be reinforced."

CalMet reported that "CalMet is utilizing two systems for on-board software and tracking. 3rd eye camera systems are installed in each truck which monitors our safety and engine dynamics with data stored in the 3rd eye cloud. We installed AMCS Fixed Mount Android on-board computers in our trucks to communicate with our CRM. The system communicates live via AT&T cell service with time of service verification, and the drivers can take pictures from the truck and upload directly into the customer's account in our CRM. Below is a checklist of requirements each system is used for.

CHECKLIST FOR TECHNICAL REQUIREMENTS	ANDROID OBC	3RD EYE
DRIVER AUTOMATION: SERVICE VERIFICATION IS AUTOMATED	X	
INTEGRATION WITH TOWER	X	
SERVICE VERIFICATION/PROVISION OF SERVICE	X	X
ON-BOARD SYSTEM CAPABILITY	X	
GPS TRACKING OF TRUCKS ON ROUTE	X	X
STOP/IDLE TIME AT EACH STOP		X
TRUCK ON-BOARD PHOTOS	X	X
TRUCK ON-BOARD VIDEO		X

ABILITY TO TAKE EXCEPTION PHOTOS	X	X
ABILITY TO DETACH UNIT FROM TRUCK	X	
VEHICLE MILES TRAVELED	X	X
VEHICLE SPEED	X	X
HARD STOPS	X	X
SAFETY FACTOR(COLLECTED VIA DYNAMICS MONITORING)		X
DAILY VEHICLE INSPECTION	X	X

December 1, 2017 – All trucks received installation of the Android OBC system.”

NASA reported that “– The capabilities currently include: GPS tracking, speed of vehicle, location of vehicle. The more sophisticated on-board software will be installed by July 1, 2018.”

Waste Management reported that “Collection vehicle on-board software and tracking capability is compliant with Section 3.19.2 of the Agreement.”

Republic reported that “All of Republic’s collection vehicles are equipped with Fleetmind Smart Truck Technology. Our onboard software, will receive a sequenced optimized route daily for each driver. Each route will contain all the driver’s stops with details of each customer’s information including address, container size, and service level. The onboard computer has sensors on the truck that correlates a pick-up event with GPS location information and will send that data back in real time to the customer service module for proof of service. Fleetmind will record speed, location, idling time, engine issues, emissions, tire pressure, total mileage, and other important truck information that we can use to ensure a safe truck on the road. Fleetmind can capture still pictures of route events and exceptions plus it has a built in video system that is triggered based on G force events recording hard breaking or accidents.”

Ware reported that “Ware Disposal Inc. fully installed Mobile-Pak from Soft-Pak (our back of office software package) effective 8 January 2018 on all of our Southeast zone recycLA vehicles.

With Mobile-Pak, drivers can easily view and scroll through their route list, update stop activity, and receive dispatched work in real time. Route information is easily entered via a drop down selection that instantly transmits back to i-Pak or e-Pak. Driver activities and their GPS locations are sent to customer service or dispatching and displayed via Google Maps. All information flows back to i-Pak or e-Pak in real time with back office functions like route productivity, work orders, billing, and route follow up completed instantly.”

UWS reported that “Fleet Mind is the on-board software that UWS vehicles use. The Fleet Mind on-board computer system is able to provide performance reports, issue real time alerts, collect sensor data, save a detailed log of the drivers’ routes and activities, automatically display vehicle alarms, provide driving directions etc. The real-time data is able to monitor the current vehicle speed, the quantity of hard breaks, idling time and engine hours, miles traveled, and the oil pressure of the vehicle. Aside from monitoring live data and capturing/storing photos with the ability to report back to the dispatcher, the fleet manager is able to record and replay specific routes and hydraulic arm movements which helps to ensure that each location has been serviced. With the recording feature, the driver is

able to report contaminations, blocked bins, and other issues that may restrict the driver from servicing an account. Approximately, half of the front-load and rear-load units are equipped with the Fleet Mind camera system. We expect the remaining fleet to be operational by the end of February.”

recycLA Infrastructure Development

The recycLA program provides recycling capacity to remove over 65% of the materials currently generated from the commercial, industrial, and large multifamily sectors by 2025. One of the core requirements of the recycLA program is the requirement to remove material from landfill disposal, through source reduction and reuse, recycling, composting, and other methods. Since LASAN was aware that sufficient processing capacity does not currently exist to accept over 1.1 million additional tons of material, additional facility capacity is included in several of the recycLA provider contracts.

In addition, a key component of the program was to improve the working conditions for many of the solid waste workers in the private sector. To monitor and gauge compliance with the requirements of the recycLA contract, a Facility Certification Program has been established. The following are the reports from the RSPs regarding infrastructure development. A large amount of infrastructure development is required through the contracts, however other infrastructure, including new base yards and clean fueling stations, have also been implemented in support of this program.

UWS report:

“Santa Fe Springs Material Recovery Facility: Universal Waste Systems Inc. has completed all permitting with Cal Recycle to operate a 1500 ton per day MRF/Transfer Station. The facility is currently under construction and will house state of the art MRF, Transfer Station, Corporate Headquarters, CNG fueling Station, and maintenance facilities. The facility is expected to be fully operational and begin expecting waste in August of 2018.

Los Angeles Transfer Station: Universal Waste Systems Inc. has completed all permitting locally and through Cal Recycle to expand our existing Transfer Station to a fully enclosed facility capable of transfer 1,000 tons per day. The facility is also fully permitted to accept and process food waste/ organics. UWS team is expecting to start working on building permits in the next 90 days with a goal of being under construction in 2018.

Main Street Operating Facility: Universal Waste Systems Inc. has completed a move to a new operating facility in the NE Zone. The facility is centrally located, and is one of the commitments that UWS made in our proposal. The facility has the ability of garaging approximately 50 collection vehicles, a CNG fueling Station, Maintenance Shop, Customer Service, Operations, and our Zero Waste team. The facility is open and in operation since May of 2017.”

Republic report:

“Republic’s American Waste Transfer Station The 36,000 square foot American Transfer Station sits on 2.6 acres and is going through \$5.5 million dollars in renovations that will meet the City’s facility

certification requirements. It will be completely enclosed with negative air fans and two odor control carbon bed filters. The project is projected to be completed by June 2018.”

Waste Management report:

Organics Infrastructure

LARGO – Discussions with County of L.A. regarding changes to the plan for LARGO have been held and will continue over the next several months. County has revised their original position regarding the CEQA requirements for this project that will require a reduction in volume to 500 tpd from the original anticipated 2,000 tpd. WM is securing additional volume at other local facilities as noted below.

Palmdale Organic Waste Recycling Center (POWR Center) – Secured CUP approval from City of Palmdale for 500 tpd organics facility on Antelope Valley Landfill in the City of Palmdale.

Simi Valley Landfill and Recycling Center Organics Facility (SVLRCOF) – WM has constructed a receiving pad at SVRCOF capable of receiving up to 700 tpd of organic material for diversion through various compost facilities in Ventura (Agromin Oxnard), Kern County (Synagro) and San Bernardino County (Agromin Chino) and Kings County (Kochergen Farms Composting)

Anaergia - WM has entered into an agreement with Anaergia for the processing of 300+ tpd of organic material at their anaerobic digestion facility (under development) in the City of Rialto. Pre-processing will be done at Sun Valley Recycling Park (see below)

Mission Road Transfer Station (WTR) – WTR is prepared to accept up to 330 tpd of organic waste for diversion to the Orange MRF CORE facility, which manufactures an Engineered Bio-slurry (EBS) that is currently injected into anaerobic digesters at the County of Los Angeles Sanitation Districts’ plant in the City of Carson

Recycling & MSW Infrastructure

Sun Valley Recycling Park (SVRP) – SVRP is undergoing initial construction and CUP Conditions clearing. To date, WM has constructed an open-air receiving pad capable of receiving up to 500 tpd of Blue Bin material for transload and transfer to WM’s Pico Rivera MRF and Potential Industries in Wilmington, as needed. All other development activities, including the massive improvements to the site access, the grading and construction of the MRF are proceeding according to schedule.

Mission Road Transfer Station (WTR) – WTR is operational and capable of receiving Black Bin, Blue Bin and Organic material for transloading and transfer now. Currently, no *recycLA* hauler is using the facility because of the City’s flow control into CLARTS.

Pico Rivera MRF (Pico) – Pico has been retrofitted to receive Blue bin material and is operational now.

Potential Industries (Potential) – Potential is operational and capable of receiving

Other Infrastructure not called out in Agreement, but constructed for *recycLA*

Sun Valley Hauling Facility (SVH) – WM’s SVH yard is undergoing substantial improvements to increase parking for additional employees hired due to *recycLA*, the additional Collection vehicles necessary to service and to install natural gas fueling infrastructure and maintenance capabilities. To date, all fueling infrastructure has been installed and is operational. Parking and facility improvements are underway, held up only by the City of Los Angeles’s permitting processes.

Carson Transfer Station (CTS) – WM’s CTS has been enclosed and is capable of accepting Black Bin, Blue Bin and Organic material for transfer to final processing facilities.

Athens report:

“The Athens Sun Valley MRF & Transfer Station was upgraded with a Solar Power Installation and Push Wall Installation as per the contract. Current completion date for the baler and processing line modifications are June 2019. The Athens Industry MRF is scheduled for an infrastructure upgrade that includes additional equipment, an additional building for shredders and screening, and the installation of an organics pre-processing system. Current completion date is November 2018.

Athens partnered with Trillium CNG to build 3 onsite CNG stations and secured a contract to purchase renewable natural gas (RNG), made from renewable sources like organic waste and landfill gas. Athens Services' fleet of near-zero emissions trucks reduce GHG and NOx emissions equivalent to 28,575 cars.”

CalMet report:

Royal Recycling Transfer - Solid Waste Facility Permit issued on December 21, 2017

Fueling upgrade of ten CNG stations at CalMet's headquarters in Paramount has been completed.

NASA report:

“The only contractual infrastructure was for the installation of a CNG fueling station. The installation has begun and is currently in process which should be completed in the next 60 days.”

Ware report:

“Ware Disposal Inc. does not have anything to report regarding this subject matter. Ware Disposal Inc. continues to obtain (at a minimum) a trucking facility somewhere either in or near the Southeast zone within the City of Los Angeles. Ware Disposal Inc. will keep the City informed as we progress with this matter.

As a point of clarification, however, Madison Materials, Ware Disposal Inc.’s subsidiary material recovery facility, will receive approval of its renewed solid waste facility permit at Cal-Recycle’s 20 March 2018 public information meeting.”

Call Center – Customer Service Metrics

The recycLA contracts include performance requirements for the RSPs' Call Centers to ensure prompt, responsive service. Customers have provided anecdotal reports to LASAN about long hold and wait times, repeated promises to address issues that are not completed, and other problems. LASAN has been encouraging the customers to call our Customer Care Center, where performance metrics are tracked and service requests, especially missed collections, are treated promptly. Each RSP was required to provide a report on call center metrics, and following are the responses:

Waste Management:

Customer Service Metric	Performance
Total Number of Calls Received	5,148
Percent of Call Answered within 60 seconds	87%
Average Call Wait Time	21 Seconds
Abandon Rate	1.90%

Athens Services:

Call Center Customer Service Metrics	*	-
Operation Efficiency Performance Standard Description	17-Dec	Expected Performance
Percentage of calls answered within specified period of time (after the call is transferred from the CITY's Call Center to CONTRACTOR's Call Center)	93.00%	95% within 60 seconds
Percentage of calls directed to call center staff where the customer disconnects before being responded to (abandoned call rate)	0.70%	5.00%
Average amount of time required for a live person to pick up a call	0:31	30 seconds
Average amount of time it takes to respond to a CUSTOMER inquiry made via the web, email, mobile device application, etc.	No Stats Available	30 minutes during regular business hours

CalMet:

K) Call Center Customer Service Metrics December 2017	
Percentage of calls answered after the call is transferred from city's call to center to contractor call center:	100%
Percentage of calls directed to call center staff where customer disconnects:	0.40%
Average amount of time required for live person to answer (speed of answer):	9 seconds
Average amount of time it takes to respond to a customer's inquiry made via web, email, mobile, etc.:	22.14 min

NASA:

85 calls incoming

Average less than 1 second for phone system to answer

Average of 24 seconds to reach customer service representative

34% of calls hang up before reaching operator

66% live answer

Average call length 1:28

Number of calls transferred 22

Republic:

LA City Franchise Call Center Performance Standards 12/01/17 – 01/24/18

Percentage of calls answered within 60 seconds 76.88%

Abandon Call Rate (5%) 3.52%

Average me for live person to answer within 30 Seconds 0:46

Ware:

OPERATION EFFICIENCY PERFORMANCE STANDARD DESCRIPTION	PERFORMANCE METRIC
Percentage of calls answered within specified period of time	0.973
Percentage of calls directed to call center staff where the customer disconnects before being responded to	<1%
Average amount of time required for a live person to pick up a call	24 seconds
Average amount of time it takes to respond to a customer enquiry made via the web, email, mobile device application, etc.	<5 minutes

UWS:

December 2017 Performance

Percentage of calls answered within specified period of time (after the call is transferred from the CITY's Call Center to CONTRACTOR's Call Center) 95% within 60 seconds 47% within 60 seconds

Percentage of calls directed to call center staff where the customer disconnects before being responded to (abandoned call rate) 5%: 8.89%

Average amount of time required for a live person to pick up a call 30 seconds:

In December, all calls were answered within 5 seconds by a prerecorded answering service. However, as of 02/01/18 we expect to be able to track the precise amount of time it takes to answer the calls by a live person.

Average amount of time it takes to respond to a CUSTOMER inquiry made via the web, email, mobile device application, etc. 30 minutes during regular business hours:

Currently, we do not have a system in place to track the time it takes to respond to customers' inquiries. However, generally emails are answered within the hour by customer service reps.

Outreach/Education Requirements

Outreach to the customers, residents and tenants of the recycLA program will be closely tied to their success in properly separating recyclables and organics into their Blue and Green Bins. Rather than assuming that this outreach will occur, the recycLA contracts stipulate notification, education, signage, and other methods of raising awareness.

LASAN has the ability to direct the outreach and materials that are distributed to the customers. Because the first and subsequent customer contact and experience were of critical importance to LASAN, on June 13, 2017, training on City messaging for outreach and education was held in the auditorium of the Police Administration Building. All RSP staff and contract staff that were tasked with meeting the customers were required to attend. Over 300 participants attended the all-day training, in addition to training provided by the RSPs through their own staff or contractors.

Minimum staffing was required throughout the transition period, and continuing throughout the contract period, to ensure that sufficient resources are available to perform these services for the RSPs. This staffing has been a combination of full time staff for the RSP, and experienced sub-contractors whose primary mission during transition was to provide waste assessments to incoming customers. This effort, beginning this month for some, and earlier for smaller zones where rollout is completed, will now shift to education of the residents and tenants of the recycLA customers, on proper recycling in the blue bins.

Staffing Requirements for the transition included four full-time equivalent (FTE) employees for each 1,000 customers identified in their zone(s). After transition, the minimum staffing level is reduced to two FTE per 1,000 customers.

Republic Services reported that “The City’s initial customer count for both NEV and SLA zones was 16,313 -- 64 FTE’s during transition. Republic exceeded the contracted requirements for field waste assessment staff throughout the duration of transition period with both permanent Republic staff and WBE/SBE subcontractor staff through Mariposa Eco Consulting. Republic brought the majority of staff on early in May and June for intensive zero waste and City of LA contract training in advance of the July 1 start date.

All Permanent Republic zero waste staff (36 FTE) will remain throughout the contract term and our subcontracting staff will decrease in March but we will keep some FTE consultants through June to assist with customer onboarding, waste assessments and enrollment as needed.”

Athens Services reported that “During the transition period, Athens Services assigned over 80 full time field waste assessment/outreach/customer education staff to meet with customers to conduct waste assessments and to provide education on the recycLA program. This includes both permanent staff and third party contract staff.

In terms of the next six months, we are currently interviewing and hiring some of our third party staff for permanent recycling coordinator positions and we will also be hiring additional staff from internal or

external avenues in order to comply with, or exceed, our required number of staff for the City of LA contract. We are planning on a permanent full time staff level of 44, including recycling coordinators, zero waste managers, major account managers, and zone office receptionists.”

UWS reported that “Zero Waste Team: UWS subcontracted the Zero Waste Outreach and Education program to Clements Environmental (CE). Two months prior to transition CE recruited 12 Zero Waste Account Reps (May 2017), and another 7 in June, for a total of 24, including Chip Clements (President), Shelley Billik (General Manager), Sean Finn (sustainability manager) and Frank Castillo (Zero Waste Account Manager). All received extensive training and started visiting, conducting Waste Assessments, and enrolling customers in SubZone 1 on July 1, 2017. In August, one rep left but 2 more were recruited, making the total number of the Zero Waste Staff 25. Originally, UWS had anticipated a total number of 5,800 accounts, however we quickly learned that the final number would be closer to 6,300. At that point, UWS was conducting Waste Assessments for approximately 2,000 accounts in SZ 1 and 2. The total number of accounts to be enrolled was reduced in subsequent months, and 4 ZW account reps left (November/December), so we decided not to replace them in order to avoid having layoffs. The remaining team is beginning to go back to the early subzones to ensure that all customers have received the correct bins, and that everything has been colorized. We are also preparing a comprehensive outreach and educational plan including presentations, videos, web content, and social media outreach. In February, we will assign each ZW rep 500 accounts to which they will reach out in order to verify that the program is running smoothly, troubleshoot, and organize the types of education and training that they require. The final team will include 13 reps including the GM and a Supervisor. Two ZW reps are being hired by UWS for long term positions.”

Waste Management reported that “Our Outreach/Education plan is designed to be self-reinforcing using multiple site visits conducted by Field Waste Assessment/Outreach/Customer staff (45 staff members) with additional follow-up by in-office personnel receiving and conducting follow-up Outreach/Education calls (22 FTEs), and additional site visits, calls, etc. conducted by multiple other support personnel (Training, Supervisory, etc. - 10+ FTEs)

Ware reported that “As stated earlier, Ware Disposal Inc. utilized 9.00 PTO field waste assessment/auditing staff during the service transition period. Ware Disposal Inc. will retain all 9.00 FTE staff over the next six (6) months to complete the waste assessment process and to obtain the remaining signed service agreements in the Southeast zone. In point of fact, Ware Disposal Inc. anticipates retaining all 9.00 FTE field waste assessment/auditing staff over the next year because of the additional, contractual need to commence the biennial field visits with customers pursuant to Section 5.3 of the franchise agreement (which will require approximately 1,070 site visits between 1 February 2018-31 January 2019).”

NASA reported that “There are currently 8 field staff that provide assessment/outreach/customer education. For the transition, the primary responsibilities have been right-sizing accounts, performing the site assessment and assisting with service transition. Starting 2/1 NASA will begin to phase out some of the field staff positions. NASA anticipates eliminating 1-2 positions in February and another 1-2 positions in March. Some of these positions may be reassigned to assist with customer service calls or

reporting but it is unclear what the work demand will be. At least four fulltime positions will remain to provide ongoing customer education, training and account management.

CalMet reported that “Over the next six months, we expect to lower our Field waste Assessment team from 4 to 3 FTEs.”

Quarterly Outreach and Education

RSPs are required to disseminate information to all customers that encourages source-separation of commingled recyclables and organics, as well as reminders of the customer service center location, and LASAN’s Customer Care Center phone number and website. This communication should be given both electronically and in printed form, and it may be in the form of a newsletter, subject to the review and approval of LASAN.

Food Rescue and Reuse

The recycLA contracts are the first in the country to require partnerships and funding of reuse and food rescue from customers. The City believes that the highest and best use for edible food is to feed people. Each RSP is required to have both a reuse and a food rescue subcontractor to bring in when a waste assessment by the RSP shows that there is material that can be removed before the bin. RSPs may not impede the establishment of a food rescue program with their customers.

Utilization and Funding of Reuse and Food Rescue Organizations

RSPs are required to invest in reuse and food rescue organizations to increase activities in these sectors, through direct funding and in-kind services. Funding shall be provided that is equal to at least \$1,000 per 100 customer accounts annually. Funding shall be provided to non-profit and/or charitable organizations that provide these services. The RSP is required to promote reuse programs to their customers through its outreach and educational campaigns. The RSP is required to submit to LASAN an annual report of financial support including receipts, tonnage estimates, and other documentation of in-kind services and/or cash donations.

UWS reported:

List of food rescue partners working with you, and/or listed on Schedule A. • Food Forward • The Dream Center* • LA Kitchen

The estimate of edible food rescued through this partnership thus far (in tons). • 142.7 tons

The amount of funding or in-kind services provided to each partner food organization thus far; \$20,332 (\$10,166 each) *The Dream Center's in-kind service is included in the funding of Reuse Organizations.
F4) Success stories Total meals served in 2017 through the Dream Center Diner: 239,074 meals

Ware reported:

Ware Disposal Inc. has partnered with LA Shares (3224 Riverside Drive, Los Angeles 90027) (www.lashares.org) for reuse in the Southeast zone. To date, Ware Disposal Inc. has not commenced work with this organization. This will be a major focus for our initial public education and outreach material for either Q1 or Q2 CY 2018. As a point of reference, Ware Disposal Inc. has committed \$5,000.00 to this purpose. For customers who have items they would like to see reused, we direct them to LA Shares directly.

Additionally, Ware Disposal Inc. works with Homeboy Industries in roughly the same manner as LA Shares regarding reuse of office equipment, computers, furniture, etc. We direct them to Homeboy, who in turn, will collect said materials from our existing customer base in the Southeast zone.

Ware Disposal Inc. will provide the City updates when we meet mileposts regarding this subject matter.

Ware Disposal Inc. has partnered with the St Francis Center (1835 South Hope Street, Los Angeles 90015) and Food Forward (7412 Fulton Avenue, Suite 3, North Hollywood 91605) as our food rescue

partners. Ware Disposal Inc. commenced working with both organizations in July 2017. They have been so identified on our Schedule A (both have a potential committed amount of \$7,500 apiece).

To date, Ware Disposal Inc. has recovered the following edible, rescued food per organization (total of 288.244 tons between July 2017-December 2017):

St Francis Center (www.sfcla.org): 44,157 pounds or 22.0785 tons. The St Francis Center has recovered edible food product from Family Farms Market, Pedro Cruz, Restaurant Depot and World Wide Produce. Ware Disposal Inc. has remitted \$2,597.70 to date (through 24 January 2018).

The edible food product recovered by Ware Disposal Inc./St Francis Center remains directly redistributed into the Southeast zone. The aforementioned customers have donated their products not only to feed the community in need, but also to assist them to maintain their overall disposal costs.

Food Forward (www.foodforward.org): 532,331 pounds or 266.1655 tons. Food Forward has recovered edible food product from the M and M Distributor. Ware Disposal Inc. has remitted \$19,427.87 to date (through 24 January 2018).

The edible food product recovered by Ware Disposal Inc./Food Forward remains distributed throughout the entire City of Los Angeles community. The aforementioned customer has donated their products not only to feed the community in need, but also to assist them to maintain their overall disposal costs.

Ware Disposal Inc. believes the tonnage numbers reported above will continue to escalate as we establish more partnerships with the community as a result of the recycLA program. This program provides a necessary feedstock to easing the hunger crisis in the Southeast zone. Additionally, the reduction of 266.1655 tons of landfill disposal of this edible food product reduces the level of methane gas emitted into Southern California's atmosphere. Ware Disposal Inc. looks forward to our continued partnership with both of these organizations in 2018 and beyond.

Republic reported:

LA Shares

Republic partners with LA Shares, a non-profit program that takes tax-deductible donations of reusable goods and materials (both new and used) from the local business community and redistributes these items free of charge to non-profit agencies and schools through our Los Angeles. Although no reusable goods were collected and diverted under the partnership, Republic always keeps LA Shares in consideration when donation prospects emerge.

Pacoima Beautiful

Republic partners with Pacoima Beautiful for community outreach and engagement. The organization is a key partner in messaging and community outreach. Republic and Pacoima Beautiful will brainstorm community reuse opportunities in 2018.

In 2018, Republic is projected to fund the reuse organizations for emerging opportunities, and innovative programs that divert items from landfills within the zones.

Republic Services supports several food rescue organizations efforts to work with local businesses for recovering surplus food that can be delivered same-day to nonprofit shelters, missions, senior and youth centers and other social service organizations. Republic Services has partnered with the St. Francis Center, the World Harvest Food Bank in South Los Angeles, and Food Finders, to build food rescue opportunities and capacity in the City of Los Angeles.

Through the partnerships between Republic Services, the St. Francis Center, Food Finders, and World Harvest, a total of **53.24 tons of edible surplus food**, that would have otherwise been wasted, was recovered from July 2017- December 2017 in NEV and SLA. Per USDA pounds-to-meals conversion (a meal equaling to 1.2 pounds), **362,645 meals were created from the recovery**. In 2017, Republic funded the organizations recovery efforts on a per-pound-basis, totaling a reimbursement of \$8,009.30, collectively.

World Harvest Food Bank
3100 Venice Blvd.
Los Angeles, CA 90019

World Harvest is an impressive non-profit organization that collects surplus food throughout Los Angeles, and redistributes the surplus to over 60,000 families within the City of Los Angeles. The surplus that is collected by World Harvest, would have otherwise been landfilled because of aesthetic imperfections, or peaked ripeness unusable for the supply chain.

The non-profit, located at 3100 Venice Blvd in South Los Angeles, is modeled like a grocery store. Patrons and other non-profits fill a shopping cart with a variety of produce, vegetables, and surplus products, and pay a \$35 flat rate for the goods. The funds go back into the organizations operating expenses. When Republic's Organics Coordinator visited the location, she realized food was still landfill-bound, even though it was a recovery – based organization.

Although multiple 2 yard compost containers were provided and piloted, the opportunity to reuse food still existed. Republic inquired with the LA City Zoo to see if they could use the surplus.

On November 29th, 2017, Republic met with the World Harvest Food Bank and the Los Angeles Zoo to discuss piloting a food reuse program. The effort follows the EPA Food Hierarchy's guidelines, by distributing to people first, then sharing the surplus to animals, and composting the organics last.

Mike Maxi of LA Zoo Procurement, toured World Harvest, and agreed that the residents of the Zoo could benefit from the imperfect, yet edible, abundance.

World Harvest began transporting surplus food that would have otherwise been wasted, to the Zoo in December 2017, recovering a total of **10.44 tons**. World Harvest transports two loads a week, saving the Zoo \$2,000 each trip in food expenses. In December alone, the reuse program saved the Zoo \$16,000.

With the committed food rescue funding under the recyclA program, Republic reimburses World Harvest on a per pound basis for surplus shared with the zoo. In December 2017, World Harvest received **\$2,088.00** from the program.

In 2018 World Harvest Food Bank is projected to divert 10 tons of food a month through the LA Zoo Program.

In addition to the animal feed program, Republic will provide a 20 yard food waste roll off container, for the remaining spoiled product. The organic collection service will also be subsidized through the commitment funding.

Partnership 2017 Highlights:

2017 food rescued: 10.44 tons

2017 food rescue funding awarded: \$2,088.00

Projected 2018 Volumes:

Through continued efforts under the food recovery partnership, the following metrics indicate estimated diversion and funding for 2018:

2018 Food Rescue/Reuse funding for NEV and SLA: \$180,000

Projected Food Rescue: 120 tons (10 tons/month)

Projected Food Waste diverted through composting: 440 tons

St. Francis Center

1835 S Hope St.

Los Angeles, CA 90015

St. Francis Center, located in close proximity to SLA, has the capability to collect and redistribute food locally in areas served by Republic. The St. Francis center began rescuing food from the Trader Joes at the USC Village in August, and recovered a total of 42.30 tons in 2017. Republic funded the St. Francis on a per-pound-basis, totally \$5,921.30 for the recovery.

Partnership 2017 Highlights:

2017 food rescued: 42.30 tons

2017 food rescue funding awarded: \$5,921.30

Projected 2018 Volumes:

Through continued efforts under the food recovery partnership, the following metrics indicate estimated diversion and funding for 2018:

Food Rescue: 120 tons (10 tons/month)

Food Finders

In 2017, Food Finders collected .48 tons from Jon's Market located at 7134 Sepulveda Blvd in Van Nuys. Food Finders also collected .02 tons from Village Bakery located at 7534 Laurel Canyon Blvd.

Food recovery takes time and effort. Labor and time commitments are needed to foster opportunities. In the partnership with Republic, Food Finders will assign a dedicated representative to do outreach 10 hours a week, by cold calling, meeting and educating NEV and SLA businesses on food rescue. This dedicated time will be subsidized through the recycLA funding, for hourly efforts that drive diversion results.

MEND

Meeting Each Need with Dignity (MEND) is a local partner for the NEV zone. Although surplus has yet to be collected from the partnership, Republic aims to connect with MEND as local food recovery and reuse opportunities emerge.

The estimate of edible food rescued through this partnership thus far (to be reported in tons).

2017 tons diverted through food rescue:

World Harvest:	10.44 tons
St. Francis Center:	42.30 tons
Food Finders:	.50 tons

The amount of funding or in kind services provided to each partner food organization thus far.

2017 funding disbursed:

World Harvest:	\$2,088.00 <i>Additional Funding to be dispersed monthly in 2018</i>
St Francis Center:	\$5,921.30 <i>Additional Funding to be dispersed monthly in 2018</i>
Food Finders:	Funding to be disbursed in 2018
MEND:	Funding to be disbursed in 2018

Waste Management reported:

- i) List of reuse organizations currently partnered with, and/or on Schedule A.
 - No partnerships established at this point
 - Intend to add organizations to Schedule A in 2018
- ii) The amount of funding or in-kind services to reuse organizations so far
 - None so far
- iii) Success stories (one page each)
 - None to report at this point
- b) Status and funding for Food Rescue Organizations: (Article 5, Section 5.8)
 - i) List of food rescue partners working with you, and/or listed on Schedule A.
 - Have developed list of potential food rescue partners, but have not entered into partnership or added any to Schedule A at this point
 - ii) The estimate of edible food rescued through this partnership thus far (to be reported in tons)
 - None to report at this point
 - iii) The amount of funding or in-kind services provided to each partner food organization thus far
 - None to report at this point

- iv) Success stories (one page each)
 - None to report at this point

NASA reported:

- i) List of reuse organizations currently partnered with, and/or on Schedule A. Two reuse companies on Schedule A, including: Isidore Electronics and LA. Shares
- ii) The amount of funding or in-kind services to reuse organizations so far. –No funding provided as of today’s date.
- iii) Success stories (one page each) – Nothing to report.
- f) Status and funding for Food Rescue Organizations: (Article 5, Section 5.8)
- iv) List of food rescue partners working with you, and/or listed on Schedule A. Six total food rescue organizations listed on Schedule A, including: Food Forward, Heart of Compassion, L.A. Kitchen, Los Angeles Regional Food Bank, St. Francis Center and L.A. Compost.
- v) The estimate of edible food rescued through this partnership thus far (to be reported in tons). – Nothing to report.
- vi) The amount of funding or in kind services provided to each partner food organization thus far. No funding provided as of today’s date.
- vii) Success stories (one page each) – Nothing to report.

CalMet reported:

- E) Status and Funding of Reuse Organizations
 - i) Food Finders
 - ii) \$0
- F) Food Rescue Organizations
 - i) Food Finders
 - ii) 2 tons
 - iii) \$0

Athens reported:

Status and funding of Reuse Organizations (Article 5, Section 5.7).

LA SHARES

On Schedule A: Yes

Zone Focus: Harbor, West Los Angeles and North Central

Deliverables: Athens will promote the reuse placement of durable goods like furniture and office equipment through L.A. Shares, which redistributes reusable items free of charge to non-profit agencies and schools throughout Los Angeles. L.A. Shares will make its best effort to place materials collected from one franchise zone back into the same zone. They will produce monthly diversion reports per zone that will include the types, quantities, and weights of materials

placed. In exchange, Athens will promote L.A. Shares on their website, train their Recycling Coordinators on the program, and underwrite the postage and printing costs of a direct mail campaign that will happen every other month for the first two years of the contract (twelve mailers). Athens will mail the cards out to an estimated 12,000+ applicable business accounts (of our 23,000 accounts, 50% are multi-family residential and may not be applicable)

- i. The amount of funding or in-kind services to reuse organizations so far.

Per their request, LA Shares stated they do not want to start their marketing program until the later in 2018 and requested that we wait to meet until January 2018. We are scheduled to meet with them on Friday, January 26th to confirm logistics including reporting on metrics gathered in our zones. Following our upcoming January 26th meeting with LA Shares, we will have a better idea of how much will be spent on marketing through June 2018.

- ii. Success stories (one page each)

There are no success stories at this time regarding material reuse, as our partnership with LA Shares has not started. Although not permitted to count towards the Food Recovery and Material Reuse Distribution of Funding, we look forward to creating reuse oriented, community events such as Repair Cafes in our zones and in partnership with two vendors currently on our Schedule A, nonprofit Two Bit Circus and for-profit Isidore Recycling (who works directly with nonprofit Homeboy Recycling).

Status and funding for Food Rescue Organizations: (Article 5, Section 5.8)

- i. List of food rescue partners working with you, and/or listed on Schedule A.

Saint Francis Center (SFC)

On Schedule A: Yes

Zone Focus: West Los Angeles and North Central

Deliverables: Athens funding will allow SFC to add a FT driver to focus solely on food recovery referrals from Athens Services, cover transportation costs, and support outreach and administration expenses (including reporting). They will conduct outreach to businesses that have been identified by Athens as potential food donors.

Food Finders

On Schedule A: Yes

Zone Focus: Harbor, West Los Angeles and North Central

Deliverables: Consulting and orientation with potential cliental from list provided by Athens, establishing food donation pick up schedule, and collecting and distribution of material.

Waste Not Want Not Now (WNWNN)

On Schedule A: Yes

Zone Focus: North Central

Deliverables: Educate and raise awareness regarding food recovery and barriers to donation Three-month introductory phase to focus on education and outreach. Will collaborate with Athens to create a food recovery messaging and education packet. Will conduct onsite outreach to businesses that have been identified by Athens as potential food donors and assess potential

for donation among local businesses. Following initial outreach, WNWNN will establish pick-ups with identified commercial clients, with 1-2 hours weekly administrative support - this will include coordinating volunteer hours, hiring additional drivers when necessary, and tracking deliverables.

Food Forward

On Schedule A: No (submitting with next update)

Zone Focus: Harbor, West Los Angeles and North Central

Deliverables: Expand outreach to wholesale market especially in our harbor zones. Food Forward will use their recovery systems to collect, exclusively, fresh produce contributions from selected donors.

- ii. The estimate of edible food rescued through this partnership thus far (to be reported in tons).

Food Forward from July 1 – Dec 31st recovered 365,000 lbs. of apples from the Harbor zone. Saint Francis Center, Food Finders, and Waste Not Want Not Now have not yet reported on rescued food through this partnership.

- iii. The amount of funding or in kind services provided to each partner food organization thus far.

At this time, no funding or in-kind services have been provided or paid out to our food recovery vendors.

Payments or Services in Process:

Food Forward - A check request for services rendered has not yet been received, but will be paid out upon invoice in the amount of \$25,550 for the recovery of 365,000 lbs. of apples (at .07/lb.).

St. Francis Center, Purchase of Food Recovery Truck - We are working with SFC to provide the funds necessary to purchase a truck for \$54,078. A new cargo vehicle would allow SFC to recover up to an additional two tons of food donations daily. This would multiply their annual community impact by creating an additional 20,800 homeless meals and providing an additional 5,200 grocery visits for families.

In-kind support of organics collection - LASAN approved Athens covering the cost of weekly organics collection for those NPOs receiving recovered/donated food. In-kind support will help to offset their waste bill (provide organics recycling free of charge and hopefully reducing their landfill needs) vs. being penalized for doing a good deed. Starting February 2018, our food recovery vendors will provide a list of current receiving agencies/nonprofits in our three franchise zones. Athens Recycling Coordinators will then assess the potential for in-kind support of organics collection. Our food recovery vendors will make Athens aware when new, nonprofit receiving agency are added in our zones.

iv. Success stories (one page each)

Food Forward

Success Story: Last summer, Food Forward rescued over 365,000 pounds of apples that would have otherwise been thrown away from Athens Services' Zone 6. 100% of this perfectly edible fruit went to agencies serving people in need including: Church of the Resurrection, Dream Center, Faro de Luz, Heart of Compassion, MEND, Monte Sion Center, the San Diego Food Bank, and World Harvest. All produce was donated to these eight hunger relief agencies completely free of charge.

St. Francis Center

Success Story: The support we will receive from Athens this year will allow us to purchase another vehicle, hire another driver and provide up to 5,200 additional grocery visits for families struggling with insecurity throughout LA

Future Success Resulting from Partnership

With the promise of future, sustained funding two of our food recovery vendors are able to start planning the expansion of their community outreach and engagement through non-brick and mortar based programs, while also increase potential food recovery.

St. Francis Center (SFC)

Program: Food Pantry Satellite Service (once a week)

Description: Satellite pantry, food hubs help SFC expand their reach by setting up free, once-a-week grocery days directly in the community (versus at their center). Last year SFC added two food hubs and provided an additional 2,002 grocery visits to families and individuals in need. Based on data from their South LA satellite location, they can serve up to 100 families at one site in a 2-hour period. Distribution on average is 30 lbs. of food per family or up to 3000 pounds (1.5 tons) each week (52 weeks in year equals up to 78 tons diverted through one site at max capacity). An additional satellite location, in an Athens' zone, will increase SFC's ability to recover and distribute more pounds per year and serve up to 100 families a week in need. A satellite location would provide a positive impact on the community and ensure food recovered from an Athens' zones goes back to the communities they serve.

Waste Not Want Not Now (WNWNN)

Program: Sunday Suppers (one a month, May – September)

Description: WNWNN will conduct community engagement events called *Sunday Suppers* to raise awareness around homelessness, food insecurity, and food recovery. Events would take place once a month, May through September and be open to the community and people who are homeless. It would utilize donated food and celebrity chefs to maximum participation from businesses, community, and media. Estimated 250 pounds food waste diversion per event (to be reassessed following initial outreach and assessment of available donations).

Subcontracting

LASAN hosted 9 meet-and-greet events in January 2017, allowing the RSPs to connect with potential sub-contractors. Approximately 21,000 companies were e-mailed a flyer of the Franchise meet-and-greet events and were invited to participate. In addition, LASAN notified Chambers of Commerce operating within Los Angeles County (also comprising minority Chambers), minority and local business associations, various economic, industrial, and commerce related organizations, national women business organizations, environmental consultants, the Small Business Association – LA, contractors, non-governmental organizations, solid waste associations, and various solid waste and resources facility owners and suppliers. The RSPs have continued to identify subcontractors and subcontracting opportunities. Those opportunities have resulted in adding subcontractors, including MBE/WBE/SBE/EBE/DVBE contractors, as detailed below.

<u>Athens</u>						
Certification	Dollars	Percent	New Dollars (1/2018)	New Percent (1/2018)	Delta Dollar	Delta %
MBE	\$25,756,843	2.51%	\$26,438,661	2.57%	\$681,818	0.07%
WBE	\$550,000	0.05%	\$2,296,000	0.22%	\$1,746,000	0.17%
SBE	\$796,000	0.08%	\$1,500,000	0.15%	\$704,000	0.07%
EBE	\$746,000	0.07%	\$600,000	0.06%	-\$146,000	-0.01%
DVBE	\$0	0.00%	\$0	0.00%	\$0	0.00%
OBE	\$80,059,647	7.30%	\$83,988,747	7.69%	\$3,929,100	0.38%
Total MBE/WBE/SBE/EBE/DVBE/OBE Subcontractor Firm Participation	\$106,862,490	9.91%	\$112,473,408	10.46%	\$5,610,918	0.55%
<u>NASA</u>						
Certification	Dollars	Percent	New Dollars (1/2018)	New Percent (1/2018)	Delta Dollar	Delta %
MBE	\$765,345	0.41%	\$2,275,345	0.90%	\$1,510,000	0.49%
WBE	\$3,010,000	1.63%	\$3,120,000	1.69%	\$110,000	0.06%
SBE	\$3,360,000	1.82%	\$3,559,998	1.90%	\$199,998	0.09%
EBE	\$360,000	0.19%	\$3,010,000	1.63%	\$2,650,000	1.43%
DVBE	\$0	0.00%	\$0	0.00%	\$0	0.00%
OBE	\$2,551,220	0.97%	\$2,609,222	1.02%	\$58,002	0.05%
Total MBE/WBE/SBE/EBE/DVBE/OBE Subcontractor Firm Participation	\$6,676,565	3.20%	\$8,554,565	3.89%	\$1,878,000	0.69%

REPUBLIC						
**Percent Calculation Based on Revised Bid Amount of \$629,582,467						
Certification	Dollars	Percent	New Dollars (1/2018)	New Percent (1/2018)	Delta Dollar	Delta %
MBE	\$9,750,000	1.55%	\$5,750,000	0.91%	- \$4,000,000	-0.64%
WBE	\$2,895,000	0.36%	\$4,245,000	0.57%	\$1,350,000	0.21%
SBE	\$17,667,650	2.81%	\$18,167,560	2.89%	\$499,910	0.08%
EBE	\$17,667,650	2.81%	\$0	0.00%	- \$17,667,650	-2.81%
DVBE	\$0	0.00%	\$250,000	0.04%	\$250,000	0.04%
OBE	\$99,578,336	14.91%	\$100,158,336	15.01%	\$580,000	0.09%
Total MBE/WBE/SBE/EBE/DVBE/OBE Subcontractor Firm Participation	\$128,695,986	19.44%	\$125,825,896	18.98%	\$4,050,000	0.64%
**Percent Calculation Based on Original Bid Amount of \$900,274,218						
Certification	Dollars	Percent	New Dollars (1/2018)	New Percent (1/2018)	Delta Dollar	Delta %
MBE	\$9,750,000	1.08%	\$5,750,000	0.64%	- \$4,000,000	-0.44%
WBE	\$2,895,000	0.25%	\$4,245,000	0.47%	\$1,350,000	0.22%
SBE	\$17,667,650	1.96%	\$18,167,560	2.02%	\$499,910	0.06%
EBE	\$17,667,650	1.96%	\$0	0.00%	- \$17,667,650	-1.96%
DVBE	\$0	0.00%	\$250,000	0.03%	\$250,000	0.03%
OBE	\$99,578,336	10.43%	\$100,158,336	11.13%	\$580,000	0.70%
Total MBE/WBE/SBE/EBE/DVBE/OBE Subcontractor Firm Participation	\$128,695,986	13.66%	\$125,825,896	13.98%	- \$2,870,090	0.31%

<u>WM</u>						
<u>**Percent Calculation Based on Revised Bid Amount of \$791,407,960</u>						
Certification	Dollars	Percent	New Dollars	New Percent	Delta Dollar	Delta %
MBE	\$31,600,000	3.99%	\$33,200,000	4.20%	\$1,600,000	0.20%
WBE	\$23,700,000	1.80%	\$10,510,000	0.93%	- \$13,190,000	-0.87%
SBE	\$0	0.00%	\$410,000	0.05%	\$410,000	0.05%
EBE	\$0	0.00%	\$210,000	0.03%	\$210,000	0.03%
DVBE	\$0	0.00%	\$0	0.00%	\$0	0.00%
OBE	\$93,502,000	9.07%	\$113,645,500	11.89%	\$20,143,500	2.82%
Total MBE/WBE/SBE/EBE/DVBE/OBE Subcontractor Firm Participation	\$148,802,000	14.86%	\$157,555,500	17.04%	\$8,753,500	2.18%
<u>**Percent Calculation Based on Original Bid Amount of \$1,061,677,000</u>						
Certification	Dollars	Percent	New Dollars	New Percent	Delta Dollar	Delta %
MBE	\$31,600,000	2.98%	\$33,200,000	3.13%	\$1,600,000	0.15%
WBE	\$23,700,000	1.34%	\$10,510,000	0.69%	- \$13,190,000	-0.65%
SBE	\$0	0.00%	\$410,000	0.04%	\$410,000	0.04%
EBE	\$0	0.00%	\$210,000	0.02%	\$210,000	0.02%
DVBE	\$0	0.00%	\$0	0.00%	\$0	0.00%
OBE	\$93,502,000	6.76%	\$113,645,500	8.86%	\$20,143,500	2.10%
Total MBE/WBE/SBE/EBE/DVBE/OBE Subcontractor Firm Participation	\$148,802,000	11.08%	\$157,555,500	12.70%	\$8,753,500	1.62%

<u>UWS</u>						
Certification	Dollars	Percent	New Dollars (1/2018)	New Percent (1/2018)	Delta Dollar	Delta %
MBE	\$3,050,000	0.88%	\$4,950,000	1.43%	\$1,900,000	0.55%
WBE	\$600,000	0.10%	\$5,160,000	1.42%	\$4,560,000	1.32%
SBE	\$5,000,000	1.45%	\$5,250,000	1.52%	\$250,000	0.07%
EBE	\$5,000,000	1.45%	\$50,000	0.01%	- \$4,950,000	-1.43%
DVBE	\$0	0.00%	\$0	0.00%	\$0	0.00%
OBE	\$16,260,000	4.61%	\$16,470,996	4.73%	\$210,996	0.12%
Total MBE/WBE/SBE/EBE/DVBE/OB E Subcontractor Firm Participation	\$24,910,000	7.04%	\$27,230,996	7.71%	\$2,320,996	0.67%
<u>WARE</u>						
Certification	Dollars	Percent	New Dollars (1/2018)	New Percent (1/2018)	Delta Dollar	Delta %
MBE	\$500,000	0.53%	\$420,227	0.45%	-\$79,773	-0.08%
WBE	\$0	0.00%	\$17,150	0.02%	\$17,150	0.02%
SBE	\$100,000	0.11%	\$10,000	0.01%	-\$90,000	-0.10%
EBE	\$100,000	0.11%	\$10,000	0.01%	-\$90,000	-0.10%
DVBE	\$600,000	0.64%	\$10,000	0.01%	-\$590,000	-0.63%
OBE	\$0	0.00%	\$8,871,612	6.04%	\$8,871,612	6.04%
Total MBE/WBE/SBE/EBE/DVBE/OB E Subcontractor Firm Participation	\$600,000	0.64%	\$9,301,839	6.50%	\$8,701,839	5.86%
<u>CALMET</u>						
Certification	Dollars	Percent	New Dollars (1/2018)	New Percent (1/2018)	Delta Dollar	Delta %
MBE	\$200,000	0.29%	\$1,650,870	1.76%	\$1,450,870	1.48%
WBE	\$0	0.00%	\$1,303	0.00%	\$1,303	0.00%
SBE	\$0	0.00%	\$1,303	0.00%	\$1,303	0.00%
EBE	\$0	0.00%	\$1,303	0.00%	\$1,303	0.00%
DVBE	\$0	0.00%	\$0	0.00%	\$0	0.00%
OBE	\$5,089,000	4.53%	\$2,543,180	2.37%	- \$2,545,820	-2.15%
Total MBE/WBE/SBE/EBE/DVBE/OB E Subcontractor Firm Participation	\$5,289,000	4.76%	\$4,195,353	4.14%	- \$1,093,647	-0.62%

Next Steps –Contract Enforcement with Potential Liquidated Damages

In order to achieve a high level of customer service through the recyclA program, each RSP is required to meet certain performance standards, including: Implementation of recyclA, Provision of Services to Customers, Operations, Segregation and Delivery of Collection Materials, Service Provider Personnel and Property, Diversion Requirements–Landfill Reduction, Recycling and Organics Programs, Payment, and Reporting Requirements in section 11 of the recyclA contracts.

As per the contract, many of the liquidated damages resulting from failure to meet the contract terms were not assessed during the transition period ending January 31, 2018. However, liquidated damage assessments will begin on February 1, 2018. LASAN will send written Liquidated Damages notices on a weekly basis, or as needed basis.

Liquidated damages may be assessed for instance where the RSP is in non-compliance with its contract terms, as delineated in Section 11.1 of the contract. Some examples of liquidated damages include:

- Failure to collect a missed collection in accordance with Section 3.7, which states all missed collection requests that are the fault of the CONTRACTOR and transmitted before 2:00 PM shall be collected by 6:00 PM on the same day. All missed collection requests made after 2:00 PM shall be collected by 10:00 AM on the next day - \$100 per occurrence; \$200 per day thereafter.
- Repeat missed collections at the same CUSTOMER within twelve (12) months of previous missed collection - \$300 per occurrence.

LASAN has created filters to sort missed collection calls, and their resolutions, to determine which legitimate missed collections meet the criteria of either or both of the requirements above. On a weekly basis, RSPs will be issued a letter with a list and calculated liquidated damage amount for these failures to perform basic services.

- Failure to submit reports to the CITY on time - \$50 per day per report.
- Willful submission to the CITY of inaccurate reports or data, including but not limited to diversion reports and data, service level information and financial information - \$10,000 per occurrence.

LASAN has sent out many reports and information requests to the RSPs during both the development of the recyclA program, and more recently for contract compliance purposes. In most cases, one or more of the RSPs fail to respond promptly and/or fail to provide the required information. All required reports and information will now include a fair deadline for submittal. RSPs will not receive repeated, sometimes daily, reminders to provide this data beginning this month, and liquidated damages will be calculated for this contract non-compliance.

- Failure to clean up spillage or litter occurring during collection at time of collection - \$100 per occurrence.
- Failure to correct leakage of fluids from a collection vehicle prior to resuming use of the vehicle in the City - \$100 per occurrence.

The RSPs are required to clean up after themselves and provide service to all customers that leave them with a clean enclosure or room. Reports have been received of customers with trash chutes having bins removed for extended periods of time, then the bins are pushed back under the chute without cleaning the materials dropping during the time the bins were removed. These violations will result in liquidated damage assessment.

- Commingling of solid waste, commingled recyclables and/or organics materials segregated by the customer in the same truck - \$1,000 per occurrence.
- Failure to deliver collected solid resources to a certified facility - \$1,000 per occurrence.

The recycLA contract specifically prohibits the collection of multiple bin types after the customer has separated the materials, without following a procedure with the customer regarding contamination in the blue bins which includes notification and additional education. Verification of these actions, through video or other means, will trigger the liquidated damages for this contract failure.