

**Board Report**

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**File #:** 2019-0863, **File Type:** Contract

**Agenda Number:** 17.

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**OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE  
FEBRUARY 20, 2020**

**SUBJECT: WASTE MANAGEMENT SERVICES**

**ACTION: APPROVE CONTRACT AWARD**

**RECOMMENDATION**

CONSIDER:

AUTHORIZING the Chief Executive Officer to:

- A. Award an indefinite delivery indefinite quantity Contract No. OP1484230003367 to American Reclamation, Inc. to provide waste management services throughout Metro B Line (Red), Metro G Line (Orange), Pasadena L Line (Gold) and various bus and rail locations within the geographical area, specified as the North Region, for a not-to-exceed amount of \$3,904,317 for the five-year base period, and \$1,571,479 for the one, two-year option term, for a combined not-to-exceed amount of \$5,475,796, effective March 1, 2020 through February 28, 2027, subject to resolution of protest(s), if any.
- B. Award an indefinite quantity/delivery Contract No. OP1484240003367 to American Reclamation, Inc. to provide waste management services throughout Metro A Line (Blue), Metro C Line (Green), E Line (Expo), Gateway Headquarters Building and various bus and rail locations within the geographical area, specified as the South Region, for a not-to-exceed amount of \$3,218,989 for the five-year base period, and \$1,325,033 for the one, two-year option term, for a combined not-to-exceed amount of \$4,544,022, effective March 1, 2020 through February 28, 2027, subject to resolution of protest(s), if any.

**ISSUE**

The existing waste management services contract will expire on July 31, 2020. To continue providing the required integrated waste management services, two new regional contract awards are required effective March 1, 2020. This action is necessary to allow the incoming contractor sufficient time to acquire new trash and recycling bins for all Metro facilities.

**BACKGROUND**

On October 25, 2012, Metro Board of Directors authorized the Chief Executive Officer to award a

seven-year, Contract No. PS11064106R to Consolidated Disposal Service, the lowest responsive and responsible bidder for waste management services in an amount not to exceed \$6,993,296 effective December 1, 2012.

To avoid service interruptions and continue providing these critical services, two (2) new contract awards are required effective March 1, 2020.

### **DISCUSSION**

The existing waste management services contract is being replaced with two new regional service contracts split geographically. This action is necessary to expand opportunities for small business participation while maintaining service efficiency and continuity.

The existing contract includes transport and recycling or disposal of solid waste from Metro facilities, provides roll-off containers and dumpsters, and submittal of monthly diversion reports. Most containers are serviced on a regular schedule while others are on an on-call as-needed basis.

Improved diversion is one of many ways that Metro is striving to reduce its environmental impact. These two new contracts are an integral part of Metro's Environmental Management System. The contractor will support the Environmental Compliance and Services unit of the Transit Project Delivery department in education and waste disposal change efforts with front-line employees at all Metro operating facilities. In addition, the contractor will provide on-going analysis of Metro's efforts to reduce landfill waste and improve in-house recycling programs to exceed waste diversion requirements.

Currently, all local government organizations in California are required to divert at least 50% of their waste from landfills. To meet this requirement, Metro's trash-hauling contractor separates and recycles suitable materials from waste materials it collects from all Metro operating, support, office, and passenger facilities. These contracts set goals to improve and exceed the 50% waste diversion requirements over the next seven-years.

The existing contract is due to expire July 31, 2020. However, the two new contracts are required effective March 1, 2020. This action is necessary to allow the outgoing contractor sufficient time to perform all necessary administrative processes associated with contract closeout, and to provide the incoming contractor ample time to acquire new trash and recycling bins for all Metro facilities.

The Diversity and Economic Opportunity Department (DEOD) established a 7% Small Business Enterprise (SBE) and 3% Disabled Veteran Business Enterprise (DVBE) goal for this solicitation. American Reclamation made a 7% SBE and 3% DVBE participation commitment for each of the North region and the South region contracts.

### **DETERMINATION OF SAFETY IMPACT**

Timely and efficient removal of trash and recycling are important elements of a safe and responsible waste management program.

### **FINANCIAL IMPACT**

The FY20 budget for waste management services is \$941,600, contained in Cost Center 8370 - Contracts and Administration, account 50308 - Service Contract maintenance, in various Operating projects. Current waste management services contracts expire on July 31, 2020 (FY21). To allow for seamless transition to a new contractor and avoid contractual interruptions, this action will put the contract in place for FY21 implementation.

Since these are multi-year contracts, the cost center manager and Sr. Executive Officer, Maintenance and Engineering will be accountable for budgeting the all costs in future fiscal years.

#### Impact to Budget

The current source of funding for this action are State and Local sources including sales tax and fares. Using these funding sources maximizes the project funding allocations allowed by approved provisions and guidelines.

#### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

This board action supports Strategic Goal 5: Provide responsive, accountable, and trustworthy governance within the Metro organization. Metro objectives for this contract are to increase efficiency, minimize costs, improve Metro's recycling and landfill diversion programs, reduce the amount of waste that Metro disposes and comply with all applicable Federal, State and Local laws.

#### **ALTERNATIVES CONSIDERED**

Staff considered providing this service through Metro in-house staff. This would require the hiring and training of additional personnel, purchase of additional equipment, vehicles, and supplies to support the expanded responsibility. Staff's assessment indicates that this is not a cost-effective option for Metro.

#### **NEXT STEPS**

Upon approval by the Board, staff will execute Contracts OP1484230003367 and OP1484240003367 with American Reclamation, Inc. to provide integrated waste management services for the North and South Regions, respectively, effective March 1, 2020.

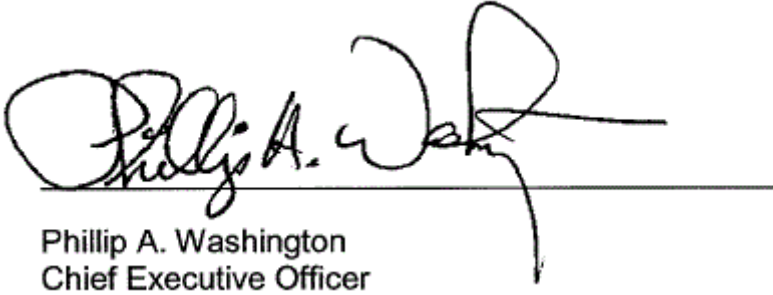
#### **ATTACHMENTS**

Attachment A - Region Maps  
Attachment B - Procurement Summary  
Attachment C - DEOD Summary

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Phillip A. Washington  
Chief Executive Officer

# ATTACHMENT A

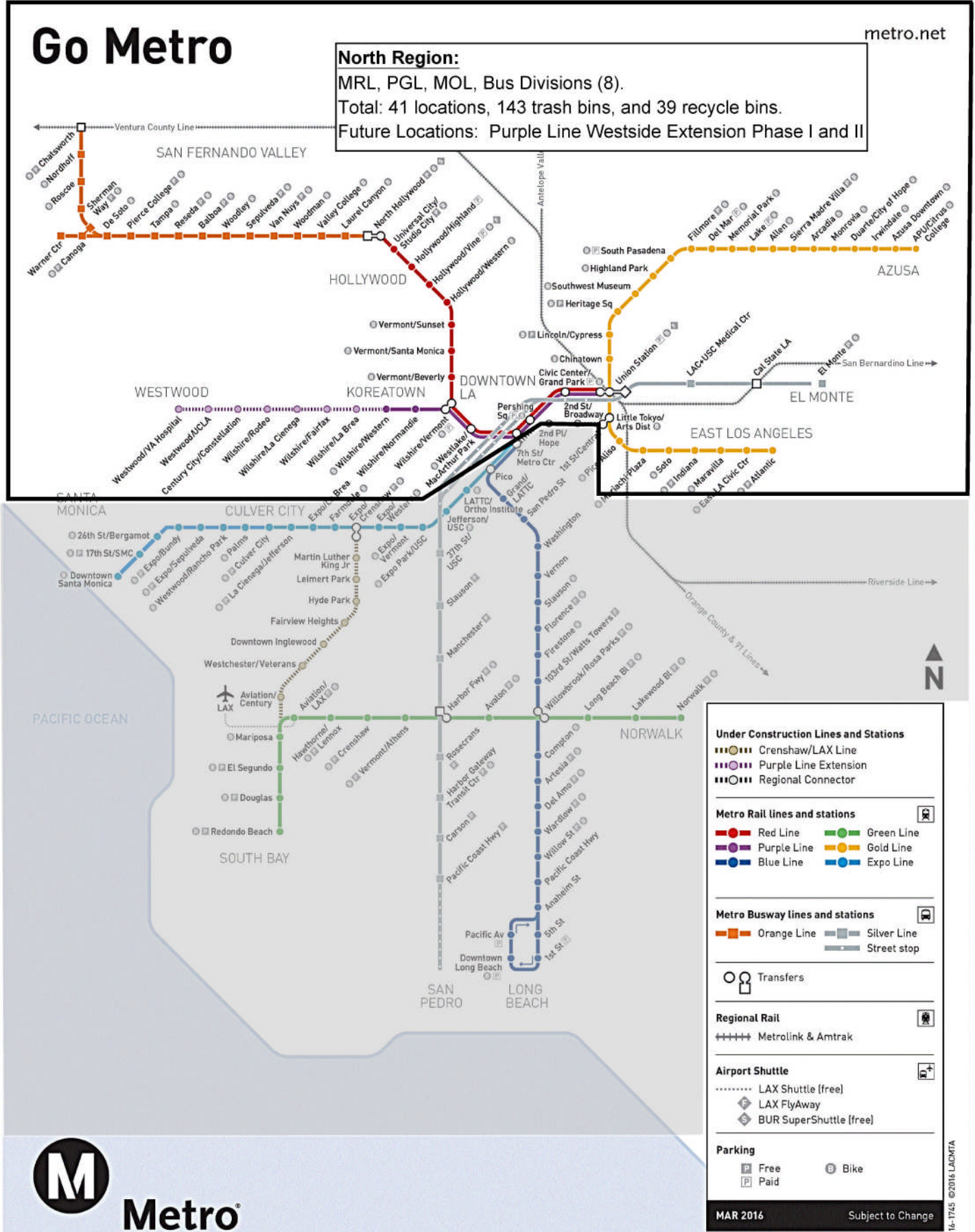
## LIST OF SERVICE LOCATIONS

### NORTH REGION

metro.net

# Go Metro

**North Region:**  
 MRL, PGL, MOL, Bus Divisions (8).  
 Total: 41 locations, 143 trash bins, and 39 recycle bins.  
 Future Locations: Purple Line Westside Extension Phase I and II



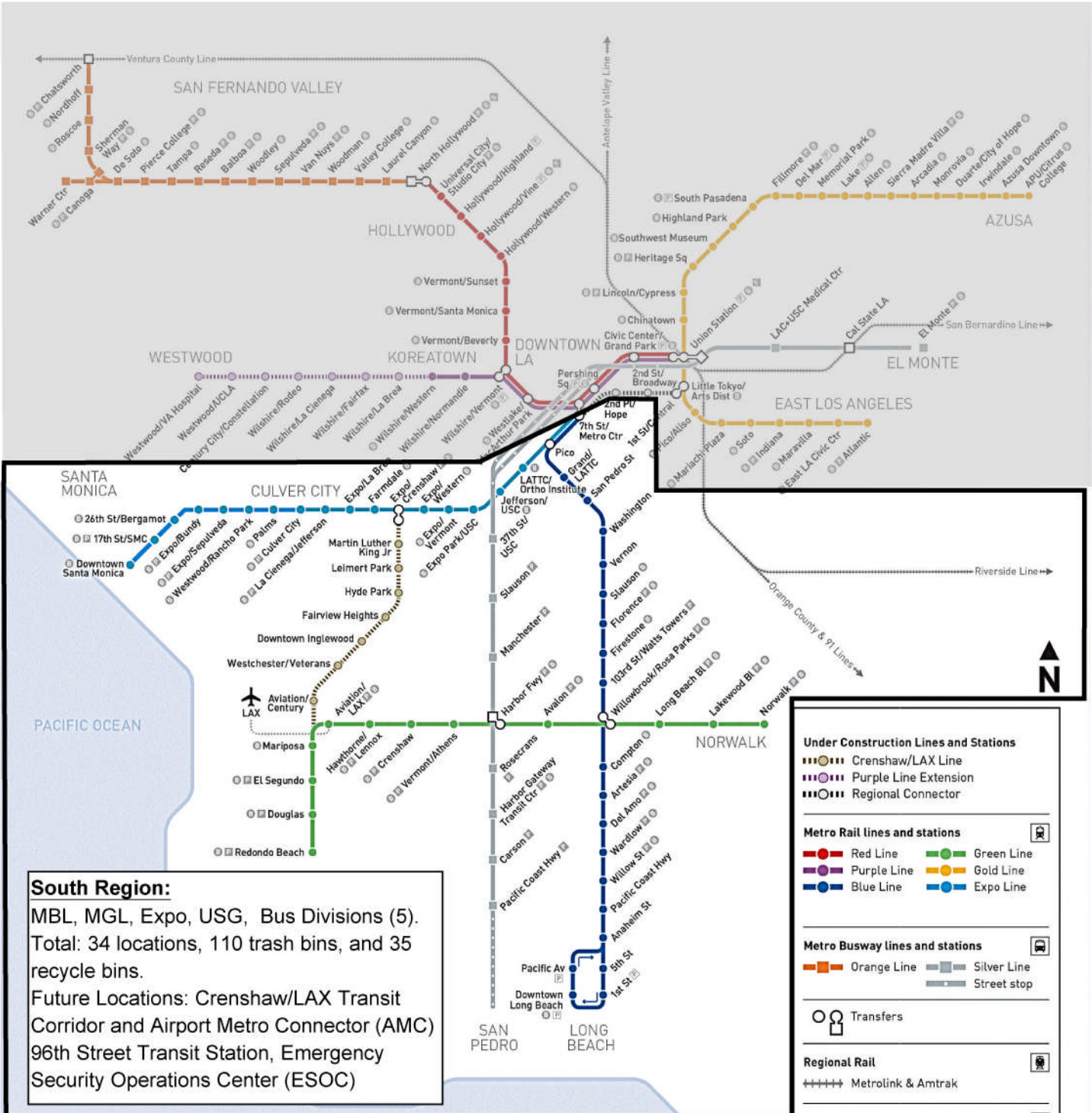
# ATTACHMENT A

## LIST OF SERVICE LOCATIONS

### SOUTH REGION

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## PROCUREMENT SUMMARY

WASTE MANAGEMENT SERVICES/  
OP1484230003367 AND OP1484240003367

1.	<b>Contract Number:</b> A: OP1484230003367 (North Region) B: OP1484240003367 (South Region)	
2.	<b>Recommended Vendor:</b> A: American Reclamation, Inc. (North Region) B: American Reclamation, Inc. (South Region)	
3.	<b>Type of Procurement (check one):</b> <input checked="" type="checkbox"/> RFP <input type="checkbox"/> IFB <input type="checkbox"/> IFB-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	<b>Procurement Dates:</b>	
	A. <b>Issued:</b> June 14, 2019	
	B. <b>Advertised/Publicized:</b> June 18, 2019	
	C. <b>Pre-Proposal/Pre-Bid Conference:</b> June 27, 2019	
	D. <b>Proposals/Bids Due:</b> July 31, 2019	
	E. <b>Pre-Qualification Completed:</b> December 5, 2019	
	F. <b>Conflict of Interest Form Submitted to Ethics:</b> December 2, 2019	
	G. <b>Protest Period End Date:</b> February 24, 2020	
5.	<b>Solicitations Picked up/Downloaded:</b> 19	<b>Proposals Received:</b> North Region: 2 <b>Proposals Received:</b> South Region: 2
6.	<b>Contract Administrator:</b> Rommel Hilario	<b>Telephone Number:</b> (213) 922-4654
7.	<b>Project Manager:</b> Alberto Garcia	<b>Telephone Number:</b> (213) 922-6760

**A. Procurement Background**

This Board Action is to approve the award of Contracts OP1484230003367 (North Region) and OP1484240003367 (South Region) to American Reclamation, Inc. to provide waste management services at various Metro facilities. Services include, but are not limited to, providing trash and recycling bins of various sizes, servicing trash and recycling bins at various frequencies and provide detailed reporting of trash and recycling efforts and activities. Board approval of contract awards are subject to resolution of any properly submitted protest.

On June 14, 2019, Request for Proposal (RFP) No. OP62840 was issued as a competitive procurement in accordance with Metro's Acquisition Policy. The proposed contract type is indefinitely quantity/delivery.

Two amendments were issued during the solicitation phase of this RFP:

- Amendment No. 1, issued on June 28, 2019, revised the Schedule of Quantities and Prices for the North and South Regions and List of Service Locations – South Region; and provided copies of the pre-bid conference material including sign-in sheets and the planholders' list;

- Amendment No. 2, issued on July 17, 2019, extended the proposal due date.

A Pre-Proposal Conference was held on June 27, 2019. A total of six participants attended representing four firms. There were 32 questions received and responses were provided prior to the proposal due date.

A total of two proposals each were received for the North and the South Regions, and are listed below in alphabetical order:

#### North Region

1. American Reclamation
2. Consolidated Disposal Services, LLC DBA Republic Services

#### South Region

1. American Reclamation
2. Consolidated Disposal Services, LLC DBA Republic Services

### **B. Evaluation of Proposals**

The Proposal Evaluation Team (PET), consisting of staff from Environmental Services, General Services, and Facility Maintenance departments, was convened and conducted a comprehensive evaluation of the proposals received.

Proposals were evaluated based on the following evaluation criteria stated in the RFP:

Phase I – Minimum Qualification Evaluation: This is a pass/fail criteria. The evaluation focused on the experience of the Prime Contractor in providing integrated waste management services. Further, state issued licenses, certifications and permits were validated. Firms that pass each Minimum Qualification shall be considered within the competitive range for further evaluation.

Phase II – Technical Evaluation: Technical proposals were evaluated in accordance with the following evaluation criteria and associated weights:

- Price 30%
- Workplan 45%
- Degree of Skills – Firm and Personnel Experience 25%

The evaluation criteria are appropriate and consistent with criteria developed for similar waste management services procurements.



The PET reconvened and determined that all proposals passed the Phase I evaluation and were within the competitive range. The proposers were therefore invited to make oral presentations on September 13, 2019. The firms' project managers and key team members had an opportunity to present each team's qualifications and respond to the PET's questions.

In general, each team's presentation described the composition of the team and the roles and responsibilities of each team member; explained the proposed staffing for the North and South regions as well as the basis of work assignments at each division/facility in relation to Statement of Work requirements. Further, the teams were asked to discuss that specific type of equipment proposed to be dedicated to the contract and procedures for hauling and recycling of waste.

### **Summary of Firms within the Competitive Range**

#### **American Reclamation, Inc.**

American Reclamation, Inc. (American Reclamation) is a full service, solid waste hauling company that specializes in waste collection, disposal, and recycling and diversion program. It also conducts on-site waste audits and establishes recycling programs for its clients. American Reclamation is a family-owned and operated business which has been in the waste hauling industry since 1945. Existing clientele include the Department of Public Works of the Cities of El Monte, Glendale, Burbank, Pasadena, Santa Monica and the unincorporated cities of the Los Angeles County, Los Angeles Unified School District, Bureau of Street Services of the City of Los Angeles, California Department of Transportation, Mt. San Antonio Community College, Montebello Unified School District.

#### **Consolidated Disposal Services, LLC dba Republic Services**

Consolidated Disposal Services, LLC dba Republic Services, Inc. (Republic) is located in Long Beach, California. It has been in business for over 50 years providing solid waste collection, recycling, and disposal services. Republic provides services to 2,700 municipalities nationwide, including 50 communities across Southern California. Customers consist of residential and commercial clients including single and multi-family unit residences, small business, healthcare facilities, retail establishments and construction sites. Republic is Metro's current provider for waste management services.

The following is a summary of the final scores:

**North Region**

1	FIRM	Average Score	Factor Weight	Weighted Average Score	Rank
2	<b>AMERICAN RECLAMATION</b>				
3	Price	100.0	30%	30.0	
4	Workplan	82.7	45%	37.2	
5	Degree of Skills – Firm and Personnel Experience	86.8	25%	21.7	
6	<b>Total</b>		<b>100.00%</b>	<b>88.9</b>	<b>1</b>
7	<b>CONSOLIDATED DISPOSAL SERVICES, LLC DBA REPUBLIC SERVICES</b>				
8	Price	86.7	30%	26.0	
9	Workplan	75.8	45%	34.1	
10	Degree of Skills – Firm and Personnel Experience	76.4	25%	19.1	
11	<b>Total</b>		<b>100.00%</b>	<b>79.2</b>	<b>2</b>

**South Region**

1	FIRM	Average Score	Factor Weight	Weighted Average Score	Rank
2	<b>AMERICAN RECLAMATION</b>				
3	Price	100.0	30%	30.0	
4	Workplan	82.7	45%	37.2	
5	Degree of Skills – Firm and Personnel Experience	86.8	25%	21.7	
6	<b>Total</b>		<b>100.00%</b>	<b>88.9</b>	<b>1</b>
7	<b>CONSOLIDATED DISPOSAL SERVICES, LLC DBA REPUBLIC SERVICES</b>				
8	Price	93.3	30%	28.0	

9	Workplan	75.8	45%	34.1	
10	Degree of Skills – Firm and Personnel Experience	76.4	25%	19.1	
11	<b>Total</b>		<b>100.00%</b>	<b>81.2</b>	<b>2</b>

### C. Cost/Price Analysis

#### North Region

The recommended price has been determined to be fair and reasonable based upon adequate competition, an independent cost estimate (ICE), fact finding, cost analysis, and technical evaluation. The ICE is 13% lower than the recommended award amount due to new environmental laws and restrictions and current recycling marketing conditions which differed from the existing historical pricing used to develop Metro's ICE, thus resulting in a higher recommended price.

BIDDER	AMOUNT	METRO ICE	AWARD AMOUNT
American Reclamation	\$5,475,796	\$4,769,058	\$5,475,796
Consolidated Disposal Services, LLC dba Republic Services	\$6,234,293		

#### South Region

The recommended price has been determined to be fair and reasonable based upon adequate competition, an independent cost estimate, fact finding, cost analysis, and technical evaluation. The ICE is 20% lower than the award amount due to new environmental laws and restrictions and current recycling marketing conditions which differed from the existing historical pricing used to develop Metro's ICE, thus resulting in a higher recommended price.

BIDDER	AMOUNT	METRO ICE	AWARD AMOUNT
American Reclamation	\$4,649,889.38	\$3,640,214.67	\$4,544,022
Consolidated Disposal Services, LLC dba Republic Services	\$4,962,276.61		

#### **D. Background on Recommended Contractor**

The recommended firm, American Reclamation, Inc. (American Reclamation), is headquartered in Los Angeles, CA. It is a full-service solid waste collection and recycling company that has been providing quality service in the greater Los Angeles area for over 50 years. American Reclamation runs a fleet of CNG-powered front-loading refuse collection, roll-off and long-haul flatbed trucks. In addition, it owns and operates a 4-acre major recycling facility located near the 5 and 134 freeway interchange. The facility, which diverts over 180,000 tons from the landfill each year, includes a buy-back recycling center, receipt and processing of haul loads and construction and demolition debris, recycling of commercial sector materials and e-Waste drop-off.

American Reclamation was Metro's waste collection and recycling provider during July 2002 through February 2013, and their performance was satisfactory.

DEOD SUMMARY

WASTE MANAGEMENT SERVICES/  
OP1484230003367 AND OP1484240003367

**A. Small Business Participation**

The Diversity and Economic Opportunity Department (DEOD) established a 7% Small Business Enterprise (SBE) goal and 3% Disabled Veteran Business Enterprise (DVBE) goal for each region in this solicitation. American Reclamation, Inc. made a 7% SBE and 3% DVBE commitment for each region.

<b>Small Business Goal</b>	7% SBE 3% DVBE	<b>Small Business Commitment</b>	7% SBE 3% DVBE
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**A1. North Region: American Reclamation, Inc. (Prime)**

<b>SBE Subcontractors</b>		<b>% Committed</b>
1.	Urban Graffiti Enterprise, Inc.	7%
<b>Total Commitment</b>		<b>7%</b>

<b>DVBE Subcontractors</b>		<b>% Committed</b>
1.	Sam Scully Staffing DBE Indigo Staffing	3%
<b>Total Commitment</b>		<b>3%</b>

<b>Small Business Goal</b>	7% SBE 3% DVBE	<b>Small Business Commitment</b>	7% SBE 3% DVBE
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**A2. South Region: American Reclamation, Inc. (Prime)**

<b>SBE Subcontractors</b>		<b>% Committed</b>
1.	Urban Graffiti Enterprise, Inc.	7%
<b>Total Commitment</b>		<b>7%</b>

<b>DVBE Subcontractors</b>		<b>% Committed</b>
1.	Sam Scully Staffing DBE Indigo Staffing	3%
<b>Total Commitment</b>		<b>3%</b>

**B. Living Wage and Service Contract Worker Retention Policy Applicability**

The Living Wage and Service Contract Worker Retention Policy (LW/SCWRP) is not applicable on this contract.

**C. Prevailing Wage Applicability**

Prevailing wage is not applicable to this contract.

**D. Project Labor Agreement/Construction Careers Policy**

Project Labor Agreement/Construction Careers Policy is not applicable to this Contract. Project Labor Agreement/Construction Careers Policy is applicable only to construction contracts that have a construction contract value in excess of \$2.5 million.