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OAKLAND

2012 MAR 15 PM 1:48

AGENDA REPORT

TO: DEANNA J. SANTANA
CITY ADMINISTRATOR

FROM: Vitaly B. Troyan, P.E

SUBJECT: Zero Waste Proposal Requirements and Evaluation DATE: February 27, 2012

City Administrator
Approval

Date

3/15/12

COUNCIL DISTRICT: City-Wide

RECOMMENDATION

Staff recommends that the City Council approve a Resolution Adopting Zero Waste System Request For Proposals: Proposal Evaluation Criteria, and Weighting, Waiver of Arizona Policy, Method For Adjusting Customer Rates, Diversion Performance Measurement, and Continued Participation in Alameda County Measure D.

EXECUTIVE SUMMARY

The City Council has approved a Zero Waste System Design, and a process and schedule for releasing a Request For Proposals (RFP) to procure new Franchise Contracts (Contracts) to provide recycling, solid waste collection and disposal services that the System Design comprises. Several policy decisions that inform the content of the RFP and the model Contracts that will accompany the RFP are presented in this report for City Council consideration. These policies will affect the content of the proposals received in response to the RFP process, and in turn will form essential elements of the resulting Contracts. These policies include:

- proposal evaluation criteria weighting,
- waiving the City's policy on contracting with businesses headquartered in Arizona,
- method for adjustments to customer rates,
- Contract diversion performance measurement, and
- incorporation of Alameda County Measure D fees charged on disposal tons.

These policies are discussed in order, following a description of the evaluation process and the services that will be provided in the new system.

OUTCOME

Approval of the resolution will:

1. establish evaluation criteria weighting for assessment of the proposals;

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2. waive the City's policy to refrain from entering into contracts with businesses headquartered in Arizona;
3. establish a method to adjust customer rates;
4. establish performance requirements for the Contracts for Residential Recycling, and Garbage and Organics collection; and
5. incorporate Alameda County Measure D in fees charged on disposal tons.

Council's policy direction on these matters will allow staff to complete the RFP and the accompanying model contracts, which will be issued on or about May 23, 2012.

BACKGROUND/LEGISLATIVE HISTORY

The City of Oakland's Franchise Agreement for Solid Waste and Yard Waste Collection and Disposal Services (Franchise Agreement) with Waste Management of Alameda County (WMAC), and the Agreement for Residential Recycling Service with California Waste Solutions (CWS) expire on June 30, 2015.

In 2006 the City Council adopted a Zero Waste Strategic Plan that included developing a new System Design to be used in a Request for Proposals (RFP) process to procure new Contracts. On January 17, 2012 the City Council adopted a System Design that provides the framework for developing new Contracts, including a single franchise for citywide garbage and organics collection services, a single franchise for citywide residential recycling, and landfill capacity procured separately from collection and processing services. On February 21, 2012 the City Council adopted a process and schedule for releasing a RFP for zero waste service contracts, including a Protocol for Process Integrity. The RFP is scheduled to be released on or about May 23, 2012.

Several policy decisions that inform the content of the RFP are presented in this report for City Council consideration. These policies will affect the proposals received in response to the RFP process, and in turn will compose essential elements of the resulting Contracts.

ANALYSIS

On January 17, 2012, the City Council adopted Resolution No. 83689 C.M.S., establishing a framework for the Zero Waste System Design. On February 21, 2012, the City Council adopted Resolution No. 83729 C.M.S., establishing a process and schedule for releasing a RFP to procure new contracts to provide the services that the System Design comprises. This report presents information about the direct services that will be procured for Oakland residents and businesses through the RFP, and describes the proposal evaluation process that staff will implement. In addition, this report presents policy recommendations related to RFP content and process, including: proposal evaluation criteria weighting, waiving the City's policy on contracts with businesses headquartered in Arizona, method for adjusting customer rates, Contract diversion

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performance incentives, and incorporation of Alameda County Measure D fees charged on disposal tons.

I. Informational Items

A. Service Description Summary

Under the new System Design, Oakland residents and businesses will be provided with all of the solid waste and recycling services included in the existing Contracts, plus enhancements aimed at increasing solid waste diversion, providing more service choices for customers, and facilitating compliance with State of California and Alameda County recycling mandates.

- I. Single-Family Dwellings (SFD) will continue to receive the same bundle of services provided by the existing contracts, with enhancements designed to improve participation in the recycling programs. Services that will be carried forward include a cart-based system for weekly collection of recyclables, organic materials and garbage. In addition, SFD service will continue to include weekly collection of household batteries, and used motor oil and filters; and annual bulky pickup by appointment.

Enhancements to the current bundle of services for SFDs include:

- Greater customer choice in cart sizes, including 20-, 35-, 64- and 96-gallon carts for each service – recycling, organics, and garbage. Greater customer choice in cart sizes will allow residents to right-size their containers to best suit their needs, and enable greater utilization of service. For example, residences that produce little or no yard trimmings (because they belong to homeowners associations that provide landscaping service for example) could opt for 20-gallon green carts. Smaller green carts require less storage space and are more likely to be used for food scraps collection than the current standard 64-gallon green cart. Likewise, multiple recycling cart sizes will facilitate more recycling; small carts can fit where the current standard 64-gallon carts cannot, and large recycling carts help residents recycle more; and
 - Addition of materials to be recycled as proposed by RFP respondents and agreed by City.
2. Multi-Family Dwellings (MFD) will continue to receive the same bundle of services provided by the existing contracts, with enhancements designed to improve participation, and provide new recovery of discarded materials. In addition, these services will facilitate compliance with Phase II of the Alameda County recycling mandate, which requires diversion of organic materials. Services that will be carried forward include bin- or cart-based weekly collection of recyclables and garbage. In addition, MFD services will continue to provide for weekly collection of household batteries, and used motor oil and filters.

Enhancements to the current bundle of services for MFDs will include:

- Annual bulky pickup by appointment;
 - Recovery of organic materials for composting without requiring additional containers, through processing of the garbage; and
 - Weekly collection of separated organic materials (in a third container) in buildings that opt for it.
3. Commercial customers (businesses and institutions) will have a broader selection of service options for recycling which will facilitate compliance with State of California and Alameda County recycling mandates. Service availability would be guaranteed through the Contracts. Commercial accounts could opt for the following service enhancements to meet their recycling needs:
- Organic materials collection;
 - Recycling cart or bin collection on an as-needed frequency with a choice of container types and sizes; and
 - One-stop shopping for garbage, organics and recycling collection. One-stop shopping would allow businesses a convenient means to coordinate services for all three containers, e.g., container sizes, collection frequencies, billing, secure access to on-site collection, and customer service.

B. Proposal Evaluation Process

A Request for Proposal (RFP) will be issued soliciting separate proposals for each of the three Contracts comprised by the Zero Waste System Design:

1. Garbage and Organics Franchise for citywide collection of garbage, organics, and commercial recycling; organics processing; and transfer and transport to landfill (10-year term, with two 5-year extension options)
2. Residential Recycling Franchise for citywide collection and processing of residential recyclables (10-year term, with two 5-year extension options)
3. Landfill Disposal Contract for landfill capacity (20-year term, with two 5-year extension options)

Proposals submitted in response to the RFP will be evaluated following the process shown in ***Attachment A*** and described below. The RFP will specify the variety of services, and the proposals for the various services will be evaluated against pricing. Alternative proposals, including proposals that encompass multiple Contracts, will be considered and evaluated on their merits. An alternative proposal will be considered if it accompanies a fully responsive proposal for the same Contract.

The entire proposal evaluation process will be managed by a Project Manager. During the proposal evaluation period of the project, the Project Manager oversees the assembly of the various evaluation teams. A Process Coordinator appointed by the City Administrator will support the Project Manager during the evaluation process by facilitating transmittal of

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information between all parties of the evaluation structure. In addition, the Process Coordinator will be the sole City representative allowed to communicate with the proposers during the evaluation process.

The evaluation structure organizes review and analysis from the technical level to the policy level. Technical Review Teams (Review Teams) composed of City staff and consultants with expertise in legal, financial, social equity, and recycling and solid waste subject areas will provide analyses to be considered by the City Evaluator Team (Evaluators). The Evaluators will include managers, technical staff and outside subject matter experts. The City Evaluators will score and rank the proposals and provide recommendations to the Executive Management Team (EMT). The EMT, composed of senior executive staff, will review the recommendation of the City Evaluators, certify the results, and forward them to the City Administrator.

The evaluation process will begin with screening to confirm that the proposal is complete and responsive, and that it meets the minimum qualifications stated in the RFP. Proposals that pass this initial screening will be analyzed by the Review Teams. Through the Process Coordinator, the Review Teams will obtain any additional information needed from the proposers to clarify the proposals and to complete the review and analysis. Review Team work products will include analysis narratives, data summary tables, comparative pricing, and ranking.

The Evaluators will conduct interviews designed to obtain additional information and clarification. After conducting interviews and reviewing all available proposal information and data, evaluators will complete proposal scoring. The Process Coordinator will tabulate proposal scores, and provide scoring and ranking information to the Executive Management Team (EMT). The EMT will then review the entire evaluation process including scoring and ranking, and complete the evaluation process by certifying the top-ranked proposal for each of the three Contracts.

II. Policy Recommendations

A. Proposal Evaluation Criteria

It is recommended that proposals received by the City be evaluated based on the criteria and weighting presented below. Evaluation criteria and weighting have been selected to provide a comprehensive assessment of how well proposals meet diverse objectives, including providing consistent high-quality services to customers and contributing to achievement of the City's Zero Waste goal, while balancing cost considerations and accruing additional benefits to the community.

Given the similarity of the RFP and Contract requirements for the two collection services, the evaluation criteria and weighting will be identical for the Residential Recycling Contract, and the Garbage and Organics Contract. Evaluation Criteria and Weighting for the two Contracts are shown in Table 1.

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Table 1 Evaluation Criteria and Weighting Garbage and Organics Contract Residential Recycling Contract		
Evaluation Criteria	Description of the Evaluation Criteria	Criteria Weight
Customer Rates	Comparison between proposals of rate cost to customers	35%
Zero Waste / Diversion Programs	Evaluation of proposed waste diversion outcomes in meeting City diversion goals, providing public outreach and customer communications	25%
Operational Approach	Evaluation of vehicles, route operations, facilities	20%
Customer Service	Evaluation of approach to customer service, information and management systems	5%
Experience & Performance	Evaluation of experience providing services to similar size cities, management team experience, performance history	5%
Financial Capacity	Evaluation of financial statements and independent financial reviews	5%
References	Evaluation of references	5%

The Landfill Disposal Contract, distinct in nature from the two collection and processing Contracts, will have different criteria and weighting. Evaluation criteria and weighting for the Landfill Disposal Contract are shown in Table 2.

Table 2 Evaluation Criteria and Weighting Landfill Disposal Contract		
Evaluation Criteria	Description of the Evaluation Criteria	Criteria Weight
Cost	Comparison between proposals	60%
Operational Approach	Evaluation of facility available disposal capacity, permitting	14%
Experience & Performance	Evaluation of experience providing services to similar size cities, management team experience, performance history	13%
Financial Capacity, Indemnification, & Liability	Evaluation of financial statements, independent financial reviews, indemnification, and liability protection	13%

The proposed weighting of proposal evaluation criteria for the two collection Contracts emphasize the importance of optimizing progress toward the City's Zero Waste Goal while minimizing customer rate impacts. Other higher-weighted criteria favor proposals that demonstrate experience and ability in customer service and operational performance. The remaining lower-weighted criteria either provide a specific assessment of a particular attribute, or offer otherwise qualified proposers the opportunity to distinguish themselves from other proposers.

By contrast, the Landfill Disposal Contract is for a significantly simpler service that is subject to strict state and federal government regulation. Price is the most significant proposal component that will be evaluated, though proposers may identify other features to distinguish their proposed services. No landfill services will be provided in Oakland or directly to Oakland residents or business. Accordingly, 60% of the evaluation criteria weighting is placed on cost, which incorporates both the per-ton disposal cost and the transportation cost from Oakland. The remaining criteria weighting is divided among technical and financial capabilities, as well as experience and past performance.

B. Waiver of Boycott of Arizona Based-Businesses

It is recommended that the City Council waive the restriction on doing business with Arizona-based companies, in order to solicit the highly competitive bids from qualified firms. In April 2010, the City Council adopted Resolution No. 82727 C.M.S., which urges City departments to refrain from entering into new contracts with companies that are headquartered in Arizona.

Republic Services, a company headquartered in Arizona, is a nationwide provider of recycling and solid waste collection services, and a landfill operator. Locally, Republic Services provides recycling and solid waste collection to the cities of Fremont, Union City, Piedmont, Richmond, Hercules, Pinole, and San Pablo, and to the cities served by the Central Contra Costa Solid Waste Authority; they operate a solid waste transfer station in west Contra Costa County and three Bay area landfills. Republic Services has requested the City to waive the Arizona restriction (**Attachment B**), and doing so will allow them to respond to the RFP. For each of the three Contracts that will be procured through the RFP, there are only a handful of qualified firms that may apply, particularly for landfill disposal. Waiving the Arizona requirement in this procurement will stimulate competition among the qualified firms to propose the most cost-effective services.

C. Adjustments to Customer Rates

It is recommended that customer rates be adjusted annually using published indices suited to solid waste industry standards, such as the Refuse Rate Index (RRI). The RRI adjustment allows service providers to reduce their base price because their future financial risk is lower. This is particularly important with longer-term contracts, like the two proposed collection Contracts.

The RRI is based on multiple national indices that tie directly to the major cost categories of solid waste collection service providers: solid waste disposal, materials processing, labor, fuel, and maintenance, repair and replacement of vehicles and equipment. These indices are published monthly by the federal Bureau of Labor Statistics. State or regional indices may also be used, such as vehicle fuel indices available from the California Energy Commission.

Currently, rates paid by Oakland residents and businesses are adjusted annually by 80% of the Consumer Price Index (CPI). While CPI reflects overall changes in the economy, a RRI-type adjustment more accurately reflects the operating costs that the solid waste and recycling industries experience. Compared to CPI, a RRI provides a more fair and equitable rate adjustment method that sustains the financial viability of this critical public service.

The RRI is in widespread and increasing use by jurisdictions in California and throughout the country. Bay Area jurisdictions that use RRI for rate adjustments include the Castro Valley Sanitary District, and the cities of Albany, Dublin, Emeryville, Novato, Piedmont, San Jose, San Ramon and Santa Rosa.

To calculate an annual RRI adjustment, each year the service provider submits actual cost data for the specified categories. Based on its proportion of total cost, each category is assigned a weight with the total weighting equaling 100%. The 12-month change in the index associated with each category is then multiplied by the weighting given to that category, and the sum for all categories is the factor. Current customer rates are then adjusted by this factor to calculate the new adjusted rates. See **Attachment C** for a sample of a rate adjustment calculation using an industry specific index.

D. Diversion Performance Standards and Measurement

It is recommended that waste diversion performance standards be established in the Garbage and Organics Contract and in the Residential Recycling Contract, with contractual consequences for meeting or failing to meet these standards. Financial penalties will be applied to the franchisees for failure to meet annual diversion performance standards, and contract extension opportunities will be offered to the franchisees for attaining the contract diversion performance standards.

The collection Contracts will incorporate two distinct performance standards for diversion:

1. Annual minimum diversion percentage proposed in the RFP response, and
2. Year seven minimum diversion percentage established by City in RFP

The purpose of the recommended process for establishing diversion performance standards is to provide proposers flexibility and innovation opportunities in developing their approach to meeting or exceeding the City's diversion goals, while at the same time providing specific contractual incentives for the successful proposer to achieve the diversion performance outcomes stated in their proposal.

The RFP will provide the proposers with guidelines intended to help proposers understand the City's priorities and goals regarding waste diversion, including:

- Implementation of services and programs that maximize diversion
- Use of source separation as the primary waste diversion strategy, which requires residences (except for MFD) and businesses to separate recyclables and organics from garbage
- Use of mixed material processing for recovery of recyclables as the secondary waste diversion strategy, where source separation efforts have been exhausted

RFP respondents will use the guidelines to propose the annual diversion goals for services and programs. The proposed diversion goals for the selected proposers will be incorporated into the respective collection Contracts as annual diversion standards. Failing to meet these standards would result in performance penalties.

The proposed penalty for failure to achieve the annual performance standard is the withholding a portion of the full rate adjustment. This provision would begin in the third year of new Contracts to allow time for the franchisees to implement new services and programs.

In addition, the City would establish a "contractual minimum diversion" requirement for each Contract, below which performance would be deemed unacceptable. At year seven of the Contract, if the franchisee fails to meet the contractual diversion performance standard, the City at its sole discretion may choose not to extend the Contract.

E. Measure D Fees

It is recommended that should the landfill selected through the procurement process be located outside Alameda County, the City will require that Alameda County Measure D fees be applied to Oakland's franchised solid waste disposed at the selected landfill.

Measure D is the Alameda County Waste Reduction and Recycling Act of 1990, which was added to the County Charter by popular vote. The purpose of Measure D is to plan, fund and implement comprehensive source reduction and recycling programs in Alameda County. Measure D fees are assessed on a per-ton basis (currently \$8.23 per ton) on all solid waste delivered to landfills in unincorporated Alameda County, and remitted to the Alameda County Waste Management Authority and Source Reduction and Recycling Board (StopWaste.Org). Half of the Measure D revenues collected is disbursed to Alameda County jurisdictions based on population, of the other half, 45% is used by StopWaste.Org, and 5% is dedicated to sustainability efforts by the County of Alameda.

Currently, Waste Management pays this fee to StopWaste.Org, and recovers the cost for fees on Oakland franchised solid waste through Oakland customer rates. The current \$8.23 per ton fee represents approximately \$0.62 of the typical \$28 per month bill for single family service in Oakland. Measure D funding from StopWaste.Org currently contributes over \$1 million per year to Fund 1710 (Recycling), which is allocated entirely to the Recycling Program (SC17).

Oakland would have the choice of opting in or out of Measure D funding if the landfill selected through the procurement process is outside of Alameda County. Opting out of Measure D would end disbursement of the City's portion of these funds to Oakland. In addition the loss of Measure D revenues to StopWaste.Org would decrease the ability of StopWaste.Org to provide the regional planning and outreach programs that support Oakland's zero waste efforts. Should Oakland select an out-of-county landfill, the City could opt into Measure D by requiring the landfill (or the franchised hauler) to collect and pay the Measure D fee to StopWaste.Org, so that Oakland could continue to receive the benefits these funds provide.

PUBLIC OUTREACH/INTEREST

This item did not require any additional public outreach other than the required posting on the City's website.

COORDINATION

Public Works staff has coordinated closely with the Office of the City Attorney.

COST SUMMARY/IMPLICATIONS

Measure D funds contribute approximately \$1 million dollars annually to Fund 1710, and are allocated in full to the Recycling Program (SC17). The recommendation would preserve this revenue source for the same purpose. There are no other direct fiscal impacts associated with the adoption of the resolution.

SUSTAINABLE OPPORTUNITIES

Economic: Expanding and actively supporting use of discarded materials drives local economic and workforce development with 'green collar' jobs and value added production.

Environmental: Waste reduction and recycling conserves natural resources, reduces air and water pollution, protects habitat, and reduces greenhouse gas (GHG) emissions.

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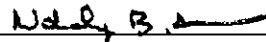
Social Equity: The Zero Waste System will help provide new living-wage jobs for the community.

CEQA

Appropriate CEQA review will be conducted prior to the award of the Franchise Contracts.

For questions regarding this report, please contact Susan Kattchee, Environmental Services Manager, 510-238-6382.

Respectfully submitted,



VITALY B. TROYAN, P.E.
Director, Public Works Agency

Reviewed by:
Brooke A. Levin, Assistant Director

Reviewed by:
Susan Kattchee, Environmental Services Manager

Prepared by:
Becky Dowdakin, Solid Waste & Recycling Prog. Sup.
Environmental Services Division

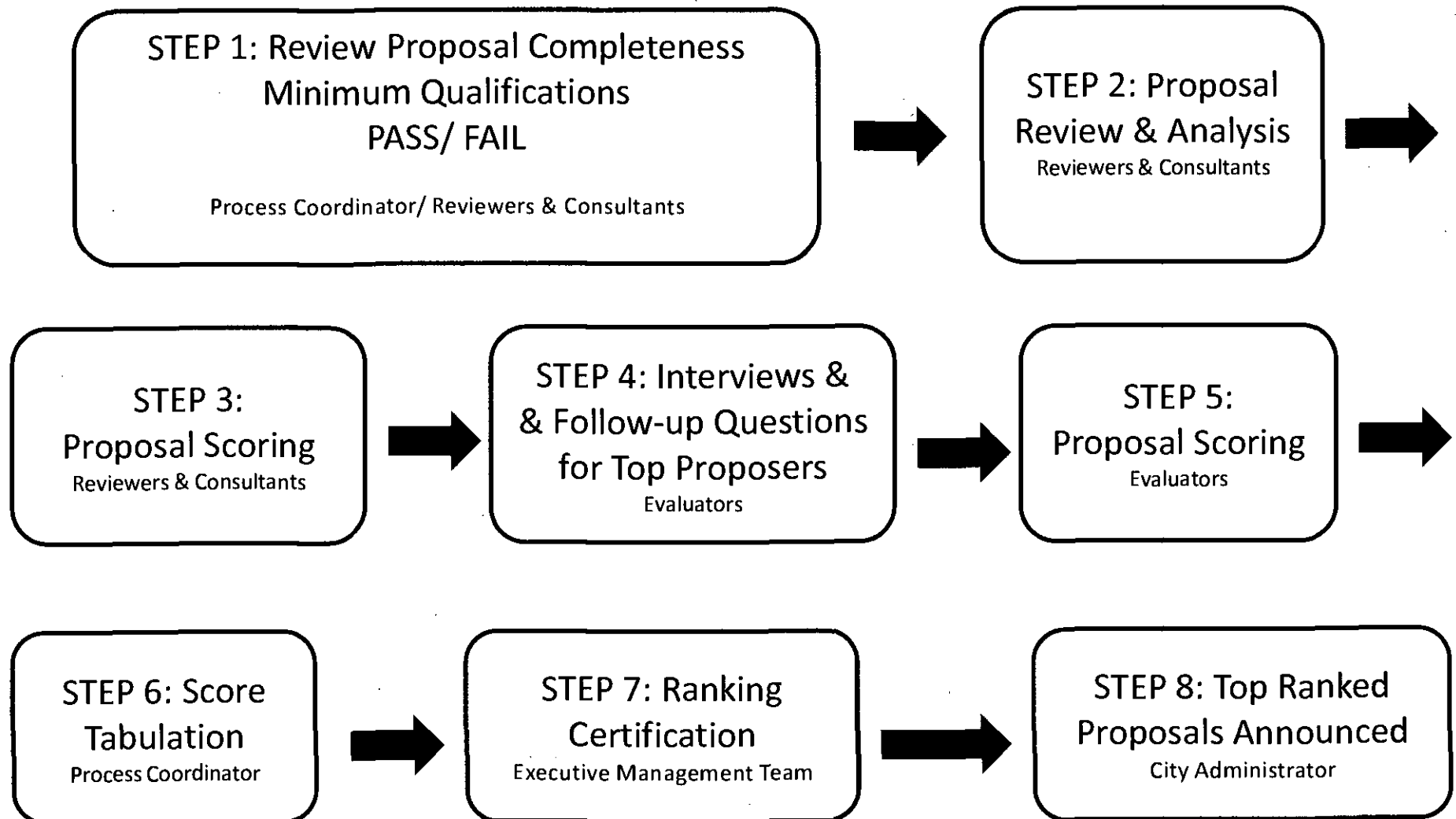
Attachments –

A – Proposal Evaluation Process

B – Republic Services Letter

C – Industry Specific Index - Draft Sample Rate Adjustment Calculation

Proposal Evaluation Process





Attachment B

February 29, 2012

Ms. Becky Dowdakin
Solid Waste and Recycling Program Supervisor
City of Oakland Public Works Agency
Environmental Services Division
250 Frank Ogawa Plaza, Suite 5301
Oakland, CA 94612

Dear Ms. Dowdakin:

Republic Services would like the opportunity to participate in the City of Oakland's upcoming RFP for Zero Waste Services, and we request a waiver from the City's policy regarding businesses based in Arizona.

In today's cash-strapped environment, it is important for the City of Oakland to establish a competitive procurement process that encourages the maximum level of response from service providers to ensure that the City has the opportunity to select the best possible proposal to benefit Oakland residents and businesses. As this RFP represents one of the City's largest competitive procurements, valued at over \$60 million per year for a term of 20-30 years, differences in vendor bids can result in significant cost savings to the City. Oakland taxpayers deserve to have bids from every major service provider, who wishes to participate, represented.

The City Council's resolution on this issue is specific in its direction that a company's Arizona affiliation be considered only "in instances where there is no significant additional cost to the City." It is only possible to determine the cost savings to the City once the competitive procurement process has been completed and every vendor wishing to participate has been considered.

Republic Services is the second largest company in the country providing residential and commercial solid waste, recycling and organics collection, as well as processing and disposal services. In the Bay Area, we operate 18 divisions, employ over 1100 people, and have made providing a safe, respectful and rewarding workplace our priority. All of our divisions are managed locally, with virtually all operational decisions made at the local level. Our employees live and work in the Bay Area and embody the region's diversity. Republic Services is proud to contribute to the Bay Area economy and keep middle-class jobs here. We are a local company with deep-seated roots in the communities we serve.

Republic Services prides itself on its award-winning, community-responsive, environmentally responsible and cost-effective services. We look forward to having the opportunity to participate in the City of Oakland's RFP for Zero Waste Services, and demonstrate our commitment to providing environmentally conscious, high quality, low cost services to Oakland residents and businesses.

Sincerely,

Mike Caprio
Area President, Northern California
3260 Biune Dr.
Richmond, CA 94806

Industry Specific Index
Draft Sample Rate Adjustment Calculation

Item #	Category	Data Source	Example Percentage Change	Example Franchisee Cost Prior Year	Example Weighted Percentage Change
1	Labor	Series ID: ceu6056210008 Service Producing Industries	2.09%	38.05%	0.80%
2	Diesel Fuel	Series ID: wpu057303 #2 Diesel Fuel	4.74%	2.15%	0.10%
3	CNG Fuel	pge.com/tariffs	4.28%	10.00%	0.43%
4	Vehicle Replacement	Series ID: pcu3362113362111 Truck, bus, car, and other vehicle bodies, for sale separately	6.79%	2.57%	0.17%
5	Vehicle Maintenance	Series ID: pcu3339243339243-Parts and attachments for industrial work trucks	0.16%	11.46%	0.02%
6	Disposal	Tip Fee change from Disposal Agreement	1.25%	12.00%	0.15%
7	CPI All Items	Series ID: cuura422sa0 Consumer Price Index, All Urban Consumers, All Items Bay Area	1.70%	23.77%	0.40%
				100.00%	
Total Adjustment Applied to Rate					2.07%

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Approved as to Form and Legality

City Attorney

RESOLUTION No. _____ C.M.S.

RESOLUTION ADOPTING ZERO WASTE SYSTEM REQUEST FOR PROPOSALS: PROPOSAL EVALUATION CRITERIA AND WEIGHTING, WAIVER OF ARIZONA POLICY, METHOD FOR ADJUSTING CUSTOMER RATES, DIVERSION PERFORMANCE MEASUREMENT, AND CONTINUED PARTICIPATION IN ALAMEDA COUNTY MEASURE D

WHEREAS, the City of Oakland's Franchise Agreement for Solid Waste and Yard Waste Collection and Disposal Services with Waste Management of Alameda County, and the Agreement for Residential Recycling Service with California Waste Solutions expire on June 30, 2015; and

WHEREAS, the Alameda County Waste Reduction and Recycling Initiative Charter Amendment (Measure D) was enacted in 1990 for the purpose providing a recycling plan that is funded by a per ton surcharge on materials disposed in Alameda County landfills, of which 50% is disbursed to on a per capita basis to municipalities for the continuation and expansion of municipal recycling programs; and

WHEREAS, on December 5, 2006 through Resolution No. 80286 C.M.S. the City Council adopted a Zero Waste Strategic; and

WHEREAS, on May 4, 2010 the City Council adopted Resolution No. 82727 C.M.S., which urges City departments to refrain from entering into new contracts with businesses headquartered in Arizona; and

WHEREAS, on January 17, 2012 through Resolution No. 83689 C.M.S the City Council adopted a Zero Waste System Design that provides the framework for developing new Contracts under a single franchise for citywide garbage and organics collection services, a single franchise for citywide residential recycling, and landfill capacity procured separately from collection and processing services; and

WHEREAS, on February 21, 2012 through Resolution No. 83729 C.M.S. the City Council adopted a adopted a process and schedule for releasing a RFP for zero waste service contracts, including a Protocol for Process Integrity; and

WHEREAS, the City will use a competitive procurement through a Request for Proposals (RFP) to establish new Franchise Contracts (Contracts); and

WHEREAS, the RFP must clearly the describe the criteria by which the proposals will be evaluated, the diversion performance that will be required in the resulting Contracts, and a

method for adjusting customer rates; and

WHEREAS, waiving the City's policy regarding entering into new contracts with business headquartered in Arizona would increase competition among qualified service providers to submit the most cost-effective proposal;

WHEREAS, Alameda County Measure D revenues, collected through fees on Oakland franchised solid waste, provide critical funding to City and regional waste reduction and recycling programs; now therefore be it

RESOLVED: That the City Council hereby adopts the evaluation criteria and weighting for the proposals for the Garbage and Organics Franchise, and Residential Recycling Franchise, as shown in Table 1;

Table 1 Evaluation Criteria and Weighting Garbage and Organics Contract Residential Recycling Contract		
Evaluation Criteria	Description of the Evaluation Criteria	Criteria Weight
Customer Rates	Comparison between proposals of rate cost to customers	35%
Zero Waste / Diversion Programs	Evaluation of proposed waste diversion outcomes in meeting City diversion goals, providing public outreach and customer communications	25%
Operational Approach	Evaluation of vehicles, route operations, facilities	20%
Customer Service	Evaluation of approach to customer service, information and management systems	5%
Experience & Performance	Evaluation of experience providing services to similar size cities, management team experience, performance history	5%
Financial Capacity	Evaluation of financial statements and independent financial reviews	5%
References	Evaluation of references	5%

and be it

FURTHER RESOLVED: That the City Council hereby adopts the evaluation criteria and weighting for the proposals for the Landfill Disposal Contract, as shown in Table 2;

Table 2 Evaluation Criteria and Weighting Landfill Disposal Contract		
Evaluation Criteria	Description of the Evaluation Criteria	Weight of the Evaluation Criteria
Cost	Comparison between proposals	60%
Operational Approach	Evaluation of facility available disposal capacity, permitted undeveloped	14%
Experience & Performance	Evaluation of experience providing services to similar size cities, management team experience, performance history	13%
Financial Capacity, Indemnification, & Liability	Evaluation of financial statements and independent financial reviews.	13%

FURTHER RESOLVED: That the City Council hereby waives any proscription regarding the Zero Waste System RFP process regarding businesses headquartered in Arizona; and be it

FURTHER RESOLVED: That the City Council hereby approves including a provision in the Zero Waste System Contracts for a solid waste industry-related index to calculate annual adjustments to customer rates; and be it

FURTHER RESOLVED: That the City Council hereby approves including a provision in the Zero Waste System Contracts for withholding of a full annual adjustment of compensation to the Garbage and Organics Franchise and to the Residential Recycling Franchise if the annual diversion performance requirement is not met; and be it

FURTHER RESOLVED: That the City Council hereby approves including a provision in the Zero Waste System Contracts for the denial of contract extension if the franchisee fails to meet the contract diversion performance standard in year seven of the contract; and be it

FURTHER RESOLVED: That the City Council hereby approves the payment of Alameda County Measure D fees on franchised Oakland solid waste that may be disposed in a landfill outside of Alameda County.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 20____

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, BRUNNER, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, SCHAAF and PRESIDENT REID

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____

LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California