



**WASTE MANAGEMENT of
ALAMEDA COUNTY, INC.**
172 98th Avenue
Oakland, CA 94603
(510) 383-2404

August 11, 2014

Honorable Mayor Jean Quan
Members of Oakland City Council
Henry Gardner, City Administrator
Zero Waste Committee
City of Oakland
1 Frank H. Ogawa Plaza, 3rd Floor
Oakland, CA 94612

Re: Zero Waste Services Requests for Proposals

Dear Mayor Quan, Council Members, City Administrator Henry Gardner
and Zero Waste Services Staff:

As you know, Waste Management of Alameda County, Inc. believes it provided the only fully compliant and timely proposals in response to the City's Request for Zero Waste Services. Indeed, as it relates to Disposal Services, WMAC was the "only" proposer. WMAC also cooperated with the City in providing revised pricing despite the City's rejection of the Staff's initial recommendation that all service contracts be awarded to WMAC, which was a recommendation fully consistent with the RFP guidelines and process, and which came after more than a year of proposal review and negotiations. WMAC has always acted in a responsive and responsible manner in full accordance with the RFP requirements, and has spent more than two years fully engaged in the process. However, we believe the Council at its July 30, 2014 meeting was not prepared to properly evaluate best and final offers from competing proposals given that the scope of services were not properly defined prior to the issuance of those offers. Indeed, the scope of services to be provided by the East Bay Municipal Utilities District ("EBMUD"), and those to be provided by CivicCorps, were undetermined as they were never part of the original Request for Proposals.

Only by resolution late in the game did EBMUD's and CivicCorps' involvement in the MMO service contract finally develop. However, during that process, and most notably at the Council meeting itself, WMAC was asked to provide pricing and terms on what was in essence a moving target. Doing so would be inconsistent with the reasoned approach WMAC took throughout the procurement process, which involved more than a year of contract negotiations and several pricing adjustments based on a known set of facts and a defined scope of work. For these reasons, it would not have been responsible, and may have served as a detriment to the City and its residents, for WMAC to adjust pricing on the fly at the Council meeting without fully vetting the impact of any scope changes.

THINK GREEN:



Now, with the better understanding of the Council's current position on the division of certain responsibilities, WMAC, after a reasoned and careful review, is able to address the City's call for newly adjusted pricing and terms as follows:

- a. Award a franchise agreement for Mixed Materials and Organics Collection Services and Landfill Disposal to WMAC. Said contracts shall include Rate Table Option 1C. The 32-gallon residential container shall be further reduced by \$1.18/month.
- b. Award Residential Recycling franchise to CWS. Said contract shall be with Rate Table of Option 2-D less 4%.
- c. WMAC shall take its collected commercial organics to EBMUD at no additional cost to the ratepayer and shall enter into a separate processing agreement with EBMUD.
- d. WMAC shall use CivicCorps for Outreach. CivicCorps shall contract separately with the City of Oakland for up to two (2) commercial Organic routes. CivicCorps shall take its commercial organics to EBMUD and shall execute a separate processing agreement.

We would urge the Council to consider WMAC's position, which would reduce the all-in rate for a 32-gallon residential cart to \$38.70, and avoid moving forward with a process that did not provide our company with the opportunity or time necessary to provide an informed and reasoned response to the City's request. Consequently, we believe it would be most appropriate, and to the benefit of the City and its residents, for the Council to reject a second reading of the pending ordinances and to direct staff to finalize contracts and pricing under our proposal, above.

If the City is willing to approve such an approach, WMAC is willing to extend its existing contract for the commensurate amount of time necessary to reschedule the matter to the next available City Council meeting, or at a special meeting earlier than that. This would allow the City to make a better and more informed decision regarding the award of the multi-year contracts. Such action would also show consideration for WMAC's long participation in, and commitment to, the approved procurement process.

We appreciate your consideration, and should you have any questions, please let us know.

Sincerely,

A handwritten signature in black ink, appearing to read 'Barry Skolnick', written over a light blue horizontal line.

Barry S. Skolnick
President, Waste Management of Alameda County, Inc.
Area Vice President, Northern California-Nevada