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Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: John Stufflebean

SUBJECT: SEE BELOW

DATE: November 9, 2010

Approved

Date

11/12/10

INFORMATION

SUBJECT: UPDATE ON THE REQUEST FOR PROPOSALS PROCESS FOR THE REDESIGN OF THE CURRENT NONEXCLUSIVE COMMERCIAL WASTE MANAGEMENT COLLECTION SYSTEM.

The purpose of this memorandum is to provide an update on the status of the Requests for Proposals (RFP) for Organics Processing Services and for the Commercial Solid Waste Collection/ Recyclable Material Collection Franchise procurement.

At the March 24, 2009 City Council meeting, Council authorized staff to solicit proposals for the redesign and implementation of the current nonexclusive commercial solid waste management collection system. Currently, over twenty collection companies have franchises to operate within the nonexclusive system. Upon award by the City Council, the redesign will result in the award of exclusive collection franchises, including recyclables processing and the marketing and delivery of organic materials to separately contracted organics processors. The selected franchisees will provide commercial collection and diversion services for two service districts (North Service District and South Service District).

The City is conducting a two-step RFP process that includes the release of the Commercial Organics Processing Services RFP followed by the release of the Commercial Solid Waste and Recyclable Material Collection Franchise RFP. Separate RFPs were requested by Council in order to ensure that the greatest number of potential proposers would be able to respond to the solicitation. The timing of the releases was designed to first obtain critical organics information from organics processors proposals, and then incorporate that information in the Collections RFP.

Three proposals meeting the minimum qualifications for commercial Organics Processing Services were received by the April 16, 2010 deadline from the following companies:

Recology Pacheco Pass, Gilroy, CA A wholly owned subsidiary of Recology, a California corporation headquartered in San Francisco, CA.
Republic Services Newby Island Resource Recovery Park, Milpitas, CA Dba Browning-Ferris Industries of California, Inc., a California corporation owned and operated by Republic Services, Inc., a Delaware corporation headquartered in Phoenix, AZ.
Zero Waste Energy Development Company, San José, CA A California limited liability company created by the founders and owners of GreenWaste Recovery Inc., a California corporation, and Zanker Road Resource Management, Ltd., a California limited partnership.

Five proposals meeting the minimum qualifications for Commercial Solid Waste Collection Franchises were received by the September 22, 2010 deadline from the following companies:

Allied Waste Services of North America, LLC, Milpitas, CA Dba Allied Waste Services of Santa Clara County, a wholly owned subsidiary of Republic Services, Inc., a Delaware corporation headquartered in Phoenix, AZ.
California Waste Solutions Inc., San José, CA A privately held California corporation.
Green City Recovery of San José, LLC, San José, CA A limited liability company comprised of GreenWaste Recovery, Inc., a California corporation, and Garden City Sanitation, Inc., a California corporation.
Recology Silicon Valley, San José, CA Dba Recology South Bay, a wholly owned subsidiary of Recology, a California corporation headquartered in San Francisco, CA.
Revolution Resource Recovery LLC, San José, CA A California limited liability company.

In accordance with the process set forth in the RFPs, separate evaluation teams with representatives from the local business community, local Bay Area cities, and the Environmental Services and General Services Departments have been established. The evaluation teams are supported by an eight person technical team that provides specialized industry experience with representation from the local business community, and two consulting firms that have specialized knowledge.

The evaluation criteria and respective weights for each RFP are demonstrated in the table below:

Organics Processing RFP	
Criteria	Weight
Qualifications and Experience	25%
Technical Proposal	30%
Cost Proposal	30%
Environmental Stewardship	5%
Local Business Preference	5%
Small Business Preference	5%

Collections RFP	
Criteria	Weight
Qualifications and Experience	30%
Technical Proposal	35%
Cost Proposal	30%
Environmental Stewardship	5%

Upon completion of the technical and cost proposal evaluation, oral interviews will be conducted for selected proposers. After being rated separately, the two proposal sets for collection and processing will be compared in a mix-and-match process that will identify the optimum solution to meet diversion, customer service, and cost goals. The City has the option to award multiple franchises based on service districts or combine service districts for a single award that would take advantage of service enhancements and cost benefits. Staff intends to bring recommendations to Council in February 2011.

Pursuant to Council Policy 0-35, contact between the proposing firms and City elected officials, City staff other than the designated procurement contact is not permitted and could be a ground for disqualification of a proposer. Following conclusion of the protest period, proposers are permitted to contact the Mayor and Council as well as other City officials regarding this procurement.

/s/

JOHN STUFFLEBEAN
Director, Environmental Services

For further information, please contact Mark Giovannetti, Division Manager, Finance Department, at 408-535-7052.