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City Manager's Office

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: John Stufflebean

SUBJECT: UPDATE - COMMERCIAL
SOLID WASTE RFP PROCESS

DATE: 02-04-11

Approved

Date

2/4/11

INFORMATION

This is to provide an update on the Commercial Solid Waste Request for Proposal (RFP) Process currently underway. On February 4, 2011, staff issued the attached Notice of Intended Awards (NOIAs) to all companies that submitted proposals in response to RFP 09-10-27 for Commercial Solid Waste and Recyclable Material Collection Franchises and RFP 09-10-11 for Commercial Organics Processing Services. Issuance of the NOIA begins a ten day protest period. Per Council Policy 0-35, during the protest period, City staff, elected officials, and consultants need to refer all inquiries received from respondents to the Purchasing Officer, Gordon Johnson, at 408-535-7049.

As indicated in the NOIAs, Staff will be issuing a memorandum later this month recommending authority to negotiate with Allied Waste Industries for collection services for both commercial solid waste collection franchise districts, and with Zero Waste Energy Development Company for citywide commercial organic waste processing services. It is anticipated that this recommendation will be considered by the full Council in late March 2011. Staff plans to return to Council in June 2011 to approve commercial solid waste agreements with the proposers and business terms approved by Council in March. The agreements would provide for a twelve month transition period with new services starting July 1, 2012.

It is anticipated that these new services will provide the most comprehensive and innovative commercial solid waste collection and recycling systems in the United States and will further San Jose's Green Vision goals of economic growth, environmental sustainability, and enhanced quality of life for its community. Benefits of the new system include significantly more options for customer recycling and collection; reasonable and equitable service rates; a new "green" fleet of approximately 60 alternative fuel solid waste collection trucks to replace the existing aging fleet; stabilization of General Fund revenue from the commercial solid waste system; the ability

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to further waste diversion and renewable energy goals; and the creation of additional green recycling jobs in San José.

/s/

JOHN STUFFLEBEAN

Director, Environmental Services

Attachment A: Notice of Intended Awards for RFP 09-10-27.

Attachment B: Notice of Intended Awards for RFP 09-10-11.

For questions please contact Jo Zientek, Deputy Director, Integrated Waste Management, at (408) 535-8557.

Attachment A. Notice of Intended Award for RFP09-10-27

Commercial Solid Waste and Recyclable Material Collection Franchise Procurement

RFP 09-10-27 Evaluation Summary		Vendor Address:	Allied Waste 1601 Dixon Landing Road Milpitas, CA 95035					Recology Silicon Valley 50 California St. 24th Floor San Francisco, CA 94111			Green City Recovery 1500 Berger Drive San Jose, CA 95112			Revolution Resource Recovery 5510 Sunol Blvd, Suite 400 Pleasanton, CA 94566			California Waste Solutions 1005 Timothy Drive San Jose, CA 95113			Organic Waste Remediation 5784 So. Semoran Blvd Orlando, FL 32822		
		Proposal:	CNG, 15-Year Term					CNG, 15-Year Term			CNG, 15-Year Term			CNG, 15-Year Term			CNG, 15-Year Term					
Item	Description																					
1	MQ's - Pass/Fail	Pass					Pass			Pass			Pass			Pass			Unknown			
2	Required Documents - Pass/Fail	Pass					Pass			Pass			Pass			Pass			Fail			
Service Type:		2-Container			One-Bin Plus			Hybrid Container System			2-Container			2-Container			2-Containers					
Service Area:		North District	South District	City-Wide	North District	South District	City-Wide	North District	South District	City-Wide	North District	South District	City-Wide	North District	South District	City-Wide	North District	South District	City-Wide			
3	Proposed Annual Costs	\$ 22,646,621	\$ 24,047,088	\$ 44,833,433	\$ 23,593,401	\$ 24,482,730	\$ 46,140,423	\$ 24,581,482	\$ 24,176,809	\$ 48,758,290	\$ 28,685,506	\$ 29,680,880	\$ 57,186,025	\$ 26,428,114	\$ 28,568,777	\$ 53,770,460	\$ 34,226,958	\$ 33,574,998	\$ 66,779,961	na		
4	Proposal Evaluation	Points Possible	Scores	Scores	Scores	Scores	Scores	Scores	Scores	Scores	Scores	Scores	Scores	Scores	Scores	Scores	Scores	Scores	Scores	Scores	na	
a	Qualifications and Experience Average	30	26.0	26.2	26.1	24.9	25.0	25.0	27.0	27.0	27.0	24.8	24.8	24.8	18.5	18.6	18.5	17.6	17.7	17.6	na	
b	Technical Proposal Average	35	31.3	31.4	31.3	29.4	29.5	29.4	25.9	25.8	25.9	29.6	29.6	29.6	25.0	25.3	25.1	19.2	19.6	19.4	na	
c	Environmental Stewardship Average	5	4.3	4.3	4.3	4.3	4.3	4.3	4.2	4.2	4.2	4.1	4.1	4.1	3.5	3.5	3.5	3.4	3.4	3.4	na	
d	Cost Proposal	30	28.5	28.3	28.5	27.6	27.9	27.9	26.7	27.7	26.5	23.1	23.3	23.0	25.5	24.9	25.0	21.6	22.3	21.7	na	
Evaluation Total Score:		100	90.1	90.1	90.2	86.1	86.6	86.5	83.8	84.7	83.6	81.6	81.8	81.4	72.4	72.2	72.0	61.9	63.0	62.2	na	
Ranking:					1			2			3			4		5			6		na	

NOTES:

- The table above shows the highest-scoring proposals from each proposer based on award of both districts to one proposer.
- Commercial solid waste collection and recyclables processing proposals represent approximately 90% of total Commercial Solid Waste System costs.
- Total costs and cost scores for citywide award include proposed applicable citywide discounts, which do not apply to single districts.
- "CNG" = New Compressed Natural Gas Solid Waste Collection Fleet.
- For detailed descriptions of the Evaluation Criteria, please see Request for Proposals RFP 09-10-27. Evaluation criteria used by the Raters included, but was not limited to:
 - Qualifications & Experience. Experience providing similar services at similar scale; qualifications and structure of management team; proposer/employer litigation history.
 - Technical Proposal. Customer service and outreach; ease of system for customer; meet transition schedule; technical and environmental innovation; further Green Vision Goals; environmental impacts from operations and facilities.
 - Environmental Stewardship. Support of City Environmentally Preferable Procurement Policy; history of corporate environmental responsibility.
 - Cost Proposal. Comparison of revenue requirements (majority of cost score); reasonableness of costs and cost-related exceptions to RFP exemplar agreement.

Attachment B. Notice of Intended Award for RFP09-10-11

Organics Processing Services Procurement

RFP 09-10-11 Evaluation Summary		Vendor: Address:	ZWED 1500 Berger Drive San José, CA 95112 Organics Stream 1: <5% Contamination (San José) 15 Year Term		Republic 1601 Dixon Landing Road Milpitas, CA 95035 Organics Stream 1: <5% Contamination (EBMUD - NIRRP - San José) 15 Year Term			Recology 235 North First Street Dixon, CA 95620 Organics Stream 1: <5% Contamination (Pacheco Pass) 15 Year Term	
Item	Description								
1	MQ's - Pass/Fail		Pass		Pass		Pass		
2	Required Documents - Pass/Fail		Pass		Pass		Pass		
3	Proposed \$ per Ton		AD \$ 66.38	Compost \$ 66.86	AD EBMUD \$ 66.97	AD NIRRP \$ 78.35	Compost \$ 47.95	Compost \$ 64.60	
4	Proposal Evaluation	Points Possible	Proposal Score		Proposal Score			Proposal Score	
			AD	Compost	AD EBMUD	AD NIRRP	Compost	Compost	
a	Qualifications and Experience	25	14.8	20.1	10.8	9.5	18.4	18.9	
b	Technical Proposal	30	21.6	21.0	14.9	14.0	20.8	22.2	
c	Environmental Stewardship Average	5	4.2	4.2	2.8	2.8	2.8	3.5	
d	Local Business	5	5.0	5.0	0.0	0.0	0.0	0.0	
e	Small Business	5	5.0	5.0	0.0	0.0	0.0	0.0	
f	Cost Proposal	30	22.8	21.6	22.3	19.3	26.7	22.1	
	Evaluation Total Score:	100	73.4	77.0	50.9	45.7	68.7	66.7	
	Ranking:		1 AD	1 Compost	2 AD	3 AD	2 Compost	3 Compost	

NOTES:

1. The above table shows the highest-scoring proposals from each proposer based on award of both districts to one proposer.
2. Commercial organic waste processing proposals represent approximately 10% of total Commercial Solid Waste System costs.
3. "AD" = Anaerobic Digestion Waste to Energy Processing.
4. "NIRRP" = Newby Island Resource Recovery Park.
5. "EBMUD" = East Bay Municipal Utility District, Oakland, CA.
6. For detailed descriptions of the Evaluation Criteria, please see Request for Proposals RFP 09-10-11. Evaluation criteria used by the Raters included, but was not limited to:
 - a. Qualifications & Experience. Experience providing similar services at similar scale; qualifications and structure of management team; proposer/employer litigation history.
 - b. Technical Proposal. Meet transition schedule; technical and environmental innovation; further Green Vision Goals; environmental impacts from operations and facilities.
 - c. Environmental Stewardship. Support of City Environmentally Preferable Procurement Policy; history of corporate environmental responsibility.
 - d. Cost Proposal. Processing cost per ton (majority of cost score); reasonableness of processing cost and cost-related exceptions to the RFP exemplar agreement.