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OAKLAND

2013 MAY 16 PM 3:57 **AGENDA REPORT**

**TO:** DEANNA J. SANTANA  
CITY ADMINISTRATOR

**FROM:** Vitaly B. Troyan, P.E

**SUBJECT:** Zero Waste Franchise Negotiations

**DATE:** April 18, 2013

City Administrator

Approval

Date

5/16/13

**COUNCIL DISTRICT:** City-Wide

### RECOMMENDATION

Staff recommends that the City Council approve a Resolution authorizing the City Administrator to enter into negotiations with the top-ranked proposers for the Zero Waste Services Request For Proposals.

### EXECUTIVE SUMMARY

In 2012, the City Council approved the procurement by Request for Proposal (RFP) for the contract services described in the Zero Waste System Design to replace the existing Solid Waste Franchise and Residential Recycling Agreements that expire on June 30, 2015. Public Works Agency staff, pursuant to policy direction provided by City Council, developed and issued the Zero Waste Services RFP, received proposals, and conducted an evaluation process resulting in proposal ranking. Two responsive proposals were received for each of the two collection service contracts, and one responsive proposal was received for the disposal services contract. It is recommended that the City Council authorize the City Administrator to enter into simultaneous negotiations with the proposers to secure a favorable negotiating position and the best possible outcome for the City and its residents and businesses.

### OUTCOME

The City will negotiate with the top-ranked proposers in each of the three service groups identified in the Zero Waste Services RFP, and return to Council with a request for authorization to enter into a franchise agreement(s) with the proposer(s) that fulfills the RFP requirements and provides the best value to the City and community.

### BACKGROUND/LEGISLATIVE HISTORY

City Council received a series of agenda reports regarding the Zero Waste System in 2012, adopted three resolutions, and passed one motion that guided staff in conducting the RFP

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procurement process. Resolution 83689 C.M.S adopted a Zero Waste System Design that provided the framework for developing new contracts. Resolution No. 83729 C.M.S. established a process and schedule for releasing the Zero Waste Services RFP, which included a provision for staff to return to City Council for authorization to enter negotiations with top-ranked proposers. Resolution 83783 C.M.S. established proposal evaluation criteria and weighting. By motion passed June 19, 2012, City Council approved several economic benefit provisions to be incorporated in the contracts and as preference points in the proposal evaluation.

The Zero Waste System RFP was issued in two stages. The first stage, released August 3, 2012, solicited proposals for Disposal Services (Service Group 3). The second stage, released September 5, 2012, solicited proposals for Collection Services (Service Groups 1 & 2). Proposals for all three Service Groups were received on January 9, 2013. Staff conducted a thorough evaluation process, consistent with Council direction, which concluded with ranking of the proposals received for each of the three service groups.

On May 17, 2013, the City Administrator will announce the top-ranked proposals and opened a five-day protest period for proposers wishing to dispute the City's proposal ranking determination. Staff will present the determination of the hearing officer of any protests received during oral presentation of this report at the Public Works Committee.

On May 22, 2013, following completion of the Protest Period, restrictions on contact between respondents (proposers) and City staff, City agents, and elected officials, as described in the Protocol for Process Integrity "Code for Communications" adopted for this procurement, will be lifted. Although the "Code for Communications" allows for contact, while the City is in negotiations, staff involved with the procurement will not be responding to questions in order to maintain confidentiality during negotiations. Any inquiries for staff regarding the Zero Waste Service RFP should be directed to the Process Coordinator at [zerowasterfp@oaklandnet.com](mailto:zerowasterfp@oaklandnet.com).

## ANALYSIS

The Zero Waste Services RFP resulted in the submittal of two responsive proposals for Service Group 1 (Garbage and Organics Collection) and for Service Group 2 (Residential Recycling Collection) from California Waste Solutions (CWS) and Waste Management of Alameda County (WMAC), and one responsive proposal for Service Group 3 (Disposal) from WMAC. The Technical Committee, comprising City and technical consultant staff, scored the proposals independently, using the criteria and weighting approved by City Council in Resolution No. 83783 C.M.S. These scores were tabulated by the Process Coordinator, who calculated average total score for each proposal.

Following proposal scoring, the Technical Committee provided a comprehensive briefing to the Evaluation Team regarding the RFP process and the proposals received. The Evaluation Team consisted of two City of Oakland management staff and two subject matter experts who have retired from public sector service. The Evaluation Team conducted interviews with each of the

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proposers, and after discussion of the information provided by the proposers and the Technical Committee, ranked the proposers in each Service Group.

It is recommended that the City Council authorize the City Administrator to proceed with simultaneous negotiations with CWS and WMAC, in order to establish a strong negotiating position for the City, and to obtain the best value for the City and the community as described in the Zero Waste Services RFP.

### **PUBLIC OUTREACH/INTEREST**

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

### **COORDINATION**

Staff has coordinated with the Office of the City Attorney and the Budget Office for the report.

### **COST SUMMARY/IMPLICATIONS**

Costs associated with negotiations of Zero Waste System contracts have been allocated for this project in the Public Works Agency Recycling Program budget.

### **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.

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

For questions regarding this report, please contact Becky Dowdakin, Solid Waste & Recycling Program Supervisor, 510-238-6981.

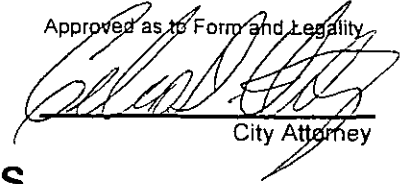
Respectfully submitted,

  
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 Prg. Sup.



City Attorney

2013 MAY 16 PM 3:57 RESOLUTION No. \_\_\_\_\_ C.M.S.

**RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO ENTER INTO NEGOTIATIONS WITH THE TOP-RANKED PROPOSERS FOR THE ZERO WASTE SERVICES REQUEST FOR PROPOSALS**

**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**, on December 5, 2006 through Resolution No. 80286 C.M.S. the City Council adopted a Zero Waste Strategic Plan; 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 process and schedule for releasing a Request for Proposals (RFP) for three new zero waste service franchise contracts for solid waste/organic, recycling, and landfill disposal ("Franchise Contracts"), which included a provision for staff to return to City Council for authorization to enter negotiations with top-ranked proposers; and

**WHEREAS**, on April 3, 2012 through Resolution No. 83783 C.M.S. the City Council adopted a resolution establishing proposal evaluation criteria and weighting; and

**WHEREAS**, on June 19, 2012 the City Council approved a motion establishing several economic benefit provisions to be included in the Contracts and as preference points in evaluation of the proposals; and

**WHEREAS**, the City developed a RFP for Zero Waste Services, which included model service contracts containing provisions adopted by City Council for this procurement;

**WHEREAS**, on August 3, 2012 the City issued the RFP for Zero Waste Service for Disposal Services, and on September 5, 2012 issued the RFP for Zero Waste Service for Collection Services; and

**WHEREAS**, on January 9, 2013 the City received responses to the RFP for ~~PUBLIC WORKS~~ **PUBLIC WORKS CMTE.** Services; and

**WHEREAS**, the City has evaluated, scored, and ranked the responsive proposals received according to the process and criteria approved by City Council; now therefore be it

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**RESOLVED:** That the City Council authorizes the City Administrator to enter into contract negotiations with the top-ranked proposers in each of the three service groups identified in the RFP for Zero Waste Services in order to provide the best value to the City and the community.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, GALLO, GIBSON MCELHANEY, KALB, KAPLAN, REID, SCHAAF and PRESIDENT KERNIGHAN

NOES -

ABSENT -

ABSTENTION -

ATTEST: \_\_\_\_\_  
LaTonda Simmons  
City Clerk and Clerk of the Council  
of the City of Oakland, California

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