

CITY OF OAKLAND

AGENDA REPORT

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2009 JUL -2 AM 10: 03

TO: Office of the City Administrator
ATTN: Dan Lindheim
FROM: Public Works Agency
DATE: July 14, 2009

RE: **Resolution Authorizing The City Administrator To Enter Into A Four-Year Agreement With The Option For A One-Year Extension For An Amount Not To Exceed Three Hundred Thousand Dollars (\$300,000.00) With R3 Consulting Group To Provide Zero Waste System Design Technical Assistance Services**

SUMMARY

A resolution has been prepared authorizing the City Administrator to enter into a professional services agreement (Agreement) with R3 Consulting Group to provide Zero Waste System Design Technical Assistance consulting services. The Agreement is for a four-year period with an option for a one-year extension in an amount not to exceed three hundred thousand dollars (\$300,000.00).

The technical assistance consulting services will be performed in two phases:

- Phase I: Modeling and testing Zero Waste system design options to identify a preferred option; and
- Phase II: Implementing the preferred Zero Waste system design option by assisting staff in developing scopes of work for agreements for collection, processing, transfer, and disposal of discarded products and materials.

Adopting the resolution allows staff to obtain consulting services to support development of a Zero Waste system intended to provide cost-effective and leading-edge waste reduction and recycling services, and move the City toward its sustainability and waste reduction goals. In addition, this work will support sustainable local economic development consistent with the City Council's goal to "Develop a Sustainable City" through implementation of Oakland's Zero Waste Strategic Plan.

The four-year contract term is needed to support staff in designing a new Zero Waste system before the expiration of City'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 on December 31, 2012. Phase I work will be completed by mid-2010. The majority of Phase II work will take place between 2010 and 2011.

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FISCAL IMPACT

The Agreement is for a four-year period with an option for a one-year extension in an amount not to exceed three hundred thousand dollars (\$300,000). Funding is available within Recycling Program Fund (1710), Recycling and Solid Waste Organization (30682), Non-Residential Recycling Project (P275210), Recycling and Solid Waste Program (SC17).

BACKGROUND

On December 5, 2006, the Oakland City Council approved Resolution No. 80286 C.M.S., adopting a Zero Waste Strategic Plan (Plan). The Plan calls for a 90% reduction in annual tons sent to landfills from the current 400,000 tons per year to 40,000 tons per year by 2020. A new Zero Waste system for Oakland would, over time, reduce the landfilling of discarded products and materials as the primary management option, and encourage recovery of materials for reintroduction to value-added processing into economically viable products. This shift away from landfilling and towards value-added resource recovery would create green collar jobs and provide a significant contribution to climate protection.

On March 17, 2009, the Oakland City Council approved Resolution No. 81870 C.M.S., adopting Evaluative Criteria for assessing the ability of various Zero Waste system design options that meet the Mayor and City Council goals and policies identified in the Zero Waste Strategic Plan and provide community benefits. Zero Waste system design options will be developed through a modeling and testing process that identifies a preferred option for consideration by the City Council. Following approval of the preferred Zero Waste system option, staff will develop and solicit service agreements for collection, processing, transfer, and disposal of discarded products and materials that fit the selected Zero Waste system design. Both phases of this work require that extensive technical assistance be provided to staff through consultant services.

Staff solicited proposals for Zero Waste System Design Technical Assistance consulting services to model and test system options. Although an availability analysis found no certified local firms would be able to fulfill the scope of services, the 20% Local Business Enterprise/Small Local Business Enterprise (LBE/SLBE) requirement was included in the Request for Proposals. A mailer announcing the Request for Proposal (RFP) for was sent to over 200 firms. Two proposals from consultant teams were received and evaluated to confirm compliance with proposal qualifications and requirements. Both consultant teams were interviewed in early June 2009. The interview panel consisted of senior level staff from the City of Emeryville, City of San Jose, City and County of San Francisco, and the regional recycling and solid waste agency StopWaste.Org. At the conclusion of scoring, a consultant team lead by R3 Consulting Group was identified as the top-ranked proposer.

KEY ISSUES AND IMPACTS

The City'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 December 31, 2010. The process to design, approve, and implement the transition to a new system that meets the goals of Oakland's Zero Waste Strategic Plan will take all of the time available. As indicated in the Council Report of March 17, 2009, a consulting team is being hired to support staff by providing specialized and technical services in Zero Waste system design.

The consulting team will assist the City in designing a Zero Waste system that is organized around the Environmental Hierarchy for 'highest and best use' of products and materials established in the Zero Waste Strategic Plan, and that features services that result in high diversion performance in all sectors. The Zero Waste system could contribute significantly to reducing negative environmental impacts while sustaining and enhancing economic and social benefits to Oakland residences and businesses, consistent with established Mayor and City Council goals and policies.

Based on the proposal submitted in response to the RFP, the interview performance of the consultant team, and the City's Local Business Enterprise (LBE)/Small Local Business Enterprise (SLBE) preferences and credit points program, R3 Consulting Group is recommended as the most qualified to provide Zero Waste System Design Technical Assistance. R3 has relevant municipal government experience locally and regionally, including work completed for the Cities of Dublin, San Jose, Sacramento, and Los Angeles. StopWaste.Org contracted with R3 to perform its 5-year program and financial audit. The R3 consulting team is experienced in financial analysis and modeling of rate structures and funding alternatives, including development of an analytical modeling tool that is particularly well-suited to Oakland's needs. R3 is also one of the most experienced firms in the state assisting and supporting cities to develop agreements for collection, processing, transfer, and disposal for recycling, composting and solid waste and other alternatives.

R3 Consulting Group has been determined to be compliant with the City's Equal Benefits Ordinance. In addition, the R3 Consulting Group team meets the City's certified LBE/SLBE goals of 10% for LBE participation and 10% for SLBE participation. The Department of Contracting and Purchasing has verified the LBE/SLBE information (*Attachment A*).

PROGRAM DESCRIPTION

As outlined in the Council Report on March 17, 2009, staff proposes to develop models of different Zero Waste system design options, and test these models using the Evaluative Criteria adopted under City Council Resolution No. 81870 C.M.S. on March 17, 2009. Modeling and testing work will investigate the ability of various system design options to address challenges and opportunities to meet the City's Zero Waste Goal, as well as the availability and costs of

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potential technologies, services, and service providers. The consulting team recommended for authorization by this resolution would support staff by providing specialized and technical services in modeling and testing in Phase I of work on the project. In Phase II, the consultant would provide technical assistance related to implementation of the preferred Zero Waste system design option, including supporting the work of City staff in developing and soliciting service agreements for collection, processing, transfer, and disposal of discarded products and material.

Staff will return to Council in early 2010 with a recommendation for the preferred Zero Waste system design that is developed in Phase I of this project.

SUSTAINABLE OPPORTUNITIES

Economic: Implementing a Zero Waste system in Oakland will help Oakland businesses and residents reduce waste and may mitigate exposure to long-term liabilities associated with landfill-based systems. Expanding and actively supporting use of discarded materials drives local economic and workforce development with 'green collar' jobs and value added production.

Environmental: Implementing a Zero Waste system will promote sustainability, conserve natural resources, reduce air and water pollution, protect habitat, and reduce GHG emissions. Recycling reduces the demand on virgin material extraction and processing, which are significant sources of GHG emissions. Recycling of organic materials into compost reduces GHG emissions in a number of ways, including reducing the demand on irrigation, reducing demand on petroleum-based fertilizers, and reducing landfill gas emissions.

Social Equity: Implementing a Zero Waste system in Oakland will help provide new living-wage jobs for the community, as well as preserve and enhance natural systems that provide basic ecological services such as clean water, clean air, and safe food.

DISABILITY AND SENIOR CITIZEN ACCESS

This report and resolution will not have any direct impact on access for persons with disabilities or senior citizens.

RECOMMENDATION AND RATIONALE

Staff recommends that the City Council approve the resolution authorizing a professional services agreement with R3 Consulting Group to perform Zero Waste System Design Technical Assistance consulting services, based on R3's system modeling tool which would be customized for Oakland, and their extensive experience assisting and supporting cities to develop agreements for collection, processing, transfer, and disposal for recycling, composting, and solid waste and other alternatives. R3 Consulting Group and their team partners have the personnel to perform the needed work, and have clearly demonstrated their understanding of and ability to perform the

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necessary work toward recommending a zero waste system before the Franchise Agreement and Recycling Agreements for services expire at the end of 2012.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council approve the resolution authorizing the City Administrator to enter into a professional services agreement with R3 Consulting Group for a four-year period, with the option for a one-year extension, in an amount not to exceed three hundred thousand dollars (\$300,000.00).

Respectfully submitted,



Raul Godinez II, P.E.
Director, Public Works Agency

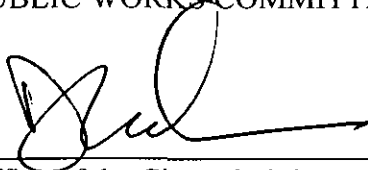
Reviewed by:
Brooke A. Levin, Assistant Director

Reviewed by:
Susan Kattchee, Environmental Services Manager

Prepared by:
Mark Gagliardi, Senior Recycling Specialist
Environmental Services Division

Attachment A-Dept. of Contracting and Purchasing

APPROVED AND FORWARDED TO THE
PUBLIC WORKS COMMITTEE



Office of the City Administrator

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July 14, 2009

Memo



Department of Contracting and Purchasing
Social Equity Division

To: Mark Gagliardi, Senior Recycling Specialist
 From: Vivian Inman Contract Compliance Officer
 Through: Deborah Barnes, Director, DC&P
 Shelley Darensburg, Sr. Contract Compliance Officer
 Cc: Gwen McCormick, Contract Administration Supervisor
 Date: May 21, 2009
 Re: H63640 - Zero Waste System Design Modeling, Testing & Procurement Technical Assistance

The Department of Contracting and Purchasing (DCP), Division of Social Equity, reviewed two (2) proposals in response to the above referenced project. Below is the outcome of the compliance evaluation for the minimum 20% Local and Small Local Business Enterprise (L/SLBE) participation requirement, and a preliminary review for compliance with the Equal Benefits Ordinance (EBO).

Below are the results of our findings:

Responsive		Proposed Participation				Earned Credits and Discounts			Banked Credits Eligibility	EBO Compliant? Y/N
Company Name	Original Bid Amount	Total LBE/SLBE	LBE	SLBE	Trucking	Total Credited participation	Preference Points	Adjusted Bid Amount		
CalRecovery	NA	20%	0%	20%	NA	NA	2 points	NA	0 points	Y
R3 Consulting	NA	20%	10%	10%	NA	NA	2 points	NA	0 points	Y

Comments: Both firms met and/or exceeded the minimum 20% L/SLBE participation requirement. Both firms are EBO compliant.

Non-Responsive (cont'd)		Proposed Participation				Earned Credits and Discounts			Banked Credits Eligibility	EBO Compliant? Y/N
Company Name	Original Bid Amount	Total LBE/SLBE	LBE	SLBE	Trucking	Total Credited participation	Earned Bid Discounts	Adjusted Bid Amount		
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

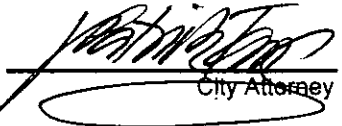
Comments: There were no non-responsive firms.

Should you have any questions you may contact Vivian Inman at (510) 238-6261.

FILED
OFFICE OF THE CITY CLERK
OAKLAND
2009 JUL -2 AM 10:04

Approved as to Form and Legality

OAKLAND CITY COUNCIL


City Attorney

RESOLUTION No. _____ C.M.S.

RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO ENTER INTO A FOUR-YEAR AGREEMENT WITH THE OPTION FOR A ONE-YEAR EXTENSION FOR AN AMOUNT NOT TO EXCEED THREE HUNDRED THOUSAND DOLLARS (\$300,000.00) WITH R3 CONSULTING GROUP TO PROVIDE ZERO WASTE SYSTEM DESIGN TECHNICAL ASSISTANCE SERVICES

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 December 31, 2012; and

WHEREAS, in 2006 through Resolution #79774 C.M.S., the City Council adopted a Zero Waste Goal by year 2020 and directed the Public Works Agency staff to prepare a Zero Waste Strategic Plan for the City of Oakland; and

WHEREAS, in 2006 through Resolution #80286 C.M.S. the City Council adopted a Zero Waste Strategic Plan that included Strategy 2, Develop and Adopt New Rules and Incentives to Reduce Waste Disposal, which states: "Development and adoption of a new waste management system design in preparation for Oakland's next collection and disposal contract is key to the goal of reducing waste;" and

WHEREAS, in 2009 through Resolution #81870 C.M.S. the City Council adopted Evaluative Criteria for assessing Zero Waste system models to replace the expiring franchise and recycling agreements, which allow for development of a new system with clear policy objectives including broader community benefits beyond waste reduction and diversion; and

WHEREAS, the City needs a consultant team to provide technical assistance in support of the modeling and testing of system design options, to formulate recommendations for a preferred Zero Waste system for Council approval; and

WHEREAS, the City needs a consultant team to provide technical assistance to support development and solicitation of service contracts to fulfill the Council-approved Zero Waste system; and

WHEREAS, through the City's Request for Proposal and interview process, R3 Consulting Group was rated as the top-ranked firm able to provide the consulting services required; and

WHEREAS, the City Council finds that the services provided pursuant to the agreement authorized hereunder are of a professional, scientific or technical nature and are temporary in nature; and

WHEREAS, the City Council finds that this agreement shall not result in the loss of employment or salary by any person having permanent status in the competitive service; now, therefore be it

RESOLVED: That the City Administrator is hereby authorized to enter into a professional services agreement with R3 Consulting Group to provide Zero Waste System Design Technical Assistance consulting services under the direction of the City's Public Works Agency Environmental Services Division; and be it

FURTHER RESOLVED: That the total amount of the agreement shall be for a not-to-exceed amount of three hundred thousand dollars (\$300,000) for a four-year period through December 31, 2013 with the option for a one-year extension; and be it

FURTHER RESOLVED: That this agreement with R3 Consulting Group will be funded by Recycling Program Fund (1710), Recycling and Solid Waste Organization (30682), Non-Residential Recycling Project (P275210), Recycling and Solid Waste Program (SC17); and be it

FURTHER RESOLVED: That the City Administrator or his/her designee is hereby authorized and empowered to approve any subsequent amendments to or extensions of said agreement with the exception of those related to an increase in total compensation or the allocation of additional funds, provided that such amendments or extensions shall be reviewed by the City Attorney and filed with the City Clerk's Office; and be it

FURTHER RESOLVED: That a copy of the agreement will be on file in the City Clerk's Office and will be approved by the Office of the City Attorney.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2009

PASSED BY THE FOLLOWING VOTE:

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

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____

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