

ADOPTED BY THE BOARD  
PUBLIC WORKS OF THE CITY  
of Los Angeles California

DEPARTMENT OF PUBLIC WORKS

OCT 13 2023

BUREAU OF SANITATION  
BUREAU OF CONTRACT ADMINISTRATION  
JOINT BOARD REPORT NO. 1  
OCTOBER 13, 2023

  
Executive Officer  
Board of Public Works

CD: 2,3,4,7,12

AUTHORITY TO DISTRIBUTE A REQUEST FOR PROPOSALS AND NEGOTIATE CONTRACT(S) FOR THE PROCESSING AND MARKETING OF BLUE-BIN MATERIALS FROM THE EAST VALLEY AND WEST VALLEY WASTESHEDS OF THE CITY OF LOS ANGELES (W.O. # S02MBLUE)

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### RECOMMENDATIONS

Authorize the Director and General Manager of the LA Sanitation and Environment (LASAN) or her designee to:

1. Distribute and advertise the transmitted Request for Proposals (RFP) for the Processing and Marketing of Blue-Bin Materials from the East Valley and West Valley Wastesheds of the City of Los Angeles (City).
2. Evaluate the proposals based on the established rating evaluation criteria, select and interview the most qualified proposer(s).
3. Negotiate a contract(s) with the most responsive proposer(s) in each wasteshed.
4. Return to the Board of Public Works (Board) for authority to award and execute the contract(s) for each wasteshed, subject to Mayor and City Council approval prior to contract execution.

### TRANSMITTAL

1. Copy of the RFP for the Processing and Marketing of Blue-Bin Materials from the East Valley and West Valley Wastesheds of the City of Los Angeles.

### DISCUSSION

#### **Request for Proposals (RFP)**

The RFP seeks proposals from qualified and experienced proposers with a strong track record in operational performance, technical abilities, and cost effectiveness. The RFP aims to secure all-inclusive services to process and market approximately 450 tons per day of residential blue-bin materials collected from the East and West Valley wastesheds. The amount of blue-bin materials may fluctuate based on future operational and economic circumstances.

BUREAU OF SANITATION  
BUREAU OF CONTRACT ADMINISTRATION  
JOINT BOARD REPORT NO. 1  
OCTOBER 13, 2023

PAGE 2

The selected proposers will provide a range of services including but not limited to, receiving the materials at a material recovery facility (MRF) or transloading facility, sorting these materials into different commodity streams, baling and storing for shipment, transporting the shipment to the nearest port or for sale, collecting revenue from these sales, legally disposing contaminants and residues, and complying with all applicable Federal, State, County, and local laws. Proposers will also provide contingent services in case of emergency or adverse conditions at their own or any of the contracted facilities. Additionally, facilities utilized for these services must adhere with the City's Facilities Certification Plan, as approved by the Board.

**Background**

The City's weekly curbside collection program for blue-bin materials plays a crucial role in achieving the environmental goals outlined in its Green New Deal initiative. As part of these goals, the City aims to divert 90% of solid waste from landfills by 2025, along with complying with the State's AB 939 mandate requiring jurisdictions to divert 50% of solid waste from landfills. This program not only promotes sustainability but also contributes significantly to waste reduction and environmental preservation within the City's boundaries.

Currently, the City collects blue-bin materials from approximately 750,000 households residing in six wastesheds, of which four are located in the South (North Central, South Los Angeles, West Los Angeles, and Harbor), and the remaining two are in the Valley (East Valley and West Valley). The scope of the City's collection captures a range of valuable commodities like cardboard, mixed paper, cartons, metals, glass, and plastics. The collected materials are either directly delivered to a contracted MRF or transloaded at a transfer facility for subsequent hauling to a MRF. At the MRF, the blue-bin materials undergo processing, sorting, baling, storage, and are ultimately shipped to domestic and international markets. However, the City does not own an MRF and relies on contracted service to manage the processing and marketing of its residential blue-bin materials.

In February 2020, the City initiated an RFP process to identify suitable vendors to process and market residential blue-bin materials from all six wastesheds. Following a thorough evaluation process, CR&R and Arakelian Enterprises, Inc. dba Athens Services (Athens) were chosen as potential vendors. On July 1, 2021, CR&R was awarded a long-term contract (C-139435) for the South wastesheds. Simultaneously, negotiations were underway with Athens to finalize an agreement for the Valley wastesheds. To bridge the gap during these negotiations, a temporary contract was established with Athens through yearly Letters of Agreement (LOAs). These LOAs allowed for the utilization of Athens' services while working towards a long-term contract. Ultimately, however, despite diligent negotiations, the parties could not reach a mutually beneficial agreement. It has since been determined that it is in the best interest of the City to release a new RFP for services specifically covering the Valley wastesheds.

This new RFP aims to identify vendors capable of efficiently processing and marketing residential blue-bin materials from the Valley wastesheds. It presents an opportunity for new vendors to participate in the City's curbside blue-bin collection program and contribute to the City's landfill diversion and sustainability objectives. Requesting the approval of the Board to issue this RFP will enable the City to secure a suitable vendor for the Valley wastesheds, ensuring a seamless

BUREAU OF SANITATION  
BUREAU OF CONTRACT ADMINISTRATION  
JOINT BOARD REPORT NO. 1  
OCTOBER 13, 2023

PAGE 3

continuation of the curbside blue-bin collection program's pivotal role in complying with AB 939 and contributing to the achievement of its Green New Deal goals.

**Proposed Term of Contract**

The proposed contract will be for a term of five (5) years with two (2) five (5)-year renewal options to be exercised at the City's sole discretion, for a possible total term of fifteen (15) years.

**Rationale for using an RFP**

The RFP process is being used to solicit the best available services at the most competitive price. A proposal review committee of LASAN staff will evaluate all proposals in order to determine which proposal(s) will bring the greatest benefits to the City.

**Selection Process and Evaluation Criteria**

The proposal review committee consisting of City staff will evaluate and rate all proposals. Based upon the evaluation panel's final report, LASAN will submit a report to the Board containing recommendations to award and execute a contract(s) with the selected proposers for each of the wastesheds. Contract(s) will then be submitted to the Board, the Mayor, and the City Council for approval.

The evaluation criteria for the proposal are outlined in the RFP and are summarized in Table 1 below (See Article 4.2 in Transmittal 1 for details).

Table 1: Evaluation Criteria for Proposals

No.	Evaluation Criteria	Points
1	<b>Qualification, Experience, and Financial Performance</b> <ul style="list-style-type: none"><li>• At least 4 years operational experience</li><li>• Statement of Qualifications</li></ul>	0 – 10
2	<b>Workers Safety Requirement</b> <ul style="list-style-type: none"><li>• Statement of workplace policies and procedures</li><li>• Submit OSHA citations and Log of Work-Related Injuries and Illnesses for past 5 years</li></ul>	0 - 10
3	<b>Technical and Financial Requirements</b> <ul style="list-style-type: none"><li>• Facility location and proximity</li><li>• Capability, capacity, and contingency plans</li><li>• Adequate facilities, advanced separation equipment, supplies and staffing</li><li>• Permit and Regulatory compliance</li><li>• Financial Statements</li><li>• Performance bond and insurance requirements</li></ul>	0 - 30
4	<b>Compensation Proposal</b> <ul style="list-style-type: none"><li>• Commodity Profit</li><li>• Processing Unit Cost</li><li>• Revenue sharing percentages</li></ul>	0 - 50
<b>Total Maximum Points</b>		<b>100</b>

BUREAU OF SANITATION  
BUREAU OF CONTRACT ADMINISTRATION  
JOINT BOARD REPORT NO. 1  
OCTOBER 13, 2023

PAGE 4

**RFP Posting Requirement**

The RFP will be posted on the City's Regional Alliance Marketplace for Procurement (RAMP) website in compliance with City Council motion 95-1060S2. RAMP is the centralized portal to access City's contracting opportunities. The RFP, addenda, and all other related documents will be available for download on <https://www.rampla.org>.

**Notification of Intent to Contract**

The Notification of Intent to Contract (NOI) was filed with the Office of the City Administrative Officer (CAO) Clearinghouse on July 27, 2023.

**Charter Section 1022**

The CAO made a Charter 1022 determination on August 24, 2023 and found that the proposed services can be performed more feasibly and economically by a contractor rather than by City employees.

**Business Inclusion Program (BIP) Outreach**

On January 12, 2011, the Mayor issued Executive Directive No. 14 which created the BIP. This program provides Minority Business Enterprise (MBE), Women Business Enterprise (WBE), Small Business Enterprise (SBE), Emerging Business Enterprise (EBE), Disabled Veteran Business Enterprise (DVBE), and Other Business Enterprise (OBE) firms an equal opportunity to compete for, and participate in, City contracts.

For this RFP, LASAN has established anticipated participation levels of six (6) percent Minority Business Enterprise (MBE), two (2) percent Women Business Enterprise (WBE), two (2) percent Small Business Enterprise (SBE), two (2) percent Emerging Business Enterprise (EBE), and one (1) percent Disabled Veteran Business Enterprise (DVBE). and 0 percent (LGBTBE) Lesbian, Gay, Bisexual, Transgender Business Enterprise (for statistical tracking purposes).

Proposers submitting a proposal in response to this RFP are required to perform a BIP Outreach using the Regional Alliance Marketplace for Procurement (RAMP). Failure to comply with the City's BIP Outreach requirements will render the proposal non-responsive.

In addition to the BIP Outreach, the Proposers are required to complete and submit the MBE/WBE/SBE/EBE/DVBE/OBE Subcontractors Information Form (Schedule A). The Schedule A must be submitted with the proposal. Additionally, during the term of the contract, the contractor must submit the MBE/WBE/SBE/EBE/DVBE/OBE Utilization Profile (Schedule B) when submitting an invoice or payment to the City.

**Compliance with Board RFP Policy**

Per Board policy, the RFP was delivered to the Secretary of the Board prior to Board consideration thereof.

BUREAU OF SANITATION  
BUREAU OF CONTRACT ADMINISTRATION  
JOINT BOARD REPORT NO. 1  
OCTOBER 13, 2023

PAGE 5

**Other City Requirements**

All Proposers will be required to comply with the City's policies and requirements including the following:

- Nondiscrimination/Equal Employment Practices/Affirmative Action Program
- Equal Benefits Ordinance
- Living Wage and Worker Retention Ordinances
- Slavery Disclosure Ordinance and Disclosure of Border Wall Contracting Ordinance
- Americans with Disabilities Act
- Child Support Obligations Policy
- Los Angeles Residence Information
- Non-Collusion Affidavit
- Performance Bond and Insurance requirements
- Business Tax Registration Certificate
- City of Los Angeles Contract History
- First Source Hiring Ordinance
- Contract Bidder Campaign Contribution and Fundraising Restrictions
- Municipal Lobbying Ordinance
- Iran Contracting Act of 2010 Compliance Affidavit
- City Contractor's use of Criminal History for Consideration of Employment Applications
- COVID-19 Requirements
- Contractor Data Reporting

Attachments and forms pertaining to these requirements are included in the RFP and on the RAMP.

**Local Business Preference Program**

Los Angeles Administrative Code Division 10, Chapter 1, Article 4, Section 10.25 adopted the Local Business Preference (LBP) Program which was designed to increase local employment and expenditures in the local private sector. Businesses that qualify as a Local Business Enterprise (LBE) may be granted an eight percent reduction of their Bid amount solely for Bid evaluation purposes. If the LBE is also a Local Small Business (LSB) and/or Local Transitional Employer (LTE), they may be granted an additional two percent reduction for each of those certifications, up to a total of twelve percent. Businesses that qualify as a LBE, but neither as a LSB and/or a LTE, may be granted a one percent reduction, up to a maximum of two percent for each of those certifications, for every ten percent of their bid that is to be performed by a LSB and/or a LTE subcontractor. Additionally, all non-LBE Businesses may be granted a one percent reduction, up to a maximum of five percent, of their Bid amount solely for Bid evaluation purposes, for every ten percent of their bid that is to be performed by a LBE, LSB, and/or a LTE subcontractor. The program also includes a provision which states that an Awarding Authority has the right to determine, at any time before the award of a contract, that it is not in the City's best interest to grant a bid reduction to a qualifying LBE.

BUREAU OF SANITATION  
BUREAU OF CONTRACT ADMINISTRATION  
JOINT BOARD REPORT NO. 1  
OCTOBER 13, 2023

PAGE 6

**Community Level Contracting (CLC)**

As part of the City's CLC initiative led by the Department of Public Works, LASAN aims to enhance the accessibility and equity of City contracting. In line with this vision, LASAN is committed to providing small contractors the opportunity to work directly with the City as prime contractors on smaller, more manageable projects. Following careful evaluation, LASAN has determined that it would be most feasible and cost-effective to have a single prime contractor perform the work under this opportunity. Therefore, LASAN has determined that this opportunity cannot be considered as a CLC opportunity.

**Contractor Responsibility Ordinance**

All contractors participating in this project are subject to compliance with the requirements specified in the City of Los Angeles' Contractor Responsibility Ordinance #173677, [Article 14, Chapter 1, Division 10, L.A.A.C.]. Failure to comply with all requirements specified in the Ordinance will render the proposer's contract subject to termination pursuant to the conditions expressed therein.

**Contractor Performance Evaluation**

In accordance with Article 13, Chapter 1, Division 10 of the City of Los Angeles Administrative Code, the appropriate City personnel responsible for the quality control of this personal services contract shall submit Contractor Performance Evaluation Reports to the Department of Public Works, Bureau of Contract Administration upon completion of this contract.

**Contract Administration**

Responsibility for the administration and management of these contracts will rest with LASAN's Solid Resources Support Services Division (SRSSD), LASAN.

**PROJECT REVIEW BY DIRECTOR (PRD) APPROVAL**

This RFP was approved by PRD on August 2, 2023 in the amount not exceeding \$86,335,363.43.

**STATUS OF FINANCING**

There is no impact to the General Fund. The total funding for this project is not to exceed \$402,369,632. Funding will be budgeted within the Fund No. 508, Solid Waste Resources Revenue Fund.

Funds and appropriations for future fiscal years are not yet identified and existing appropriations may change based on available cash balances. Therefore, funds and appropriations will be determined by the Director and General Manager of LASAN.

Funding as of the date of this Board Report has been verified and approved by the Director of the Office of Accounting subject to terms and conditions and cash availability described above.

BUREAU OF SANITATION  
BUREAU OF CONTRACT ADMINISTRATION  
JOINT BOARD REPORT NO. 1  
OCTOBER 13, 2023

PAGE 7

FUTURE ACTIONS

Upon Board authorization, the RFP and attachments will be posted on [www.rampla.org](http://www.rampla.org).

A selection panel comprising LASAN staff will evaluate the proposals. The most qualified proposers, who submitted the best proposals in response to the RFP, will be interviewed, ranked, and selected. LASAN will then negotiate personal services contracts with the highest rated proposers to provide the required services. Subsequent to the negotiation of the contracts, LASAN will request the Board for authority to award and execute contracts with the selected proposers.


Respectfully submitted,



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BARBARA ROMERO  
Director and General Manager  
Bureau of Sanitation

COMPLIANCE REVIEW PERFORMED  
AND APPROVED BY:



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Lynda McGlinchey (Sep 29, 2023 12:27 PDT)

LYNDA McGLINCHEY, Program Manager II  
Office of Contract Compliance  
Bureau of Contract Administration



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JOHN L. REAMER, JR.  
Inspector of Public Works  
Bureau of Contract Administration

REVIEWED AND APPROVED BY:



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SARAI BHAGA, Chief Financial Officer  
Bureau of Sanitation  
Date: 9/28/2023

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