



REQUEST FOR PROPOSALS FOR A SOLID WASTE FRANCHISE AGREEMENT

March 17, 2014

Request for Proposals Solid Waste Franchise Agreement

HUNTINGTON PARK
California



RFP Process

- Notice of Non-renewal issued to current haulers in 2008 providing 5 year notice per contract terms
- November 4, 2013: City Council approved Business Points
- January 13, 2014: Public Workshop for Prospective Hauler comments (16 haulers attended)
- March 17, 2014: City Council approval of RFP
- Current contracts will expire on December 31, 2014

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BUSINESS POINTS

<u>Deal Point</u>	<u>Proposed</u>	<u>RFP</u>
<u>Single Agreement</u>	Combine all service (commercial and residential) into a single franchise agreement so that the entire City continues to be subject to an exclusive hauling arrangement	
<u>Basic Concept</u>	Obtain lowest rates ("Best Value") for residential and commercial customers by seeking proposals that can be compared on an objective basis.	
<u>Goal</u>	Enhanced quality of service with significant rate reductions	

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<u>Qualifications to propose</u>	Recommend at least 5 years current experience with similar services as requested	5 years residential and/or commercial (not limited to municipal service)
<u>Ex Parte Rule</u>	Policy question for Council as to whether they desire proposers to be barred from conferring with Council during process	
<u>Term</u>	Five year term, with option for City to renew for two years if after a review of performance (paid for by hauler) City chooses to do so	 7 years with three 1-year extensions (June 30, 2025)

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<u>Deal Point</u>	<u>Proposed</u>	<u>RFP</u>
<u>Franchise fee</u>	Franchise fee of 15% on Gross Revenue to be paid monthly.	
<u>Financial terms not suggested</u>	Upfront franchise fee, sharing in recycling revenue, standing community contribution fee, higher franchise fee	
<u>Annual Administrative Fee</u>	Payment to City to cover cost of ensuring contract compliance on an ongoing basis. Flat fee of \$50k with CPI inflator, plus actual amount of any legal fees	
<u>Negotiation Costs</u>	Payment of all City's costs of RFP process	

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<u>Rates</u>	RFP to propose fixed rates that will automatically adjusted by CPI with 3% cap. No charge permitted for extra green waste and recycling carts	
<u>System for Residential</u>	Three Cart system only.	

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<u>Bulky Waste Collection</u>	<p>Free service (up to 4 items per pickup), for residential including tenants of multi-family; charge for commercial.</p> <p>Include electronic waste, batteries, florescent tubes, etc at curbside</p> <p>Fund a City truck and employee (annual cost of \$25,000 with CPI inflator)</p> <p>Provide abandoned item collection within 48 hours</p>	 <p>Charge for bulky item pickup for commercial and multi-family with 4 or more units.</p>
<u>Walk out Service</u>	<p>Hauler brings Carts from storage location to truck and returns it. Free to qualified Customers who have need</p> <p>Charge for other Customers who want it as a "luxury"</p>	

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<u>Senior Discount or Varied Cart Sizes</u>	Option to request a Senior Discount or Smaller Carts for those who need less service (i.e., seniors) or have space/maneuverability issues.	 10% Discount
<u>Sharps and Unused Medication Disposal</u>	Fund mail in program by paying for postage and packaging for sharps disposal.	
<u>City Facilities</u>	Collection of designated facilities at no charge	
<u>City Wide Clean up Events</u>	Two Citywide waste drop off/clean up events to be provided each year	

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<u>Community involvement</u>	Requirement to join Chamber, and similar organizations	
<u>Service at City Events</u>	Collection at designated City sponsored events	
<u>Customer outreach</u>	Quarterly newsletter and hotline for customer questions and complaints required	
<u>Billing</u>	Provided by hauler	
<u>Vehicles</u>	Require vehicles, less than 10 years old, that meet AQMD clean air requirements	
<u>Reporting</u>	Require all necessary reports for CalRecycle, and include tonnage reports for disposed waste, recycled materials, green waste, etc	

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<u>Assignment</u>	Only if City agrees in its unfettered discretion, with requirement of significant payments to City to capture value City creates by granting franchise.	
<u>Performance Bond</u>	Set appropriate level	\$500,000
<u>Liquidated damages schedule</u>	Liquidated damages to be paid for minor failures to perform based on schedule to be provided	
<u>Strikes</u>	Up to 5 days, performance excused as a "force majeure", thereafter performance not excused	

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<u>Indemnity</u>	Include comprehensive language making hauler responsible for all claims expecting those arising from City's sole negligence. Also, include Hazardous material indemnity and indemnity for AB 939 penalties	
<u>Insurance</u>	\$10,000,000	\$5,000,000

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<p><u>AB 939 Guarantee/Recycling</u></p>	<p>Give hauler responsibility for all diversion and reporting compliance; and make them responsible for all penalties.</p> <p>Require that they warrant and guarantee they will keep City in compliance (goes beyond limit in law on indemnity obligations)</p> <p>Require compliance with increased diversion requirement with no rate increase</p> <p>Agreement to outline programs that they will implement as minimum requirements, but require hauler to adjust programs and add programs, and in essence do whatever else is needed to comply with diversion requirements and all other laws and regulations</p> <p>Public awareness programs to be included in programs to be implemented</p>	

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PROJECT SCHEDULE

AS OF MARCH 17, 2014

Project Activity	Scheduled Completion Date
City Council authorizes RFP to be published	March 17, 2014
RFP published	March 18, 2014
Pre-proposal Conference	April 7, 2014
Last day to submit written questions	April 9, 2014
Proposals due by 2:00 pm	May 20, 2014
City Council target date to award Franchise Agreement	August 18, 2014
Start new service (Commercial)	On or before January 1, 2015
Start new service (Residential)	January 1, 2015

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Staff Recommendations

- Review and approve the Request for Proposals (RFP) for a solid waste franchise agreement for combined commercial and residential services; and
- Authorize the City Manager to advertise the RFP, following incorporation of City Council's final comments