



CITY OF SAN BERNARDINO CITY MANAGER'S OFFICE

TO: Mayor and Common Council

FROM: Allen Parker, City Manager

SUBJECT: Cover Letter – Recommendation on Contracting for Solid Waste, etc.

DATE: November 15, 2015

What follows are my comments on the attached recommendations from the City Evaluation Committee:

- The attached report from the Committee will require a thorough review and engender many questions. Accordingly, I would recommend that following the Committee's presentation, the matter be continued to either a special meeting on November 30th or your next regular meeting on December 7th.
- On page 7 the report states, "The two best proposals overall were submitted by Burrtec and Athens. In many respects, the proposals are similar to one another; and both companies have made a strong bid." I agree.
- In reviewing the detailed comparison of the two companies – Attachment 3, I would make the following observations:
 - The category of Right-of-Way Clean-Up, with additional manpower dedicated to this category, favors Burrtec.
 - The Franchise Payments from Athens, a recent addition to their proposal, needs to be further vetted.
 - The Employee Bonus proposed by Athens is approximately twice Burrtec's, \$10,000 to \$5,000.
 - While Purchase of City equipment favors Burrtec, the 10-year value of Athen's proposal may exceed that of Burrtec's, depending on the further vetting of Athen's proposed Franchise Payments.
 - Burrtec's offer to Assume the Waterman Landfill Operation and Construct a BioCNG Fueling Station needs to be further vetted. These two items were not part of the Request for Proposal.

The Committee favors the Burrtec proposal, and I cannot disagree with their findings and reasoning. However, it is my opinion that based on the similarity of the two proposals as well as their experience, the City would be well served by either company.



CITY OF SAN BERNARDINO CITY MANAGER'S OFFICE

TO: Mayor and Common Council Members

THROUGH: Allen Parker, City Manager

FROM: City Evaluation Committee

SUBJECT: Recommendation on Contracting for Solid Waste, Street Sweeping and Right-of-Way Cleanup

DATE: November 12, 2015

Recommendation

After an extensive review of the responses to the City's RFP for Solid Waste and Recycling Services, Street Sweeping Services and Right-of-way Clean-up, the unanimous recommendation of the evaluation committee is adoption of a resolution:

1. Declaring Burrtec to be the successful proposer;
2. Authorizing staff to negotiate a ten-year agreement with Burrtec to provide solid waste and recycling, street sweeping and right-of-way cleanup services, consistent with their proposal and the terms of the RFP;
3. Authorizing staff to work with the County of San Bernardino to determine if an acceptable agreement can be reached for landfill rates that would allow waste to be returned to the County system without adversely affecting the economics of the proposal; and
4. Directing staff to return to the Common Council for final contract approval.

Background

The City currently provides solid waste, sweeping and right-of-way cleanup services using city staff. At last count, one hundred staff members (72 full time and 28 part time) from the Public Works Department are providing these services.

The City provides solid waste collection service to 43,000 residential, 3,000 commercial (with bin service), and 640 roll-off customers. An additional 226 commercial customers are currently served by Jack's Disposal (now owned by Burrtec). The term of the current agreement with Burrtec is month-to-month.

All residents have solid waste, recycling, and green waste collection and are provided 96-gallon carts as the basic level of service for all three material streams. Commercial customers are served via the use of 2, 3, 4, and 6 cubic yard bins. Roll-off services are provided through the use of 10, 20, 30 and 40 cubic yard roll-off boxes. Recycling and green waste collection services are provided weekly in 96-gallon carts to residential

customers on the same day as their refuse collection service. The City also provides bulky item collection for residents.

Burrtec and Republic Industries currently provide processing and disposal of the City's solid waste under contracts with the City that expire at the end of 2017. Each company processes approximately fifty percent of the City's waste. Residual waste (waste that cannot be recycled) is taken to Riverside County landfills.

Until recently, the City swept its streets twice per month, on the day following collection of solid waste and recycling materials. Due to staff turnover, sweeping has recently been reduced to once per month. Cleaning of the City's rights-of way is also handled by city staff that performs cleanup of alleys, illegal dumping, storm drain inlets, tire retrieval, weed control, homeless encampment cleanup, warrant abatement cleaning and maintenance of the Metrolink station.

Solid waste rates paid by the public support all three programs and have remained the same since 2009. At this time, rates are competitive with those charged in surrounding cities. The City (through the Water Department) currently bills all of the residential and commercial customers served by the City. The City's general fund received \$2.2 million each year from the Integrated Waste Fund to cover operational and overhead expenses.

Supported by current rates (revenues), City resources are insufficient to provide adequate equipment to deliver these services. Based on an analysis of the fleet completed earlier this year, the City would need to spend almost \$20 million to replace the equipment that is overdue or due at year end for replacement for these three operations. In addition, the City is responsible for a closed landfill and funding requirements for this operation have not been fully defined, nor has any money been set aside for future operational expenditures.

Process and Rationale for Obtaining Alternative Service Proposals

Following almost three years in bankruptcy, the Common Council adopted a Recovery Plan in support of the City's Plan of Adjustment for exiting bankruptcy in May 2015. Subsequently that Plan of Adjustment based on this Recovery Plan was filed with the United States Bankruptcy Court. The Court and creditors expect the City to implement the Plan in good faith.

The Recovery Plan rests on four key areas of change and improvement by the City, all aimed at improving the fiscal position of the organization. These four key areas are as follows:

- a. Efficiency improvements – largely regionalizing or contracting for services
- b. Debt and Other Post-Employment Benefits (OPEB) restructuring
- c. New revenue and tax increases / extensions
- d. Organizational improvements

Developing alternative, more cost effective approaches to provide services is a key component of the Bankruptcy Recovery Plan. In fact one of the six principles underlying the adopted Plan (Number 4) states the following:

The City must deliver services in an effective and efficient manner following industry best practices. Therefore, it must be open to delivering services in the manner and mode to deliver good value and be effective for taxpayers. Consideration will be given to contracting and regionalizing service delivery consistent with accepted industry standards and practices.

Consideration of alternatives for solid waste, street sweeping and right-of-way clean-up services are areas where the City can increase its revenues and provide improved services at a similar cost.

California cities are increasingly contracting with the private sector for solid waste and recycling. Today the vast majority of cities in Southern California provide solid waste and recycling services under a franchise agreement with one or more private companies. This migration to private rather than public service provisions has been driven by several factors which revolve around the economies of scale available to private companies which serve numerous jurisdictions. These economies are found in several areas including capital acquisition, fleet maintenance, workers compensation, employee recruitment, safety and training programs, customer service / billing, technology and management. Recent examples include Hemet, which in 2011 contracted its solid waste service to CR&R; Newport Beach is another example, contracting its residential solid waste services (commercial had already been contracted) in 2013 (also to CR&R). Most cities in the inland Empire provide these services under contract.

With State recycling requirements that have been in place for over 25 years, refuse haulers have gradually expanded their businesses to include materials sorting, recycling, public education, and in some cases, street sweeping and other related services, working in partnership with individual cities and counties. In addition, the more sophisticated companies use specialized routing systems to reduce travel times and produce and closely monitor work measurements based on their experience. Given the expertise developed in multiple jurisdictions and by these waste companies, and the economies of scale that larger operations can provide, it is likely that contracting these services to a private company will result in lower or similar costs to provide the service, increased franchise fees, along with fees for an exclusive agreement to the General Fund.

Another advantage of contracting is that it reduces the operational complexity and scale of services that the City must manage. Bankruptcy is a testament to the City's ongoing struggle to manage its affairs successfully. By contracting for these maintenance services, the City would reduce its day to day responsibilities, which would allow it to focus on rebuilding its organization using the depleted management and administrative staff which now, and for the foreseeable future, will be all the City can afford. Finally contracting would insulate the City from a significant portion of the pension (CalPERS) uncertainties that it now faces.

To see if contracting was a cost effective option for San Bernardino, the City Manager issued a Request for Proposals (RFP) last June to a number of potential service providers for solid waste and recycling, street sweeping and right-of-way cleanup. The City also requested quotes to assume responsibility for customer billing. Proposals were received from four companies: Burrtec, Republic Industries, CR&R and Athens. The RFP requested proposals that assumed a ten-year agreement with a possible extension of five years. (This is typical term for a solid waste franchise as vendors need a reasonable period of time to amortize certain capital and equipment costs, but not so long as to remove the potential for future competition.) Proposers were also encouraged to submit alternate proposals with associated revenues and costs.

The City included in the RFP the assumption that the existing processing agreements with Burrtec and Republic Industries, notwithstanding a new longer term contract with a single company, will remain unimpaired until the end of 2017. With a new agreement, these processing contracts would not be extended past 2017.

The RFP required all material taken for disposal must go to an approved disposal site. Due to the bankruptcy, minimizing the costs of collection, processing and disposal (as reflected in customer rates and payments to the City) was seen as paramount.

During the proposal process, the City received several communications from the County of San Bernardino requesting that the City return its residual waste to the San Bernardino landfill system. On Friday, November 6, 2015, a meeting was held with the County CEO and the County Public Works Director. The County confirmed that it would work with any refuse company selected by the City, but would recommend that a disposal agreement with respect to the flow of solid waste be between the City and the County.

Choices, Analysis and Recommended Proposal

In evaluating the responses to the RFP, the City constituted an experienced evaluation committee including City staff (Bill Manis) and staff from Urban Futures (Michael Busch), Management Partners (Andrew Belknap and Teri Cable), and from HR Green (Jim Smith). R3 Consulting Group (Richard Tagore-Irwin), who has provided prior solid waste consulting assistance to the City, also provided technical consulting assistance. All staff and consultants working on this project were required to complete a Statement of Economic Interests Form 700 and disclose any contributions, contracts or other economic interests involving potential vendors; no one had any reportable interests. The costs of using these consultants will be reimbursed to the City by the successful contractor at the end of the RFP process.

Review of Companies' Financial Strength

The first review included an evaluation of each company's 2013 and 2014 financial statements. Urban Futures reviewed the balance sheets to determine the:

1. Level of debt to equity, as a measure of determining the companies' risk of default if earning projections are not achieved (ongoing viability), and
2. Working capital, as a measure of determining the companies' ability to generate cash from business activities to fund current operations.

Using these criteria, results of the evaluations were compared. A copy of Urban Future's report summary is attached as Attachment 1. All four companies were thought to have sufficient financial resources to provide the services and revenues promised to the City.

Review of Proposed Rates to the Public

The second review was an evaluation of customer rates proposed by the four companies. Burrtec and Athens have proposed to maintain the current rates to the city rate payers for at least the first year. CR&R and Republic Industries proposed increasing fees to the rate payers for the first year by more than 20 percent.

It should be noted that the City has not adjusted solid waste rates in a number of years, while costs associated with collection and recycling typically increase on an annual basis (important cost drivers include fuel, labor, replacement parts and equipment and disposal fees). It is considered a best practice to evaluate rates on an annual basis to keep up with such normal (inflationary) cost increases. Indeed because the City has not accumulated enough funding to replace fully or nearly fully depreciated equipment, it is a sign that current rates are too low to cover all costs.

Nevertheless the evaluation committee was aware of the fact that the average median income level of City residents is low on a comparative basis, so increasing rates is difficult in San Bernardino. When issuing the RFP, the City was hopeful that additional efficiencies obtained through a franchise would negate any need for an immediate rate increase. This appears to be the case with at least two of the proposals.

Review of Technical Proposals

The third review included an evaluation of the proposals received, including:

- information on the company and their experience in similarly-sized cities,
- a description of their methods for collection of solid waste, recycling and organic materials,
- their approach to providing street sweeping and right-of-way clean-up,
- their proposed implementation plan, billing and customer services plan,
- offers of employment,
- environmental considerations,
- public education and outreach
- value added proposal
- financial proposal

Following this review, all four companies were interviewed to allow each to highlight its strengths in providing service to the City and to respond to any questions.

The average ratings for the four companies were as follows:

Area of Evaluation	Maximum Value	Average Burrtec	Average Athens	Average CR&R	Average Republic
Responsiveness to RFP	Pass/Fail	Pass	Pass	Pass	Pass
Litigation and Regulatory History	Pass/Fail	Pass	Pass ¹	Pass	Pass
Financial Ability	Pass/Fail	Pass	Pass	Pass	Pass
Assumption of City Employees	10	8.5	9.3	8.3	5.5
Qualifications and Experience	25	23.0	20.0	22.0	20.0
Local Employment	5	5.0	5.0	4.3	3.8
Local Purchasing	5	5.0	4.5	4.8	3.3
Local Preference	5	5.0	5.0	1.3	1.3
Financial Value²	50	47.0	40.5	33.3	32.5
Total	100	94	84	74	66

¹ The evaluation committee researched previous litigation that Athens had been a party to in a case that involved the City of Montebello. To properly evaluate the facts of the case, an attorney from Stradling Yocca Carlson and Rauth, PC verified that Athens filed a suit against the City of Montebello seeking a writ of mandate directing the Mayor to execute a contract that was in dispute. The attorney's explanation of the circumstances is attached as attachment 2.

² The financial value was completed based on a combination of guaranteed and estimated (possible) savings submitted with the proposals, where the differences between proposals were greater. The subsequent review of the financial proposals below indicates guaranteed and estimated savings as a range.

Review of Financial Proposals

Franchise Fees

Currently the City's general fund receives \$2.2 million (approximately 8.9% of gross revenues) each year from the City's integrated waste fund. Under a new agreement, outlined in the RFP, franchise fees would be increased by at least \$2.8 million each year (20% of gross revenues) for a total of \$5.0 million per year. This percentage is somewhat higher than average, but is consistent with newer agreements and those charged by other cities experiencing financial challenges.

Added franchise fees over a ten year period would yield an additional \$28 million in general fund revenue, which as franchise fee revenue can be used for any general fund purpose. These estimates are in line with the financial model and the estimated revenues submitted with the Recovery Plan.

Under an agreement with CR&R or with Republic Industries, franchise fees would be approximately \$1 million per year higher (or an added \$3.8 million per year); however rates would have to be increased to obtain this level of revenue.

In addition, the RFP stipulates that a one-time franchise fee payment of \$5 million will be paid to the City within sixty days of a new contract. It is intended that these monies will be set aside in a bankruptcy fund to help pay claims settled in bankruptcy.

Financial Proposals

In addition, each company submitted proposals to the City indicating monies that the City will receive in return for an exclusive long term agreement to provide solid waste and recycling, sweeping and right-of-way clean-up services to the community. All four companies submitted 10 year proposals. Three of the four submitted 20 year proposal options. Summaries of the financial proposals are shown as attachments.

All of the proposers indicated an interest in leasing or purchasing the existing City yard. Since the City has other operations located at the yard, and absent a formal appraisal, use of the yard will need to be determined once the City and successful proposer determine the amount of space to be utilized by the contractor and the amount to be retained by the City. The City must also make a decision on whether or not it is willing to sell the property and move its remaining operations. The proposed amounts for use of the yard have not been included in the comparison. The potential annual revenues range from \$48,000 to \$650,000 with options ranging from leasing a portion of the property to purchasing the entire property.

All four companies were required to identify guaranteed and estimated revenues to the City. The net revenues (revenues after costs) below indicate guaranteed and estimated savings as a range.

Company	10- Year Net Revenues \$\$
Burrtec	\$24.9 – \$34.9 million
Athens	\$29.3 million
CR&R Industries	\$9.9 million
Republic Industries	\$8.4 million

Burrtec's proposal assumes continued disposal in the Riverside County landfill system, although they

have indicated a willingness to return to the San Bernardino County landfill system if the County will agree to reduce rates for disposal of the City's refuse, to levels commensurate with those assumed in their proposal.

Athens' proposal assumes disposal at the San Bernardino County landfill system pursuant to their agreement with the County.

Review of References

The final review was a check of the companies' references. The City contacted other cities that had been provided as references both for refuse collection and street sweeping services. References received for all four companies were positive. All four companies are active in the competitive Southern California market and have the ability to deliver excellent services to their customers.

Two Best Proposals

The two best proposals overall were submitted by Burrtec and Athens. In many respects the proposals are similar to one other and both companies have made a strong bid to obtain the City franchise. A comparison of the proposals is included in Attachment 3. In brief:

1. Burrtec offers to initially retain customer rates at current levels. They have proposed guaranteed revenues to the City (excluding 20% franchise fee payments, which are dependent on customer rates) of \$24.9 million. They have also proposed operational enhancements that will yield estimated revenues/cost reductions of an additional \$10.0 million.

Athens offers to initially retain customer rates at current levels. They have proposed guaranteed revenues to the City (excluding 20% franchise fee payments, which are dependent on customer rates) of \$29.3 million.

2. Burrtec provides solid waste and recycling service to cities that are similar in size to San Bernardino (Fontana and Rancho Cucamonga) with 34,130 and 38,285 accounts respectively.

Athens' solid waste and recycling experience is in smaller cities, primarily located in Los Angeles County. Their largest city, Redondo Beach, has 17,897 accounts.

3. Burrtec plans to provide street sweeping through a subcontractor, CleanSweep, a well-known and reputable company. Burrtec has proposed a robust and proactive right-of-way clean-up program.

Athens plans to provide street sweeping using its own staff. Athens has numerous street sweeping contracts and solid sweeping references. Athens has proposed less in staffing and service for the right of way clean-up program.

4. Burrtec has proposed to take over operations (including maintenance, erosion control and groundwater monitoring and reporting) of the City's existing landfill at no added cost to the City. The offer includes assistance in transforming the site to a higher and better use.

5. Burrtec has also proposed to build a BioCMG facility to recover and convert biogas into vehicle fuel for the City's fleet, Burrtec's fleet and public vehicles.

Impact on Employees

An important consideration in contracting is the impact to existing City employees. The City's Request for Proposals requires that the successor contractor offer employment to displaced employees of the City's Integrated Waste Management Division for each position required to provide service to the City. If all positions have been filled, remaining displaced employees will be offered employment in vacant positions serving other cities that the contractor serves or in other operations that the contractor owns. Offers of employment are contingent on successfully passing the contractor's pre-employment DMV background check and drug screening.

Burtecc and Athens offer substantially similar employment packages to employees displaced by award of a contract with the benefits outlined below. Under both proposals, displaced employees will:

- Retain their seniority,
- Continue at their same rate of pay
- Have annual pay adjustments
- Have paid medical and dental insurance
- Have company-provided contributions to a 401k retirement plan
- Have paid vacation, holidays, and sick leave

Burrtec indicated in their proposal that they employ over 1,000 full time employees with greater opportunities for promotion and advancement than the City can offer.

Burrtec has offered \$500,000 to be paid to all impacted employees to be distributed as bonuses or as accrued benefit payments. A determination on how to split the incentive (with priority for longer term or full time status) has not been made. If split evenly among (72) full time employees, the incentive is equivalent to \$6,900 each.

Athens has offered a \$10,000 bonus payable over the first year of employment to all full time (72) employees transitioned as part of an agreement.

Employment with either company will provide a good end-result for employees since they will retain their salary levels, reduce the cost of their insurances and maintain their seniority. While private employers are unable to provide the retirement plan provided through PERS, they offer a 401K options to employees which can be used to supplement employees' PERS benefits. In addition, some employees may benefit from participation in Social Security. Overall, non-pension compensation offered is comparable or better to the City.

Inspection, contract management and some support personnel will be retained by the City to oversee the contract.

Recommended Proposal

Overall, the evaluation committee finds that Burrtec's and Athens' financial proposals are essentially equivalent. However, based on the total package submitted, including those factors discussed above, the committee recommends an agreement with Burrtec for the following reasons:

- Burrtec has the strongest company financial statements of the four companies, thus reducing the risk to the City of their not meeting their obligations under a long term agreement.

- Their technical proposal was the strongest, providing solid ideas for increasing waste diversion and providing additional revenue to the City.
- Burrtec has the strongest solid waste and recycling experience in cities that are similar in size to San Bernardino (Fontana and Rancho Cucamonga).
- Burrtec has proposed to retain initial rates paid by customers at current levels.
- They have proposed a solid employment package for impacted employees, including a total of \$500,000 to be split among employees in bonuses or in accrued leave payments.

Other factors the evaluation team thought were noteworthy and support a recommended agreement with Burrtec:

- Burrtec has an existing positive relationship with the City, thus the company is a “known quantity”.
- The company owns a materials recovery facility located in the City and has processed and disposed of the City’s materials for a number of years.
- Burrtec currently employs 58 San Bernardino residents, thus demonstrating a solid commitment to the City.
- They have agreed to return the City’s trash to the San Bernardino landfill system if the County is willing to provide favorable rates to the City for disposal of its refuse.
- Burrtec is based in San Bernardino County and has a significant local presence, providing service to a number of cities in the Inland Empire.
- Burrtec currently collects solid waste from 226 commercial customers in the City, eliminating changes in service to these customers.
- Burrtec has proposed to take over operations of the City’s existing landfill. While this was not a requirement of the RFP, this was presented as an added value proposal to the City and could further reduce the City’s administrative requirements and costs.
- Burrtec has proposed to build a BioCNG facility to recover and convert biogas into vehicle fuel for the City’s fleet, Burrtec’s fleet and public vehicles.
- The company’s decision makers are local and accessible.

Implementation

If this recommended action is approved, it is estimated that a final agreement will be negotiated and submitted to the Common Council in December or January. Once approved by the Council, the service start date is expected to begin approximately 60 days thereafter.

It is anticipated that many/most of the City’s employees will accept employment with Burrtec. This would essentially result in service provided by the same (now former city) personnel. This would reduce service changes experienced by residents and businesses.

Contracting will result in the substantial assumption of responsibility for solid waste and recycling, sweeping and right of way clean-up service delivery by the contractor, although the City retains responsibility for meeting its State recycling requirements.

When complete the City will have no further obligation for providing vehicles and related equipment or the associated costs of maintaining public works field operations such as liability insurance, workers compensation (except legacy costs), pension costs (except legacy costs), legal costs or corporate support functions necessary to support these operations such as labor relations, negotiations, payroll, finance, facilities maintenance, equipment maintenance, or many other costs involved in operating the department.

Conclusion

It is recommended the City enter into an agreement with the best overall proposer. After a thorough evaluation of available options, City management believes that a ten-year agreement with Burrtec is the best option for the City.

Burrtec's financial proposal of \$24.9 – \$34.9 million over 10 years would assist the City in stabilizing its finances and is consistent with the City's Recovery Plan.

Further, Burrtec has agreed to return the City's refuse to the San Bernardino landfill system if the County will agree to favorable disposal rates. It is recommended that the staff work with the County to see if an acceptable agreement can be reached for landfill rates that would allow waste to be returned to the County system without adversely affecting the economics of the proposal.

It is recommended that the staff negotiate a 10-year agreement consistent with Burrtec's proposal and with the terms of the City's RFP and bring it back to the Common Council for approval.

Attachments:

1. Analysis of Proposers' Financial Documents
2. E-mail from David Palmer, Attorney
3. Comparison of Burrtec's and Athens' 10-Year Proposals
4. Financial Proposals
5. Request for Proposals: Solid Waste and Recycling Services, Street Sweeping Services and Right-of-way Clean-up, released June 4, 2015 (pdf)
6. Response to Questions Relating to the RFP for Solid Waste and Recycling Services, Street Sweeping Services, and Right-of-Way Clean-up, dated July 2, 2015 (pdf)

Attachment 1

Refuse Contractor Proposal Financial Review Methodology

1. Obtain recent financial statements (2013 and 2014).
2. Examine the company's balance sheet.
 - a. Review percentage of total assets financed by debt as opposed to stockholder equity and retained earnings. The higher the ratio of debt/equity the greater the risk of default if earnings projections are not achieved.
3. Test the company's ability to manage liquidity. This is measured by its available working capital; determined by subtracting current liabilities from current assets. Additionally, compute the current ratio of working capital; calculated by current assets divided by current liabilities. A healthy working capital ratio of two to one or better means the company is demonstrating its ability to generate cash from business activities to fund current operations.
4. Compare the results of the evaluations, above, provide a ranking of the ability of bidders to provide service to the City.

Refuse Contractor Proposal Evaluation Analysis

Contractor Athens Services:

- Limited financials received for 2013 and 2014
- Review of Balance Sheet Findings
 - Long Term Debt/Equity Ratio of 1.56 to 1
 - Debt to Total Capitalization .71 to 1
- Review of Liquidity / Working Capital
 - Current Assets/Current Liabilities Ratio of 0.58 to 1

Confidential

Contractor Burrtec:

- Financials data received for 2013 and 2014
- Review of Balance Sheet Findings
 - Long-Term Debt/ Equity Ratio of 1.10 to 1
 - Debt to Total Capitalization .54 to 1
- Review of Liquidity / Working Capital
 - Current Assets/Current Liabilities Ratio of 1.19 to 1

Contractor CR&R:

- Financials received for 2013 and 2014
- Review of Balance Sheet Findings
 - Long Term Debt/Equity Ratio of 1.08 to 1
 - Debt to Total Capitalization .53 to 1
- Review of Liquidity / Working Capital
 - Current Assets/Current Liabilities Ratio of 0.35 to 1

Contractor Republic:

- Financials received for 2013 and 2014
- Review of Balance Sheet Findings
 - Long Term Debt/Equity Ratio of 1.13 to 1
 - Debt to Total Capitalization .58 to 1
- Review of Liquidity / Working Capital
 - Current Assets/Current Liabilities Ratio of .76 to 1

Comparison of Proposal Financials

Over all, three of the four (4) companies have provided financial information supporting substantial equity and lines of credit to fulfill the proposed terms of the City's RFP terms. The exception is Athens, which provided limited financials to evaluate rendering our review to only summary financial data.

Athens

The financials for Athens reflect a long term debt to equity ratio at 1.56 to 1 and current assets/current liabilities ratio of .58 to 1. The debt to capitalization ratio of .71 to 1 suggests Athens has the ability to raise cash for upfront expenses and to finance equipment necessary to provide service to the City.

Burrtec

The financials for Burrtec reflect a long term debt to equity ratio at 1.10 to 1 and current assets/current liabilities ratio of 1.19 to 1. The debt to capitalization ratio of .54 to 1 suggests Burrtec has the ability to raise cash for upfront expenses and to finance equipment necessary to provide service to the City.

CR&R

The financials for CR&R reflect a long term debt to equity ratio at 1.08 to 1 and current assets/current liabilities ratio of 0.35 to 1. The debt to total capitalization ratio of .53 to 1 suggests CR&R has the ability to raise cash for upfront costs and to finance equipment necessary to provide service to the City.

Republic

The financials for Republic reflect a long term debt to equity ratio at 1.13 to 1 and current assets/current liabilities ratio of .76 to 1. The debt to capitalization ratio of .58 to 1 suggests Republic has the ability to raise cash for upfront expenses and to finance equipment necessary to provide service to the City.

Confidential

Concluding Thoughts

Through a review of the financial statements provided, a ranking of financial strength is listed below:

Ranking Order (see analysis below)

1. Burrtec
2. CR&R
3. Republic
4. Athens

Attachment 3 - Comparison of Best Proposals

	Burrtec's 10-Year Proposal	Athens' 10-Year Proposal
Solid Waste and Recycling	Collection, processing, marketing (of recyclables) and disposal of solid waste and organics	Collection, processing, marketing (of recyclables) and disposal of solid waste and organics
	Services include weekly three-cart automated collection for residential customers	Services include weekly three-cart automated collection for residential customers
	As needed bin and roll-off service for commercial and industrial customers	As needed bin and roll-off service for commercial and industrial customers
	Includes all customer service and billing	Includes all customer service and billing
	Includes bulky item collection (2 on-call collections per year and community clean-ups	Includes bulky item collection (2 on-call collections per year and community clean-ups
	Includes public education and outreach	Includes public education and outreach
	City solid waste – collection free of charge	City solid waste – collection free of charge
	Incorporates existing month to month agreement with Jack's Disposal	
Disposal	Riverside County landfills or San Bernardino County landfills	San Bernardino County landfills
Street Sweeping	Twice monthly (through subcontract with CleanStreet)	Twice monthly
Right of Way Clean-up	Includes alleys, storm drain inlets, homeless encampments and general Staffing: 10 maintenance workers and 1 supervisor full time Coverage: 6 am to 6 pm, Monday through Friday and 6 am to 2 pm Saturdays 4 Vehicles minimum	Includes alleys, storm drain inlets, homeless encampments and general Staffing: 2 person crew and 4 person crew every other week Coverage: Monday through Saturday 1 truck per day Monday through Friday and 2 trucks per day every other week

	Burrtec's 10-Year Proposal	Athens' 10-Year Proposal
Term of Agreement	Ten years, with an option to extend for five years	Ten years, with an option to extend for five years
Franchise Payments	<p>\$5,000,000 paid within 60 of executed agreement</p> <p>\$28,000,000 franchise fees over 10 years</p> <p>\$4,500,000 added franchise payments (\$500,000 years 2-10)</p>	<p>\$5,000,000 paid within 60 of executed agreement</p> <p>\$28,000,000 franchise fees over 10 years</p> <p>\$21,600,000 added franchise payments</p>
Host Fee	\$2,762,500 (\$2 per ton fee) for tons delivered to East Valley Recycling and Transfer Station	
Offer of Employment	Company to hire all qualified full time employees displaced by outsourcing	Guaranteed employment for all full time employees displaced by outsourcing
Employee Bonus	\$500,000 to be paid as bonuses to all full time employees (equivalent to \$6,900 each) or towards accrued leave sick payoffs	\$10,000 paid to each full time employee within one year
Contractor Compensation	80% of customer rates collected from rate payers	80% of customer rates collected from rate payers
Rate Adjustments	Annual adjustments in accordance with a CPI with cap to protect rate payers	Annual adjustments in accordance with a CPI with cap to protect rate payers
Diversion	Increase diversion to 83% over time	Sustain and improve existing 72% diversion rate
Purchase of City Equipment	<p>\$12,225,000 for vehicles, carts and bins</p> <p>City to pay off remaining leases of \$2,771,032</p>	<p>\$8,500,000 for vehicles, carts and bins</p> <p>City to pay off remaining leases of \$2,771,032</p>
Vehicles	<p>Company to rebrand vehicles purchased</p> <p>Clean air vehicles to be utilized in serving City</p>	<p>Company to rebrand vehicles purchased</p> <p>Clean air vehicles to be utilized in serving City</p>
Assumption of Waterman Landfill operation	Estimated avoided City costs of \$5 million	
Construction of BioCNG Fueling Station	Estimated added \$5 million in revenue.	

	Burrtec's 10-Year Proposal	Athens' 10-Year Proposal
Infrastructure Repair Fees	\$250,000 annually plus CPI increases to offset damage to city streets	\$250,000 annually plus CPI increases to offset damage to city streets
Indemnification	Will guarantee that City will be in compliance with State law and will/meet diversion requirements. Will indemnify against fines or penalties.	Will guarantee that City will be in compliance with State law and will/meet diversion requirements. Will indemnify against fines or penalties.
Reimbursement for Proposal Costs	\$10,000 proposal fee; and \$150,000 reimbursement for procurement costs of contracting	\$10,000 proposal fee; and \$150,000 reimbursement for procurement costs of contracting

ATHEN'S FINANCIAL PROPOSAL

Company Contract Term	Athens 10 years Guaranteed	Estimated	Athens 20 years Guaranteed	Estimated
Revenues Required - One Time				
\$10,000 Proposal Fee	\$10,000		\$10,000	
Up front Franchise Fee	\$5,000,000		\$10,000,000	
\$150,000 Contract Fee	\$150,000		\$150,000	
Revenues Required - Ongoing				
\$250,000 Infrastructure Fee (increases each year)	\$2,500,000		\$5,000,000	
Revenues Added - One Time				
Vehicles, Carts, Equipment	\$8,500,000		\$8,500,000	
Take over leases	no		no	
Hiring incentive \$10,000 each (paid to full time employees)	\$720,000		\$720,000	
Revenues Added - Ongoing				
Ongoing Franchise Payments	\$21,600,000		\$45,600,000	
Total Revenues Guaranteed	\$38,480,000	\$0	\$69,980,000	\$0
Costs to City				
Sweeping - twice per month	\$4,680,000		\$9,360,000	
ROW Cleanup	yes		yes	
Residential Billing	\$1,750,000		\$3,500,000	
Vehicle Lease Payoff	\$2,771,032		\$2,771,032	
Total Costs to City	\$9,201,032	\$0	\$15,631,032	\$0
Total Guaranteed Revenues after Costs (Excluding Franchise Fees)	\$29,278,968	\$0	\$54,348,968	\$0

Company Contract Term	Athens 10 years Guaranteed	Estimated	Athens 20 years Guaranteed	Estimated
Host Fee				\$14,000,000
Total Possible Added Revenues	\$0	\$0	\$0	\$14,000,000

Note: Added Host Fees contingent on construction of new Materials Recovery Facility

BURRTEC'S FINANCIAL PROPOSAL

Company Contract Term	Burrtec 10 years Guaranteed	Estimated	Burrtec Option 20 years Guaranteed	Estimated
Revenues Required - One Time				
\$10,000 Proposal Fee	\$10,000		\$10,000	
Up front Franchise Fee	\$5,000,000		\$5,000,000	
\$150,000 Contract Fee	\$150,000		\$150,000	
Revenues Required - Ongoing				
\$250,000 Infrastructure Fee (increases each year)	\$2,500,000		\$5,000,000	
Revenues Added - One Time				
Vehicles, Carts, Equipment	\$12,225,000		\$12,225,000	
Take over leases	no		no	
Accrued benefit payments (paid to employees)	\$500,000		\$500,000	
Revenues Added - Ongoing				
Host Fee	\$2,762,500		\$6,012,500	
Ongoing Franchise Payments	\$4,500,000		\$9,000,000	
Total Revenues Guaranteed	\$27,647,500	\$0	\$37,897,500	\$0
Costs to City				
Sweeping - twice per month	yes		yes	
ROW Cleanup	yes		yes	
Residential Billing	yes		yes	
Vehicle Lease Payoff	\$2,771,032		\$2,771,032	
Total Costs to City	\$2,771,032	\$0	\$2,771,032	\$0
Total Guaranteed Revenues after Costs (Excluding Franchise Fees)	\$24,876,468	\$0	\$35,126,468	\$0

Company Contract Term	Burrtec 10 years Guaranteed	Estimated	Burrtec Option 20 years Guaranteed	Estimated
BioCNG Biofueling Station		\$5,000,000		\$10,000,000
Cost Avoidance of Landfill operations		\$5,000,000		\$10,000,000
Total Possible Added Revenues	\$0	\$10,000,000	\$0	\$20,000,000

Note: BioCNG Biofueling Station contingent on construction of station
 Note: Cost avoidance of landfill operations is difficult to quantify

CR&R'S FINANCIAL PROPOSAL

Company Contract Term	CR&R 10 Years Guaranteed	Estimated	CR&R 20 Years Guaranteed	Estimated
Revenues Required - One Time				
\$10,000 Proposal Fee	\$10,000		\$10,000	
Up front Franchise Fee	\$5,000,000		\$6,500,000	
\$150,000 Contract Fee	\$150,000		\$150,000	
Revenues Required - Ongoing				
\$250,000 Infrastructure Fee (increases each year)	\$2,500,000		\$5,000,000	
Revenues Added - One Time				
Vehicles, Carts, Equipment	\$5,000,000		\$5,000,000	
Take over leases	No		No	
Accrued benefit payments/incentives (paid to employees)	N/A		N/A	
Revenues Added - Ongoing				
Ongoing Franchise Payments	\$0		\$8,500,000	
Total Revenues Guaranteed	\$12,660,000	\$0	\$25,160,000	\$0
Costs to City				
Sweeping - twice per month	yes		yes	
ROW Cleanup	yes		yes	
Residential Billing	no		no	
Vehicle Lease Payoff	\$2,771,032		\$2,771,032	
Total Costs to City	\$2,771,032	\$0	\$2,771,032	\$0
Total Guaranteed Revenues after Costs (Excluding Franchise Fees)	\$9,888,968	\$0	\$22,388,968	\$0
Total Possible Added Revenues	\$0	\$0	\$0	\$0

REPUBLIC INDUSTRIES' FINANCIAL PROPOSAL

Company Contract Term	Republic 10 years Guaranteed
Revenues Required - One Time	
\$10,000 Proposal Fee	\$10,000
Up front Franchise Fee	\$5,000,000
\$150,000 Contract Fee	\$150,000
Revenues Required - Ongoing	
\$250,000 Infrastructure Fee (increases each year)	\$2,500,000
Revenues Added - One Time	
Vehicles, Carts, Equipment	\$4,858,804
Take over leases	No
Accrued benefit payments/incentives (paid to employees)	No
Revenues Added - Ongoing	
Host Fee	\$0
Ongoing Franchise Payments	\$0
Total Revenues Guaranteed	\$12,518,804
Costs to City	
Sweeping - twice per month	Yes
ROW Cleanup	Yes
Residential Billing	\$1,387,330
Vehicle Lease Payoff	\$2,771,032
Total Costs to City	\$4,158,362
Total Guaranteed Revenues after Costs (Excluding Franchise Fees)	\$8,360,442
Total Possible Added Revenues	\$0

**CITY OF SAN BERNARDINO
REQUEST FOR PROPOSALS:**

**Solid Waste and Recycling Services
Street Sweeping Services
Right-of Way Clean-up**



**Allen Parker, City Manager
City of San Bernardino
300 North "D" Street
San Bernardino, 92418**

Parker_AI@sbcity.org

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**City of San Bernardino Request for Proposals for:
Solid Waste and Recycling Services, Street Sweeping Services and
Right-of-way Clean-up**

The City of San Bernardino (City) is requesting proposals for the collection, processing, and disposal of solid waste, recyclable material, and organic materials. In addition, the City is seeking proposals to perform street sweeping and right-of-way clean-up services. Copies of this Request for Proposal (RFP) package and subsequent addenda may be obtained by emailing a request to:

City of San Bernardino: Parker_Al@sbcity.org

During the RFP process, proposers and their agents are strictly prohibited from any contact with City staff, City's consultants and/or elected officials. If this condition is violated, the City may render the proposal non-responsive. All questions regarding the RFP should be directed to Allen Parker at Parker_Al@sbcity.org or via facsimile to (909) 384-5138.

A pre-proposal meeting will be held at 2:00 P.M. on June 16, 2015 at City Hall located at:

**6th Floor Conference Room
300 N. "D" Street
San Bernardino, CA 92418**

The City will accept proposals received from proposers that do not attend the pre-proposal meeting. It is highly recommended, however, that interested parties attend the pre-proposal meeting.

Written responses to questions asked during the pre-proposal meeting will be provided subsequent to the meeting.

All proposals must be received prior to 4:00 p.m. on July 13, 2015. Proposals received will be opened and recorded at that time. Postmarks will not be accepted as proof of receipt. Proposers shall mail or hand deliver proposal packages to the Office of the City Manager at the following address:

**City of San Bernardino – City Hall
Office of the City Manager
300 North "D" Street, 6th Floor
San Bernardino, CA 92418**

A non-refundable proposal fee in the amount of ten thousand dollars (\$10,000) must accompany all proposals. (Existing staff submitting proposals are exempt from this requirement.) The proposal fee must be in the form of a cashier's or certified check payable and acceptable to the City of San Bernardino.

SECTION 1 – RFP OBJECTIVE

These are extraordinary times for the City of San Bernardino. The City, experiencing the severe economic impact of the housing/mortgage crisis and the recession, has found it necessary to file for bankruptcy protection. As such, the City has taken a serious, pragmatic approach to reorganization by examining each City department, budgets, services provided, and the prospects for outsourcing some City services. One of the City's most valuable assets is its Integrated Waste Management Division (IWMD). As such, this Request for Proposals has been prepared with the intent to solicit proposals that will generate significant short and long-term financial benefit to the City, play a key role in the City's timely emergence from bankruptcy, and lay a solid financial footing upon which the City can build for the future.

OVERVIEW OF THE REQUEST FOR PROPOSALS

The City of San Bernardino (City) is the largest City in the County of San Bernardino and the 17th largest City in California. The City has a population of 213,708 and covers an area of 60 square miles.

The City currently provides solid waste and recycling services to its residents and most of the businesses using city crews. In addition, the City provides street sweeping services the day following refuse/recycling collection, and clean-up of the City's rights-of-way.

The City is interested in franchising its three operations, preferably to a single company. Therefore, it is soliciting proposals from qualified companies interested in providing any or all of the three services included in this Request for Proposals (RFP) - solid waste and recycling services, street sweeping and right-of-way cleanup - as described in Section 3. While the City may consider using separate contractors for the three services, the City is planning to award a single contract for solid waste and recycling services, which includes the residential and commercial lines of business for the entire City.

Services for solid waste and recycling include collection of residential and commercial solid waste, recyclable materials, and organic materials collection, processing and disposal services. In addition, the RFP covers other related services including commercial billing, public education and outreach, and customer service. The City will continue to provide billing services to residential customers through its water billing operation.

This City is willing to offer an agreement(s) with an initial term of ten years, with an option to extend services at the City's sole discretion for a period of not less than five years.

Due to its financial position, the City requires a one-time franchise fee payment of a minimum of \$5 million payable within 60 days of executing the contract for solid waste and recycling services. Refer to the City Fees section.

ORGANIZATION OF RFP

This RFP is organized into the following sections:

Section 1 summarizes the City's goals and objectives, describes the City's rights concerning the procurement process, and presents the procurement schedule.

Section 2 provides a description of the City service areas and a summary of the current services provided by the City.

Section 3 presents the scope of requested collection, processing, disposal, street sweeping and right-of-way clean-up services

Section 4 describes the type of criteria that may be used to evaluate proposals.

Section 5 outlines the proposal submittal requirements.

Section 6 describes the proposal submittal process.

The attachments to this RFP include proposal forms, and additional background information.

CITY'S GOALS AND OBJECTIVES

The City is interested in receiving proposals from companies that have demonstrated experience initiating and providing solid waste, recyclable materials, and organic materials collection, processing, and disposal services, comparable to those described in this RFP, under a franchise agreement to a community that is comparable to the service environment described in Section 5 of this RFP. The City seeks contractors who place a high priority on customer service and the diversion of waste from landfill disposal, and have demonstrated significant diversion innovation and results through their past and current diversion program development, implementation, public education, and on-going operations.

Street sweeping and right-of-way clean-up are related, sanitary services that the City is also interested in providing by contract.

The City's goals for these services are as follows:

- Provide high-quality of services provided to all San Bernardino residences and businesses
- Fulfill its obligations to achieve the solid waste recycling and landfill diversion requirements of state law;
- Minimize noise and street impact from collection and service vehicles; and,
- Improve economic and operational efficiencies of all programs and services.

RIGHTS RESERVED BY THE CITY

The City reserves the right, in its sole discretion, to pursue any or all of the following actions concerning this RFP:

- Select the proposal(s) that might not offer the lowest cost, but in the judgment of the City, are nevertheless deemed to offer the best value for the public and City;
- Solicit subsequent requests for best and final offers;
- Negotiate for modification of any proposal, with mutual consent of proposer;
- Award the agreement to one or more proposers;
- Award the agreement to a proposer(s) without further discussion or negotiation;
- Permit the timely correction of errors and waive any informality or minor irregularity from the RFP;
- Issue addenda to the RFP;
- Request additional information and/or clarification from the proposers;
- Extend the deadline for submitting proposals;
- Withdraw this RFP;
- Reject any or all proposals;
- Reject proposals that do not fully comply with the requirements detailed in this RFP, its attachments, addenda, or clarifications;
- Reject incomplete proposals; proposals containing errors, inconsistencies, false, inaccurate or misleading information; proposals not submitted with the proper quantity of copies; proposals not submitted with proper proposal fee; proposals submitted after the deadline; or proposals with other process or content errors or deficiencies;
- Re-advertise for proposals or issue subsequent requests for proposals for the same, similar, or related services;
- Amend the City of San Bernardino Municipal Code; and,
- Take any other action it deems in the best interest of the City, its residents, and businesses.

LOCAL PREFERENCE

Under Executive Order 2003-1 Local Business Preference for Contractual Services, the City of San Bernardino provides for a local preference when evaluating proposals.

The portion of the Executive Order pertinent to this RFP directs all Departments Heads to grant a 5% local business preference in Requests for Proposals for contractual services with a value in excess of \$25,000 which require approval by the Mayor and Common Council or the Community Development Commission, unless contrary to federal, state, or local law (such as contracts for the construction of public works projects) or unless contrary to the requirements mandated by the funding source for such contractual services (such as federal government, which in most if not all cases, requires award to the lowest responsible bidder).

For the purpose of granting a local business preference, "Local Business" shall mean a business possessing a fixed office or distribution point with at least one owner or employee within the City of San Bernardino, and possessing all valid and current permits and licenses required to transact such business, including, but not limited to a City Business Registration Certificate.

Proposers shall submit the Certification for Local Preference form, Attachment 2, with their proposal if they seek the benefit of local preference. The preference is waived if the Certification is not included in the proposal.

GENERAL RFP AGREEMENTS

This RFP does not constitute an agreement of any kind between the City and any proposer or company. Any award of a contract shall be subject to the approval of the Common Council.

This RFP does not obligate the City to accept any proposal, negotiate with any proposer, award an agreement, or proceed with the development of any project or service described in response to this RFP. The City has no obligation to compensate any proposer for its expense of preparing its proposal and participating in this procurement process.

Submission of a proposal shall constitute acknowledgment, acceptance of and commitment to provide the proposed services in accordance with all the requirements described in this RFP, its attachments, addenda, or clarifications, unless an exception to specific RFP requirements are specifically expressed in writing in the proposal. The proposals are to be firm for a period of 180 days from the date the proposal is submitted. Proposals may not be altered after submittal, except in response to City's request for clarification.

The City shall have the right (but not the obligation) to perform an investigation and review of each proposer's ability to perform the work required. Each proposer must agree to cooperate with such investigation. Such cooperation by proposers shall include, but not be limited to, the verification of the proposer's capability and experience in the provision of services and any other component of work, including the proposer's described facilities for the receipt, handling, processing, transformation, transfer, disposal of solid wastes, sweeping and/or clean-up services that may be required under this procurement.

The City will make an effort to ensure that addenda issued relating to this RFP are distributed to all interested parties. It shall, however, be the proposer's responsibility to inquire as to whether addenda to the RFP have been issued. Upon issuance by the City or its consultant, all addenda are part of the proposal. All proposers must acknowledge receipt of all addenda in the Cover Letter of their proposals.

PROCESS AND SCHEDULE

The key activities and completion dates for the procurement process are provided in Table 1. The proposal submittal process is described in detail in Section 6.

All questions regarding the RFP should be directed in writing to Allen Parker at Parker_AI@sbcity.org or faxed to the City at **(909) 384-5138**.

Table 1: Proposal Schedule

ACTIVITY	COMPLETION DATE
Pre-Proposal Meeting	June 16, 2015
Deadline to Submit Written Questions	June 18, 2015
Proposals Due	July 13, 2015
Proposal Presentations to Selection Committee	Week of July 27
Presentation of Recommendations to Common Council	August, 2015
Transition of Services to New Provider	Last Quarter 2015

The City reserves the right to adjust any part of this schedule at any time during the process. The City is interested in commencing services in the last quarter of 2015. The City reserves the right to adjust the implementation schedule if it is determined that a phased or delayed transition would be advantageous to the City or customers.

SECTION 2 – DESCRIPTION OF CURRENT SERVICES AND CONDITIONS

The information presented in this section was obtained from the City’s Public Works Department and is presented for information purposes only. By submitting a proposal, the proposer agrees to indemnify and hold the City harmless from any claims of damages incurred by proposer for its reliance on this data. Each proposer should take whatever steps it believes are necessary to reasonably determine the actual service requirements of the City and understand service conditions in the City when preparing a proposal.

1) SOLID WASTE AND RECYCLING SERVICES

DESCRIPTION OF CURRENT SERVICES

The City currently provides collection service to all residential, most of the commercial (with bin service), and all roll-off customers in the city. Some commercial customers are currently served by a private company and are exempt from the requirement for municipal (City rendered) service. This agreement expires June 2015. At that time, it is anticipated that a short term extension will be required and that service to all solid waste generators will eventually be transitioned to the successful contractor. An exception to the City’s exclusive service provision is offered for residents or commercial businesses that require a service that is not offered by the City. In those cases, approved third-party vendors may provide the service.

All residents have solid waste, recycling, and green waste collection and are provided 96-gallon carts as the basic level of service for all three material streams. Commercial customers are served via the use of 2, 3, 4, and 6 cubic yard bins. Roll-off services are provided through the use of 10, 20, 30 and 40 cubic yard roll-off boxes.

Recycling collection service is provided weekly in 96-gallon carts to residential customers on the same day as their refuse collection service. Green waste collection includes grass, leaves, weeds, sawdust, palm fronds, untreated wood, fruit and vegetables. Christmas trees are collected for recycling after the holidays. The City also provides bulky item collection for residents. The table below shows the number of accounts and annual revenue received.

Table 2: Current Service Operational Summary

SECTOR	ACCOUNTS	REVENUE
Residential	43,000	\$14,768,395
Commercial	3,000	\$10,067,014
Recycling Revenue		\$59,653
TOTAL		\$24,895,063

All solid waste generators in the city are required to subscribe to solid waste collection services. All RFP respondents should refer to the City’s Municipal Code for specific solid waste rules and regulations. In performance of duties under a new contract, the contractor shall comply with all applicable laws, regulations, ordinances, and codes of the federal, state, and local governments, including without limitation, the City of San Bernardino Municipal Code.

CURRENT BILLING PROCESS

The City currently bills all of the residential and commercial customers served by the City.

CURRENT RATES

The current rates for City-provided collection services are shown in Tables 3 through 11 below. The most recent rate adjustments took effect in 2009. **Rates include an administrative overhead charge of 8.9 percent, street sweeping and right-of-way cleaning services.**

Table 3: Residential Rates

Service	Monthly Rate
3-Cart Service	\$22.84
Additional Black Cart (Refuse)	\$12.97
Additional Green Cart (Yard Waste)	\$11.35
Additional Blue Cart (Recycling)	No Cost
Late Set Out	\$28.75
Bulky Item p/u charge per 15 Minutes	\$36.23
Cart Replacement	\$74.75

Table 4: Current Rates – Front-Load Bin Refuse Service

BIN SIZE CUBIC YARD	NUMBER OF SERVICE DAYS PER WEEK						EXTRA PICK-UP
	1	2	3	4	5	6	
1-2	\$112.10	\$205.32	\$304.44	\$401.20	\$495.60	\$661.98	\$25.28
3	\$119.18	\$225.56	\$335.12	\$440.14	\$547.52	\$840.16	\$27.50
4	\$130.98	\$247.80	\$364.62	\$480.26	\$595.90	\$1,036.04	\$30.11
6	\$189.98	\$362.26	\$535.72	\$713.90	\$876.74	\$1,041.94	\$35.68
Commercial Carts	\$108.68						

Table 5: Current Rates – Front-Load Compactor Refuse Service

BIN SIZE CUBIC YARD	NUMBER OF SERVICE DAYS PER WEEK						EXTRA PICK-UP
	1	2	3	4	5	6	
2	\$130.98	\$246.44	\$361.08	\$476.72	\$591.18	\$786.35	\$27.50
3-4	\$154.58	\$287.92	\$423.62	\$553.42	\$692.66	\$952.12	\$30.11

Table 6: Current Rates – Front-Load Commingled Packaging & Paper Recycling Service

BIN SIZE CUBIC YARD	NUMBER OF SERVICE DAYS PER WEEK						EXTRA PICK-UP
	1	2	3	4	5	6	
1-6	\$41.50	\$83.00	\$124.50	\$166.50	\$208.00	N/A	N/A

Table 7: Current Rates – Front-Load Green Waste & Organics Service

BIN SIZE CUBIC YARD	NUMBER OF SERVICE DAYS PER WEEK						EXTRA PICK-UP
	1	2	3	4	5	6	
1-2	\$107.38	\$198.24	\$291.46	\$384.68	\$476.72	N/A	\$25.28
3	\$114.46	\$215.94	\$316.24	\$416.54	\$515.66	N/A	\$27.50
4	\$125.08	\$232.46	\$341.02	\$450.76	\$558.14	N/A	\$30.11
6	\$143.96	\$267.86	\$394.12	\$505.04	\$641.92	N/A	\$35.68

Table 8: Current Rates – Open-Top or Compactor Roll-Off Refuse Service⁺

CUBIC YARD	RATE	WEIGHT LIMIT*
10	\$335.12 per pull + \$44.65 per ton	2 TONS
20	\$335.12 per pull + \$44.65 per ton	5 TONS
30	\$335.12 per pull + \$44.65 per ton	7 TONS
40	\$335.12 per pull + \$44.65 per ton	8 TONS

Table 9: Current Rates – Roll-Off Open-Recycling Service

CUBIC YARD	RATE	WEIGHT LIMIT*
10	\$335.12 per pull + Market rate per ton	2 TONS
20	\$335.12 per pull + Market rate per ton	5 TONS
30	\$335.12 per pull + Market rate per ton	7 TONS
40	\$335.12 per pull + Market rate per ton	8 TONS

Table 10: Current Rates – Compactor Roll-Off Recycling Service

CUBIC YARD	RATE	WEIGHT LIMIT*
10	\$142.00 per Pull	2 TONS
20	\$142.00 per Pull	5 TONS
30	\$142.00 per Pull	7 TONS
40	\$142.00 per Pull	8 TONS

* Overweight loads are subject to a \$36.54 per ton plus \$12 per ton over the weight limit in addition to all other charges.

+ Includes green waste, uncontaminated wood waste, or roll-off compactor for compostables service.

Table 11: Current Rates – Other Services

Description	Rate
Manual Collection for Small Business Materials must be bagged, boxed or bundled with a 60-lbs maximum weight.	\$108.68 per month for 1 x per week. \$108.68 per additional day per week.
Temporary Front-Load Bin Refuse Service Temporary 3 CY Bins for up to 7 calendar days.	\$69.00 \$27.50 per additional collection
Lock	\$17.70
Bin Enclosure Cleaning	\$37.17
Bin Roll Out Service	\$67.26
Bulky Item Pick Up	\$36.23
Bin Steam Cleaning	\$133.34

A complete listing of rates is shown in Attachment 6.

CURRENT PROCESSING AND TONNAGE

The City currently takes its refuse to Burrtec Waste Industries, Inc. (to a facility located in San Bernardino) and to Republic Services of Southern California, LLC (to a facility located in Colton). These contractors are required to process the material and dispose of non-recyclable residue at an approved disposal site selected by the contractor. Each of the two vendors receives approximately 50% of the City’s waste, green waste, and recyclables. The City no longer has an agreement for waste disposal with the County of San Bernardino.

Table 12: Annual Tonnage by Sector*

SECTOR	REFUSE	GREEN WASTE	RECYCLING	TOTAL
Residential	50,000	30,000	15,000	95,000
Commercial	65,000	100	1,000	66,100
Industrial	35,000	500	5,000	40,500
TOTAL TONS	150,000	30,600	21,000	201,600

* This is the best available information at the time of RFP publication. It has not been validated.

The contracts with both vendors expire at the end of 2017. There is a potential 5 year contract extension at that time with the agreement of both parties. No decision on contract extension has been made at this time.

The City’s construction and demolition debris is taken to the Aqua Manza landfill in Riverside. The diversion for C 11

and D is approximately 85%.

DIVERSION

The City's overall diversion rate exceeds 72%. The successful contractor will be required to sustain and improve that rate in accordance with requirements of State law.

SPECIAL EVENTS

The City has a number of special events each year that require refuse services. In 2014, the City held 13 community cleanup events. These events allow residents of San Bernardino in partnership with neighborhood association groups to cleanup and beautify specific areas of San Bernardino. A total of 167 tons was disposed of at these community cleanups in 2014.

2) STREET SWEEPING

DESCRIPTION OF CURRENT SERVICES

The City currently sweeps its streets twice per month, the day following collection of solid waste and recycling materials. The City is seeking two proposals regarding street sweeping – one to continue with twice per month sweeping and the other to reduce sweeping to once per month.

CURRENT BILLING PROCESS

The City does not have a separate street sweeping fee, thus it does not bill its customers separately for street sweeping services.

CURRENT RATES

Fees for street sweeping services are currently combined with refuse rates.

CURRENT TONNAGE INFORMATION

The City's sweepers picked up and disposed of approximately 3,014 tons of sweeping debris in 2014. Sweeping debris is taken to one of the two MRFs and ultimately transferred to the landfill for disposal.

3) RIGHT-OF-WAY CLEAN UP

DESCRIPTION OF CURRENT SERVICES

Cleaning of the City's rights-of way is handled with 9 field personnel and one supervisor who allocates half of his time to this operation. (There are an additional three tree trimmer positions that perform tree and median work, which are not part of this proposal.) An additional 18 on-call, part time personnel assist as needed in right-of-way cleaning. These services include handling cleanup of alleys, illegal dumping, storm drain inlets, tire retrieval, weed control, homeless encampment cleanup, warrant abatement cleaning and maintenance of the Metrolink station. A complete listing of the work activity performed over the last 15 months (from January 1, 2014 through March 31, 2015) is found in Attachment 8.

CURRENT BILLING PROCESS

The City does not have a separate right-of-way clean up fee, thus it does not bill its customers separately for right-of-way clean up.

CURRENT RATES

Fees for right-of-way clean-up services are currently combined with refuse rates.

SECTION 3 – SCOPE OF REQUESTED SERVICES

The City is requesting proposals to provide residents and businesses with solid waste, recyclable materials, organic materials collection, street sweeping and right-of-way clean-up services commencing in the last quarter of 2015.

SOLID WASTE AND RECYCLING SERVICES

The franchised collection contractor shall have the exclusive right to collect solid waste, recyclable materials, and organic materials from all residential and commercial accounts. The franchised collection contractor shall take materials collected to the processing facilities currently under contract with the City until 12/31/2017. All materials taken for disposal must go to an approved disposal site.

COLLECTION SERVICES

The franchised collection contractor(s) shall collect solid waste, recyclable materials, and organic materials from residential and commercial customers once per week, consistent with the requirements of the City's Municipal Code.

BULKY ITEM SERVICES

Each proposer must include, in its solid waste and recycling proposal, the provision of residential bulky item collection services, as follows:

Each customer will be allowed to schedule up to two (2) on-call bulky item collections per calendar year. At a minimum, such events shall include: an unlimited volume of general solid waste, recyclable materials, or organic materials; bulky items that are less than 200 pounds and seven feet in length including furniture or appliances; solid waste, recyclable materials, and organic materials that are properly bagged and contained; and, other salvageable materials such as clothing, toys, furniture, and building supplies. The contractor shall provide the bulky item collection within seven (5) business days of the customer's request.

STREET SWEEPING SERVICES

The successful contractor shall sweep city streets twice per month, following trash collection days. The City has 1,152 curb miles of streets. A change to once per month is being considered and a separate pricing proposal for the change in service is being requested. If proposed and approved by the City, contractor will be responsible for all costs associated with changing street sweeping service days, including street signage.

STREET SWEEPING OPERATION

The quality of sweeping shall be to the satisfaction of the Public Works Director or his designee. The Contractor shall at all times use good sweeping practices as dictated by the highest standards within the sweeping industry and will make adjustments to its equipment as necessary that will result in clean streets with no debris trails left behind. On occasion and as deemed necessary by City, this will require the complete width of the street, curb to curb, to be swept clean of debris. The Contractor must exercise care so as to prevent spilling, scattering, or dropping of debris during the sweeping activity and shall immediately clean up any such spillage, dropping, or scattering. The Contractor shall make additional passes on a street route to pick up any spillage of sweeping materials debris dropped during turns or crossings of cross gutters, prior to moving to the next area.

RIGHT-OF-WAY CLEANUP

The successful contractor will be expected to provide right-of-way clean-up services that mirror those currently handled in-house as shown on Attachment 8. The City is interested in a proactive clean-up approach; it is

expected that the successful contractor will regularly check city rights-of-way, especially those where trash accumulates and proactively address clean-up. Service crews will be expected to maintain a high level of cleanliness in the identified gateway entry points of San Bernardino.

CITY SERVICES

City facilities will be provided all collection services at “no charge.” Service will be scheduled at a time mutually agreed upon by the contractor and the City. The cost of these services will be included in the overall rate structure to provide solid waste services. A list of locations for which City Service are to be provided is included as Attachment 7.

PUBLIC EDUCATION & OUTREACH

The franchised collection contractor shall be responsible for developing public education and outreach program in support of the City’s solid waste, recycling, and waste diversion programs. Such education and outreach program shall, at a minimum, include the types and amounts of education performed currently by the City’s Integrated Waste Division.

BILLING

Under the new contract, the City will maintain responsibility for residential billing. The contractor will assume responsibility for commercial billing.

CUSTOMER SERVICE

The franchised collection contractor shall be responsible for performing all customer service activities consistent with the requirements of rendering the services described in the Scope of Work. Such requirements include maintaining appropriate telephone and online systems to inform and interact with customers, the location and hours of availability of the customer service office, and requirements for documenting and resolving service complaints.

RECYCLABLE MATERIALS PROCESSING

The franchised collection contractor will be expected to provide recyclable materials processing and marketing services as part of the agreement. The franchised collection contractor must initially use the processing sites under contract with the City to process and market recyclable materials. All revenue from the sale of recyclables shall be split between the City and the contractor once these processing contracts have expired.

ORGANIC MATERIALS PROCESSING

The franchised collection contractor will be expected to provide organic materials processing and marketing services as part of the agreement. At a minimum, organic materials collected under this agreement shall include those materials currently accepted in the City’s green waste program.

COLLECTION, PROCESSING AND DISPOSAL SERVICES

Proposers are asked to submit pricing for the collection, processing and disposal components of service commencing on December 1, 2015 using the form provided in Attachment 1. The contractor must guarantee disposal capacity for the City of San Bernardino throughout the full term of the Agreement.

OFFER OF EMPLOYMENT

The contractor shall offer employment to displaced employees of the City’s Integrated Waste Management Division (IWMD) for each position required to provide service to the City. If all positions have been filled, remaining displaced employees will be offered employment in vacant positions serving other cities that contractor serves or in other operations that contractor owns. Offers of employment may be limited to the employees who successfully pass contractor’s pre-employment DMV background check and drug screening. Table 13 lists the current number of employees in each position within the City’s IWMD that are expected to be

contracted.

Table 13: Current City Employees by Position

ACTIVITY	QUANTITY	BASE SALARY	TOTAL INCLUDING BENEFITS
Commercial			
IW Operations Supervisor	3	181,300	239,820
Senior IW Operator	28	1,163,000	1,534,580
IW Operator (Flex)	4	128,300	173,600
Residential			
IW Operations Supervisor	1	52,800	69,700
Senior IW Operator	30	1,283,400	1,689,300
IW Operator (Flex)	2	64,200	86,800
Street Sweeping			
Lead Motor Sweeper Operator	1	52,600	68,200
Motor Sweeper Operator	4	188,700	246,400
Right of Way Cleanup			
Maintenance Supervisor	1	64,360	87,150
Lead Maintenance Worker	2	93,145	126,980
Maintenance Worker II	2	74,530	104,540
Maintenance Worker I	5	168,235	239,510
TOTAL	116	\$3,514,570	\$4,666,580

CITY-OWNED EQUIPMENT

On the commencement date of the agreement, the contractor shall, as permitted by current lease/loan agreements, purchase (and/or take over loan payments) and take possession of the collection vehicles, residential carts, bins and roll-off boxes owned by the City. The contractor will be responsible for sales taxes and any other costs associated with the transfer. Detailed equipment information to be purchased by the new contractor is specified in Attachments 4 and 5. Contractor shall include a price for the purchase of equipment of city equipment on Attachment 1.

The City shall leave the any carts and bins purchased by the contractor at each customer’s service location.

Proposers shall describe how they will re-brand the equipment to eliminate references to the City and replace them with the contractor’s name, telephone number, and website.

Table 14: Equipment to be Purchased from City

EQUIPMENT TYPE – Solid Waste	UNITS
Front Loader	18
Side Loader	39
Rear Loader	6
Roll Off	13
Flatbed	2
Bin Truck	1
Misc. Vehicles/Equipment	19
TOTAL	98

EQUIPMENT TYPE - Sweeping	UNITS
Street Sweeper	7
Compact Truck	1
TOTAL	8

EQUIPMENT TYPE – Right-of-way	UNITS
Flatbed dump truck	2
Flatbed truck	1
Pickup trucks	12
Trailers	11
Vans	2
Misc. Equipment	20
TOTAL	48

Although the contractor is required to purchase and take possession of the City’s equipment, the contractor is not obligated to use such collection equipment to provide the collection services after removing any City signage. The contractor may sell the collection equipment previously owned by the City or use such equipment to provide services in other jurisdictions.

The contractor will be responsible for maintenance and replacement of all equipment, needed during the term of the agreement.

ALTERNATIVE FUEL VEHICLES

The City expects that the selected service provider(s) will provide services using clean air vehicles in order to protect air quality. The City will consider proposals to utilize the City's existing fueling facility throughout the term of the agreement, provided that such facility is operational.

INDEMNIFICATION

Solid Waste contractor will be required to guarantee that City will be in compliance with AB939 and will meet or exceed diversion requirements in AB939 or as amended. Contractor will be required to indemnify the City against all fines and/or penalties which may be imposed by Cal Recycle if any requirements of AB939 are not met.

RATE ADJUSTMENTS

Under the new agreement, the service component (collection and processing) will be adjusted at 80% of the Consumer Price Index (CPI). The landfill component will be adjusted according to the actual price change at the San Bernardino County Landfill System. Upon timely application by the contractor, the adjustment will occur automatically on January 1, beginning 2017.

CITY FEES

All proposers, except current city employees providing a proposal, are subject to the following city fees:

INFRASTRUCTURE REPAIR FEES

The solid waste and recycling contractor shall pay an Infrastructure Impact Fee equal to \$250,000 adjusted annually, to be paid annually. Funds will be used to repair streets, alleys and sidewalks along or adjacent to collection routes.

FRANCHISE FEES

In consideration of the exclusive rights to provide city services, contractor(s) shall pay franchise fees of 20 percent of actual gross revenues remitted by customers for solid waste, sweeping and right-of-way clean-up services provided in the City and billed by the contractor. Franchise fees shall be paid to the City monthly.

City shall bill residential customers and add a franchise fee of 20 percent. Contractor's rates will be paid to the contractor monthly.

Franchise fee percentages may be adjusted in the future by the City.

ONE-TIME FRANCHISE FEE

The solid waste and recycling contractor shall provide a minimum franchise fee payment of \$5 million to the City within 60 days of the execution of the franchise agreement, but in no case after collection services have begun. Proposers are encouraged to provide an additional set(s) of financial proposal forms that reflect a higher one-time payment on Attachment 1.

SUBCONTRACTORS

Contractor may enter into agreements with subcontractors to provide services to customers requested in the RFP subject to the prior written consent of the City. Agreements with the subcontractor(s) must meet the requirements of the level and type of insurance specified by the City.

MUNICIPAL CODE REVISIONS

The changes to the existing collection arrangements proposed by the City may require the revision of the City's Municipal Code. For example, the City's Municipal Code will be revised to allow the City the right to franchise solid waste collection services. If required, the Municipal Code will be revised before the execution date of the new agreement.

REIMBURSEMENT OF PROCUREMENT COSTS

The selected proposer will reimburse the City its actual procurement-related expenses (including, but not limited to consulting fees and legal fees). The procurement-related reimbursement payment will be made by the selected proposer no later than the execution date of the agreement. The procurement-related reimbursement expense is currently estimated to be \$150,000.

SECTION 4 – PROPOSAL EVALUATION CRITERIA

The City will review and evaluate all proposals deemed responsive. To receive proper consideration, the proposal must meet the requirements of this RFP. The evaluation process will provide credit only for those capabilities and advantages that are clearly stated in the written proposal(s). Advantages that are not stated will not be considered in the evaluation process.

Proposers whose proposals include a significant failure to comply with the RFP may be dropped from the evaluation process.

The City’s evaluation process may involve one or more representatives from City Departments. The City may also include representative(s) from outside the City which may include attorneys, consultants, and/or employees from other Agencies.

It is the intent of the City to objectively evaluate the proposals received. The assignment of a score to a particular qualitative element is necessarily subjective and may result in a range of scores from different evaluators. The City currently anticipates using the following weighted evaluation criteria in that evaluation process. The Common Council may, at its sole discretion, adjust the weighting of each of the criteria at any time or consider other factors.

Table 15: Proposal Evaluation Criteria

CRITERIA	MAXIMUM SCORE	% of TOAL
Responsiveness to RFP	Pass/Fail	N/A
Litigation & Regulatory History	Pass/Fail	N/A
Financial Ability	Pass/Fail	N/A
Assumption of City Employees	100	10%
Proposer Qualifications & Experience	250	25%
Local Employment	50	5%
Local Purchasing	50	5%
Local Preference – Executive Order	50	5%
TOTAL QUALITATIVE SCORE	500	50%
Financial Value	500	50%
TOTAL MAXIMUM SCORE	1000	100%

Any award shall be based on the proposals judged as providing the best value in meeting the interest of the City and the objectives of the project.

The City reserves the right to make the selection of proposer(s) based on any or all factors of value, whether quantitatively identifiable or not.

SECTION 5 – PROPOSAL REQUIREMENTS

This section includes an outline for the proposal as well as a description of the specific information to be included in each section of the proposal. At a minimum, the proposer is to provide all information required in this section as part of its proposal.

PROPOSAL OUTLINE

The following outline shall be used by proposers when completing their proposals:

- i. Title Page
- ii. Cover Letter including company name, address, contact name, phone number, fax number, and e-mail address, signature of the representative authorized to bind the proposing company, acknowledgment of receipt of all addenda.
- iii. Table of Contents
- E.S. Executive Summary
- 1.0 Company Description
 - 1.1 Business Structure
 - 1.2 Description of Proposer’s Experience
 - 1.3 Description of Proposer’s Service Implementation Experience
 - 1.4 Information Regarding Litigation, Regulatory Actions, and Payment of Liquidated Damages
 - 1.5 Financial Information
 - 1.6 Key Personnel
 - 1.7 Description of Current Labor Agreements
- 2.0 Technical Proposal – Required Proposal
 - 2.1 Description of Solid Waste Collection Methodology
 - 2.2 Description of Recyclable Materials Collection Methodology
 - 2.3 Description of Organic Materials Methodology
 - 2.4 Description of Street Sweeping Services
 - 2.5 Implementation Plan
 - 2.6 Billing
 - 2.7 Customer Service Plan
 - 2.8 Offer of Employment
 - 2.9 Environmental Considerations
 - 2.10 Public Education and Outreach Plan
 - 2.11 Subcontractors
- 3.0 Value Added Proposal – (optional)
- 4.0 Financial Proposal
- 5.0 Anti-Collusion Affidavit
- 6.0 Certification for Local Preference (optional)

1.0 Company Description

1.1 BUSINESS STRUCTURE

- Identify the legal entity(ies) that would execute the agreement. State whether each entity is a sole proprietorship, partnership, corporation, or joint venture. Describe in detail the relationship of the proposer to the entity that will execute the agreement. If the proposer is a joint venture, describe where (if at all) the entities have collaborated before.
- State that proposer is authorized to do business in California.
- State the number of years the entity(ies) have been organized and doing business under this legal structure. Proposal should include all the names of proposer's (and executing entities' if different than proposer's) owners/stockholders with greater than a 10% holding and creditors owed a debt greater than 10% of the company's total assets.
- Identify other entities with common ownership and/or management.

1.2 DESCRIPTION OF PROPOSER'S EXPERIENCE

Describe the proposer's experience in providing similar services from three (3) jurisdictions in California. Proposers without municipal franchise experience will be disqualified. The services provided to the reference jurisdictions should be similar to those being offered to San Bernardino. The description shall include:

- The service performed (i.e., solid waste collection, recyclable materials collection, organic materials collection and processing, sweeping, clean-up);
- The jurisdiction where the activities were performed and commencement date of the agreement;
- The name, address, and telephone number of each jurisdiction representative responsible for administering the agreement; and,
- The number of customers served, tons collected, tons diverted, and type (e.g., side loading, front loading, roll-off) and number of vehicles dispatched per day for solid waste, recyclable materials, and organic materials collection services.

1.3 DESCRIPTION OF PROPOSER'S SERVICE IMPLEMENTATION EXPERIENCE

Describe how the proposer has previously handled the specific requirements for the procurement of vehicles and personnel, training of personnel, transition of billing and fee collection services, determination of routes and operating procedures, delivery of containers, public education, and the preparation of procedures to ensure a smooth transition from one service provider to another and one type of service to another.

Also, include a minimum of three references for jurisdictions which the proposer has initiated a new service contract and/or services. Describe the number of residential and commercial accounts for each reference. Summarize the proposer's implementation experience in those jurisdictions.

1.4 INFORMATION REGARDING LITIGATION, REGULATORY ACTIONS, AND PAYMENT OF LIQUIDATED DAMAGES

Describe all past and pending civil, legal, regulatory, and criminal actions now pending or which have occurred in the past ten years against key personnel (as identified by the proposer in Section 1.6), proposing entity, and all subsidiaries owned by proposing entity. List the amount of liquidated damages the proposing entity has paid, the name of the jurisdiction to which damages were paid, and the event(s) which triggered the damages.

Proposer shall also describe all extraordinary events including: criminal wrong-doing; forfeitures; payment of fines; liquidated damages, or assessments greater than \$250,000; or any indictment or conviction involving (directly or indirectly) a public agency or public official.

Descriptions of such extraordinary events shall be provided regardless of whether the incident occurred in the last 10 years.

The City may, in its sole discretion, reject proposals from companies with litigation that is current or has occurred in the past ten years with the City. The City may consider the circumstances and magnitude of such litigation in determining whether to accept or reject proposals from such a company.

1.5 FINANCIAL INFORMATION

1.5.1 FINANCIAL STATEMENTS

Submit audited financial statements for the last three years, including balance sheet and income statement. If proposer is a partnership or joint venture, individual audited financial statements must be submitted for each general partner and the joint venture thereof. All such statements are to be prepared in accordance with Generally Accepted Accounting Principles applied on a consistent basis and shall be audited in accordance with Generally Accepted Auditing Standards by an Accountant certified in the State of California and shall include a statement by the chief financial officer of the entity described in 1.1 above that there has been no material adverse change in such condition or operations as reflected in the submitted balance sheet and income statements since the date on which they were prepared.

In order to accurately determine the financial stability of the proposer, financial statements shall be provided individually or presented as a consolidated financial statement for all related parties to the entity contracting with the City. Failure to include one or more operating companies associated with common ownership may provide an incomplete understanding of the proposer's debt levels, cash flow, profitability, or other key indicators required to understand a company's financial health. Related party entities may include other companies providing indirect services under this agreement (e.g., organic materials processor, trucking company, etc.) or may be a sister- or affiliate- company of the proposer which has common ownership. Should the City determine that financial statements are required for additional related party entities that are not included in the original proposal; the City may find that the proposer is non-responsive to this RFP and may disqualify the proposer on those grounds.

If financial statements are to be treated as "Confidential," mark them as "Confidential" and provide the financial statements in a separate envelope with the proposal. Confidential financial statements will be provided to the City's consultant and will not be retained by the City. The City will return such confidential financial statements to the proposer within 30 days of the award of a contract resulting from this RFP.

1.5.2 FINANCING PLAN

Describe the plan for financing all capital requirements in a "Sources and Uses of Funds" format, which describes the sources of required capital (e.g., banks, leasing companies, cash reserves, etc.) and uses (e.g., property, trucks, equipment, containers, reserves, etc.). Attach supporting documents (e.g., letters from banks or leasing companies) that demonstrate your ability to implement the financing plan.

1.6 KEY PERSONNEL

Provide résumés, including names and phone numbers of municipal references, for the key proposed management team members (e.g., customer service manager, general manager, maintenance manager, operations manager, financial manager, public education specialist, etc.) that will fill these positions. Indicate which positions should, in the opinion of the proposer, be considered "key" in providing service of this nature. At a minimum, key personnel shall include the chief executive officer (CEO), chief financial officer (CFO), president, vice-president, controller, general manager, operations manager, customer service manager, maintenance manager, and public education specialist or other personnel with similar titles. If corporate management (e.g., CEO, CFO, etc.) will not be directly involved in this operation, such information is not required.

1.7 LOCAL PURCHASING

Proposer shall describe their plans for purchasing goods and services required to perform services under the agreement from other businesses in the City. Examples of such local purchasing include truck supplies, maintenance services, office supplies, and other supporting services and goods.

1.8 LOCAL EMPLOYMENT

Proposer shall describe the company's current and planned employment of residents of the City of San Bernardino.

2.0 Technical Proposal for Collection Services

In addition to specific information requested below, additional information is requested in the rate and cost proposal forms, which are described in Item 4.0 of this Section 5 and presented in Attachment 1.

2.1 SOLID WASTE COLLECTION

Each proposer shall describe how it plans to perform the solid waste collection services requested in the RFP.

If the proposed methodology or equipment can be considered non-standard describe in detail how this collection technology will work, why it was chosen for the City, and how it will benefit and work in the City specifically.

2.2 RECYCLABLE MATERIALS

The City requests proposals for the collection, processing, and marketing of recyclables materials from the City's residential customers. Recyclable materials to be collected must include, at a minimum, currently collected in the City's program, but may be expanded to include other materials acceptable to the recyclable materials processing facility at any time during the term of the agreement. The City would like to see recycling expanded to its commercial customers.

2.2.1 COLLECTION

If the proposed methodology or equipment can be considered non-standard, describe in detail how this collection technology will work, why it was chosen for the City, and how it will benefit and work in the City specifically.

2.2.2 PROCESSING

The following information is required for recyclable materials services

- Name and description of transfer and processing facility(ies) where recyclable materials will be handled for the term of the agreement, including name of owner and operator of the facility(ies), copy of facility(ies) permits, proof of permitted capacity, anticipated revenue per ton, tonnage commitment for the term of the agreement, and method of tracking tonnage if the facility is receiving tonnage from other jurisdictions.
- If the proposer is not the owner/operator of the processing facility, provide a letter of commitment specifying volume, term, and price (including method of adjustment) of the agreement, from the processing facility owner/operator.

2.2.3 MARKETING

Each proposer shall describe its recyclable materials marketing plan, including the following information:

- Describe how proposer will handle fluctuations in quantity and quality of recyclable materials.
- Describe how proposer will respond to severe market demand and pricing fluctuations, which should address emergency storage of recyclable materials.

2.3 ORGANIC MATERIALS

The City requests proposals for the management of organic materials from the City's residential customers. Proposers are asked to describe their experience with such programs and their plans for implementing organics programs in San Bernardino.

The proposal should describe the acceptable materials under the proposed program, as well as those materials which would be considered contaminants. The City reserves the right to accept, delay implementation, or reject organics proposals without effect to the rest of the proposal.

2.3.1 COLLECTION

Proposers shall describe how it plans to perform the services requested in the RFP.

Include at a minimum:

- Plan for identifying contaminated loads prior to collection to ensure that contamination is minimized to the greatest extent feasible prior to delivery at the organic materials processing facility;
- Plan for minimizing contamination of organic materials and maximizing participation in organics programs;

If the proposed methodology or equipment can be considered non-standard, describe in detail how this collection technology will work, why it was chosen for the City, and how it will work in the City specifically.

2.3.2 PROCESSING

The following information is required for organic materials services:

- Name and description of transfer and processing facility(ies) where organic materials will be handled, name of owner and operator of the facility(ies), copy of facility(ies) permits, proof of permitted capacity, anticipated revenue/cost per ton, and tonnage commitment for the term of the agreement.
- If the proposer is not the owner/operator of the processing facility, provide a letter of commitment specifying volume, term, and price (including method of adjustment) of the agreement, from the processing facility owner/operator.

- Description of the types of acceptable materials to be collected. Describe the benefits, limitations, contamination issues, and markets that will affect the program.

2.3.3 MARKETING

Each proposer shall describe its organic materials marketing plan, including the following information:

- Describe how company will handle fluctuations in quantity and composition of organic materials.
- Describe how company will respond to severe market demand and pricing fluctuations, which should address emergency storage of organic materials.

2.4 STREET SWEEPING SERVICES

Each proposer shall describe how it plans to perform street sweeping services. Specifically, information should address:

- Service methodology, including discussion of special methods for serving in narrow streets, courts, and alleys;
- Anticipated route and/or service day changes
- Timing and proposed methodology for implementation of once per month sweeping option

2.5 RIGHT OF WAY CLEAN-UP

Each proposer shall describe how it plans to provide the various right-of-way clean-up activities. Specifically, information should address:

- Service methodology, including discussion of how proactive clean-up services will be provided.
- Schedules, anticipated number and size of work crews for clean-up services.

2.6 IMPLEMENTATION PLAN

Provide an implementation plan describing the proposer’s approach to facilitating a smooth transition from City-provided collection services to contractor-provided collection services. The proposal must clearly describe the proposer’s ability to implement the services in accordance with the schedule shown in Section 1 of this RFP. This should include how the proposer will meet equipment, personnel, administration, customer service, billing, maintenance, and public education requirements. The proposal shall include a schedule listing key events, i.e. public education, employee hiring and training, etc., duration, and expected completion date of each event.

2.7 BILLING

The contractor shall be responsible for billing all commercial customers. To insure that customers in the City obtain competent, professional, and courteous customer service with regard to billing matters each proposer shall:

- Describe how the proposer will work with the City to ensure the smooth and accurate transition of customer service and billing data. Such a description shall include the requirements of data provided by the City, process for auditing and verifying the accuracy of data in the contractor’s system following the import of City data, and a detailed schedule identifying the timing of each responsibility of the City and contractor.
- Describe how billing data will be regularly transmitted to the City on an automated basis throughout the term of the agreement.
- Provide sample of customer bills and a listing of jurisdictions where proposer currently

provides billing services, including a contact name and phone number.

- Describe all acceptable payment methods.
- Describe contractor's approach, including frequency, for performing audits of service levels and billing to ensure that all customers are being billed properly.
- Describe its procedures for dealing with customer service, with regards to customer billing demands, during the transition and throughout the term of the agreement.
- Provide a description of proposer's experience with bad debt in other communities where proposer currently provides service.

2.8 CUSTOMER SERVICE PLAN

To ensure that customers in the City obtain competent, professional, and courteous customer service each proposer shall:

- Describe the location, in the City, where customer service operation will be housed.
- Specify the number of full time equivalent Customer Service Representatives (CSR) that will serve the City. Describe how calls will be handled/reported, how many calls are expected per CSR, and describe any changes you will make to your current CSR operation to accommodate the City.
- Describe procedures to satisfactorily respond to, record, and report common customer complaints.

2.9 OFFER OF EMPLOYMENT

Proposer shall describe a detailed explanation of their commitment to the City's Employees along with a description of the compensation and benefits that will be provided and other terms of their employment.

2.10 ENVIRONMENTAL CONSIDERATIONS

Each proposer shall provide the following information:

- **Clean Air Vehicles:** Describe contractor's plan for the maintenance of collection services using CNG or LNG fueled vehicles or some other technology resulting in similar or reduced air emissions.
- **Hazardous Waste Management:** Describe procedures for identifying and handling hazardous waste disposed in the solid waste, recycling materials, and organic materials collected in the performance of these services. Describe procedures for handling hazardous waste found in the gutters or on city streets by street sweepers.

2.11 PUBLIC EDUCATION AND OUTREACH PLAN

The City places importance on effective public education and promotion as the key to helping residents and businesses understand more about source reduction, reuse, and recycling. Each proposer shall describe the following services:

- Public education programs that will be implemented for the proposed recyclable materials and organic materials programs.
- Experience preparing multi-lingual public education materials (preferably in English and Spanish).
- Schedule and quantity of information that will be distributed (e.g., newsletters, brochures, etc.).
- Public education and outreach staff or subcontractors qualifications, resumes, years of experience, and references.
- Samples of similar educational materials, which may have been used in other programs.

2.12 SUBCONTRACTORS

Each proposer shall identify all subcontractors by name, address, and federal tax ID number and shall describe all services to be performed by any subcontractors.

3.0 Value Added Proposal

Proposers are encouraged to submit alternative proposal(s) for service enhancements, innovations, or revenue enhancements. There is no need to repeat any information that has been described in Section 2.0 of the proposal, however, proposers are asked to provide a thorough description of any component that is not included in the Technical Proposal, including service and financial enhancements.

4.0 Financial Proposal

Proposers must complete a financial proposal for each of the services it wishes to perform under a contract with the City (Attachment 1).

5.0 Anti-Collusion Affidavit

Each proposer shall complete, sign, and submit the Anti-Collusion Affidavit (Attachment 3). The Anti-Collusion Affidavit shall be part of the proposal. Proposers are cautioned that making a false certification may subject the certifier to criminal prosecution.

6.0 Certification for Local Preference

Each proposer shall complete and submit the Certification for Local Preference (Attachment 2), if they seek the benefit of local preference. The Certification of Local Preference Form, if submitted, shall be part of the proposal. Signing the proposal on the signature page thereof shall also constitute signature of the Certification for Local Preference. Proposers are cautioned that making a false certification may subject the certifier to criminal prosecution. Each proposer is encouraged to carefully review the City's Municipal Code requirements for Local Preference.

SECTION 6 – PROPOSAL SUBMITTAL PROCESS

Companies submitting proposals to the City shall follow the procedures described in this Section and the procedures included in subsequent clarifications or addendums to this RFP, which are issued by the City or its consultant.

Each proposer shall carefully examine each term of this RFP; and each proposer shall judge all the circumstances and conditions affecting their proposal. Failure on the part of any proposer to make such examination and to investigate thoroughly shall not be grounds for any declaration that the proposer did not understand the conditions of this RFP or claim excuse from performance.

The proposer shall comply with all federal, state, or local laws, now in effect or hereafter promulgated, which apply to the services and products herein specified.

INTERESTED PARTIES

Interested parties are directed to register with the City Manager by signing in at the pre-proposal meeting or by email or fax notice to the City Manager. Interested parties will be contacted directly with any clarifications, addendum or other correspondence related to this process.

Allen Parker, City Manager
6th Floor City Manager's Office 300 North D Street
San Bernardino, CA 92418
Fax: (909) 384-5138
Email: Parker_Al@sbcity.org

STEP ONE – PRE-PROPOSAL MEETING AND QUESTIONS

A pre-proposal meeting will be held at the City of San Bernardino on the 6th floor of City Hall on June 16, 2015. The City may, but is not obligated to accept proposals received from proposers who do not attend the pre-proposal meeting.

Proposers shall submit written questions related to the RFP prior or following the pre-proposal meeting via email or fax to the City. In addition, oral and written questions will be accepted at the pre-proposal meeting.

As appropriate, preliminary oral responses will be provided at the conference. Written responses to all questions will be provided. In the event of any inconsistencies between oral and written responses, the written responses shall govern. Questions will not be accepted after June 18, 2015. Written requests for clarifications will be responded to in writing and shared with all interested proposers of record.

STEP TWO – WRITTEN QUESTIONS

The City directs proposers to submit all questions and requests for information in writing to the City Manager and refrain from contacting City employees or Council members. Any questions, requests for clarification, or requests for additional information regarding the RFP should be submitted via email or fax to the City by the close of business June 18, 2015.

STEP THREE – PROPOSAL SUBMITTAL

Proposers shall submit four bound copies and one unbound production-ready copy of the complete proposal. In addition, electronic media (i.e., CD, DVD, flash drive, etc.) containing an electronic copy of the proposal and of all completed rate and proposal forms (i.e., forms provided in Attachment 1), in Microsoft Excel format, shall be clearly marked and submitted in the sealed package. All pages shall be numbered.

The package shall be sealed and clearly labeled:

PROPOSAL FOR SOLID WASTE AND RECYCLING SERVICES, STREET SWEEPING SERVICES
AND RIGHT-OF-WAY CLEAN-UP

FROM:

Name of Proposer: _____

Address: _____

Contact Person: _____

Telephone No: _____

Fax No. _____

Email: _____

The proposal may be mailed or hand delivered to:

**Office of the City Manager
City of San Bernardino
300 N. "D" Street
San Bernardino, CA 92418**

All proposals must be received prior to 4:00 p.m. on July 13, 2015. All proposals received will be opened and recorded at that time. The time clock in the City Manager's office will be the official clock for documenting the time of proposal submittal. Postmarks will not be accepted as proof of receipt.

Proposals must be accompanied by a non-refundable proposal fee in the amount of ten thousand dollars (\$10,000) in the form of a cashier's or certified check, payable and acceptable to the City of San Bernardino. The proposal fee shall be submitted with the proposal in a separate, clearly labeled envelope. Current employees submitting a proposal are exempt from this requirement.

Proposals received by the City shall become the property of the City and are subject to public disclosure. The proposals will be available for review after completion of contract negotiations and concurrent with the recommendation of the Common Council to execute the contract. Note that price and cost proposal information shall become property of the City and subject to public disclosure as this information is necessary for the Common Council to evaluate the value of proposals.

STEP FOUR – CLARIFICATION OF PROPOSAL INFORMATION

Proposers may be asked to clarify information through writing, interviews, or site visits with City staff or its consultant. Proposers shall cooperate with the City's request for such clarification. Proposers who do not cooperate with or who provide incomplete or ambiguous responses to requests for clarification may be deemed non-responsive.

STEP FIVE – PROPOSAL EVALUATION

The City will review all proposals that are deemed to have met the minimum qualifications of this process and are responsive to the requirements of this RFP. This evaluation will be based on the criteria described in Section 4 of this RFP.

STEP SIX – COMMON COUNCIL SELECTION OF PREFERRED PROPOSERS

The Common Council will consider the staff recommendation. Based on the recommendation and the Common Council's determination of the best value to the City, the Common Council will direct staff to either execute a franchise agreement or negotiate the final terms the specific proposer. The Common Council may also determine that there is not sufficient value provided to the City by privatizing the various operations and, in such a case, may reject proposals.

STEP SEVEN – NEGOTIATIONS

Based on the direction of the Common Council, the City may enter into negotiations with one or more proposers.

Should any preferred proposer be unable to execute an agreement with the City within 30 days of the Common Council's selection of a preferred proposer, the City may terminate negotiations with that proposer and enter into negotiations with one or more back-up proposers.

ATTACHMENTS

ATTACHMENT 1 – FINANCIAL PROPOSAL FORMS

ATTACHMENT 2 – LOCAL PREFERENCE CERTIFICATION FORM

ATTACHMENT 3 – NON-COLLUSION AFFIDAVIT

ATTACHMENT 4 – CITY OWNED EQUIPMENT

ATTACHMENT 5 – EQUIPMENT LEASE INFORMATION

ATTACHMENT 6 – CURRENT RATE SCHEDULE

ATTACHMENT 7 – CITY SERVICE LOCATIONS

ATTACHMENT 8 – SPECIAL PROJECTS MATERIAL SUMMARY



CITY OF SAN BERNARDINO

Allen Parker – City Manager
300 North "D" Street
San Bernardino, CA 92418-0001
909.384.5122

Date: July 2, 2015

To: All Interested Parties

From: Christopher Alanis, Integrated Waste Division Manager

Approved: Allen Parker, City Manager

Subject: Response to Questions Relating to the RFP for Solid Waste and Recycling Services, Street Sweeping Services, and Right-of-Way Clean-up

Copy: Bill Manis, Deputy City Manager; Tony Frossard, Public Works Director; Gary R. Clifford, Athens Services Inc.; Mike Arreguin, Burrtec Waste Industries Inc.; J. Alex Braicovich, CR&R, Inc.

Employee Matters

1. How many of the listed employee drivers are front line drivers; how many are relief drivers?

RESPONSE:

Integrated Waste Management (IWM) currently has only front line drivers.

2. Are all of the employees identified on Table 13 FTE's? (P. 13-14). The description of services suggests that some may not be.

RESPONSE:

Table 13 has been revised to include which employees are full time and which are part time. Please see attachment A.

3. We understand the City has lost employees who were included in the RFP headcount. Please provide a current Table 13 with the actual number of City employees.

RESPONSE:

A revised table 13 has been prepared and included as attachment A.

4. Are the maintenance employees technicians/mechanics or are they right of way clean up employees (9 workers plus 1 supervisor). Are there any technician/mechanic employees included in the 116 employee count)?

RESPONSE:

No mechanics are included in the employee count; please review updated table 13.

5. In Table 13, does the total employment compensation (base salary plus benefits) include vacation time? If not, what is the seniority and vacation/paid time off liability each year in weeks or days per employee or in total?

RESPONSE:

Yes, annual vacation time has been included in the base salary plus benefits figures.

6. Can you please provide the current pay scales of the employees (title only, without names) for the employees that would come over as part of this transition?

RESPONSE:

Yes, please review attachment B.

7. Are the current employees represented by a Union? If so, which one?

RESPONSE:

Yes, the General Bargaining Unit is represented by International Operating Engineers, Local 12.

8. Can the City provide the current union contracts?

RESPONSE:

The most up to date General Unit Memorandum of Understanding (MOU) can be found at:

<http://www.sbcity.org/cityhall/hr/mous.asp>

Rate Adjustments (RFP pg. 17)

1. For the landfill component of CPI, should Proposers use San Bernardino County Landfill gate rate or WDA?

RESPONSE:

Neither. Proposers shall use the disposal rate in the processing agreements in reference to the landfill component. The current rate for disposal is \$38.89 per ton.

2. The Landfill rate adjustment is set to the County landfill system, but actual disposal by the contractor can occur at any 'approved disposal site' (RFP p. 13). Is the City agreeable to a straight pass through of rate increases from approved disposal sites?

RESPONSE:

No. The rate adjustment for the disposal/landfill component shall be based on the processing agreements with Burrtec Waste Industries, Inc. and Republic Services, Inc. At the end of those agreements, disposal rate adjustments will be adjusted based on the disposal sites approved by the City.

3. Price increases are based on changes in the Consumer Price Index. Which version of the index?

RESPONSE:

Annual increases will be based on the Consumer Price Index for All Urban Consumers, for the Los Angeles, Riverside, Orange County area.

4. The \$250,000 infrastructure repair fee will be adjusted annually. How will that adjustment be calculated?

RESPONSE:

The increase will be adjusted by the change in the Consumer Price Index for All Urban Consumers, for the Los Angeles, Riverside, Orange County area.

5. The contractor will pay a 20% franchise fee of the actual gross revenues paid by customers. Does this specifically exclude any revenues (current or future) derived from the sale of recyclables?

RESPONSE:

Franchise fees will be based on all revenues received arising from, or attributable to the services provided by the contractor to City customers. The franchise fee excludes revenues from the sale of recyclables.

6. Will the City add a 20% franchise fee to the existing residential and commercial rates?

RESPONSE:

The franchise fee will be added to the rates offered by the successful contractor. Attachment 1 (of the RFP) shows how the franchise fee is calculated.

7. For residential customers billed by the City, will the rates be “grossed-up” to cover the 20% franchise fee? (e.g. $\$100.00 / (1.00 - 0.20) = \125.00 . And $\$125.00 - \$100.00 = \$25.00$. And $\$25.00 / \$125.00 = 20.00\%$)?

RESPONSE:

Yes. The rates for residential customers will be grossed up. Thus a \$10 contractor rate would result in a total rate of \$12.50 with \$2.50 remaining with the City and the \$10 going to the contractor. The same methodology would apply to commercial rates.

8. Please confirm the rates listed in Tables 9 and 10 are accurate.

RESPONSE:

Rates are confirmed.

9. If City handles residential billing, who handles collections? Who is responsible for collection costs?

RESPONSE:

Costs associated with residential customer service and residential billing, including collections will remain the responsibility of the City.

Equipment

1. Can the City provide a list of which City vehicles are front-line and which are spare?

RESPONSE:

At the moment the City does not have any spare vehicles. All vehicles are either in use and on our frontline or not in use and on the deadline. In the case of street sweepers and commercial front loaders, the City maintains an active PO which allows the rental of these types of vehicles on a month to month basis.

2. Please provide the net book value for the existing trucks and containers (attachment 4)?

RESPONSE:

See separate asset schedule.

3. Lease trucks attachment 5 (may proposers refurbish the leased trucks?); please provide the lease agreement(s) to identify costs to transfer ownership (and confirm lessee performs the maintenance) and allowed placarding, etc.

RESPONSE:

The successful contractor may refurbish the leased trucks and will be responsible for ongoing maintenance. There are four leases that have remaining payments due. The leases are not transferrable; thus proposers are asked to identify the lease costs and payment dates in the proposal that they will agree to pay to the City (who will subsequently pay the lessors).

4. What is the breakdown of LNG/CNG trucks (owned and leased) by type? Based on attachment 4, it appears the City trucks consisted of 9 RO LNG trucks; 16 RES LNG trucks; and 8 COM FEL trucks, please provide data on the leased trucks.

RESPONSE:

With the exception of one bin buggy and one roll-off truck, all refuse collection vehicles are either CNG or LNG. Please review attachment E for a breakdown of fuel types, PMI, BIT Inspection and replacement parts for each collection vehicle.

5. Please provide a list of current parts in maintenance inventory and the maintenance records for all equipment.

RESPONSE:

Maintenance records are available for the last year only. These are attached as an excel spreadsheet. The City has no listing of current parts in inventory. Also, please review the vehicle PMI and BIT inspection log. These logs have been included as Attachment E.

6. Is all City-owned equipment paid off? If not, need copies of all loan documents.

RESPONSE:

Attachment 5 (of the RFP) shows the lease payments that remain on the equipment. All of the lease payments owed to date have been paid. Loan documents are attached.

7. Please provide balances/terms for all equipment loans/leases. The list should include the current balance owed on piece of equipment. Are there any prepayment penalties?

RESPONSE:

See attachment 5 of the RFP and the attached leases.

8. Please provide copies of all equipment leases to be assumed. Are they assumable?

RESPONSE:

Leases are not transferrable. See response to 3 above.

9. Who is responsible for any fees/charges related to the asset transfers?
Are there purchase options for the equipment?

RESPONSE:

See response to 3 above.

10. Please confirm the format of Attachment 1, Financial Proposal Forms.
The attachment included with the RFP appears to be for vehicle pricing
and valuation.

RESPONSE:

**Attachment 1 (of the RFP) was resent on June 24th in excel format.
The attachment sent with the original packet had apparently been a
pdf instead of the multiple page excel spreadsheet.**

Residential

1. Please provide the total quantity for: Additional Black Carts, Additional
Green Carts, Additional Blue Carts

RESPONSE:

Additional carts are shown on Attachment 1, sheet 1 (of the RFP).

2. Can the City provide data for Proposers to validate the 43,000 home
count?

RESPONSE:

**This information is included in the database provided by the City.
The data can be sorted by period ending date (month), customer and
type of service. Also, see Attachment 1 (of the RFP).**

3. What are the current hours for residential service in the City?

RESPONSE:

**Monday-Friday 6am-3:30pm
Saturdays as necessary**

4. Can the City provide data showing the annual average pounds of refuse
and recyclables generated per home?

RESPONSE:

The residential tonnage for 13/14 is as follows:

MSW=49,392.20

Recycle=11,810.13

Green=25,742.14

The average pounds per home can be calculated using the database provided by the City.

5. If residential billing is bulked with other City services, how are partial payments/collections allocated? Is the City responsible to manage calls regarding residential bills and changes to accounts?

RESPONSE:

Customer service, billings, payments and collections are currently handled through an agreement with the City of San Bernardino Municipal Water Department. The City will continue to provide these services for residential customers. When a customer provides a partial payment, the entire invoice amount is held in suspense until the full payment is obtained. If the customer does not adhere to the payment plan, the water service is temporarily turned off. Water service is restored once full payment has been made

Bulky items

1. What is the quantity/frequency for Bulky items pick per month?

RESPONSE:

Currently, IWM averages two routes per day, 1 man per route, 5 days per week. Each route driver is assigned seven stops per 8-hour day.

2. What is the estimated volume per Bulky Item pick-up?

RESPONSE:

≈ 100 lbs.

3. Is the contractor responsible for tracking the 2 free collections, or will the city maintain this database since the city will be handling the billing and customer account activity?

RESPONSE:

The franchised hauler will be responsible for maintaining a database and coordinating the information with City customer service.

4. Is the Bulky Item tonnage included in the annual tonnage estimate?

RESPONSE:

Yes

5. Is the bulky item collection number “seven” or “5” (Page 13)?

RESPONSE:
Five working days

Commercial Accounts

1. What are the current service hours for the City? What is the current commercial routing for the City? Are there any Sunday routes?

RESPONSE:
Monday-Friday 5am-1:30pm.
Saturday 8-2:00pm

2. Please provide customer account data info for the 3,000 commercial accounts; does the 3,000 include the accounts handled by private haulers? Additionally, does the 3,000 count include permanent roll-off services?

RESPONSE:
This information is included in the database provided by the City. The data can be sorted by period ending date (month), customer and type of service. Also, see Attachment 1 (of the RFP).

3. Please provide the quantity for each service level or frequency for each container per week, including extra pick up?

RESPONSE:
This information is included in the database provided by the City. The data can be sorted by period ending date (month), customer and type of service. Also, see Attachment 1 (of the RFP).

4. Please provide the number of Industrial pulls per week

RESPONSE:
This information is included in the database provided by the City. The data can be sorted by period ending date (month), customer and type of service. Also, see Attachment 1 (of the RFP).

5. RFP, Page 8, states “some commercial customers are currently served by a private company.” What are the number of accounts, current service levels, are these accounts included in the commercial count and tonnage information? Are these accounts included in the commercial total tons figure provided?

RESPONSE:

Approximately 226 accounts are serviced by the existing Franchised Hauler. The franchise agreement with Jack's Disposal Services Inc. is not expected to terminate prior to contract negotiations with the Contractor. As such, details of the agreement, service level and territory will be discussed with the new contractor during the wind-down period of the existing franchise agreement. The commercial tons figure does not include these accounts. The revenue indicated in the RFP includes franchise fees of approximately \$145,000 per year obtained through this franchise agreement.

6. For special events clean up tonnage (RFP pg. 12), are the 167 tons included in the commercial annual tonnage estimate?

RESPONSE:

No. They are included in the residential annual tonnage.

7. Can the City provide the average pounds per yard and the average tons per haul?

RESPONSE:

No. Each customer is unique. The industry average is approximately 175 pounds per yard; approximately eight tons per residential load.

8. RFP Page 10, roll-off recycle service Table 9, what is the market rate per ton (processing and disposal should be fixed rates is this because the rebate is netted in this price?); How is the market rate for recycling processing charges determined?

RESPONSE:

Source separated recycling (regardless of line of business) does not incur a fee for processing at either of the MRF's contracted by the City. The residual waste is processed as solid waste and billed in accordance with the rates for solid waste processing.

9. What are the number of Compactor Units for Front Load Service (RFP, Table 5)

RESPONSE:

This information is included in the database provided by the City. The data can be sorted by period ending date (month), customer and type of service. Also, see Attachment 1 (of the RFP).

10. What are the number of bins/containers for: Front Load Commingled Packaging & Paper (RFP Table 6); Front Load Green Waste & Organics

Service (RFP Table 7); Open Top Compactor Roll-off Refuse Services (RFP, Table 8); Roll-off Open Recycling Service (RFP, Table 9); and Compactor Roll-off Recycling Service (RFP. Table 10)

RESPONSE:

This information is included in the database provided by the City. The data can be sorted by period ending date (month), customer and type of service. Also, see Attachment 1 (of the RFP).

11. For Roll-off Open Recycling (Table 9), what is the number of pulls by material type?

RESPONSE:

This information is included in the database provided by the City. The data can be sorted by period ending date (month), customer and type of service. Also, see Attachment 1 (of the RFP).

12. Are multi-family complexes treated the same as commercial accounts for purposes of service and price?

RESPONSE: Yes, when there are four units or greater.

This information is included in the database provided by the City. The data can be sorted by period ending date (month), customer and type of service.

13. Are Commercial cart customers currently billed residential rate?

RESPONSE:

No. Commercial cart customers are billed the commercial rate of \$108.68.

Roll-Off Open Recycling

1. What is the breakdown by commodity types (RFP, Table 9)

RESPONSE:

The City doesn't have this data.

2. In terms of the City's award of services to more than one Proposer, will the City split the commercial/roll-off collection from the residential and award that separately?

RESPONSE:

The City is interested in minimizing its ongoing contract management costs. The optimal situation would be an award to a single provider who would provide all three services – refuse, sweeping and right of way clean-up. It is not anticipated that an

award for refuse will be split between contractors, either by location or by line of business.

Special Events

1. What is the number of boxes or containers per event?; is the Special Events tonnage included in the total tons by Sector (RFP Table 12)?

RESPONSE:

Containers per event: average of 9 containers per event. Yes, special event tonnage included in the total tons by sector.

2. Integrated Waste Management Division performed 13 neighborhood clean-ups that yielded 167 tons of refuse:
 - a. What were the dates and hours of each clean-up?
 - b. How many employees and vehicles were used at each clean-up?
 - c. Does the crew drive the neighborhoods or do the residents drop-off materials at a central location?
 - d. What types of materials were collected and how many tons of each (should total 167)?

RESPONSE:

a) Dates: 7/27/2013, 8/31/2013, 9/28/2013, 10/26/2013, 11/30/2013, 1/11/2014, 1/25/2014, 2/22/2014, 3/29/2014, 4/26/2014, 5/31/2014, 6/28/2014

b) Vehicles: 5 Roll off, 1 rear loader. Employees: Average of 8 employees.

c) Residents drop-off materials at designated park for the corresponding Ward each month (Rotating through 7 wards).

**d) Materials collected: Tires, green waste, trash (mattresses, couches, dressers, tables, desks, chairs, general trash), e-waste (t.v, computers, microwaves, CRT's, power tools, VCR's, radios, etc.)
Tons per: Trash-167.59 tons; green waste-15.97 tons; tires-tires were mixed with fleet services tire bin. Counting of tires from special events didn't take place until FY 14/15. Total: 183.56 tons (167 in Proposal is for trash only in FY 13/14, not including green waste).**

3. If sweeping days are changed, the contractor must pay for the replacement of signs. What is the estimated cost for the replacement of the signs?

RESPONSE:

Street Sweeping shall be performed in accordance with the routes approved by Mayor and Common Council of the City of San Bernardino. These routes can be found at

http://www.sbcity.org/cityhall/publicworks/integrated_waste_management_division/refuse_schedule/.

The City does not have an estimated cost to replace the signs.

Billing

1. How are the current commercial customers being billed (monthly, billed in arrears or advance; is the billing period 2 months, quarterly or otherwise)?

RESPONSE:

Monthly, in advance.

2. For the monthly payment to Contractor, is the Contractor to be paid on billings, or receipts?

RESPONSE:

On receipts.

3. How many feet of bin roll-out are included in the base rate before the current \$67.26 bin roll-out charge is applied (Page 11)?

RESPONSE:

The City charges a bin roll-out fee when access is limited for the distance is greater than 100 feet from the street.

4. How many Street Sweepers does the City deploy on a daily basis?

- a. Are Streets Swept M-F?

RESPONSE:

Every operation is unique to their approach; the City utilized seven sweepers, 4 days per week to achieve twice per month street sweeping.

Right of Way Services

1. For the identified 18 on-call part time personnel (p.12, Right of Way Clean Up Services), are these employees part of the 116 total employee count?

RESPONSE:

Table 13 has been revised to include which employees are full time and which are part time. Please see attachment A.

2. Clarifications on services attachment 8 (i.e. work order count vs. amount), we need more information to understand the service levels on attachment 8.

RESPONSE:

Attachment 8 was included in the RFP as an example of the type of work performed by the Right of Way Crew. These tasks vary day to day, month to month, and year to year.

3. It is unclear in the RFP how pricing works for the Street Sweeping and Right of Way services since they are apparently not currently separately priced out or paid. Should a Proposer assume the City expects to see these services included in the 'refuse rate' pricing (RFP, p. 12)?

RESPONSE:

No. Separate pricing is requested for each type of service. Also, see Attachment 1 (of the RFP).

4. For the 3,000 tons of street sweeping debris, is this tonnage included in the annual tons estimate? (RFP pg. 12)

RESPONSE:

Yes.

5. Please provide the "identified gateway entry points of San Bernardino", as noted under Right-of-Way Cleanup scope of work) Page 14).

RESPONSE:

All major entry ways into downtown San Bernardino.

6. Please clarify the scope of "cleaning storm drain inlets" under Right-of-Way Clean Up (Page 12). Does this include cleaning under the surface grate, pressure washing, etc.?

RESPONSE:

Yes.

Public Education & Outreach

1. What is the city's current public education and outreach program?

RESPONSE:

Environmental public education and outreach program is centered around Beverage container recycling, Used oil recycling, Household Hazardous waste disposal (contract with County facility), and waste tire collection. Public education and outreach takes place at the following events: Residential City Cleanup Days, multiple Earth Day events, Public Works Week and the Orange show Festival.

2. What is the City's current budget for public outreach?

RESPONSE:

The annual budget for materials and outside services is approximately \$40,000 for all events combined. The budget is funded by Grants from the State of California. Additionally, the City spends approximately \$147,000 per year in labor costs.

Diversion

1. Please provide the back-up data for the City's indicated diversion rate of 72%.

RESPONSE:

Please see attachment C.

Green Waste

1. What is the City's current green waste and organics program?

RESPONSE:

The City, along with their current waste processors, are actively engaged in green waste and organic programs. An example of a green waste program is large scale composting. An example of an organics program would be source separating organics and delivering this material to a facility which creates feed stock.

General RFP Questions

1. Is the City willing to make the 5-year extension be bi-lateral?

RESPONSE:

No.

2. Will the definitive agreement for services to be negotiated with the successful proposer include a change in law provision for contractor reimbursement for changes related to County, State, or Federal law beyond changes reflected in the municipal code?

RESPONSE:

The intent of the RFP is to receive proposals which contain a complete approach to solid waste collection. Contracted services shall include compliance with current regulations and any approved legislation at the time of an agreement. Any changes to Federal, State or Local regulations will be negotiated at that time of implementation. A provision will be written into the formal agreement relating to changes in scope based on change of laws.

3. Is a customer service call center required to be located within the city of San Bernardino (RFP pg. 18)?

RESPONSE:

No.

4. If a proposer has at least one employee that lives in the City of San Bernardino, will that qualify for the 5% Preference? (RFP page 6, local preference).

RESPONSE:

The “fixed office” or “distribution point” requirement seems to be the qualifying factor for the preference. However, the final decision on whether or not a company qualifies for the preference will ultimately be up to the City Attorney.

5. Will the administrative overhead charge of 8.9% continue to be assessed to all customers, or only to customers billed by the city?

RESPONSE:

The administrative overhead charge of 8.9% will not continue and will be replaced by the 20% franchise fee.

6. Agua Mansa Landfill accepts inert material only. Please confirm the final destination for construction and demolition material collected in the City.

RESPONSE:

The City contracts with Burrtec Waste Industries Inc. and Republic Services Inc. for all waste processing. These two companies accept C&D material at both MRFs and transfer accordingly. For projects which require LEED certification or and individual diversion inspection, the City utilizes Agua Mansa Landfill.

7. How many routes do you run per day? Residential, commercial, and roll-off.

RESPONSE:

It varies, based on number of employees available and size of physical routes. On the average, the City operates 35 collection routes per day.

8. The contractor may propose fueling at City fueling sites. At what rates?

RESPONSE:

To be negotiated with successful proposer.

9. Are contractors expected to bid their net rates or the gross rates (including franchise fees)?

RESPONSE:

Contractors are expected to provide the contractor rate excluding franchise fees. See attachment 1 (of the RFP).

10. Does City have a form contract that will be used as the base contract for negotiations? If so, please provide a copy.

RESPONSE:

No.

11. Will the City indemnify contractor for all pre-contract claims?

RESPONSE:

Yes.

12. Must contractor guarantee disposal capacity for 10-year initial term of contract, or additional 5-year option term as well?

REPNSE:

Contractor shall guarantee disposal capacity for the initial 10 year initial term. It would be a bonus to provide capacity for the additional 5- year optional term.

13. At the pre-bid conference, it was indicated that the City would be willing to lease a portion of the facility; specifically what area/footprint will be available for lease?

RESPONSE:

The City has not decided on which areas to lease. Certainly, those areas which are specific to the refuse, sweeping, and right of way operations will be considered. The City encourages the potential proposers to indicate the areas they wish to lease.

14. Can we please get copies of disposal/processing agreements w/Burrtec & Republic?

a. Are the disposal/processing fees “locked-in” until 2017? Will all haulers be charged according to the current agreements for the term of the existing contracts?

RESPONSE:

Yes, disposal and processing are currently under contract through December 31, 2017. See Attachment D for further details. The

Contractor will be required to deliver the City's collected materials to these two facilities.

15. Can the City please provide more info on their fueling facility? (pg.17)
- a. Fast fuel? **RESPONSE: Yes.**
 - b. Location? **RESPONSE: 234 S. Mountain View Avenue, San Bernardino, CA 92408.**
 - c. Cost to use? **RESPONSE: The terms of operation will be negotiated with the successful contractor.**

16. Are all collection vehicles Alternative fuel (CNG?)? If not, can you please identify which ones are CNG?

RESPONSE:

With the exception of one bin buggy and one roll-off truck, all refuse collection vehicles are either CNG or LNG. Please review attachment E for a breakdown of fuel types.

17. When does the City's fiscal year start/end?

RESPONSE:

Fiscal year starts July 1st, ends June 30th.

18. Can we please get Attachment 4 in an Excel format?

RESPONSE:

Attachment 4 in Excel format is attached. It has been enhanced to include maintenance data for the most recent year.

19. An item needs clarification. The numbering and items on the proposal outline (page 20) are different from the detailed descriptions. Can we get clarification on whether the detailed description would supersede the outline?

RESPONSE:

There were several items listing in the outline that weren't included in the description pages that follow. In addition, there were several items that were included in the description pages that were not included in the proposal outline. To make sure that you provide all of the material needed, please include a discussion of all topics in your proposal.