

Agenda Report



Date: October 13, 2015
To: Jeffrey W. Collier, City Manager
From: Christopher L. Magdosku, Acting Director of Public Works
Subject: Solid Waste Collection Franchise

RECOMMENDATION

It is recommended the City Council:

1. Receive and file the evaluation report by consultant Sloan-Vazquez;
2. Select a collector to enter into negotiations on a final franchise agreement;
3. Consider offers of additional payments in consideration of granting automatic extensions to the ten-year base term;
4. Authorize the City Manager to negotiate the final agreement incorporating City Council direction; and
5. Authorize the City Manager to negotiate amendments to the existing solid waste franchise agreements to facilitate a smooth transition.

BACKGROUND

Current solid waste franchise agreements with Consolidated Disposal Services (Republic) and Waste Management Inc. expire on June 30, 2016 and no additional term extensions are provided for under the agreements. The California Public Resources Code (PRC) Sections 40000 et seq., gives cities broad authority over solid waste matters, including, but not limited to, frequency of collection, means of collection and transportation, level of services, charges and fees, and nature, location, and extent of providing solid waste handling services. In addition, a local agency can provide solid waste services by means of non-exclusive franchise, exclusive franchise, contract, license, permit or otherwise.

The Whittier City Charter Article XIV authorizes the City to grant a franchise for solid waste collection services not exceeding 25 years after first adopting a resolution of intention setting a public hearing, publishing the resolution of intention, and then granting the franchise by ordinance. The Whittier Municipal Code (Section 8.12.100.C) authorizes the City Council to enter into contracts, with or without competitive bidding, for solid waste collection services.

Several months ago, the City received an unsolicited proposal from Athens Services for an exclusive franchise agreement. However, it was determined that the City should pursue a price competitive procurement process. Other providers of solid waste management services had also expressed interest in bidding on the City's solid waste collection service. The City Council also concurred with the approach of pursuing a competitive procurement process and directed staff to retain expert consulting service to

assist in the process. In response, Sloan-Vazquez, a consulting firm specializing in solid waste collection, was retained by the City Attorney's office to assist in the procurement process.

At the May 12, 2015 meeting, City Council received and filed an agenda report detailing the solid waste collection procurement process and approved issuing a request for proposals (RFP) to enter into an exclusive solid waste franchise agreement. Prior to receiving the RFP each bidder was required to sign and submit a proposer's code of conduct prohibiting ex parte communication with Council Members related to the RFP process, giving gifts or compensation of any kind to Council or City staff, and collusive activities. On June 3, 2015 RFPs were issued to five qualified collectors (both publicly traded and privately held) of sufficient size and financial strength with good track records in the region that could meet the City's long term needs. Those collectors were Republic, Waste Management, Burrtec/EDCO, CR&R and Athens. All but one of the collectors submitted responsive proposals by the deadline of July 28, 2015. Waste Management did not submit a proposal.

DISCUSSION

Upon receipt of the proposals Sloan-Vazquez evaluated and scored the proposals according to the City's goals and objectives listed in the RFP, which include the following:

- Maximize the quality of services provided to customers;
- Provide service at rates that are at cost-effective in relation to the service provided, affordable, and competitive with current conditions ;
- Sustain the City's community vision of maintaining a quality environment that optimizes environmental resources;
- Support the State's goal of resource conservation, which prioritizes management of the waste stream using the following hierarchy: waste reduction, reuse, recycling, composting, transformation, and landfilling;
- Encourage state-of-the-art services;
- Minimize the impact on streets and alleys from collection vehicles; and
- Receive a franchise fee from contractor(s).

Sloan-Vazquez concluded all four proposers offer extensive experience and are highly qualified to provide services in the City of Whittier. Each proposer met all requirements of the RFP and offered proposals that include significant operational and financial value to the City.

The evaluation performed by Sloan-Vasquez resulted in similar scores among the four proposals. Athens received the highest scores in Price Proposal and Enhancements categories. Burrtec scored highest in the Program category. Republic scored highest in the Experience category.

Table 1 presents the proposer's evaluation scores as rated by Sloan-Vazquez. The full Evaluation and Scoring of Proposals by Sloan-Vazquez is attached (Attachment A).

Table 1: Proposer Evaluation Score

Evaluation Criteria	Max. Total Score	% of Total Evaluation	Proposer and Score			
			Athens	Burrtec	CR&R	Republic
1. Responsiveness to the RFP	Pass/ Fail	n/a	Pass	Pass	Pass	Pass
2. Experience (described in Section 4.3.1)	125	12.5%	121.9	121.9	121.9	<u>125</u>
3. Customer Service (described in Section 4.3.2)	250	25%	<u>250</u>	<u>250</u>	<u>250</u>	<u>250</u>
4. Programs (described in Section 4.3.3)	250	25%	232.5	<u>250</u>	240	240
5. Price Proposal (described in Section 4.4)	300	30%	<u>298.4</u>	282.9	280.4	259.6
6. Enhancements (described in Section 4.3.4)	75	7.5%	<u>75</u>	60	67.5	60
7. Legal and Regulatory Disclosures (described in Section 4.5.1)	Noted	n/a	Yes	Yes	Yes	Yes
8. Financial Information and Requirements (described in Section 4.5.2)	Noted	n/a	Included	Available for Review	Included	Included
9. Materiality of Exceptions to Draft Agreement (described in Section 4.5.3)	Noted	n/a	No exceptions	No exceptions	No exceptions	No exceptions
10. Options (described in Section 4.5.4)	Noted	n/a	Yes	Yes	Yes	Yes
Total Points Awarded	1000	100%	<u>977.8</u>	964.8	959.8	934.6
Percent of Total Points Awarded			<u>97.8%</u>	96.5%	96.0%	93.5%
Ranking			1	2	3	4

Rate Payer Impacts

The current monthly service fee for single-family residential customers is \$23.28. The monthly fee includes solid waste, recycling and street sweeping fees. None of the haulers proposed increasing the residential service fee over the current monthly fee. Proposed fees are listed in Table 2 below:

Table 2: Proposed Fees

	Athens	Burrtec	CR&R	Republic
Residential Rate	\$19.79	\$23.28	\$22.66	\$23.27
Bin Service 1x3x1	\$148.70	\$156.53	\$151.69	\$156.53
Roll-off – Pull Per Ton (Refuse)	\$253.62	\$145.35	\$238.51	\$475.00
Per Ton (C&D)	\$43.32	\$43.32	\$49.79	\$43.32
	\$53.00	\$64.89	\$56.32	\$70.00
Temp Bin Additional Dump	\$76.65	\$120.00	\$98.00	\$95.00
	\$45.00	\$65.00	\$78.40	\$85.00
Revenue Projections Current	\$11,275,294	\$11,275,294	\$11,275,294	\$11,275,294
Proposed	\$10,108,090	\$10,876,001	\$10,956,654	\$11,685,585

The proposed fees will affect the City's franchise fee revenue. The City will receive 10% of actual gross receipts remitted by residential customers for solid waste collection services and 13% from commercial and multi-family customers. Table 3 below summarizes the projected franchise fee revenue from each of the proposals as well as current revenue.

Table 3: Projected Franchise Fee Revenue

Service Provider	Revenue
Athens	\$1,147,915
Burrtec	\$1,218,815
CR&R	\$1,234,439
Republic	\$1,324,144
Current – CDS, WM & City	\$1,574,794

Table 3 shows that in every case, proposed rates will reduce franchise fee revenue to the City's general fund. This revenue reduction would increase the anticipated budget

deficit in future years and require cuts in other services and staffing to achieve a balanced budget. Athens proposed the lowest rates which would reduce revenue by \$220,000 annually over the term of the contract. It would be fiscally responsible and in the best overall interest of the community to negotiate fees that would maintain existing revenue levels to the general fund, while remaining within currently authorized rate levels. It is recommended that in place of reduced rates, additional enhancements be negotiated with the chosen proposer for the benefit of the City and its rate payers, such as senior discounts and free roll-out service to residents with disabilities.

In addition to current franchise fees and lease revenues associated with existing city-wide solid waste collection services, the general fund is reimbursed \$205,514 annually from Solid Waste Collection through the cost allocation process. With the elimination of this City service, the general fund will no longer have the ability to allocate a portion of these costs to the collection operation.

Employee Impacts

The RFP required the new franchise service provider to offer employment to displaced employees of the City's Solid Waste Collection operation. Although not included in the evaluation scoring, it should be noted that all providers offered medical insurance, life insurance, 401k retirement plans and paid vacation and sick leave to displaced employees. Athens offered eligible displaced employees a signing bonus of \$10,000 (\$1,500 day 1; \$3,500 at day 90; and \$5,000 at 1 year anniversary). Burrtec and CR&R both offered displaced employees a \$1,000 signing bonus. Republic did not offer a signing bonus. Burrtec and Athens offered to match the current rate of pay with the City as well as retention of their seniority from the original hire date with the City.

Revenue to City

All proposals include the following payments:

- Monthly Franchise Fees – 10% of actual gross receipts remitted by residential customers and 13% remitted by commercial and multi-family customers to the General fund;
- Contract Management and Enforcement Fee – 1% of gross receipts of all customers in the service area; and
- Procurement Reimbursement Payment - \$150,000 one-time payment for costs related to the procurement and negotiation of the agreement.

The differences in proposals relate to signing fees, equipment purchase fee, and recyclables payment. Table 4 compares the proposers related to these figures.

Table 4: Summary of Estimated City Revenues Associated with Franchise Agreement Proposals

Estimated City Revenues Associated with Franchise Agreement Proposals				
	Athens	Burrtec	CR&R	Republic
Signing Fee (one-time lump sum)	\$5,000,000	\$2,000,000	\$7,000,000	\$6,000,000
Signing Fee (annual payment over 10 years)*		\$1,972,773		
Equipment Purchase Fee	\$1,219,682	\$1,240,000	\$1,360,000	\$582,000
Recyclables Payment (annual payment over 10 years)*	\$723,978	\$1,388,290	\$299,881	\$946,931
Total Proposed Fees	\$6,943,660	\$6,601,063	\$8,659,881	\$7,528,931
Options				
Addl 6 Year Term Automatic (16 year Term)	\$5,000,000		\$4,901,146	
Total with Option 1	\$11,943,660	\$6,601,063	\$13,561,027	\$7,528,931
Addl 10 Years (20 Year Term)		\$2,959,159	\$7,802,723	
Total with Option 2		\$9,560,222	\$16,462,604	

*A 3% cost of capital was assumed to compute present values.

The present value calculations were performed for Options 1 and 2 in Table 4. For Option 1, the value of the Athens proposal is \$11.9M for a 16 year agreement. The value of the CR&R proposal is \$13.5M for a 16 year agreement. For Option 2, the value of the Burrtec proposal is \$9.5M for a 20 year agreement and the value of the CR&R proposal is \$16.4M for a 20 year agreement.

Table 5: Estimated Impact of Customer Rate Changes Over Term of Agreement

Estimated Impact of Customer Rate Changes Over Term of Agreement				
Rate (Increase)/Decrease*				
Residential	\$8,546,346	\$224,408	\$1,708,804	\$241,253
Commercial	(\$1,113,226)	(\$2,093,626)	(\$1,486,670)	(\$959,265)
Estimated Customer Rate Changes	\$7,433,120	(\$1,869,218)	\$222,134	(\$718,012)

Based upon the evaluation criteria discussed and adopted by the City Council, Sloan-Vazquez completed an evaluation and scoring of each proposal. Sloan-Vazquez scored Athens highest but with a very narrow point spread among the four proposers. The City Council has the authority to select a collection services contractor solely based on these

scores or may choose any one of the proposers, as all four companies scored very well as experienced and capable providers.

If Council decides to move forward with awarding an exclusive franchise for solid waste collection and recycling service, the following process is proposed:

October 13, 2015

- Receive and file the evaluation report by consultant Sloan-Vazquez;
- Select a proposer to enter into negotiations on a final franchise agreement;
- Consider offers of additional payments in consideration of granting automatic extensions to the ten-year base term;
- Authorize the City Manager to negotiate the final agreement incorporating City Council direction; and
- Authorize the City Manager to negotiate amendments to the existing solid waste franchise agreements to facilitate a smooth transition.

October 27, 2015 Meeting

- Accept the final proposed agreement negotiated by the City Manager at the direction of City Council
- Adopt a resolution of intention setting a public hearing
- Introduce the franchise ordinance

November 10, 2015 Meeting

- Conduct a public hearing
- Conduct second reading of the franchise ordinance
- Adopt the franchise ordinance

FISCAL IMPACT

The fiscal impact will depend on the final negotiated agreement.

Submitted by:


Christopher L. Magdosku
Acting Director of Public Works

Prepared by:


Vicki L. Smith
Public Works Manager

Attachment: A – Request for Proposals for Solid Waste & Recycling Franchise Services-Evaluation & Scoring

City of Whittier



REQUEST FOR PROPOSALS FOR SOLID WASTE AND RECYCLING FRANCHISE SERVICES

Evaluation and Scoring of Proposals

Prepared by:

*Sloan*VAZQUEZ_{LLC}

Municipal Solid Waste & Recycling Advisors
18006 Skypark Circle, Suite 205
Irvine, CA 92614
Office: 866.241.4533
Fax: 714.276.0625
info@sloanvazquez.com

September 2015

This page left intentionally blank.

Table of Contents

1.0	OVERVIEW.....	1
1.1	RFP Goals.....	1
1.2	Participating Proposers.....	2
	Athens.....	2
	Burrtec.....	2
	CR&R.....	2
	Republic.....	3
1.3	Achievement of RFP Goals.....	3
	RFP Process Outcomes.....	3
1.4	Select Financial Proposal and Enhancements Highlights.....	4
	Overall First Year Revenue.....	4
	Residential Rates Proposal.....	4
	City Equipment Purchase Proposal.....	5
	Fees and Cost Recovery Charges.....	6
	Enhancements.....	8
2.0	RECOMMENDATION.....	9
3.0	PROPOSAL EVALUATION PROCESS.....	9
3.1	Evaluation & Selection Process.....	9
3.2	Evaluation Criteria.....	10
	Experience.....	10
	Customer Service.....	11
	Programs.....	11
	Enhancements.....	12
3.3	Proposal Scoring Methodology.....	12
4.0	PROPOSAL EVALUATION RESULTS.....	13
4.1	Proposal Scoring Results.....	13
4.2	Summary of Proposer Rankings.....	14
4.3	Major Findings.....	17
	4.3.1 Major Findings for Experience.....	17
	Management Experience.....	17

Operations Experience.....	17
Service Initiation Experience.....	18
Company and Management References.....	18
4.3.2 Major Findings for Customer Service.....	18
Public Education.....	18
Customer Service Approach.....	18
Information Systems and Reporting.....	19
Complaint Resolution.....	19
Billing Systems.....	19
4.3.3 Major Findings for Programs.....	19
Single Family, Multi-Family, Commercial and City Services.....	19
Implementation and Transition Plan.....	20
Diversion Plan.....	20
Solid Waste Disposal and Savage Canyon Landfill Plans.....	20
4.3.4 Major Findings for Enhancements.....	21
Services Not Requested and Offered at No Additional Cost.....	21
4.4 Price Proposal Evaluation.....	21
4.4.1 Price Proposal Competitiveness.....	22
4.4.2 Price Proposal Reasonableness.....	22
4.5 Other Evaluation Areas.....	23
4.5.1 Legal and Regulatory Disclosures.....	23
4.5.2 Financial Information and Requirements.....	24
4.5.3 Materiality of Exceptions to Draft Agreement.....	24
4.5.4 Options.....	24
Athens.....	24
Burrtec.....	24
CR&R.....	24
Republic.....	24
5.0 Proposal Summary Tables.....	25

Table of Tables

TABLE 1: SUMMARY OF PROPOSED FEES AND COST RECOVERY CHARGES	6
TABLE 2: SUMMARY OF PROPOSED FEES, COST RECOVERY CHARGES AND RATE INCREASE/DECREASE	8
TABLE 3: EVALUATION CRITERIA AND MAXIMUM EVALUATION SCORE	10
TABLE 4: PROPOSER EVALUATION SCORE	13
TABLE 5: PRICE PROPOSAL COMPETITIVENESS RATING (1ST YEAR REVENUE).....	22
TABLE 6: PRICE PROPOSAL REASONABLENESS RATING (1 ST YEAR PROJECTION).....	23
TABLE 7: LEGAL AND REGULATORY DISCLOSURES	24
TABLE 8: PROPOSAL SUMMARY – ALL PROPOSALS	25
TABLE 9: PROPOSED LIQUIDATED DAMAGES	25
TABLE 10: PROPOSED FEES PAID TO THE CITY.....	27
TABLE 11: CITY EMPLOYEE HIRING PLAN.....	27

Table of Figures

FIGURE 1: OVERALL FIRST YEAR REVENUES COMPARISON VS. CURRENT REVENUES	4
FIGURE 2: PROPOSED RESIDENTIAL RATES.....	5
FIGURE 3: CITY EQUIPMENT PURCHASE PROPOSAL.....	5
FIGURE 4: ENHANCEMENTS.....	8

This page left intentionally blank.

1.0 OVERVIEW

The City of Whittier (City) released the Solid Waste and Recycling Franchise Services Request for Proposals (RFP) on June 3, 2015 to select a future collector. The selection process will result in a new contract for city-wide collection services. The process involves a six (6) month period for developing the RFP, soliciting and evaluating proposals, and selecting and negotiating with the selected contractors, and a ten (10) month implementation period leading to commencement of new services on July 1, 2016.

The development phase included the review of numerous programs, services, procurement processes and contracting issues in order to provide insight and formulate recommendations for consideration by the City Council. City approval of the RFP was completed on May 12, 2015, during which an overview of the RFP process and timeline was reviewed and approved.

The successful collector will be required to execute a franchise agreement with the City. The franchise agreement will be based on the Draft Agreement included with the RFP and may be modified to reflect the final negotiated terms and conditions (e.g., the optional programs selected, liquidated damages, etc.). Solid waste and recycling services under the new agreement will commence on July 1, 2016.

The City received four (4) responsive proposals from companies capable of providing the scope of services specified in the Solid Waste and Recycling Franchise Services RFP issued on June 3, 2015. The proposers are:

- Athens Services (“Athens”)
- Burrtec Waste Industries, Inc. (“Burrtec”)
- CR&R, Inc. (“CR&R”)
- Consolidated Disposal Service, LLC (d/b/a Republic Services) (“Republic”)

1.1 RFP Goals

The RFP required companies to demonstrate their experience in safely providing solid waste, recyclable material, and organic material collection services. The RFP sought proposals from companies that place a high priority on waste diversion and have demonstrated significant results and innovation through their recycling program implementation, engagement of the community through public education and effective, city-centric customer services, and on-going operations.

The City’s goals and objectives for the RFP process and future collection services are as follows:

- Maximize the quality of services provided to customers;
- Provide service at rates that are at cost-effective in relation to the service provided, affordable, and competitive with current conditions ;
- Sustain the City’s community vision of maintaining a quality environment that optimizes environmental resources;

- Support the State’s goal of resource conservation, which prioritizes management of the waste stream using the following hierarchy: waste reduction, reuse, recycling, composting, transformation, and landfilling;
- Encourage state-of-the-art services;
- Minimize the impact on streets and alleys from collection vehicles; and,
- Receive a franchise fee from contractor(s).

1.2 Participating Proposers

Athens, Burrtec and CR&R are among the largest privately-owned, independent solid waste firms in the region, while Republic is one of the largest publically-held, national companies with a regional presence similar in size to the independent firms. The following is a brief description of the four proposers in alphabetical order:

Athens Services

Athens is a family-owned Southern California solid waste firm based in Los Angeles County. The company provides exclusive residential, multi-family, commercial and city recycling, solid waste, green waste and organics services for 22 local municipalities throughout the greater Los Angeles area. Established in 1957, Athens operates out of executive offices in City of Industry and MRFs, composting, collection, container and customer service facilities in City of Industry, Sun Valley, Victorville, Torrance, Pacoima, Montebello, Sylmar and Irwindale. The company has successfully completed service transitions in cities including Redondo Beach, Altadena and Rowland Heights.

BURRTEC "We'll Take Care Of It"

Burrtec is a leading family-owned Southern California solid waste firm based in San Bernardino County. The company offers its client communities the full spectrum of services for residential, commercial and industrial customers. Out of its twelve local Division offices, Burrtec services over 50 franchises in Southern California. The company’s transfer and processing operations include material recovery facilities, organic material processing, inert procession, and transfer stations throughout Los Angeles, San Bernardino and Orange counties. Burrtec has successfully completed acquisition transitions in 34 communities, including a transition with a total of 150,000 residential and commercial customers.

CR&R environmental services

CR&R, a privately held company founded in 1963, serves over 2.5 million people in over 49 jurisdictions. Operating in Southern California for over 50 years, CR&R provides services in Los Angeles, Orange, San Bernardino, Imperial, Riverside and San Diego Counties. Built on a “Diversion Not Disposal” strategy, the company proposes to operate in the City of Whittier out of its Santa Fe Springs facility, and provide administration, accounting and customer service functions at its corporate headquarters in Stanton. CR&R is also expects to complete the construction of its anaerobic digester plant by the end of 2015



Republic, one of the largest waste services companies nationwide, provides non-hazardous solid waste collection services for commercial, industrial, municipal and residential customers in Southern California. The company offers traditional organics processing with Ecology, will provide composting with Agromin of Orange County, in 2016, and expects to offer anaerobic digestion with Anaheim Energy in 2017. Republic has long-term exclusive solid waste collection contracts with 40 municipalities in Los Angeles, Orange and San Bernardino Counties where it serves over 225,000 residential curbside accounts, and approximately 16,000 commercial/industrial accounts.

1.3 Achievement of RFP Goals

The RFP results and recommendation, as detailed in the following report, demonstrate that the City's process successfully achieved the desired outcomes. The RFP was effective, resulting in the submission of four (4) proposals from the five (5) invited service providers. Proposals were submitted by Athens, Burrtec, CR&R and Republic, while Waste Management chose not to participate in the RFP process. All four proposers offer extensive experience and are highly-qualified to provide services in the City of Whittier. Each proposer meets all requirements of the RFP and offered proposals that include significant operational and financial value to the City.

RFP Process Outcomes

The following is a brief summary of the process outcomes:

- Each of the four (4) proposers prepared specialized responses addressing the priorities and goals of the City.
- All participating companies offer excellent services delivered by qualified, experienced staff and supported with extensive, well-established infrastructure and resources.
- Every proposal includes detailed, achievable transition plans as well as extensive experience in managing service transitions and privatizations.
- The proposers each developed effective outreach programs and service strategies that align with the City's vision of optimizing environmental resources and minimizing operational impacts on streets and alleys.
- Each proposer demonstrates a clear commitment to achieving the State's goal of resource conservation through the use of the following waste reduction, reuse, recycling, composting, transformation, and landfilling hierarchy.
- The proposers set themselves apart is through their varied approaches to pricing, service enhancements, opportunities for impacted City employees and financial proposals.
- Additional differentiation is evident in the innovations described in the proposals and current, as opposed to planned, programs and infrastructure.

1.4 Select Financial Proposal and Enhancements Highlights

Each participating company developed a unique set of financial offerings and proposal enhancements in response to the City of Whittier RFP. While each component is different, the sum total of the added value has been calculated to determine the overall first year revenue. In addition to the overall value, a summary of select individual components are shown in the graphs below.

Overall First Year Revenue

Cost Proposals were evaluated based upon calculated total revenue requirement, which is the overall revenue amount required to perform all the proposed services. It is essential to determine the overall economic value of a proposal, and not simply individual components of an offer, because the economic value of the contract cannot be assessed based on the price of a specific service or the price amount of a singular proposed fee. For example, a low price quoted for the residential rate or a high amount quoted for a signing fee may not readily reflect the financial value of the entire contract. Thus, the lower the total revenue requirement, the more competitive the price proposal.

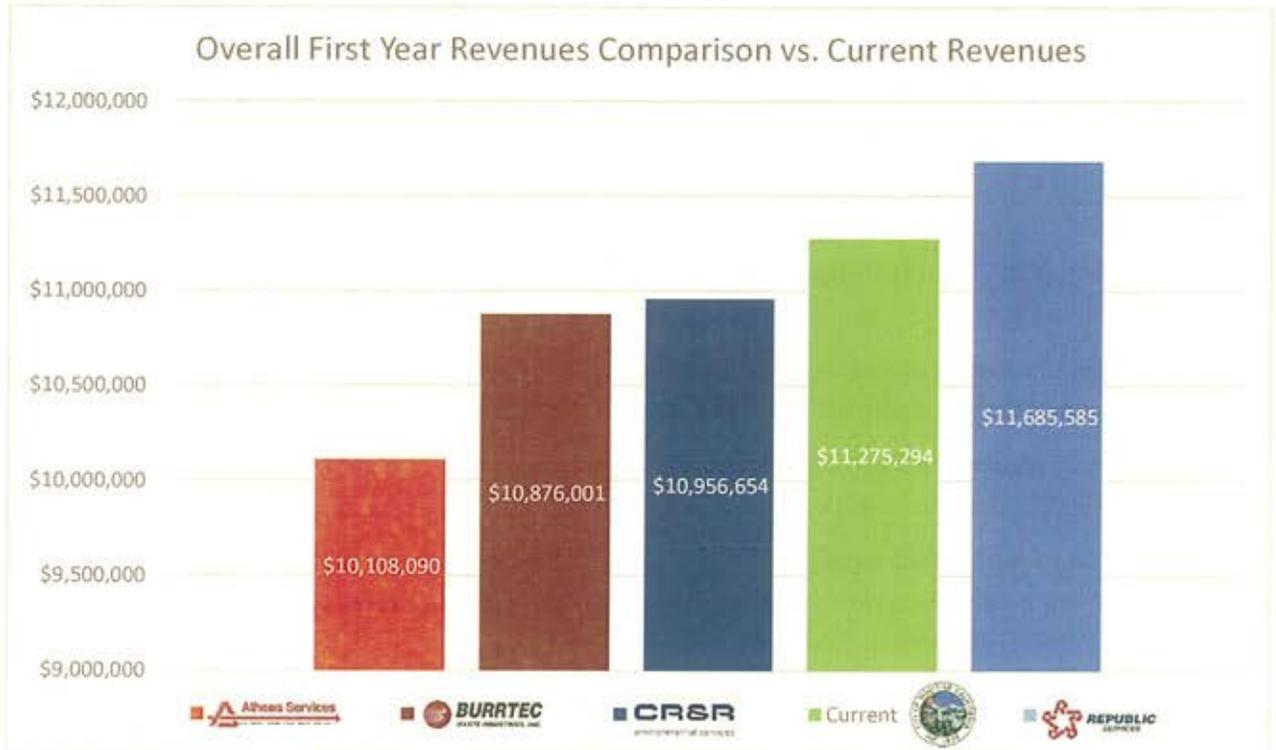


Figure 1: Overall First Year Revenues Comparison vs. Current Revenues

Residential Rates Proposal

Two (2) of the four (4) proposals will result in an overall reduction in costs for City of Whittier ratepayers, and the remaining two proposers proposed to maintain rates. Athens proposed \$19.79, CR&R proposed \$22.66 and Burrtec and Republic proposed to maintain rates at \$23.28 and \$23.27, respectively.

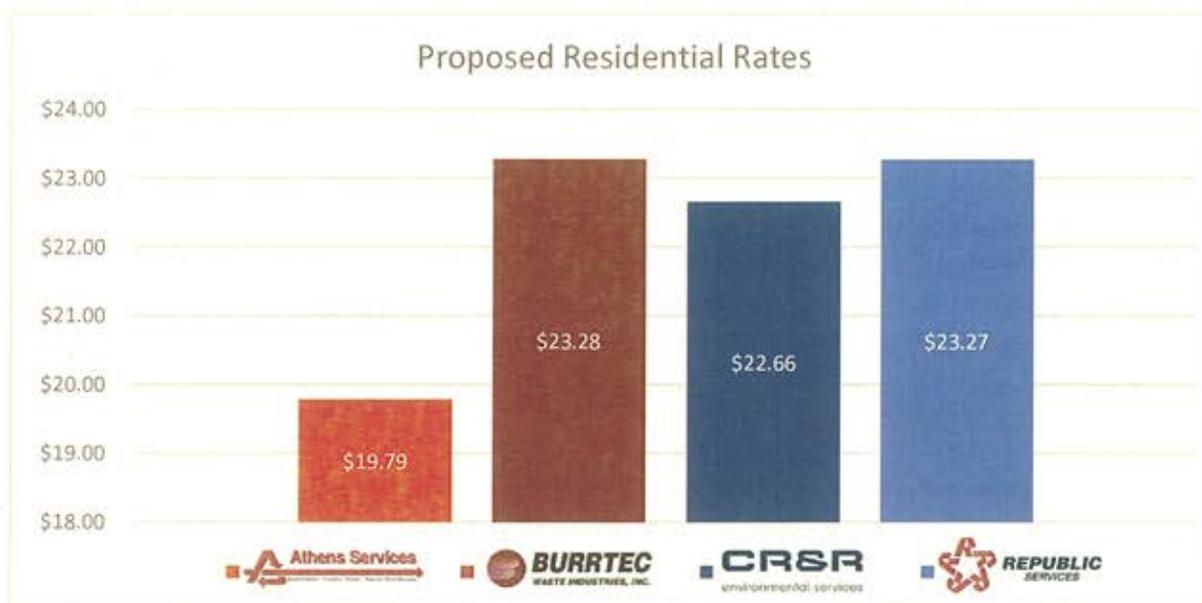


Figure 2: Proposed Residential Rates

City Equipment Purchase Proposal

The proposers each prepared a financial proposal for the procurement of City equipment designated in the RFP. As part of the process, proposers had an opportunity to examine the equipment and review documentation such as maintenance logs. CR&R proposed \$1.36M, Burrtec proposed \$1.24M, Athens proposed \$1.22M and Republic proposed \$582K. Equipment purchase proposals are shown in Figure 3: City Equipment Purchase Proposal.



Figure 3: City Equipment Purchase Proposal

Fees and Cost Recovery Charges

The fees and cost recovery charges are comprised of signing fees, equipment purchase, and recycling revenue sharing. Franchise fees, which are set at 10% for residential rates and 13% for commercial rates, are not considered in this comparison.

The signing fee and equipment purchase fee represent a one-time, lump sum payment to the City upon execution of the agreement. However, Burrtec offered an additional \$2.0M, payable in the annual payments of \$200,000 over the ten year term of the agreement. The recyclables payment category represents an annual payment, payable over the ten year term of the agreement. The amounts in the table below represent the proposed amounts over a ten year period. In total, the highest amount was proposed by CR&R at \$8.7M, followed by Republic at \$7.5M, Athens at \$7.0M and Burrtec at \$6.6M.

Additionally, categorized as Option 1, Athens and CR&R proposed an additional \$5.0M in fees in exchange for an automatic six year term or an initial 16 year agreement. Athens proposed payment of the \$5.0M in a lump-sum upon approval of the six year term. CR&R proposed payment of the \$5.0M in annual payments of \$1.0M beginning in year six of the primary term of the agreement.

Categorized as Option 2, Burrtec and CR&R proposed additional fees in exchange for a ten year term agreement. Burrtec proposed a \$300,000 annual payment over the first ten years of the agreement for a total of \$3.0M. This would result in an \$8.2M payment to the City for a 20 year agreement with Burrtec. CR&R proposed an additional \$8.M, payable in a lump sum in year 11 of the agreement. This would result in a \$16.4M payment to the City for a 20 year agreement with CR&R.

Table 1: Summary of Proposed Fees and Cost Recovery Charges

	Athens	Burrtec	CR&R	Republic
Signing Fee (one-time lump sum)	\$5,000,000	\$2,000,000	\$7,000,000	\$6,000,000
Signing Fee (annual payment over 10 years)		\$2,000,000		
Equipment Purchase Fee	\$1,219,682	\$1,240,000	\$1,360,000	\$582,000
Recyclables Payment (annual payment over 10 years)	\$733,970	\$1,407,450	\$304,020	\$960,000
Total Proposed Fees	\$6,953,652	\$6,647,450	\$8,664,020	\$7,542,000
Options				
Addl 6 Year Term Automatic (16 year Term)	\$5,000,000		\$5,000,000	
Total Option 1	\$11,219,682		\$13,360,000	
Addl 10 Years (20 Year Term)		\$3,000,000	\$8,000,000	
Total Option 2		\$8,240,000	\$16,360,000	

The above summary does not consider the time-value of money for amounts proposed to be paid over time. In addition, some of the proposers also offered rate reductions. In order to better compare the proposals, a further analysis is provided in the following table that factors the time-value of money and considers the financial effect of proposed rate increase or reductions. A present value calculation was performed on all amounts proposed to be paid over time or at a future time. This includes the following: the additional \$2.0M proposed by Burrtec for the initial 10 year term, the recyclable payments, the rate increase/decrease amounts, the additional \$5.0M proposed by CR&R for a 16 year term, the additional \$3.0M proposed by Burrtec for a 20 year term, and the additional \$8.0M proposed by CR&R for a 20 year term. As a result of this analysis, the value of the proposed signing fees, equipment purchase fee and recyclable payments are as follows: CR&R \$8.7M, Republic \$7.5M, Athens \$6.9M, and Burrtec \$6.6M.

As part of the proposal review, a revenue projection was calculated for each proposer based on their proposed rates. Athens and CR&R both proposed reduced rates for residential rates. As a result their residential revenue is expected to drop from the current revenue by \$990,290 for Athens and \$197,309 for CR&R on an annual basis.

Although Burrtec and Republic did not proposed a reduction in the rate for basic service, because of other changes in rates, their revenues for residential service are expected to drop by approximately \$200,000 over the ten year term of the agreement. These amounts are presented as present values in the table below. For commercial rates, Athens, CR&R and Republic proposed rate reductions, and Burrtec proposed to maintain the current rates. However, because the rates for the 300 gallon containers were increased, all proposers are expected to experience a net gain in commercial revenue.

For this analysis, the revenue reductions were represented as positive amounts and the revenue decrease were represented as negative amounts. Both are presented in present value. If the impact of the revenue changes proposed are taken into consideration, the total value of to the City and its constituents are \$14.4M for Athens, \$8.9M for CR&R, \$6.8M for Republic and \$4.7M for Burrtec. The present value calculations were performed for Options 1 and 2. For Option 1, the value of the Athens proposal is \$19.4M for a 16 year agreement, and the value of the CR&R proposal is \$13.8M for a 16 year agreement. For Option 2, the value of the Burrtec proposal is \$7.7M for a 20 year agreement and the value of the CR&R proposal is \$16.7M for a 20 year agreement.

Table 2: Summary of Proposed Fees, Cost Recovery Charges and Rate Increase/Decrease

	Athens	Burrtec	CR&R	Republic
Signing Fee (one-time lump sum)	\$5,000,000	\$2,000,000	\$7,000,000	\$6,000,000
Signing Fee (annual payment over 10 years)*		\$1,972,773		
Equipment Purchase Fee	\$1,219,682	\$1,240,000	\$1,360,000	\$582,000
Recyclables Payment (annual payment over 10 years)*	\$723,978	\$1,388,290	\$299,881	\$946,931
Total Proposed Fees	\$6,943,660	\$6,601,062	\$8,659,881	\$7,528,931
Rate Increase/Decrease*				
Residential	\$8,546,346	\$224,408	\$1,708,804	\$241,253
Commercial	(\$1,113,226)	(\$2,093,626)	(\$1,486,670)	(\$959,265)
Subtotal	\$7,433,120	(\$1,869,218)	\$216,133	(\$711,012)
10+6 Year Agreement as per RFP	\$14,376,780	\$4,731,844	\$8,876,015	\$6,817,919
Options				
Addl 6 Year Term Automatic (16 year Term)	\$5,000,000		\$4,901,146	
Total Option 1	\$19,376,780		\$13,777,161	
Addl 10 Years (20 Year Term)		\$2,959,159	\$7,802,723	
Total Option 2		\$7,691,003	\$16,678,737	

* A 3% cost of capital was assumed to compute present values.

Enhancements

Proposers also offered varied sets enhanced programs and services as well as increased community benefits that provide further benefit beyond the expanded service requirements and proposed rates. The following is a summary highlighting the major components of each company’s offering.

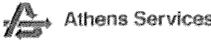
 <ul style="list-style-type: none"> • One-time sales tax revenue estimated at \$60K for in-City purchase of containers and vehicles • Community partnership contributions of \$50K annually • Scholarship fund of \$5K, 10% discount for Seniors and Active Military • Compost giveaway and Community Reuse/Upcycling workshops 	 <ul style="list-style-type: none"> • On-call curbside collection of used motor oil and Sharps collection containers for mail-in or drop-off • Annual mulch and compost giveaway and document shredding event • Recycling rewards program 	 <ul style="list-style-type: none"> • Local City office and one-time sales tax revenue for in-City purchase of containers • Annual compost give-away and shred event • Expanded bulky item collection • City facility sustainability program and ten storage containers per year for City use • Optimized Wet/Dry routing 	 <ul style="list-style-type: none"> • Title sponsor for Summer Concerts in the Park • Scholarship fund of \$10K • Commercial recycling service rates 65% of solid waste rates • Trash and recycling for City sponsored events and recycling program for City Facilities • Twice-annual shred events and annual compost events • Recycling Rewards program
--	---	--	--

Figure 4: Enhancements

2.0 RECOMMENDATION

Based upon the evaluation criteria discussed and adopted by the City Council, Sloan Vazquez completed a thorough evaluation and scoring of each proposal. As a result, it is recommended that the City select **Athens** as the Collection Services contractor for the City.

Derived from the City's evaluation and selection criteria, Athens tallied 977.8 points on the one-thousand (1000) point scale, with Burrtec receiving 964.8, CR&R receiving 959.8, and Republic receiving 934.6. There was a 13 point, or 1.3 percent difference between Athens and Burrtec, the closest ranked proposer, in the final scoring. As reflected in the following analysis, while all of the proposers offer outstanding experience, customer service and programs, Athens offers a significant overall value to the City, both through the company's financial proposal and enhancements. Athens' proposal was rated highest for the following reasons:

- The scope of services proposed by Athens provide a high level of confidence regarding the company's ability to ensure a smooth transition, outstanding customer service, excellent programs, robust diversion programs, and reduced residential and commercial service prices.
- The productivity projections for residential and commercial collection vehicles and ancillary support services are reasonable and provide the City with confidence for long-term service rate stability.
- Athens offers a combination of experience, technical ability, commitment to diversion, high service delivery, and customer service that, when combined with the financial proposal, sets the company apart from the other proposers.

3.0 PROPOSAL EVALUATION PROCESS

3.1 Evaluation & Selection Process

The RFP prescribed a thorough process for evaluation of proposals requiring the consultants to analyze and score the proposals in order to formulate a recommendation for the City Council.

The evaluators, Joe Sloan, Enrique Vazquez and Charissa McAfee of Sloan Vazquez, LLC (the Evaluation Team) conducted an analysis and evaluation of the four RFP responses and based the scoring and ranking upon the written proposals submitted by each company on July 28, 2015.

The Evaluation Team followed the prescribed process to evaluate the four proposals submitted in response to the RFP. The Evaluation Team reviewed and scored the proposals based on a maximum score for each evaluation criteria as set forth in the RFP and also included below as **Table 3: Evaluation Criteria and Maximum Evaluation Score**.

Because the City invited only highly qualified companies to submit proposals, it expected came as no surprise that evaluation and scoring for 1) company experience, 2) customer service and, 3) programs and services offered were virtually even. Each proposer has an exceptional management team, a proven

record of providing quality municipal solid waste services, effective customer service systems and practices, and company-owned equipment and infrastructure necessary to deliver superior services to the City's residents and businesses. The significant differentiators among the proposers were the financial offer, the proposed service rates, and the value of the proposed service enhancements.

Table 3: Evaluation Criteria and Maximum Evaluation Score

Item	Evaluation Criteria	Maximum Evaluation Score	Percent of Total
1.	Responsiveness to the RFP	Pass/Fail	
2.	Experience	125	12.5%
3.	Customer Service	250	25%
4.	Programs	250	25%
5.	Price Proposal	300	30%
6.	Enhancements	75	7.5%
7.	Legal and Regulatory Disclosures	Noted	
8.	Financial Information and Requirements	Noted	
9.	Materiality of Exceptions to Draft Agreement	Noted	
10.	Options	Noted	

3.2 Evaluation Criteria

The proposals were numerically scored and ranked using the criteria and weighting described in the RFP. The evaluation criteria, maximum score and scoring results are presented in **Table 4: Proposer Evaluation Score**. Four of the main categories and their corresponding subcategories are described below. The final scored category, Pricing, is described in **Section 4.4, Price Proposal Evaluation**.

Experience

- **Management Experience:** Extent and relevance of the qualifications and experience of executive and operations management personnel proposed for the transition team and on-going management of the collection operations.
- **Operations Experience:** Demonstrated experience of company providing the requested or similar Residential, Multi-Family and Commercial services to other jurisdictions and implementing effective service transition, including company's ability to initiate new collection services and new franchise agreements relative to other proposers.

- **Service Initiation Experience:** Demonstrated experience of company implementing effective Residential, Multi-Family and Commercial service transition, including company's ability to initiate new collection services and new franchise agreements relative to other proposers.
- **Customer Service Experience:** Demonstrated experience of company providing requested or similar customer service capabilities, including public education, to other jurisdictions.
- **Company and Management References:** Company's and management's references for services provided in the past 10 years (including, but not limited to, transition, implementation and ongoing operations experience; customer service, call center and billing experience; and, track record for payment of fees, reporting, and the handling of contractual issues).

Customer Service

- **Public Education:** Review of company's proposed public education and promotion program and the quality of public education samples relative to other proposers.
- **Customer Service Approach:** Review of call center capabilities, responsiveness to , customers, operating procedures, and resources including staffing levels and training programs.
- **Information Systems and Reporting:** Demonstrated capabilities of customer services information system and its ability handle call volume, capture and track customer requests, monitor contract compliance, and to report data required by the Collection Agreement.
- **Complaint Resolution:** Review of system to capture and track service issues and review of proposed process to mitigate and resolve service issues and address special needs, as well as the company's proposed availability and accessibility of management personnel dedicated to respond to city staff needs, issues and requests.
- **Billing Systems:** Review of company's ability to conduct billing activities per RFP requirements.

Programs

- **Residential/Multi-family/Commercial/City Services:** Reasonableness and reliability of the proposed collection methods (e.g., technology, equipment, and containers);
- **Implementation and Transition Plans:** Reasonableness and reliability of implementation plans for required programs and services, and resources and timeline proposed for service transition.
- **Diversion Plans (AB 939, AB 341 and AB 1826):** Demonstrated ability to comply with the diversion requirements of the State of California's Department of Resources Recycling and Recovery (CalRecycle). The nature, reliability, and innovation of proposed diversion programs and potential of such programs to divert solid waste from landfill disposal and company's demonstrated ability to provide processing capacity for the term of the Collection Agreement.
- **Disposal Plans and Proposed use of Savage Canyon Landfill:** Disposal plans for MSW collected in the City and plan for use of Savage Canyon Landfill.

Enhancements

- **Estimated Value, Anticipated Impact and Alignment with City Priorities:** Services or other offerings of value to the City of Whittier, its residents and businesses that are not required by this RFP and which are offered at no additional charge.

3.3 Proposal Scoring Methodology

Evaluators allocated points on a percentage basis after reviewing and analyzing the responses of each proposer in each of the aforementioned evaluation sub-categories. The response that was considered the best overall response in a given evaluation category was given a one-hundred percent (100%) score. Then, succeeding responses were scored in declining ten-percent (10%) increments, ninety-percent (90%) for the second best response, and so on. In some instances, particularly in the experience category, all proposers had excellent experience and all were accorded the highest score of 100%.

The scores assigned to each of the proposals' reflect the extent to which the company fulfilled the requirements of the evaluation criteria and the extent to which each criterion was fulfilled relative to other proposals. For example, with the exception of the "Price Proposal" category, the response that evaluators deemed to be the most thorough, complete, responsive, and/or effective was awarded the highest rating of 100%. Then, the remaining proposals were scored based upon the evaluator's determination of divergence (decline) from the best rated response. Evaluators awarded points in ten (10) percent increments. Several factors were measured in each evaluation category. In some cases, responses were deemed to be equal and were allotted the same scores.

Additionally, the RFP included requests for information regarding legal issues, financial ability, and any exceptions that the proposer may have taken to the Draft Agreement which was included as a part of the City's RFP. Proposers were also allowed to present options that were not requested by the City. As indicated in the RFP, responses to these items are noted for the City's consideration, but they are not scored in the evaluation score sheet. These items are further described in **Section 4.5, Other Evaluation Areas**.

4.0 PROPOSAL EVALUATION RESULTS

4.1 Proposal Scoring Results

Proposer's evaluation scores are presented in *Table 4: Proposer Evaluation Score*. Underlined scores represent the best scores.

Table 4: Proposer Evaluation Score

Evaluation Criteria	Max. Total Score	% of Total Evaluation	Proposer and Score			
			Athens	Burrtec	CR&R	Republic
1. Responsiveness to the RFP	Pass/Fail	n/a	Pass	Pass	Pass	Pass
2. Experience (described in Section 4.3.1)	125	12.5%	121.9	121.9	121.9	<u>125</u>
3. Customer Service (described in Section 4.3.2)	250	25%	<u>250</u>	<u>250</u>	<u>250</u>	<u>250</u>
4. Programs (described in Section 4.3.3)	250	25%	232.5	<u>250</u>	240	240
5. Price Proposal (described in Section 4.4)	300	30%	<u>298.4</u>	282.9	280.4	259.6
6. Enhancements (described in Section 4.3.4)	75	7.5%	<u>75</u>	60	67.5	60
7. Legal and Regulatory Disclosures (described in Section 4.5.1)	Noted	n/a	Yes	Yes	Yes	Yes
8. Financial Information and Requirements (described in Section 4.5.2)	Noted	n/a	Included	Available for Review	Included	Included
9. Materiality of Exceptions to Draft Agreement (described in Section 4.5.3)	Noted	n/a	No exceptions	No exceptions	No exceptions	No exceptions
10. Options (described in Section 4.5.4)	Noted	n/a	Yes	Yes	Yes	Yes
Total Points Awarded	1000	100%	<u>977.8</u>	964.8	959.8	934.6
Percent of Total Points Awarded			<u>97.8%</u>	96.5%	96.0%	93.5%
Ranking			1	2	3	4

4.2 Summary of Proposer Rankings

The following is a summary of the highlights from the four proposers, shown in the order of evaluation ranking. :

Athens Services

Athens provides exclusive residential, multi-family, commercial and city recycling, solid waste, green waste and organics services for 22 local municipalities throughout the greater Los Angeles area. The company has over 200,000 residential, commercial and industrial customers and a fleet of over 400 collection, hauling and container vehicles.

Athens ranked highest in both **Price Proposal** and **Enhancements**, tied for the highest ranking in **Customer Service**. Athens proposes a \$5.0M signing fee, and offered as an option an additional \$5.0M paid to the City should the City grant Athens an automatic 6 year extension to the 10 year base term by June 30, 2018. The company proposed to share recycling revenue with the City and guaranteed \$10 per ton or an estimated \$70,000 per year of recycling revenue.

Price Proposal Highlights:

- Athens proposes for single family residents to receive a 15% discount off existing rates for basic automated curbside service and for commercial bin and roll-off customers to receive a 5% discount off existing rates.
- Athens will purchase all existing City collection trucks, bins and carts for \$1,219,682. Additionally, Athens will pursue local purchase of containers, equipment, vehicles, and other qualifying purchases enabling Whittier to obtain initial sales tax revenue of approximately \$60,000.
- Athens proposes to donate \$50,000 annually to social services programs, the police association and a community fund that serve the City of Whittier. This donation will include \$5,000 to the Whittier Police Officers Association, \$25,000 to be distributed by City Social Services Commission, and \$20,000 to a new Community Engagement Fund.
- Athens proposes the in-city purchase of containers and vehicles to generate sales tax revenue estimated at \$60,000.
- Community enhancements including a scholarship fund, 10% discount on monthly fees and billings for senior citizens and active military and walk-out service for residents with disabilities provided at no charge.
- The company also included enhancements such as a compost giveaway program and four (4) Reuse/Upcycling Workshops and Repair Cafés.



Burrtec provides services to over fifty franchises and has successfully managed transitions and operations out of their twelve district offices located throughout the region, with over fifty years of experience. The company collected 1.4 million tons of solid waste, recyclables and organic materials in 2014 alone.

Burrtec received the highest ranking for **Programs** and tied for the highest ranking in **Customer Service**. The company was ranked second in Price Proposal.

Burrtec is proposes a signing fee of \$2.0M payable in a lump sum upon execution of the agreement and an additional \$2.0M to be paid in annual payments of \$200,000. Additionally, the company has offered an additional signing fee of \$3.0M to be paid in annual payments of \$300,000 for the award of a twenty (20) year term.

Burrtec's description of services offered to all sectors was excellent with successful references for each of the proposed services in other contract cities. The company also provided a thorough, well-planned implementation plan for the transition to new services in the city. Only Burrtec presented a complete, practical diversion plan with application of a sector-by-sector method to reduce commercial disposal by as much as 20% and C&D disposal by 50%.

- Burrtec proposes to maintain current single family residential rates for basic automated curbside service.
- Burrtec proposes a payment of \$1,240,000 to procure collection equipment from the City.
- The company's proposal also included complimentary mulch and compost give-away event and annual document shredding event.
- Burrtec additionally offered a recycling rewards program, an on-call curbside collection of used motor oil, and sharps collection containers for mail-in or drop-off.

CR&R

environmental services

CR&R services the waste collection and recycling needs of more than 2.5 million customers, including over 50,000 commercial accounts in California alone. The company has more than 1,500 employees and over 1,200 collection trucks. CR&R recovers more than half a million recyclable materials each year through the company's enterprise-wide recycling network that provides integrated hauling, collection, and processing services to over 100 cities throughout California.

CR&R tied for the highest ranking in **Customer Service**, ranked second in Enhancements, and tied for second in Experience and Programs. CR&R's description of services offered to all sectors was excellent with successful references for each of the proposed services in other contract cities. CR&R also provided a thorough, well-planned implementation plan for the transition to new services in the city.

- CR&R proposed a \$7.0M signing fee for the ten year term and offered two options, with an additional \$5.0M for a combined \$12.0M for a 16 year term and then another \$3.0M for a total combined \$15.0M for a 20 year term.
- CR&R proposes for single family residents to receive a rate reduction for basic automated curbside service, from the current rate of \$23.28 to a new rate of \$22.66.
- CR&R will purchase all existing City collection trucks, bins and carts for \$1,360,000. Additionally, CR&R proposes to provide a local City office and will pursue local purchase of containers, equipment, vehicles, and other qualifying purchases enabling Whittier to obtain sales tax revenue.
- CR&R also proposes an expanded bulky item collection system where items are unlimited instead of limited to the twelve required in the RFP and is offering a free annual shred event and compost give-away event. Additionally, CR&R proposes to green City facilities through a complimentary sustainability program.



Republic is the second largest solid waste and recycling service provider in the United States and serves more than 100 jurisdictions in California and is equipped with resources, capabilities and experience that extend beyond the region. Republic serves over 14M residential customers and has extensive privatization experience.

Republic received the highest ranking for **Experience** and tied for the highest ranking in **Customer Service**.

The company has extensive privatization experience, and as an incumbent service provider, Republic personnel are familiar with Whittier business districts, traffic patterns and unique service requirements such as those found in Uptown, which, if selected, would reduce the impact of transition on the City and customers. Republic provided numerous letters in support of their company from Whittier community leaders. Republic's description of services offered to all sectors was excellent with successful references for each of the proposed services in other contract cities.

- Republic proposes a \$6.0M signing bonus and to maintain current single family residential rates for basic automated curbside services and provided options of rate reductions to ratepayers based on the City's consideration and acceptance of alternative proposals relating to the initial universal procurement and deployment of new carts.
- Republic proposes commercial recycling rates at 65% of solid waste rates.
- Republic is committed to identifying and enrolling enough commercial organics customers to generate the tonnage and density to have a dedicated organics/food waste commercial route from day one of the operations start date.
- The company offers enhancements including an annual food drive, annual scholarships for high school seniors, recycling rewards, shred days, compost giveaways, and recycling opportunity assessments for commercial businesses prior to contract start date, and ongoing assessments.

4.3 Major Findings

The following summary of major finding do not represent an all-inclusive summary of the proposer's proposed services, but rather provide highlights of any proposal details that were considered to be significant differentiators between proposers. Because each of the four proposers was invited to participate in the RFP, this process resulted in proposals from four highly-qualified proposers. As such, apart from one differentiator in Operations Experience, due to one company's current experience in the City of Whittier, the findings for Experience and Customer Service reflect the fact that all participating companies have submitted proposals demonstrating experience and customer service capabilities that meet and exceed the City's requirements. In the remaining categories, where rankings have been established, a brief description of the findings is provided in the order of each proposer's respective ranking (see **Table 2: Proposer Evaluation Score**).

4.3.1 Major Findings for Experience

Management Experience

All four respondents are led by highly-qualified and experienced management teams, with extensive regional operations experience and capabilities, and demonstrated success in managing transitions and the ongoing operations of numerous comparable exclusive franchises. Each company has the management experience necessary to effectively operate in the City of Whittier and meet and exceed the City's requirements.

- Athens received 100% of the available points in this category.
- Burrtec received 100% of the available points in this category.
- CR&R received 100% of the available points in this category.
- Republic received 100% of the available points in this category.

Operations Experience

All four companies offer the City extensive operations expertise, with demonstrated experience providing franchise services to numerous municipalities throughout the region. Within this experienced roster, Republic was rated highest, as the only participating service provider currently servicing the City of Whittier. The company's offers their existing familiarity with Whittier business districts, traffic patterns, and unique service requirements, as well as an existing team of personnel serving a Zone within the City.

- Athens received 90% of the available points in this category.
- Burrtec received 90% of the available points in this category.
- CR&R received 90% of the available points in this category.
- Republic received 100% of the available points in this category.

Service Initiation Experience

Each of the companies have extensive experience providing residential services under municipal franchise agreements. All four companies offer the City extensive operations expertise, and having successfully managed all aspects of franchise service transitions. Each proposer has the experience and capabilities necessary to effectively manage the transition and ongoing service delivery required by the City.

- Athens received 100% of the available points in this category.
- Burrtec received 100% of the available points in this category.
- CR&R received 100% of the available points in this category.
- Republic received 100% of the available points in this category.

Company and Management References

Each of the top rated companies have extensive experience providing commercial services under municipal franchise agreements.

- Athens received 100% of the available points in this category.
- Burrtec received 100% of the available points in this category.
- CR&R received 100% of the available points in this category.
- Republic received 100% of the available points in this category.

4.3.2 Major Findings for Customer Service

Public Education

All proposers offer extensive, multi-faceted public education programs and services. Each company described effective transition communication plans that have proven successful in prior service initiations. Additionally, each proposer described extensive, thorough public education programs in support of City and State diversion goals and requirements. All proposers have the proven experience and resources to establish strong communication with all City of Whittier customers to promote all required and additional proposed programs and services.

- Athens received 100% of the available points in this category.
- Burrtec received 100% of the available points in this category.
- CR&R received 100% of the available points in this category.
- Republic received 100% of the available points in this category.

Customer Service Approach

Each company operates customer service centers equipped with the necessary technology and resources to effectively service the City of Whittier customers. All proposers have dedicated appropriate staffing and resources and describe detailed training plans in support of service transitions.

- Athens received 100% of the available points in this category.
- Burrtec received 100% of the available points in this category.
- CR&R received 100% of the available points in this category.
- Republic received 100% of the available points in this category.

Information Systems and Reporting

All proposers use selected online customer database and information management systems that link billing, customer information, service levels, customer notes and work order histories. Each company is able to capture and track the components as described in the RFP and generate the reports required for City review.

- Athens received 100% of the available points in this category.
- Burrtec received 100% of the available points in this category.
- CR&R received 100% of the available points in this category.
- Republic received 100% of the available points in this category.

Complaint Resolution

Each proposer affirms the importance of giving customer complaints the highest level of attention. All four companies implement robust systems for customer complaint documentation, resolution and mitigation, and maintains reporting systems for the tracking and monitoring of complaint resolution.

- Athens received 100% of the available points in this category.
- Burrtec received 100% of the available points in this category.
- CR&R received 100% of the available points in this category.
- Republic received 100% of the available points in this category.

Billing Systems

Each proposer is qualified and experienced in initiating and managing billing systems. Each company has established protocols and systems for billing and payments, and offers all customer payment options as required in the RFP. The company has experience in the transitioning of municipal operations to private company systems.

- Athens received 100% of the available points in this category.
- Burrtec received 100% of the available points in this category.
- CR&R received 100% of the available points in this category.
- Republic received 100% of the available points in this category.

4.3.3 Major Findings for Programs

Single Family, Multi-Family, Commercial and City Services

- Athens' description of services offered to all sectors was excellent with successful references for each of the proposed services in other contract cities. Athens did not

receive the total number of point available in this category due to concern regarding the company's projection of equipment and personnel that will be required to perform the services offered. Athens received a 90% rating in this category.

- Burrtec's description of services offered to all sectors was excellent with successful references for each of the proposed services in other contract cities. The company received 100% of the available points in this category.
- CR&R's description of services offered to all sectors was excellent with successful references for each of the proposed services in other contract cities. The company received 100% of the available points in this category.
- Republic's description of services offered to all sectors was excellent with successful references for each of the proposed services in other contract cities. The company received 100% of the available points in this category.

Implementation and Transition Plan

Each company provided a thoughtful, thorough, well-planned implementation plan for the transition to new services in the city.

- Athens received 100% of the available points in this category.
- Burrtec received 100% of the available points in this category.
- CR&R received 100% of the available points in this category.
- Republic received 100% of the available points in this category.

Diversion Plan

Only Burrtec presented a complete, practical diversion plan with application of a sector-by-sector method to reduce commercial disposal by as much as 20% and C&D disposal by 50%. The other proposers listed facilities that may be used to accomplish waste diversion.

- Athens received 80% of the points available in this category.
- Burrtec received 100% of the points available in this category.
- CR&R received 80% of the points available in this category.
- Republic received 80% of the points available in this category.

Solid Waste Disposal and Savage Canyon Landfill Plans

Each company committed to deliver 335 TPD of refuse to the Savage Canyon Landfill on a put-or-pay basis throughout the term of the contract.

- Athens received 100% of the points available in this category.
- Burrtec received 100% of the points available in this category.
- CR&R received 100% of the points available in this category.
- Republic received 100% of the points available in this category.

4.3.4 Major Findings for Enhancements

Services Not Requested and Offered at No Additional Cost

- Athens offers enhancements that represent a significant monetary value to the City and the community and benefits to residents. Key components included local purchases to increase City sales tax revenue, a \$50K annual community partnership contribution, a \$5K annual scholarship fund, senior citizen and military discounts and events to promote diversion. Athens received 100% of the available points in this category.
- Burrtec offers enhancements that provide significant added value to residents, including on-call curbside collection of used motor oil, sharps collection containers for mail-in or drop-off, mulch and compost give-away events, annual document shredding event and a curbside recycling rewards program. Burrtec received 80% of the available points in this category.
- CR&R offers a strong array of enhancements that provide a significant monetary value to the City and benefits to residents, including a local office and local purchases to increase City sales tax revenue, optimized wet/dry routing, an expanded bulky item collection program, numerous events to promote diversion and enhanced educational programs benefitting residents and City facilities. CR&R received 90% of the available points in this category.
- Republic offers enhancement that provide significant added value to the community and residents, including sponsorship of the Summer Concerts in the Park, a \$10K scholarship fund, trash and recycling collection at City sponsored events, recycling program for City facilities and programs to promote diversion including recycling rewards, shredding and compost give-away events and a food drive. Republic received 80% of the available points in this category.

4.4 Price Proposal Evaluation

The RFP included criteria for evaluation of the Price Proposal component of the proposals. The criteria are described in detail under **Section 3.0, Proposal Evaluation Process** and are included here in summary form for ease of reference:

- **Price Proposal**

Competitiveness of Price Proposals: Price competitiveness relative to other proposals.

Reasonableness of Price Proposals: Logical relationship between proposed price and operation assumptions. Proposals will be evaluated on total revenue requirement over the contact term.

Proposers were required to provide detailed pricing information by completing the Price Proposal Forms issued with the RFP. In addition, Proposers were required to prepare a Cost Detail Form to provide cost projections by service sector such as Residential and Commercial.

It is important to note that the RFP clearly indicated that the Cost Proposals were to be evaluated on a total revenue requirement basis. This is important because the economic value of the contract cannot be assessed based on the price of a specific service. For example, a low price quoted for the residential

rate may not readily reflect the financial costs of the entire contract. For this reason, the proposals were evaluated on the overall revenue requirement to perform all the services as proposed by each proposer.

4.4.1 Price Proposal Competitiveness

Each price proposal's competitiveness was determined using a formulaic approach. First, the rates quoted in the rate sheets by each Proposer were used to project first-year revenue requirement. The proposal with the lowest total revenue requirement was given a rating of 100% for Price Competitiveness. The remaining proposals were rated based on the percentage deviation from the proposal with the lowest revenue requirement.

Based on this analysis, three of the four proposers offered rates that were lower than the revenue requirement from the current rates from 2.8% to 10.4%. The complete results of this analysis are provided in **Table 5: Price Proposal Competitive Rating (1st Year Revenue)**.

Table 5: Price Proposal Competitiveness Rating (1st Year Revenue)

Proposer	1 st Year Revenue	1 st Year Rating	Difference From Current Revenue	% Difference From Current Revenue
Athens	\$10,108,090	100%	(\$1,167,205)	-10.4%
Burrtec	\$10,876,001	92.4%	(\$399,293)	-3.5%
CR&R	\$10,956,654	91.6%	(\$318,641)	-2.8%
Current Revenue	\$11,275,294			
Republic	\$11,685,585	84.4%	\$410,290	3.6%

4.4.2 Price Proposal Reasonableness

In addition to evaluating price proposal competitiveness, the reasonableness of the price proposals was considered. The primary tool used to evaluate the reasonableness of the price proposals was the preparation of a financial proforma to serve as the *Benchmark Proforma*. Prior to the public distribution of the RFP, Sloan Vazquez prepared the *Benchmark Proforma* to project the price for providing the services requested in the RFP. Sloan Vazquez has many years of experience in preparing solid waste services price proformas. The model considers that there may be variations in proposer costs due to competitive advantages or long-term arrangements they may have made that allows some of the proposers to maintain an economic advantage. However, deviations from revenue requirement identified in the *Benchmark Proforma* must be reasonably explained.

Our *Benchmark Proforma* indicated that the services contemplated in the RFP could reasonably be performed with a Revenue Requirement of \$10.8M per year, representing a reduction in revenue requirement of almost 4.4% from the current revenue requirement of \$11.3M.

To perform the reasonableness rating for each price proposal, the revenue requirement for each price proposal was compared to and rated based on the percentage deviation from the projected revenue requirement in the Benchmark Proforma.

While it was anticipated that proposers would deviate from the Benchmark Proforma due to varying competitive advantages and/or disadvantages, deviations greater than 20% may indicate that a proposal is significantly underpriced or overpriced. This is important because an underpriced proposal can become problematic under a 10-year contractual commitment. If the proposer is financially unable to sustain its operations, the City may have to consider granting unexpected financial relief in order to minimize possible service disruptions.

Based on this analysis, only Athens offered revenue requirements below the *Benchmark Proforma*. The other three proposers offered revenue requirements above the *Benchmark Proforma* ranging from 0.5% to 8.0%. All of these deviations are reasonable.

Burrtec came the closest to the *Benchmark Proforma* and received a rating of 99.5%. CR&R followed at 98.7%, then Athens at 93.4%, and lastly, Republic at 92.6%.

The results of this analysis are provided in **Table 6: Price Proposal Reasonableness Rating (1st Year Projection)**.

Table 6: Price Proposal Reasonableness Rating (1st Year Projection)

Proposer	1 st Year Revenue of Collector	Difference	% Deviation from ProForma	Rating
Athens	\$10,108,090	(\$709,595)	-6.5%	93.4%
Benchmark Proforma	\$10,817,684	\$0	0.0%	n/a
Burrtec	\$10,876,001	\$58,317	0.5%	99.5%
CR&R	\$10,956,654	\$138,969	1.3%	98.7%
Current Revenue	\$11,275,294	\$457,610	4.2%	n/a
Republic	\$11,685,585	\$867,900	8.0%	92.6%

4.5 Other Evaluation Areas

4.5.1 Legal and Regulatory Disclosures

Based on a review of each company's history with litigation and regulatory action (e.g. nature of past and pending civil, legal, regulatory, and criminal actions; history and nature of payments of liquidated damages; regulatory compliance related to equipment and facilities including compliance with land use permits, storm water discharge permits, state highway requirements, etc.), it is believed that each of the four companies meets the requirements necessary to serve the City of Whittier.

Table 7: Legal and Regulatory Disclosures

	Athens	Burrtec	CR&R	Republic
Total Disclosures	26	11	11	91
Pending Items	7	5	2	16

4.5.2 Financial Information and Requirements

Based on a review of the financial information provided by the proposers, it is believed that all four companies have adequate financial capabilities and can raise sufficient capital for the startup and ongoing collection services required. Republic is a public company with outstanding financial capabilities and the second largest solid waste companies in the United States. Athens and CR&R have submitted their financial information classified as “confidential” and not for public disclosure. Burrtec did not submit financial statements indicating that they would make them available for review upon request.

4.5.3 Materiality of Exceptions to Draft Agreement

None of the proposers identified exceptions to the Draft Agreement.

4.5.4 Options

Proposers were given the opportunity to propose programs and/or services outside of the scope of the RFP requirements for additional costs. Options, which are not scored as part of the proposal evaluation, are summarized below:

Athens

Should the City be interested, Athens provides street sweeping services to 27 cities in southern California, many at discounted rates and sometimes at no cost depending on term and rates of other services provided

Burrtec

- Proposal for Inert Material Processing Site at Savage Canyon Landfill, which could result in additional revenue to the City estimated at \$100,000 per year.
- Proposal for Organics Compost Processing Site at Savage Canyon Landfill, which could result in additional revenue to the City estimated at \$130,000 per year.
- Proposal to explore the transfer of Savage Canyon Landfill operations to Burrtec as a public-private partnership.

CR&R

CR&R offers an optional Door-to-Door Hazardous Waste Collection program.

Republic

- Proposal to provide on-call temporary services.
- C&D recycling at a minimum of 72% diversion rates.
- Roll out and scout service.
- Model commercial “All-in-One” Recycling Program/kit available for a fee to Commercial customers.

5.0 Proposal Summary Tables

Table 8: Proposal Summary – All Proposals

	Athens	Burrtec	CR&R	Republic
Residential Rate	\$19.79	\$23.28	\$22.66	\$23.27
Bin Service 1x3x1	\$148.7	\$156.53	\$151.69	\$156.53
Roll-off – Pull	\$253.62	\$145.35	\$238.51	\$475.00
Per Ton (Refuse)	\$43.32	\$43.32	\$49.79	\$43.32
Per Ton (C&D)	\$53.0	\$64.89	\$56.32	\$70.00
Temp Bin	\$76.65	\$120.00	\$98.00	\$95.00
Additional Dump	\$45.00	\$65.00	\$78.40	\$85.00
Revenue Projections				
Current	\$11,275,294	\$11,275,294	\$11,275,294	\$11,275,294
Proposed	\$10,108,090	\$10,876,001	\$10,956,654	\$11,685,585

Table 9: Proposed Liquidated Damages

		Athens	Burrtec	CR&R	Republic
1.	Failure or neglect to resolve each complaint within the time set forth in this Agreement (per Customer).	\$ 100.00	\$ 150.00	\$ 100.00	\$ 100.00
2.	Failure to clean up spillage or litter caused by Contractor (per incident per location, and any other fine levied by state, local or federal agencies).	\$ 100.00	\$ 150.00	\$ 100.00	\$ 100.00
3.	Failure to repair damage to Customer property caused by Contractor or its personnel (per incident per location).	\$ 100.00	\$ 200.00	\$ 50.00	\$ 100.00
4.	Failure to maintain equipment in a clean, safe, and sanitary manner (per incident per day).	\$ 100.00	\$ 150.00	\$ 50.00	\$ 100.00
5.	Failure to have a vehicle operator properly licensed (per incident per day).	\$ 100.00	\$ 150.00	\$ 150.00	\$ 100.00
6.	Failure to maintain office hours as required by this Agreement (per incident per day).	\$ 100.00	\$ 150.00	\$ 150.00	\$ 100.00
7.	Failure to maintain or timely submit to City all documents and reports required under the provisions of this Agreement (per incident per day).	\$ 100.00	\$ 150.00	\$ 100.00	\$ 100.00
8.	Failure to properly cover materials in Collection Vehicles (per incident, and any other fines levied by state, local or federal agencies).	\$ 100.00	\$ 150.00	\$ 150.00	\$ 100.00
9.	Failure to display Contractor's name and Customer Service phone number on Collection Vehicles, except for reserve vehicles (per incident per day).	\$ 100.00	\$ 150.00	\$ 150.00	\$ 100.00
10.	Failure to comply with the hours or days of operation as required by this Agreement (per incident per day).	\$ 100.00	\$ 150.00	\$ 150.00	\$ 500.00

	Proposed Liquidated Damages (Cont.)	Athens	Burrtec	CR&R	Republic
11.	Failure or neglect to complete at least ninety percent (90%) of each route on the regularly scheduled collection day (for each route not completed).	\$ 100.00	\$ 300.00	\$ 150.00	\$ 500.00
12.	Failure to notify Contract Officer of failure to complete daily routes (per incident per day).	\$ 100.00	\$ 150.00	\$ 150.00	\$ 250.00
13.	Changing routes without proper notification to the Contract Officer (per incident per day).	\$ 100.00	\$ 150.00	\$ 150.00	\$ 250.00
14.	Commingling residential and commercial solid waste with recyclable materials (per incident).	\$ 300.00	\$ 150.00	\$ 250.00	\$ 500.00
15.	Commingling of materials collected inside and outside the City of Whittier without prior approval by the City (per incident).	\$ 300.00	\$ 150.00	\$ 250.00	\$ 500.00
16.	Failure to repair or replace damaged carts or bins within the time required by this Agreement (per incident per day).	\$ 100.00	\$ 150.00	\$ 150.00	\$ 100.00
17.	Failure to deliver or exchange carts or bins within the time required by this Agreement (per incident per day).	\$ 100.00	\$ 150.00	\$ 100.00	\$ 100.00
18.	Failure to have Contractor personnel in proper uniform (per incident per day).	\$ 100.00	\$ 150.00	\$ 100.00	\$ 100.00
19.	Disposal of Recyclable Materials in the Disposal Facility without first obtaining the required permission of the City (per incident).	\$ 300.00	\$ 150.00	\$ 250.00	\$ 500.00
20.	Failure to provide communications equipment (per incident per day).	\$ 100.00	\$ 150.00	\$ 150.00	\$ 100.00
21.	Each occurrence of discourteous behavior by collection vehicle personnel, customer service personnel, or other employees of Contractor (per incident).	\$ 300.00	\$ 150.00	\$ 100.00	\$ 500.00
22.	Failure to deliver any collected materials to the Disposal Facility, Materials Recovery Facility, Green Waste Processing Facility or Organics Processing Facility, as appropriate, except as otherwise expressly provided in this Agreement (per incident).	\$ 300.00	\$ 250.00	\$ 100.00	\$ 500.00
23.	Delivery to the Disposal Facility of any Solid Waste collected outside of the boundaries of the City of Whittier commingled with Solid Waste collected as part of this Agreement without approval by the City (per incident).	\$ 300.00	\$ 250.00	\$ 150.00	\$ 500.00
24.	Each failure to notify the appropriate authorities of reportable quantities of Hazardous Waste (per incident).	\$ 300.00	\$ 250.00	\$ 100.00	\$ 500.00
25.	Failure to prepare and mail annual newsletter to all customers by the end of the year (per day until mailer is sent).	\$ 100.00	\$ 150.00	\$ 100.00	\$ 100.00
26.	Failure to maintain accurate and complete web site dedicated to the services Contractor provides the City (per day).	\$ 100.00	\$ 150.00	\$ 100.00	\$ 250.00
27.	Failure(s) to take direction from City, provide data requested by City within twenty (20) Business Days of such a request, or fully cooperate with the City and/or next contractor as required by Section 14.8.	\$ 500.00	\$ 250.00.	\$ 150.00	\$ 250.00.
28.	Failure to perform any of the obligations set forth in this Agreement not specifically stated above and not corrected, or proceeding in good faith to correct, within twenty-four (24) hours of notification by City (for each obligation per day until obligation is performed).	\$ 500.00	\$ 150.00	\$ 250.00	\$ 250.00
29.	If after full implementation of programs, City's is deemed to be non-compliant by CalRecycle. (for each day City is deemed non-compliant by CalRecycle plus all fines and penalties levied by CalRecycle)	\$ 500.00	\$ 150.00.	\$ 500.00	\$ 250.00

Table 10: Proposed Fees Paid to the City

	Category	Athens	Burrtec	CR&R	Republic
A.	Signing fee (one-time payment)	\$5,000,000	\$2,000,000	\$7,000,000	\$6,000,000
B.	Purchase of City equipment including bins, carts, roll-off boxes, compactors and equipment listed in Attachment L (one-time payment)	\$1,219,682	\$1,240,000	\$1,360,000	\$582,000
C.	Recyclable Material Payment (annual payment)	\$73,397	\$140,745	\$30,402	\$96,000
	Burrtec: \$200,000 paid annually for 10 years		\$2,000,000		
	Automatic 16 year term: Athens, lump sum payment upon approval of extension; CR&R, \$1.0M paid annually beginning in year 6	\$5,000,000		\$5,000,000	
	20 year term: Burrtec, \$300,000 paid annually first ten years; CR&R, lump sum payment in year 10		\$3,000,000	\$8,000,000	

Table 11: City Employee Hiring Plan

Company	City Employee Hiring Plan
Athens	Athens proposes that “City employees retained by Athens will be guaranteed employment and receive a first year potential bonus of up to \$10,000.”
Burrtec	Burrtec will provide an announcement describing pay and benefits and explaining the employment process to all impacted City employees upon the award of contract and initiate a hiring, orientation and training process. On July 1, 2016, qualified former employees of the City “will report for work as usual, earning their same rate of pay, but as employees of Burrtec, retaining their seniority from their original dates of hire with the City.” Employees that are hired by Burrtec will receive a monetary “signing” bonus of \$1,000.
CR&R	CR&R will “offer employment to all qualified and properly licensed drivers, mechanics and office personnel working in the City’s refuse department prior to hiring any outside personnel for the purposes of providing service in the City.” CR&R “expects all Whittier employees to successfully complete this basic hiring procedure.” Employees will be offered benefits, paid vacation and sick days, retirement plans and a \$1,000 signing bonus.
Republic	Republic will “map out a viable plan for acquiring and integrating City employees who meet Republic hiring requirements” and “make every reasonable effort to employ City employees provided they meet minimum employment requirements.