

City of Piedmont
COUNCIL AGENDA REPORT

DATE: October 15, 2007

FROM: Richard Tagore-Erwin, R3 Consulting Group, Inc.

SUBJECT: Determine the weighting values of 6 evaluation categories to be applied to the review of proposals from three waste hauling companies seeking to provide the City's future Trash, Recycling and Green Waste services

RECOMMENDATION:

Determine the weighting values of 6 evaluation categories to be applied to the review of proposals from three waste hauling companies seeking to provide the City's future Trash, Recycling and Green Waste services

BACKGROUND:

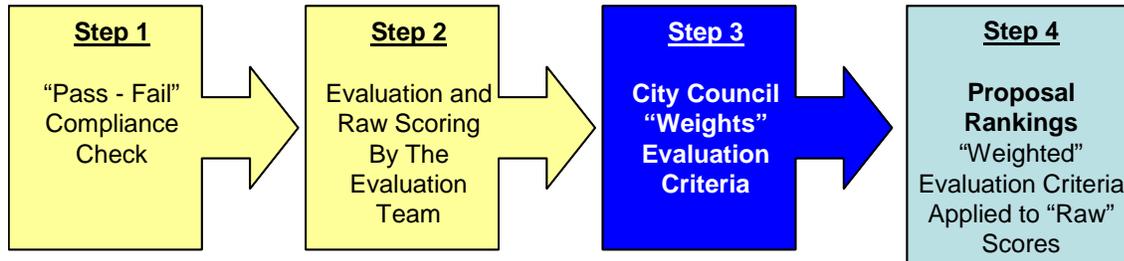
On July 27, 2007, the City released the Request for Proposals for Residential and Commercial Garbage, Recyclable Materials and Green Waste Collection Services. A mandatory pre-proposal conference was conducted on August 22, 2007, and was attended by City staff, the City's consultant, and representatives from six potential Proposers. Proposals were due on September 17, 2007, and the City received the proposals from the following three companies:

- California Waste Solutions
- Republic Services
- Waste Management

EVALUATION PROCESS:

On July 16, 2007, the City Council agreed to a specific "double-blind" selection process which was selected to provide a better apples-to-apples comparison of the proposals, and to reduce the lobbying inherent in a waste hauling selection process. Figure 1 below illustrates the evaluation process, followed by a discussion of each step (steps 1 and 2 have been completed):

Figure 1
Four-Step Evaluation Process



Step 1 – “Pass - Fail” Compliance:

In the first step, the City’s consultant checked each proposal for compliance with the RFP submittal requirements, and prepared a summary of each proposal for the Evaluation Team, which is comprised of City Administrator Geoffrey L. Grote, City Attorney George S. Peyton, City Planner Kate Black, Assistant Planner Kevin Jackson, and Consultant Richard Tagore-Erwin.

Step 2 – Evaluation and Raw Scoring By The Evaluation Team:

In the second step, the Evaluation Team performed a thorough due diligence process for each proposal submitted in response to the RFP. This due diligence process included the following:

- A complete review and analysis of each proposal;
- Interviews with municipal client references;
- Written questions and points of clarification submitted to each Proposer;
- Interviews with each Proposer.

After the evaluation and interviews were completed, each member of the Evaluation Team individually and confidentially assigned raw scores to each proposal. The scoring is divided into six evaluation categories per the RFP, and there are a possible five (5) points available in each criteria category (per direction from the City Council). The six (6) evaluation categories include the following:

- Customer Rates;
- Approach and Technical solution;
- Experience and Qualifications;
- Customer Service;
- Public Education and Outreach; and

- Financial Capacity.

The Evaluation Team assigned raw scores to each proposal, and each member of the Evaluation Team submitted his/her raw scores in a sealed envelope to the City Clerk by October 12, 2007.

Step 3 – City Council Establishes Weighting Factors to Evaluation Categories:

The next step is the third step, wherein the City Council is asked to establish weighting factors to each of the six (6) evaluation categories. Each City Council member will assign a percentage to each of the six categories, with the total of all six categories adding to 100%. The percentage values for each category as assigned by each City Council Member will be totaled and averaged for use as the “Category Weighting”. The table below is an example:

EXAMPLE CITY COUNCIL EVALUATION CATEGORY WEIGHTING						
Evaluation Category	CCM # 1	CCM # 2	CCM # 3	CCM # 4	CCM # 5	Average Weight
1. Customer Rates	20	25	35	25	20	25%
2. Approach & Technical Solution	25	25	25	20	10	21%
3. Experience & Performance	25	15	5	15	20	16%
4. Customer Service	10	25	25	15	30	21%
5. Pub. Ed & Outreach	15	5	5	15	5	9%
6. Financial Capacity	5	5	5	10	15	8%
TOTALS	100%	100%	100%	100%	100%	100%

Step 4 – City Council Weighting Factors are Applied to the Raw Scores to Determine Proposal Rankings:

In the fourth step, the weighting factors will be applied by the City’s consultant to the raw scores of the Evaluation Team to establish the final ranking of the proposals. The Evaluation Team will then prepare a staff report showing the scored results of the ranking, a summary of the technical and financial merits of all three proposals, and program options and policy issues for City Council to consider prior to awarding a contract to the City Council’s preferred hauler. The staff report will be presented to the City Council for discussion on November 5, 2007.

EVALUATION CATEGORIES:

The following provides a discussion of the criteria in each of the evaluation categories to which the Evaluation Team assigned raw scores, and the City Council members are asked to assign a weighting factor to:

Criterion #1: Customer Rates.

This criterion is to review and compare the proposed customer rates for the single-family residential, multi-family residential, commercial, and roll-off programs, and optional services specified in the RFP.

- Single-family-backyard collection monthly rate;
- Single-family-optional curbside collection monthly rate;
- Multi-family cart rate;
- Multi-family bin rate;
- Commercial cart rate;
- Commercial bin rate;
- Roll-off “per pull” rate; and
- Optional services:
 - Additional recyclable materials;
 - Reduced Large Item collection to two (2) collection per year;
 - Eliminate Large Item collection;
 - Non-exclusive debris box collection; and
 - Change collection start time to 8:00 am.

Criterion #2: Approach and Technical Solution:

This criterion is to evaluate how the Proposers can meet the program and performance requirements on a long-term basis, and includes the following factors:

- Collection approach (manual or semi-automated collection, split-body collection vehicles, diversion facilities to be used, etc.);
- Approach to implementing Organic Waste collection;
- Approach to implementing commingled cart collection of recyclables materials, including Proposer’s listing of minimum acceptable materials;

- Approach to reducing air emissions, and wear and tear on the City's streets;
- Approach to providing uniform collection methods with a high quality and customized customer service;
- Approach to meeting the City's 65% diversion requirement and the Authority's 75% diversion goal, included estimated diversion by program area;
- Approach to transition from the current collection system to the Proposer's collection system;
- The required plans in accordance with Section 4.5 of the RFP (transition, collection operations, diversion, customer service, public education, and disposal);
- Ability to meet implementation schedule;
- Environmental Stewardship (All environmental management policies and activities related to the proposed activities should be described, including the use of alternative fuel vehicles, use of recycled products throughout operations, internal waste reduction and reuse protocol, water and resource conservation activities within facilities (design, construction and operation), and use of non-toxic products when possible)); and
- Commitment to Employee and Public Safety.

Criterion #3: Experience and Performance:

This criterion is a measure of each Proposer's experience and performance to perform the required services as specified in the RFP document, including the following factors:

- Qualifications and structure of project management team, relationships between management team and corporate management, and internal controls;
- Previous experience providing services to cities of similar size;
- Successful operation of residential and commercial garbage programs;
- Implementation and administration of complex garbage collection systems, including equipment selection and route design;
- Successful operation of recycling and organic waste programs that achieve high participation levels and diversion rates;
- Cost-effective processing and marketing of recyclable and organic waste materials with demonstrated success in attaining highest and best uses for such materials;
- Demonstrated expertise in implementing and maintaining customer service programs, including the development and use of performance measures and benchmarking;
- Previous experience in successfully designing and implementing transition plans;

- Experience in designing, implementing, and operating public education and information programs that promote high participation and diversion;
- Demonstrated expertise in designing and using data management systems to assure accurate data collection, analysis and reporting;
- References; and
- Litigation history.

Criterion #4: Customer Service:

This criterion is a measure of each Proposer’s approach to provide a high level of customer service, including the following factors:

- Proposer’s data management system for tracking customer service data, and providing accurate reports to the City;
- Scheduling Large Item collections;
- Providing timely and courteous response to customer calls and service inquiries;
- Administering customer billing systems;
- Internal use of performance measures and benchmarking;
- The required plans in accordance with Section 4.5 of the RFP (transition, collection operations, diversion, customer service, public education, and disposal); and
- Continuity and timeliness of service.

Criterion #5: Public Education and Outreach:

This criterion is a measure of each Proposer’s approach to provide Public Education and Outreach to support collection programs, including the following factors:

- Implementing aggressive public education programs to meet the City’s 65% diversion requirement and the Authority’s 75% diversion goal;
- Educating customers on the benefits of participation in recycling and organic waste collection programs, including the benefits of variable customer rates;
- Implementing public education programs in the City’s schools, business community, City facilities, and special events;
- Promoting environmental stewardship programs such as clean air vehicles, waste reduction and reuse programs; and
- The required plans in accordance with Section 4.5 of the RFP (transition, collection operations, diversion, customer service, public education, and disposal).

Criterion #6: Financial Capacity:

This criterion is a measure of each Proposer's ability to provide the necessary financing for collection vehicles and carts, minimize potential risk to the City, and maintain a high level of services over the term of the proposed agreement. Factors include the following:

- Financial statements, including a review of key financial ratios;
- Capacity and plans for responding to fluctuations in recyclable material markets; and
- Capacity and plans for making needed start-up investments in equipment.

CONCLUSION:

Under the double-blind process, the specific elements of the proposals from the three waste hauling companies cannot be known until after the Council weights the evaluation categories. However, it may be helpful to restate some of the underlying goals and assumptions discussed at the start of this process:

- It was known that changes in the waste hauling industry (market consolidation and increased emphasis on profitability by the hauling industry) would affect the number of companies who would be interested in a market like Piedmont's;
- It was assumed that even without changes in services, the customer rates were going to increase significantly due to higher costs for fuel, labor, insurance, disposal, processing, collection vehicles and collection containers, compliance with clean-air requirements, and compliance with diversion requirements;
- Piedmont residents had indicated an interest in new and/or expanded services (rolled carts, an expanded list of recyclable materials, a food-scrap program, etc.), while others expressed strong concern about the rates; and
- The City was looking to improve its diversion rate and remain eligible for future grant funding.

It is important to note that the double-blind ranking of the proposals is intended to be a tool for the evaluation of the proposals, and not the final means of selection. The Council may award the contract to the company that the Council believes is the best fit for Piedmont, no matter what the ranking. The selection of the waste hauling company is scheduled for a Council hearing on December 3, 2007, and the contract award is scheduled for a hearing on January 7, 2008.

Date report prepared: October 10, 2007

City Council Category Weighting Worksheet

City Council Member _____

Date: October 15, 2007

Evaluation Category	Category Weight
1. Customer Rates	
2. Approach & Technical Solution	
3. Experience & Performance	
4. Customer Service	
5. Pub. Ed & Outreach	
6. Financial Capacity	
TOTALS	100%