



OPERATIONS COMMITTEE
MAY 16, 2001

Los Angeles County
Metropolitan
Transportation
Authority

SUBJECT: RECYCLABLE RUBBISH REMOVAL SERVICES

**ACTION: AWARD A FIVE-YEAR CONTRACT TO AMERICAN
RECLAMATION, INC.**

One Gateway Plaza
Los Angeles, CA
90012
213.922.6000

RECOMMENDATION

Award a five-year indefinite delivery, indefinite quantity contract under IFB No. PS000641014 to American Reclamation, Inc., the lowest responsive and responsible bidder to provide recyclable rubbish removal services in an amount not to exceed \$1,697,985.23.

RATIONALE

In order to maintain a healthy and safe working environment for MTA employees, recycling/trash-hauling services must be provided at all MTA facilities.

The California Integrated Waste Management Act of 1989 (AB939) mandated that beginning in the year 2000, all local government organizations in California must divert 50% of their waste from landfills. To meet the requirements of AB939, the MTA has opted to require the trash-hauling contractor to separate and recycle all recyclable materials picked up with the trash rather than requiring staff to separate recyclables at each desk. American Reclamation will have the right to collect all recyclable/waste materials from the MTA, except for metals and hazardous materials, which are included under another recycling contract.

The American Reclamation recycling/trash-hauling contract will be phased in by area. This is necessary because the current rubbish removal services are provided by two contractors with different contract end dates. The contract servicing Gateway Headquarters building, RRC and Division 20 expires June 30, 2001. American Reclamation will commence service for these areas on July 1, 2001. The second existing contract for the remaining MTA locations servicing all other divisions, bus stations, and rail stations expires on August 28, 2001. On August 29, 2001, American Reclamation will commence service to these other MTA locations.

American Reclamation is a family owned, state licensed recycling center, and has been in the recycling/trash hauling business for over forty years. Their Glendale facility, which has both trash hauling and recycling facilities, serves the Los Angeles County area. American Reclamation currently provides recycling and/or trash

hauling services for customers throughout the County, including Smart & Final, the Mountain View School District, Randall Foods, 99 Cent Stores, and Pep Boys.

FINANCIAL IMPACT

Funding of \$400,000 for this service is included in the proposed FY02 budget in cost center number 0641, Non-Departmental-Building Services under account 50599, Utilities Others, project number 100001, task number 01.01. Since this is a multi-year contract, the cost center manager and Executive Officer will be accountable for budgeting the cost in future years.

ALTERNATIVES CONSIDERED

The alternatives considered to contracting with an outside vendor for recycling/trash hauling services follow:

- 1) Use MTA personnel and equipment for both recycling and trash hauling. This alternative is not recommended because MTA does not have the properly trained staff, licensed facilities, or specialized equipment to perform these services pursuant to applicable law.
- 2) Use MTA personnel and equipment to provide recycling services and an outside vendor for trash hauling. This alternative is not recommended because additional staffing, training, and equipment would be required to support these services throughout the MTA. This alternative would require a procedure utilizing separate bins for recyclable materials at each person's workplace and staff would then identify and gather the recyclable materials and place them in the separate recycling bin. This method would still require MTA to contract with a state licensed recycling facility for disposition of the recycled materials.
- 3) Contract with two vendors, one to provide trash hauling services and the other for recycling services. Additional staffing and equipment would be required to support the recycling effort and the administration of the two contracts. This alternative is not recommended because it would still require MTA staff to provide the same recycling gathering services that are listed in Alternative 2.
- 4) Contract for trash hauling only and not implement a recycling program. This is not recommended because MTA would be violating the California Integrated Waste Management Act and could be subject to monetary fines of up to \$10,000 per day.

PROCUREMENT SUMMARY

IFB No. PS000641014 was released and advertised on February 20, 2001. A total of six requests for the IFB were received. In order to allow potential bidders additional time to complete their bids, an addendum was issued on March 21, 2001 that changed the bid due date from March 23, 2001 to March 30, 2001. On March 30, 2001, three bids were received in response to the IFB. American Reclamation, Inc., also doing business as South Coast Recycling, with a total bid of

\$1,697,985.23 was determined to be the lowest responsive and responsible bidder. Please see Attachment A, Procurement Summary, for further details.

COST/PRICE ANALYSIS

Line Item	Recommended Amount	Historical Price
Year 1	\$ 309,990.00	\$ 346,434.78
Year 2	\$ 322,389.60	\$ 346,434.78
Year 3	\$ 336,897.13	\$ 346,434.78
Year 4	\$ 353,741.99	\$ 346,434.78
Year 5	\$ 374,966.51	\$ 346,434.78
Total	\$1,697,985.23	\$1,732,173.90
	Total Variance	(\$ 34,188.67)

The recommended bid price of \$1,697,985.23 has been determined to be fair and reasonable based upon selection of the lowest responsive and responsible bidder and price analysis. The recommended bid price resulted in a net decrease of \$ 34,188.67 for a five year period from historical price because of cost savings offered by a new vendor. The independent estimate provided for this item is \$2,171,536.05.

SMALL BUSINESS PARTICIPATION

The Small Business Diversity Unit (SBD) does not recommend a Disadvantaged Business Enterprise (DBE) participation goal for this procurement. No subcontracting opportunities were identified. SBD did provide a list of DBE firms to be outreached as potential Primes when the project was advertised. The availability of DBE firms in this service area provides an excellent opportunity for DBE firms to compete for prime contracts.

Pursuant to the DBE Program requirements, if the Prime proposes to use the services of subcontractors, the Prime is expected to afford maximum opportunity to DBE firms in subcontract and supply services areas. Upon request, the Prime is required to submit documentation to satisfy that good faith efforts were made to utilize DBE firms throughout the life of the contract.

ATTACHMENT

A. Procurement Summary

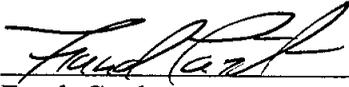
Prepared by:

Phyllis Meng
General Services Supervisor

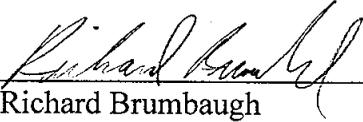
Ken Takahashi
Senior Contract Administrator



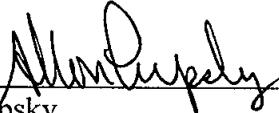
Colonus Mitchell
Executive Officer, Procurement



Frank Cardenas
Executive Officer, Administration



Richard Brumbaugh
Chief Financial Officer



Allan Lipsky
Office of the Chief Executive Officer

**ATTACHMENT A
PROCUREMENT SUMMARY**

SEALED BID

1.	Independent Estimate: \$2,171,536.05	
2.	Recommended Vendor	
	Name: American Reclamation (aka South Coast Recycling)	
	City: Los Angeles, CA	
	Total Dollar Amount: \$1,697,985.23	
3.	Description of Services or Material: Recyclable Rubbish Removal Services	
4.	Contract Type: Indefinite Quantity/Indefinite Delivery	
5.	IFB Issued: 02/23/01	
6.	IFB Advertised: 02/20/01	
7.	DBE Participation Goal? None	
	Responsive? N/A	
8.	Number of notifications sent (postcards): 7	
9.	Number of Bids Picked up by Vendors: 6	
10.	Pre-Bid Conference: None	
11.	Number of bids received: 3	
12.	Date bids opened: 03/30/01	
13.	Staff analysis:	
	1. List Bidders and Bid Prices American Reclamation - \$1,697,985.23 Waste Management - \$2,306,159.14 Consolidated Services - \$2,949,394.04	
	2. Technical Analysis: Yes, American Reclamation is technically qualified	
14.	Protest Received: To Be Determined	
15.	Disposition of Protest/Appeal: To Be Determined	
16.	Pre-Qualification Completed: Yes, 03/13/01	
17.	Conflict of Interest Submitted to Ethics: Yes, 03/12/01	
18.	Audit Report Completed: N/A	
19.	EO Evaluation Completed: Yes, 03/11/01	
20.	Contract Administrator: Ken Takahashi	Tel: (213) 922-1047
21.	Project Manager: Phyllis Meng	Tel: (213) 922-2375