



Metropolitan
Transportation
Authority

One Gateway Plaza
Los Angeles, CA
90012-2952

SUBJECT: TRASH HAULING/RECYCLING SERVICES

ACTION: AMEND CONTRACT WITH AMERICAN RECLAMATION, INC.

RECOMMENDATION

Authorize the Chief Executive Officer to execute Amendment No. 1 to Contract No. PS000641014 with American Reclamation, Inc. to:

- A) Provide recycling/trash hauling services for the Metro Gold Line Facilities through the end of the contract period, in an amount not to exceed \$202,000; and
- B) Increase the authorized contract amount for the existing facilities due to the imposition of AB939 fees by various cities, in an amount not to exceed \$20,000.

Increasing the contract value in the amount not to exceed \$222,000 and increasing the total contract value from \$1,697,986 to \$1,919,986.

RATIONALE

The Metro Gold Line is anticipated to commence revenue operations during July 2003. In order to maintain the cleanliness of the stations as well as assisting in handling the trash on trains and platforms, the Metro Gold Line stations will require trash hauling/recycling services. Trash Hauling services are required to ensure the health and safety aspects of the stations. Recycling services are also required under state laws that apply to the MTA. The current contract with American Reclamation, Inc. began before the requirements for services along the Metro Gold Line were known.

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. Recently various cities have begun imposing an AB939 fee, which is usually expressed as a percentage of the total gross receipts from customers. The cities currently imposing these fees are Los Angeles, Vernon, El Monte, and Pasadena. The current contract began before the cities began imposing the fees. The authorized contract amount of the contract must be increased to allow for payment of these additional fees.

FINANCIAL IMPACT

Funding of \$500,000 for this service is included in the FY04 budget in cost center number 0641, cost center non departmental, Building Services under various bus and rail operating projects and overhead. Since this is a multi-year contract, the cost center manager and Executive Officer will be accountable for budgeting the cost in future years. In FY03 \$322,550 was expended on recycling/trash services.

ALTERNATIVES CONSIDERED

The alternatives considered for recycling/trash hauling services were:

- 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.
- 2) Contract with two vendors. This alternative is not recommended because it would add administrative costs to ensure that both contractors complied with contractual terms and reporting requirements of the municipalities where MTA facilities are located.

ATTACHMENT

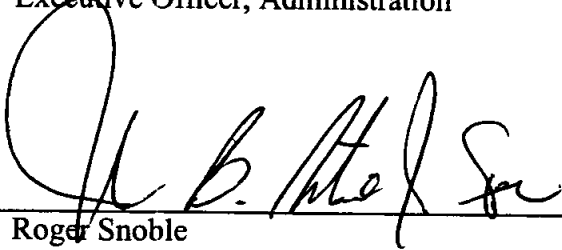
Procurement Summary

1. Attachment A
2. Attachment A-1
3. Attachment A-2

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Director
General Services



Don Ott
Executive Officer, Administration



Roger Snoble
Chief Executive Officer

**BOARD REPORT ATTACHMENT A
PROCUREMENT SUMMARY**

TRASH HAULING/RECYCLING SERVICES

1.	Contract Numbers: PS000641014		
2.	Recommended Vendor: American Reclamation, Inc.		
3.	Cost/Price Analysis Information:		
	A. Proposed Price: \$222,000	Recommended Price: \$222,000	
	B. Details of Significant Variances are in Attachment A-1.D		
4.	Contract Type: Unit Rates with economic adjustments		
5.	Procurement Dates:		
	A. Issued: N/A		
	B. Advertised: N/A		
	C. Pre-bid/proposal Conference: N/A		
	D. Bids/Proposals Due: N/A		
	E. Pre-Qualification Completed: N/A		
	F. Conflict of Interest Form Submitted to Ethics: June 16, 2003		
6.	Small Business Participation:		
	A. Bid/Proposal Goal: No DBE Recommended	Date Small Business Evaluation Completed: N/A	
	B. Small Business Commitment: N/A		
7.	Invitation for Bid/Request for Proposal Data:		
	Notifications Sent: N/A	Bid/Proposals Picked up: N/A	Bid/Proposals Received: N/A
8.	Evaluation Information:		
	A. Bidders/Proposers Names: American Reclamation, Inc.	Proposal Amount: \$222,000	Best and Final Offer: N/A
	B. Evaluation Methodology: N/A		
9.	Protest Information:		
	A. Protest Period End Date: N/A		
	B. Protest Receipt Date: N/A		
	C. Disposition of Protest Date: N/A		
10.	Contract Administrator: Ken Takahashi	Telephone Number: 922-1047	
11.	Project Manager: Phyllis Meng	Telephone Number: 922-2375	

**BOARD REPORT ATTACHMENT A-1
PROCUREMENT SUMMARY**

TRASH HAULING/RECYCLING SERVICES

A. Background of Contractor

American Reclamation, Inc. is a family owned, state licensed recycling center and has been in the 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, Inc. currently provides recycling and/or trash hauling services for customers throughout the County, including MTA, Smart & Final, 99 Cent Stores, and Pep Boys.

In mid-2001, as a result of a competitive procurement, American Reclamation, Inc. was awarded a five-year contract for trash hauling and recycling services at all MTA facilities. The contract will have three years remaining as of July 1, 2003. American Reclamation, Inc.'s performance has been satisfactory during the contract term.

B. Procurement Background

After reviewing the alternatives, MTA staff concluded that an amendment to the current contract would be needed and staff developed a scope of work for the stations. A proposal was received from American Reclamation, Inc., the incumbent contractor for inclusion of the Gold Line facilities to the recycling/trash hauling contract.

C. Evaluation of Proposal

The Project Manager and Contract Administrator reviewed the proposal to ensure responsiveness to the MTA's requirements and price reasonableness.

D. Cost/Price Analysis and Explanation of Variances

The recommended price of \$222,000 has been determined to be fair and reasonable based upon cost analysis performed by the Contract Administrator and Project Manager. American Reclamation, Inc.'s proposed pricing is based upon the competitively obtained pricing of the original contract. The proposed pricing has been economically adjusted pursuant to the terms of the original contract and also has been increased due to increased landfill costs and AB939 charges by various cities.

**BOARD REPORT ATTACHMENT A-2
LIST OF SUBCONTRACTORS**

TRASH HAULING/RECYCLING SERVICES

Prime Contractor: American Reclamation, Inc.

Subcontractor: None

Total Commitment: None Recommended