



Metro

Metropolitan Transportation Authority

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48

**OPERATIONS COMMITTEE
JUNE 18, 2009**

SUBJECT: INTEGRATED WASTE MANAGEMENT SERVICES

ACTION: MODIFY CONTRACT NO. PS06064105

RECOMMENDATION

Authorize the Chief Executive Officer to execute Modification No. 1 to Contract No. PS06064105, with American Reclamation, Inc. to:

- A. Provide Integrated Waste Management Services for the Metro Gold Line Eastside Extension facilities through the end of the contract period, in an amount not to exceed \$665,280, and
- B. Increase the authorized contract amount for existing facilities due to additional service requests, higher AB939 costs due to increase in waste volume, increased dump fees and drop in market value of recycled paper in an amount not to exceed \$2,837,919.

The above actions will increase the contract value by \$3,503,199, increasing the not-to-exceed amount from \$5,322,229 to \$8,825,428.

RATIONALE

Integrated waste management services must be provided at all facilities in order to maintain a healthy and safe environment for Metro employees and customers.

The Metro Gold Line Eastside Extension is anticipated to commence revenue operations. In order to maintain the cleanliness of the stations as well as assist in handling the trash on trains and platforms, the Metro Gold Line Eastside Extension stations will require integrated waste management services. Integrated waste management services are required to ensure the health and safety aspects of the stations. Recycling services are also required under state laws that apply to Metro. The current contract with American Reclamation began in July 2006, before the specific requirements for services along the metro Gold Line Eastside Extension were known.

During the contract period many Metro facilities have requested additional pick-ups and/or larger or more bins for trash collection and recycling purposes. Other

facilities have required extra bins for clean-up projects. There has also been a substantial increase in pick-ups from the rail stations that has resulted in additional costs that were not anticipated when the contract was first established, and due to a change in the market processing costs exceed revenue from recycled paper. Additionally, increases in recent years from cities and landfill operators for dump fees and California Integrated Waste management Act (AB939) fees due to increase in volume of trash are passed onto Metro and have significantly increased the cost of the integrated waste management services. The current city fees which are a percentage of the dump fees in those cities are listed below:

City of Los Angeles	10%
City of Vernon	11.11%
City of Pasadena	16%
City of El Monte	10%
	\$0.39 per cubic yard AB939 front loader fee
	\$1.16 per cubic yard AB939 roll off fee

American Reclamation is responsible for collecting all recyclable and waste materials from metro facilities, except for metals and hazardous materials. American Reclamation provides ongoing analysis of Metro's efforts with respect to reducing landfill waste and bolstering in-house recycling programs to meet the requirements of the California Integrated Waste Management Act.

FINANCIAL IMPACT

Funding of \$1,381,320 for these services is included in the FY10 proposed budget in cost center number 0641, Non-departmental Building Services, under various projects. In FY09, \$1,299,167 has been expended through mid-April

Since this is a multi-year contract, the cost center manager and Executive Officer will be accountable for budgeting the cost in future years, including any option exercised.

Impact on Enterprise Funds Bus and Rail Expenditures

The sources of funds for these expenditures are a combination of Enterprise Funds (80%) and Prop A and C administrative funds (20%). The funding is determined by the location and frequency of the pick-ups. The Enterprise Funds are eligible for bus and rail operating and capital expenses.

ALTERNATIVES CONSIDERED

The alternatives considered in lieu of modifying the contract for integrated waste management services include:

1. Use Metro personnel and equipment for both recycling and trash hauling. This alternative is not recommended because staff is not properly trained or licensed.

Additionally, Metro does not have the specialized equipment to perform these services.

2. Use Metro personnel to provide recycling services and a contractor for trash hauling. The alternative is not recommended because additional staffing, training, and equipment would be required to support these recycling services throughout Metro. This method would also require Metro to contract with a state licensed recycling facility for disposition of the recycled materials.
3. Re-bid the contract. This is not recommended because costs have increased for all waste management service providers, and based on staff analysis, the price is reasonable given market costs and services included in the scope of work.

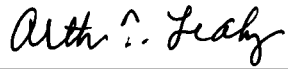
ATTACHMENTS

- A. Procurement Summary
- A-1. Procurement History
- A-2. List of Subcontractors

Prepared by: Irma L. Licea, General Services Manager



Lonnie Mitchell
Chief Administrative Services Officer



Arthur T. Leahy
Chief Executive Officer

**BOARD REPORT ATTACHMENT A
PROCUREMENT SUMMARY**

INTEGRATED WASTE MANAGEMENT SERVICES

1.	Contract Number: PS06064105, Modification No. 1		
2.	Recommended Vendor: American Reclamation, Inc.		
3.	Cost/Price Analysis Information:		
	A. Proposed Price: \$665,280	Recommended Price: \$665,280	
	B. Details of Significant Variances are in Attachment A-1.D		
4.	Contract Type: Unit Rate		
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: April 20, 2009		
6.	Small Business Participation:		
	A. Bid/Proposal Goal: None 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. <u>Bidders/Proposers Names:</u> American Reclamation, Inc.	<u>Bid/Proposal Amount:</u> \$665,280	<u>Best and Final Offer:</u> 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: Kenneth Takahashi	Telephone Number: 922-1047	
11.	Project Manager: Phyllis Meng	Telephone Number: 922-2375	

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

INTEGRATED WASTE MANAGEMENT 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 40 years. Their Los Angeles 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 Metro, the City of El Monte, Smurfit Corporation, and Jons Markets.

American Reclamation, Inc. is the current contractor and their performance has been satisfactory during the contract term.

B. Procurement Background

The procurement was conducted as a standard contract modification and a proposal was submitted by American Reclamation for the new Metro Gold Line Eastside Extension service to be added to the contract.

American Reclamation has been determined to be both responsive and responsible.

C. Evaluation of Bids

The procurement is in compliance with Metro Procurement policies and procedures.

D. Cost/Price Analysis and Explanation of Variances

The recommended price was determined to be fair and reasonable based upon price and cost analysis performed by the Contract Administrator and Project Manager.

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

INTEGRATED WASTE MANAGEMENT SERVICES

Prime Contractor: American Reclamation, Inc.

Small Business Commitment

Other Subcontractors

None Recommended

None

Total Commitment: None Recommended

