



**Metro**

Metropolitan Transportation Authority

One Gateway Plaza  
Los Angeles, CA 90012-2952

**30**

OPERATIONS COMMITTEE  
JUNE 15, 2006

**SUBJECT: INTEGRATED WASTE MANAGEMENT SERVICES**

**ACTION: AWARD CONTRACT PS06064105 TO AMERICAN RECLAMATION, INC.**

**RECOMMENDATION**

Authorize the Chief Executive Officer to award a five-year, unit rate contract, Contract No. PS06064105, to American Reclamation, Inc. for Integrated Waste Management Services in an amount not to exceed \$5,322,229, effective July 1, 2006.

**RATIONALE**

In order to maintain a healthy and safe working environment for Metro employees, integrated waste management services must be provided at all facilities.

Public Resources Code Section 40050 et seq, mandated that beginning in the year 2000, all local government organizations in California were required to divert at least 50% of their waste from landfills. To meet requirements of the statute, Metro requires the services of a trash-hauling contractor to separate and recycle suitable materials that are collected with the trash from Metro facilities.

American Reclamation will be responsible for collecting all recyclable/waste materials from Metro facilities, except for metals and hazardous materials. The funds earned from non-contaminated recyclables will be used to offset the cost of the agency's trash hauling bill.

American Reclamation will also provide on-going analysis of Metro's efforts with respect to reducing landfill waste and bolstering in-house recycling programs to meet the requirements of the Act.

**FINANCIAL IMPACT**

The funding of \$613,940 for this service is included in the FY07 adopted budget in cost center number 0641, Non-departmental Building Services, under projects 100001, 300011, 300022, 300033, 300044, 300055, 301001, 302001, 303001, 304001, 305001, 301012. 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. In FY06, \$477,823 has been expended through March.

The first year cost of the contract is \$944,144, which is \$330,204 more than budgeted for FY07. The major reasons for the cost increase are the addition of the Gold and Orange Lines for the entire five-year contract period, and increases in fuel, equipment and labor costs, and increased dump fees. A portion of the cost will be offset by revenue from recycled material that will be credited to Metro, but this will not be enough to cover the funding shortfall. Staff will work with cost center managers to identify funds already programmed in the FY07 budget to cover the additional cost of this service.

### ALTERNATIVES CONSIDERED

The alternatives considered to approval of award of this contract for recycling/trash hauling 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. This 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) Contract with two or more vendors, one to provide trash hauling services and the other for recycling services. Additional Metro staffing and equipment would be required to support the recycling effort and the additional administration of the two contracts. This alternative is not recommended because it would require Metro staff to provide the same recycling gathering services that are listed in Alternative 2.
- 4) Reject and re-bid the contract. This is not recommended because costs have increased for all waste management service providers, and based on Metro's estimating staff analysis, the price is reasonable given market costs and services included in the scope of work.

### ATTACHMENT

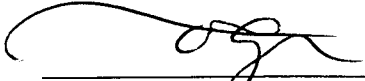
Procurement Summary

Prepared by: Brian Soto, Director, General Services



---

Don Ott  
Executive Officer, Administration



---

Roger Snoble  
Chief Executive Officer

**BOARD REPORT ATTACHMENT A  
PROCUREMENT SUMMARY**

**INTEGRATED WASTE MANAGEMENT SERVICES**

1.	Contract Number: PS06064105		
2.	Recommended Vendor: American Reclamation, Inc.		
3.	Cost/Price Analysis Information:		
	A. Proposed Price: \$5,322,229	Recommended Price: \$5,322,229	
	B. Details of Significant Variances are in Attachment A-1.D		
4.	Contract Type: Unit Rate		
5.	Procurement Dates:		
	A. Issued: February 13, 2006		
	B. Advertised: February 13, 2006		
	C. Pre-bid/proposal Conference: February 22, 2006		
	D. Bids/Proposals Due: March 13, 2006		
	E. Pre-Qualification Completed: March 13, 2006		
	F. Conflict of Interest Form Submitted to Ethics: April 17, 2006		
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: 4	Bid/Proposals Picked up: 4	Bid/Proposals Received: 1
8.	Evaluation Information:		
	A. <u>Bidders/Proposers</u> Names: American Reclamation, Inc.	<u>Bid/Proposal Amount:</u> \$5,322,229	<u>Best and Final</u> <u>Offer:</u> N/A
	B. Evaluation Methodology: Lowest Responsive, Responsible Bidder		
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 SUMMARY**

**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 forty 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 a standard sealed bid and recommendation for award is being made to the bidder that submitted the only bid. The bidder 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 anticipated competition and additional analysis performed by the Contract Administrator and Project Manager.

An independent analysis was also conducted by the Procurement and Material Management Estimating Department and they concurred that the rates were acceptable.

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