



Metro

Los Angeles County
Metropolitan Transportation Authority

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Los Angeles, CA 90012-2952

213.927
metro.

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**OPERATIONS COMMITTEE
JULY 21, 2005**

SUBJECT: RECYCLABLE RUBBISH REMOVAL SERVICES

ACTION: MODIFY CONTRACT WITH AMERICAN RECLAMATION, INC.

RECOMMENDATION

Authorize the Chief Executive Officer to execute Modification No. 2 to Contract No. PS000641014 with American Reclamation, Inc. to:

- A) Provide recycling/trash hauling services for the Metro Orange Line Facilities through the end of the contract period, in an amount not to exceed \$14,000;
- B) Increase the amount for the existing facilities as a result of increased service needs and fees charged by various waste disposal sites and governmental agencies, in an amount not to exceed \$282,261.

These actions increase the contract value in the amount not to exceed \$296,261 and increase the total contract value from \$1,919,986 to \$2,216,247.

RATIONALE

The Metro Orange Line is scheduled to commence revenue operations during September 2005. In order to maintain the cleanliness of the stations as well as assisting in handling the trash on buses and bus stops, the Metro Orange Line bus stops will require trash hauling/recycling services. Trash hauling services are required to ensure the health and safety aspects of the bus stops. Recycling services are also required under state laws that apply to Metro. The current contract with American Reclamation, Inc. began before the requirements for services along the Metro Orange Line were known.

In addition to costs related to the Orange Line, the increase includes funds for increased service levels, such as additional bins and greater frequency of service, as well as increased fees from governmental agencies.

Public Resources Code Section 40050 et seq., the California Integrated Waste Management Act (Act), 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, Metro requires the trash-hauling contractor to separate and recycle recyclable materials picked up with the trash at Metro facilities. To date, the 50% requirement has been met. With the enactment of the Act, fees imposed by cities as a result of the Act began and have been steadily and substantially increasing during the term of the contract. The cities imposing these fees are Los Angeles, Vernon, El Monte, and Pasadena. These fees are normally based upon a percentage of the total gross receipts from customers. The authorized amount of the contract must be increased to allow for payment of these higher fees and franchise charges.

During 2004, more than fifty percent of the trash picked up from the Metro Gateway Headquarters building was recycled, saving the agency \$24,500 on its trash hauling bills. In an effort to increase recycling and reduce trash-hauling bills, General Services is scheduled to implement a desktop recycling campaign program for paper and a recycling campaign for aluminum cans in FY06.

FINANCIAL IMPACT

The funding of \$613,940 for this service is included in the FY06 budget in cost center number 0641, cost center non-departmental, Building services under various bus and rail operating projects. 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 FY05, \$546,050 was expended on recycling/trash hauling services.

ALTERNATIVES CONSIDERED

The alternatives considered for these services were:

- 1) Use Metro personnel and equipment for both recycling and trash hauling. This alternative is not recommended because Metro does not have the properly trained staff, licensed facilities, or specialized equipment to perform these services.
- 2) Contract with another vendor. 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 Metro facilities are located.

ATTACHMENTS

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

Prepared by: Brian Soto
Director of General Services



Don Ott
Executive Officer, Administration



Roger Snoble
Chief Executive Officer

**BOARD REPORT ATTACHMENT A
PROCUREMENT SUMMARY**

RECYCLABLE RUBBISH REMOVAL SERVICES

1.	Contract Number: PS000641014, Modification No. 2		
2.	Recommended Vendor: American Reclamation		
3.	Cost/Price Analysis Information:		
	A. Bid/Proposed Price: \$296,261	Recommended Price: \$296,261	
	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-proposal Conference: n/a		
	D. Proposals Due: n/a		
	E. Pre-Qualification Completed: n/a		
	F. Conflict of Interest Form Submitted to Ethics:		
6.	Small Business Participation:		
	A. Bid/Proposal Goal: None recommended	Date Small Business Evaluation Completed: n/a	
	Small Business Commitment: n/a		
7.	Invitation for Bid/Request for Proposal Data:		
	Notifications Sent: n/a	Bids/Proposals Picked up: n/a	Bids/Proposals Received: n/a
8.	Evaluation Information:		
	A. Bidders/Proposers Names: American Reclamation	<u>Bid/Proposal Amount:</u> \$296,261	<u>Best and Final Offer Amount:</u> \$n/a
	B. Evaluation Methodology: Details are in Attachment A-1.C		
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: 213-922-1047	
11.	Project Manager: Phyllis Meng	Telephone Number: 213.922.2375	

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

RECYCLABLE RUBBISH REMOVAL SERVICES

A. Background on 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's services have been satisfactory during the four years of the current contract.

B. Procurement Background

IFB No. PS000641014 was released and advertised on February 20, 2001. On March 30, 2001 three bids were received in response to the IFB. American Reclamation, with a total bid price of \$1,697,985.23, was determined to be the lowest responsive and responsible bidder, and was awarded a contract for the period of July 1, 2001 to June 30, 2006.

Modification/amendment No. 1, which increased the contract amount and added Gold Line operations was approved by the Board and was executed in July 2003.

The current modification will add Orange Line operations to the contract for the remainder of the contract term.

C. Evaluation of Proposals

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

D. Cost/Price Analysis Explanation of Variances

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

BOARD REPORT ATTACHMENT A-2
LIST OF SUBCONTRACTORS

RECYCLABLE RUBBISH REMOVAL SERVICES

PRIME CONTRACTOR – American Reclamation, Inc.

Small Business Commitment

Other Subcontractors

None Recommended

None

Total Commitment: None