

Too Good to Throw Away

Implementation Strategy



**Council Briefing
by Sanitation Services**

October 4, 2006

Revised

Purpose of Briefing

- ◆ Summarize preparations for **“Too Good To Throw Away”** recycling services – FY07
- ◆ Recommend “path forward” for starting the recycling collection service

Too Good To Throw Away

2006-07 Timeline

- ♦ Aug 2 - Brief Council; advise of award recommendations
- ♦ Aug 9 - Award *cart supply* and *processing service* contracts
- ♦ Aug 23 - Extend current blue bag collections contract into FY07
- ♦ Sep 6 - Brief full Council on SAN budget – with update status of recycling program for FY07
- ♦ Oct 4 - Brief Council on recycling *collection service* recommendations
- ♦ Oct 11 - Award recycling *collection service* contract (if approved)
- ♦ Nov–Dec **Deliver carts and starter kits**
- ♦ Jan 2007 **Implement new service city-wide**

Too Good To Throw Away

Program Basics

- ◆ Increase waste diversion to 43,200 tons yearly (currently at ~10,000 tons)
- ◆ Twice-monthly collection in carts and/or bags
 - no change in twice-weekly garbage collection
- ◆ Four Demonstration Areas to continue weekly recycling collection in carts
- ◆ Manual service areas (bags only) to continue weekly recycling collection in blue bags
- ◆ Improve recycling drop-off sites with new containers; increase from 32 to 70 sites to address **multi-family needs** – locations to be coordinated with Council members

Recycling Collection RFP

- ◆ Budget projections assumed **\$4.405M** as cost for collection service for Jan-Sep 2007 (Year 1)
- ◆ Received proposals from four vendors on Aug 18
- ◆ Evaluation results placed 3 of 4 vendors in tight competition
 - all three within budget projections
- ◆ “Best & Final” offers from best three received Sep 26, followed by Sep 29 updates

Recycling Collection RFP

Best and Final Offers:

- ◆ All provided proposals with service start date of Jan 2007
- ◆ All agreed to annual price adjustment after 24 months
- ◆ All agreed to replace “twice monthly” schedule with “every other week” schedule
 - eliminates 3-week gaps in service
 - see Appendix for calendar example
- ◆ Holiday pickup to be scheduled for nearest Wednesday
- ◆ Two of three agreed to switch to low-emission trucks, once available in 2007

Evaluation Criteria and Points

Evaluation Criteria	Points	Description
Price	200	Monthly cost of service for all customer groups, dropoff sites, education funds
Project Approach	100	Proposer's plan to provide suitable equipment (trucks, containers), staffing requirements, routing and scheduling
		Demonstration of customer service and complaint resolution, quality control methods, in-place service policies
Experience	75	Describe service provided to large communities, with both street and alley collection; carts and bags
		Demonstrate financial capability for proposed project size and scope
		Indicate key personnel and their specific experience in conducting similar work
References	100	Provide specific contact persons to substantiate your experience and performance for similar service
		Identify number of households served, diversion rates achieved, style of service, complaint rate, cost of program
MWBE / Good Faith Effort	25	State intent and means to accomplish adherence to City's Good Faith Effort
Totals:	500	

Tabulation of Offers

Proposer		Eval points	Revised points*	Unit pricing (per household)	First FY cost	Use clean fleet ?	Stated Exceptions
Republic Waste	1	415	438	\$2.06	\$4,292,881	in 2007	none
IESI	2	414	418	\$2.10 / \$2.85	\$4,450,464	No	none
CWD	3	419	389	\$1.81	\$3,771,901	in 2007	Yes *
Allied Waste	4	371	NA	\$2.60	\$5,418,200	BAFO not requested	

* CWD's noted exceptions to the project specifications:

Decrease specified penalty from \$1,000 to \$100 for failure to maintain trucks & vehicle permits
 Eliminate any penalties in first 5 weeks of contract & first 5 weeks that new vehicles are in service
 Seeks option to cease service delivery if City payments exceed 30 days from invoice
 Seeks renegotiation of rates in event of recycling processor relocation

Evaluation Team's comments

Proposer	Eval points	Revised points*	Evaluator's comments
ALL Proposers	-	-	All vendors are clearly qualified to perform the work. Each showed ample capabilities in the evaluation categories; some excelled in one area or another. All appeared to understand the work scope thoroughly and expressed a strong interest in providing the service.
Republic Waste	415	438	Republic's resources (national firm with extensive equipment, labor force, and developed programs) and breadth of experience rated highly. Heir customer-service center approach and complaint resolution policies were well developed and supported by references. Gained points in BAFO when agreed to mobilize for Jan 2 start date (had previously indicated probability to delay start date.) Sterling references.
IESI	414	418	Showed strong level of capabilities and interest. Points increased with 2nd review of references, offset by decrease due to plan to use trucks with 2006 engines without plan to upgrade to 2007 emission standards.
CWD	419	389	CWD's experience in other cities, as well as past 6 years in Dallas, rated high. The exceptions they noted in two rounds of negotiations created concerns about their ability to meet the City's high levels of customer-service and was counter-indicative of a cooperative relationship with the City. Some noted that CWD appeared to be positioning for contentious situation. Pricing remains best of 4.

Option for consideration

Use City Forces for recycling collection

Proposer		Eval points	Revised points*	Unit pricing (per household)	First FY cost	Use clean fleet ?	Stated Exceptions
Republic Waste	1	415	438	\$2.06	\$4,292,881	in 2007	none
IESI	2	414	418	\$2.10 / \$2.85	\$4,450,464	No	none
CWD	3	419	389	\$1.81	\$3,771,901	in 2007	Yes *
Allied Waste	4	371	NA	\$2.60	\$5,418,200	BAFO not requested	
City of Dallas	NA	NA	NA	\$1.97	\$4,105,718	by 2008	none

Note: City did NOT participate in RFP process as managed competition. Staff provides these cost-of-service figures at request of Council (Aug 2 recycling briefing, Aug 9 agenda, Sep 6 budget briefing, and by individual emails and memo).

City's Project Approach

(budget detail in Appendix B)

Mobilize manpower, equipment and coordination in Oct-Nov for 22 Recycling Collection routes, with Jan 2007 start-date

- ◆ place Program Manager, supervisors, and CDL drivers in Oct/Nov
- ◆ secure leased trucks for first and/or second year of service, transitioning to low-emission vehicles as they become available in 2007 and 2008
 - ◆ Award truck lease in late Oct / Nov, using rapid purchase process
 - ◆ Train drivers on recycling routes December 15- 29
 - ◆ Outfit “Blue Crews” with uniforms, truck signage, radios, supplies
- ◆ Schedule for “every other week” collection frequency; utilize nearest Wednesday for “holiday make-up” day
- ◆ Prepare and mailout of collection schedules to all customers in Nov
- ◆ Order replacement “dropoff containers” (6 and 8-cubic yard containers) for current igloo sites; coordinate with Council for additional 38 locations

Recycling Collection: Options

Contract Period	City¹		Republic²	
	<i>(est. cost projection)</i>		<i>(cost projection based on max. allowable increases)</i>	
	<i>Rate</i>	<i>Cost</i>	<i>Rate</i>	<i>Cost</i>
Year 1 (9 months)	\$1.97	\$4,105,718	\$2.06	\$4,292,881
Year 2	\$1.94	\$5,384,828	\$2.06	\$5,723,842
Year 3	\$1.89	\$5,239,242	\$2.16	\$5,938,486
Year 4	\$1.88	\$5,211,056	\$2.27	\$6,235,410
Year 5	\$1.96	\$5,452,849	\$2.38	\$6,547,181
Year 6	\$2.06	\$5,714,688	\$2.50	\$6,874,540
Year 7	\$2.16	\$5,996,809	\$2.63	\$7,218,267
Totals	\$37,105,190		\$42,830,607	
Net difference:			\$5,725,417	

- 1 City costs assume: annual increases in salary (average 4%), fuel (5-10%) and fleet maintenance (approx.10%); and purchase of new clean-fuel units starting in 2008.
- 2 Contractor costs assume: fixed rates for Years 1 and 2, with cost adjustments for each subsequent year based on cost adjustment factor (CPI-DFW for fuel and labor), not to exceed 5% per year.

Recommendation

Proceed with recycling collection service using:

City Forces

- Pricing is competitive with private haulers, and results in up to \$5.7M in overall savings compared to the most advantageous proposal.
- However, the City's annual program costs for this service are less certain than contractor's set 7-year rate structure.
- City's Sanitation Services is a known quantity – with demonstrated high level of customer service
- Affords flexibility for any future service changes (such as switch to once-a-week recycling or incorporating extended multi-family recycling collection)

Collection Options

Direction from Council to either

- Have the City Manager to bring forward a contract award item on the Oct 11 agenda - awarding to the most advantageous proposer (Republic)

or

- Instruct the City Manager to bring forward a resolution on the Oct 11 agenda - directing **City Forces** to begin recycling collection service preparations.

Appendix A-1: Example 2007 Calendar for “Twice Monthly” Tuesday Schedule

JANUARY						
M	T	W	T	F	S	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

FEBRUARY						
M	T	W	T	F	S	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28				

MARCH						
M	T	W	T	F	S	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

APRIL						
M	T	W	T	F	S	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

MAY						
M	T	W	T	F	S	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

JUNE						
M	T	W	T	F	S	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

Appendix A-2: Example 2007 Calendar for “Every-Other Week” Tuesday Schedule

JANUARY						
M	T	W	T	F	S	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

FEBRUARY						
M	T	W	T	F	S	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28				

MARCH						
M	T	W	T	F	S	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

APRIL						
M	T	W	T	F	S	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

MAY						
M	T	W	T	F	S	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

JUNE						
M	T	W	T	F	S	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

