



County's Solid Waste Collection Agreements

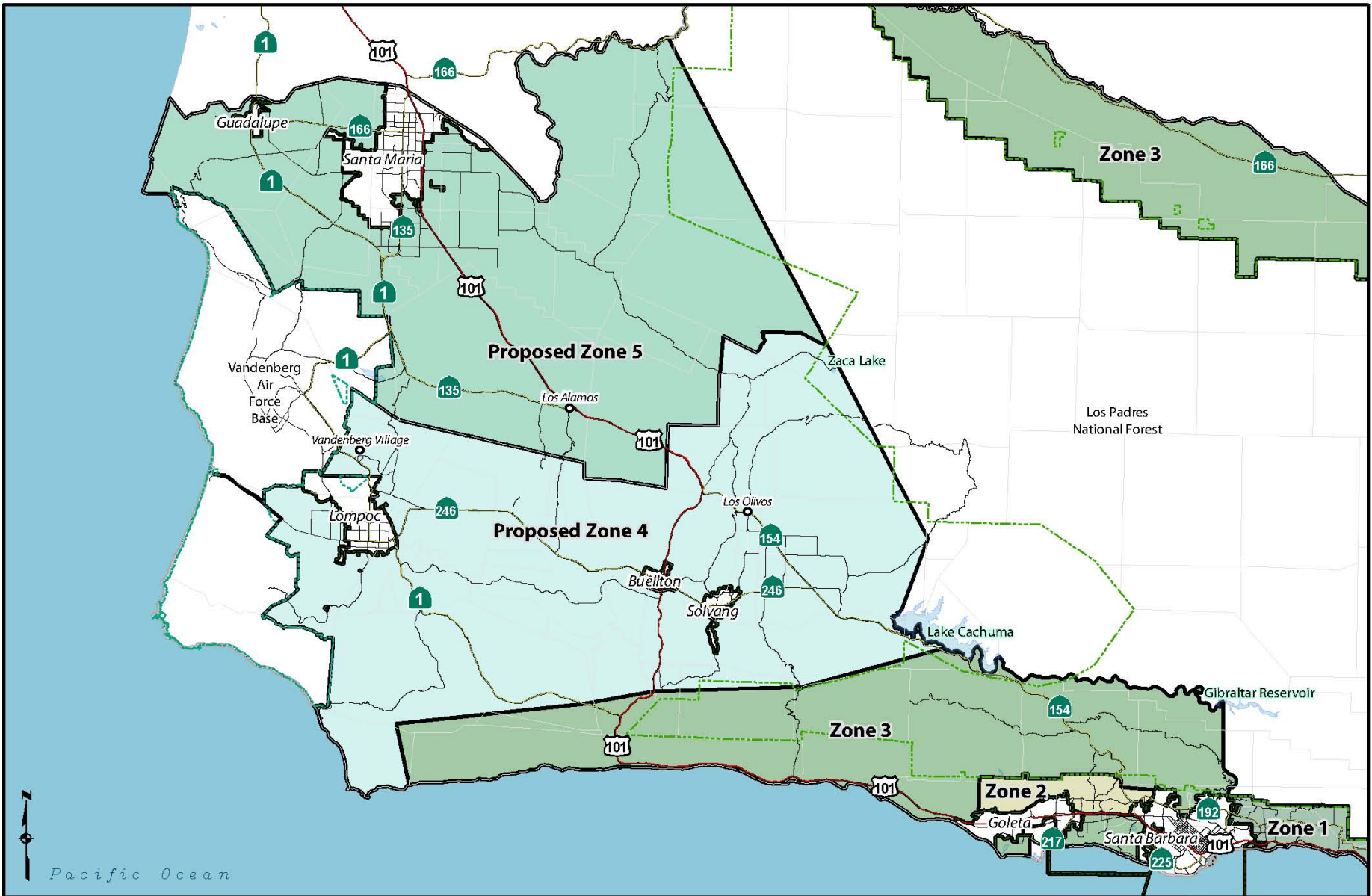
Resource Recovery & Waste
Management Division

April 5, 2011

Solid Waste Collection Background

- Agreements in Zones 2, 4 & 5 expire June 30, 2011
- Agreements in Zones 1 & 3 may expire as late as June 30, 2019

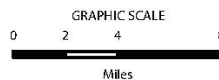




Current and Proposed Solid Waste Collection Zones

Compiled by the Office of the County Surveyor in September of 2010.

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Legend

- Populated Places
- Freeways
- Highways
- Roads
- Water Body
- Cities
- Los Padres National Forest
- Vandenberg Air Force Base
- Ranchos and Townships
- County Boundary
- Zone 1
- Zone 2
- Zone 3
- Proposed Zone 4
- Proposed Zone 5





Board Direction

July 2009

- Staff presented findings of audits conducted for each of the service providers
- Presented need to explore different options for expiring franchise agreements



Board Direction

July 2009, your Board

- Directed staff to form a Project Team comprised of:
 - County Counsel,
 - Auditor-Controller,
 - CEO's office, and
 - Public Works(consultant also hired to participate on Team)
- Created a Subcommittee to oversee the Project Team (Supervisors Farr and Carbajal)



Board Direction

- Conducted comprehensive evaluation of options available to the Board
- Project Team met 9 times
- Subcommittee met 3 times
- Developed recommendations for full Board



Board Direction

April 2010, your Board approved the Subcommittee recommendations:

- Set franchise agreement terms at 8 years
- Require a minimum of 2 service providers in the County unincorporated area
- Reconfigure service zones 4 and 5 to create two more balanced zones



Board Direction

April 2010, your Board approved the Subcommittee recommendations:

- Maintain the current Zone 2 boundaries and work with Goleta where feasible for consistency in services

- Implement a competitive procurement and limit distribution of RFP to 3 existing service providers
 - Allied Waste Services
 - MarBorg Industries
 - Waste Management



Board Direction

Summer 2010

- Surveyed industry best practices
- Prepared draft RFP
- Distributed draft RFP to 3 companies for their comments
- Made revisions and finalized RFP



Board Direction

September 2010, your Board

- Directed the distribution of the RFP as well as a draft Franchise Agreement to the 3 eligible proposers
- RFP included Evaluation Criteria and specific weights
- Directed staff to return with award recommendations after the evaluation of proposals received



Board Direction

December 2010, your Board

- Approved revisions to Chapter 17 of County Code to require a minimum of 2 service providers operating in the unincorporated area at any one time (to preserve a competitive environment)



Evaluation of Proposals

- RFPs released on Sept 30, 2010
- Proposers submitted questions until Oct 15, 2010
- County responded to questions (answers sent to all proposers)
- Proposals due Nov 15, 2010



Evaluation of Proposals

County received the following proposals:

- Zone 2: Allied (Base & Alternative), MarBorg (Base & Alternative), WM (Base & Alternative)
- Zone 4: Allied (Base & Alternative), WM (Base & Alternative)
- Zone 5: Allied (Base & Alternative), WM (Base & Alternative)



Evaluation of Proposals

- Maintained same Project Team assembled to evaluate options and procured an additional consultant to assist with proposal review – met 6 times
- Issued a series of questions to clarify information contained in proposals
- Toured facilities of each proposer



Evaluation of Proposals

Ranked each proposal based on Evaluation Criteria contained in RFP:

- Quality of Service (35%)
- Cost Competitiveness (35%)
- Innovative Diversion Programs (15%)
- Other (15%)
(financial stability, environmental considerations)



Zone 2 - Proposal Rankings					
Criteria	Allied	MarBorg	MarBorg - Alt.	Waste Management	Waste Management - Alt.
Quality Service - 35%	3 (21)	5 (35)	5 (35)	3 (21)	3 (21)
Cost Competitiveness - 35%	5 (35)	2.5 (17.5)	3 (21)	2 (14)	1.5 (10.5)
Innovative Diversion Programs - 15%	3 (9)	5 (15)	5 (15)	4 (12)	4 (12)
Other - 15%	4 (12)	5 (15)	5 (15)	3 (9)	3 (9)
TOTAL	77	82.5	86	56	52.5



Zone 4 - Proposal Rankings

Criteria	Allied	Waste Management	Waste Management - Alt.
Quality Service - 35%	3 (21)	4 (28)	4 (28)
Cost Competitiveness - 35%	3.5 (24.5)	5 (35)	2.5 (17.5)
Innovative Diversion Programs - 15%	3 (9)	4 (12)	4 (12)
Other - 15%	4 (12)	4 (12)	4 (12)
TOTAL	66.5	87	69.5



Zone 5 - Proposal Rankings

Criteria	Allied	Waste Management	Waste Management - Alt.
Quality Service - 35%	3 (21)	4 (28)	4 (28)
Cost Competitiveness - 35%	3.5 (24.5)	5 (35)	3.5 (24.5)
Innovative Diversion Programs - 15%	3 (9)	4 (12)	4 (12)
Other - 15%	4 (12)	4 (12)	4 (12)
TOTAL	66.5	87	76.5

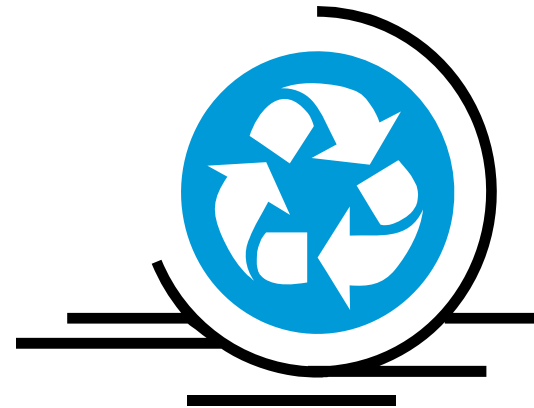


Evaluation of Proposals

- Highest scoring proposals invited to negotiate
- Negotiation sessions held in February 2011
- Some modifications to services and prices made and included in recommended agreements
- Agreement revisions made in March 2011

Enhancements

- Incorporated industry best practices into RFP
- Overall proposals were high quality and responsive





Enhancements - Services

- Additional recycling and green waste containers
- Recycling at all apartments
- Curbside collection of special waste such as batteries and electronic waste
- Postage-prepaid containers for sharps
- 6 bags of additional green waste



Enhancements - Services

- Additional refuse and recycling collection for 2 weeks after winter holidays
- Twice a year collection of bulky waste
- Comprehensive customer outreach
- Zone 2 only: automated collection of materials from homes
- Collection of material dumped illegally on roadsides



Enhancements - Services

- Board expressed interest in consistency of services in unincorporated area
 - During negotiations, MarBorg agreed to provide service enhancements to customers in Zones 1 & 3
 - 3,000 residential customers in Zone 3 will be automated by Nov 1, 2011 and receive reduced automated rate



Enhancements - Administrative

- Specific requirements for diverting material from landfilling
- Provision of refuse and recyclables collection from County facilities in unincorporated area
- Improved data collection and reporting
- Use of CNG vehicles for collection
- SB County Green Business certification for company offices



Rate Reductions

	Zone 2	Zone 4	Zone 5
Estimated Revenue	\$1,641,269	\$2,589,308	\$3,220,160
Estimated Savings	\$350,000 + addtl services for Zones 1&3	\$1,000,000	\$1,000,000



Rate Reductions

- Rates attached to agreements are not rates for FY 11/12
- Rates need to be adjusted for changes in tipping fees, inclusion of franchise fees, etc.
- Will bring rates to your Board in June for approval



Rate Reductions

- Reductions vary depending on service level and location
- Minimum of 10% reduction in residential rates for all zones
- Minimum of 15% reduction in commercial rates in Zones 4 & 5, no reduction in Zone 2 (few commercial customers & largely County facilities)



Accountability

- Customer satisfaction surveys
- Audits to ensure contract compliance
- Financial reporting requirements
- Expanded liquidated damages
- Rate setting by Board of Supervisors



Award Recommendations

- Zone 2 franchise agreement to MarBorg Industries
- Zone 4 franchise agreement to Waste Management
- Zone 5 franchise agreement to Waste Management



Thank you