



# CITY COUNCIL AGENDA REPORT



**DEPARTMENT:** Public Works

**MEETING DATE:** April 5, 2011

**PREPARED BY:** Ron Bow, Director *RS*

**AGENDA LOCATION:** AR-2

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**TITLE:** Professional Services Agreement with Maxcom Data Management, Inc., in the Amount of \$129,560 for the Period Ending June 30, 2012 for the Development of a Commercial Recycling Program

**OBJECTIVE:** To approve a Professional Services Agreement with Maxcom Data Management, Inc., for evaluation of the existing commercial solid waste and recycling programs.

**BACKGROUND:** In 1989, the State of California enacted the California Integrated Waste Management Act, Assembly Bill 939 (AB 939), which required all jurisdictions to achieve a minimum 50% diversion of solid waste from landfills by means of reducing, reusing, and/or recycling by the year 2000.

To help staff seek out options for solid waste planning, a Solid Waste White Paper was commissioned in May 2008. The White Paper provided several recommendations in order to better achieve the City's solid waste planning goals, including considering revisions to the existing commercial (including Old Town) collection programs.

Assembly Bill 32, the California Global Warming Act of 2006, requires several measures to reduce greenhouse gas emissions to 1990 levels by 2020. One of the measures requires the Department of Resources Recycling and Recovery (CalRecycle) to develop a Mandatory Commercial Recycling program. Mandatory Commercial Recycling mandates that any commercial waste account (including public entities) that generate more than 4 cubic yards per week and multi-family accounts that service 16 or more units would need to divert 50% of waste generated. The program assigns specific activities for businesses and local jurisdictions to implement prior to July 1, 2012.

Mandatory Commercial Recycling requires cities to:

- Provide public education and outreach materials to businesses;
- Identify and monitor whether businesses are subscribing to/participating in recycling services and at a minimum notify those businesses that they are out of compliance;
- Amend commercial solid waste ordinances and/or amend/draft new franchise agreements;
- Identify infrastructure and equipment restrictions (ie. space availability for extra containers) and revise ordinance(s),
- Establish building design standards for space requirements for storage of recyclables; and
- Report progress achieved in implementing the commercial recycling plan in its Annual Waste Diversion Report to CalRecycle (AB 939 Annual Report).

Failure to implement a mandatory commercial recycling program may result in issuance of a compliance order, with a specific schedule for achieving those requirements. And, failure to comply with the compliance order may result in imposing administrative civil penalties upon a jurisdiction of up to \$10,000 per day until the jurisdiction implements the program.

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In addition to regulatory compliance, the City Council has identified five solid waste planning goals to guide any future programs:

1. Long-term Cost Containment – to keep the solid waste rates charged to ratepayers competitive and stable over time.
2. Long-term Disposal Assurance – ensure access to adequate and cost-effective disposal capacity for the long-term.
3. Commitment to Waste Diversion – support residents and businesses in conserving landfill space, and in making the most efficient use of natural resources. This goal is in alignment with the following Monrovia Environmental Accords (“achieve seventy-five percent diversion to waste disposal by 2015” (Action 4) and “to implement “user friendly” recycling and composting programs” (Action 6))
4. Provide Quality Customer Service – ensure customers receive reliable service, and that any questions, concerns, or special requests they may have are addressed promptly and in a satisfactory manner.
5. Efficient Franchise Administration – maintain an appropriate level of oversight of over its solid waste system while minimizing the administrative workload for City staff.

**ANALYSIS:** On February 22, 2011, the City solicited a request for proposal (RFP) to seven professional consulting firms to assist the City in implementing AB 32’s Mandatory Commercial Recycling regulations. The RFP asks for proposals to take into consideration program requirements needed for compliance with the Mandatory Commercial Recycling Program, the City Council’s five Solid Waste Planning Goals, any potential impacts of Puente Hills Landfill Closure, the recommendations presented in the Solid Waste White Paper, the Monrovia Environmental Accords, and to hold stakeholder and City Council workshops to obtain additional feedback.

The scope of services proposed in the service agreement include the following: provide 6 to 10 pre-program stakeholder workshops; analyze and review the existing commercial solid waste and recycling programs, including Old Town, to determine compliance with AB 32; and develop recommendations to the City Council. Depending on City Council direction, the consultant may assist in updating existing commercial programs, permits, ordinances and/or agreements; develop a program implementation schedule; work with staff and hauler(s) to develop a marketing plan; prepare educational materials; and evaluate the program once fully implemented. As the consultant’s recommendation is unknown until a full program analysis and stakeholder workshops are conducted, the proposals contained multiple contract options, allowing flexibility for Staff and City Council direction.

The RFP released relates only to commercial solid waste and recycling and Old Town programs. AB32’s multi-family residential requirements are addressed in the City’s residential solid waste contract and ordinance. Staff anticipates only minor changes to the residential solid waste contract and ordinance, which will be addressed as part of the contract reopener in scheduled for Spring 2012.

On March 17, 2011, the Environmental Services Division received and opened three (3) proposals for professional consulting services for the Commercial Recycling Project. The proposals for consulting services ranged from \$127,180 to \$162,000, as follows:

<u>CONSULTANTS</u>	<u>ADDRESS</u>	<u>BID AMOUNT</u>	<u>NOTES</u>	<u>SCORE (out of 42)</u>
R3 Consulting Group, Inc with SCS Engineers	Sacramento, CA	\$127,180	excludes travel, materials and printing costs	18
<b>Maxcom Data Management, Inc. with Hogle-Ireland and MSW Consultants</b>	<b>Nevada City, CA</b>	<b>\$128,360</b>	<b>includes travel allowance of \$2,500, \$1,000 workshop materials, and \$1,000 printing costs</b>	<b>36</b>
HF&H Consultants, LLC	Irvine, CA	\$162,000	excludes travel, materials and printing costs	31

The three proposals were extensively evaluated based on 14 criteria covering professional and technical ability; expertise; performance deliverables; and overall understanding of the project, existing programs and solid waste planning goals. In addition, staff conducted several reference interviews for the proposers as well as all sub-consultants listed. Based on the evaluation, each consultant was ranked one to three (one being the lowest and three the highest score) for each of the 14 evaluation criteria. Based on the evaluation process, staff recommends the lowest responsible bidder and highest scored consultant, Maxcom Data Management, Inc.

Overall, Maxcom Data Management, Inc.'s proposal was very strong in all of the evaluation criteria. One area in particular that scored very high was the importance of stakeholder workshops. It is both Staff's and the consultant's recommendation that businesses are well educated about Mandatory Commercial Recycling requirements and have an opportunity to provide input on their waste reduction needs. This will enable program recommendations to be tailored to meet local business needs and ensure compliance with State requirements. One task that was provided as an additional option is for the consultant to personally contact key stakeholders via phone or email prior to the stakeholder workshops. Staff recommends including this task in the contracted services to ensure stakeholders are aware of the workshops and to encourage their attendance. The \$1,200 cost for calls to workshop attendees has been added to the recommended contract cost for a total of \$129,560.

The project team includes Mr. Joseph Reisdorf of Maxcom Data Management, Inc., who will act as project manager and primary contractor. Mr. Reisdorf has previously provided consulting services to the City for development and implementation of the Old Town solid waste and recycling program, as well as technical support for various programs. Assisting Mr. Reisdorf will be subcontractor Hogle-Ireland who will provide Stakeholder meetings to our local businesses to educate them about the Mandatory Commercial Recycling program requirements and solicit input on service needs. In addition, MSW Consultants will provide technical assistance with documentation preparation. MSW Consultants prepared the previously mentioned Solid Waste White Paper approximately three years ago which aided the City in preparing amendments to the residential solid waste contract.

### **Next Steps**

The Proposed Work Plan, shown in Exhibit A, illustrates the various steps after the proposed agreement (Exhibit B - a copy of which is on file with the City Clerk) is fully executed. To commence the process, Maxcom Data Management, Inc., will begin program analysis of the Commercial Solid Waste and Recycling Materials Collection Permit Program and the Old Town Solid Waste and Recycling Agreement in order to prepare draft program recommendations and stakeholder workshops. The workshops will be held in May and will be well advertised including direct contact to key stakeholders and groups. Taking into account the program review and stakeholder workshops, Maxcom Data Management, Inc., will prepare program recommendations for City Council consideration in July 2011. Implementation actions will take place between July 2011 and July 2012 in order for businesses and the City to meet the Mandatory Commercial Recycling program compliance date of July 1, 2012.

Utilizing consultants familiar with Monrovia will enable timely completion of this project and assist with formulating a program tailored to meet the unique needs of our business community.

**ENVIRONMENTAL IMPACT:** The proposed service agreement will provide services to help fulfill AB 32's Mandatory Commercial Recycling program to reduce greenhouse gas emissions to 1990 levels by 2020. Additionally, the project will be evaluating options to help the City to meet two Monrovia Environmental Accord goals: to "achieve seventy-five percent diversion to waste disposal by 2015" (Action 4) and "to implement "user friendly" recycling and composting programs" (Action 6).

**FISCAL IMPACT:** Funds are available for this project in the amount of \$129,560.00 in the Integrated Solid Waste Management budget reserves (\$42,930 in FY 2010-11, \$80,030 in FY 2011-12, and \$6,600 in FY 2012-13).

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**OPTIONS:** The following options were prepared for City Council's consideration:

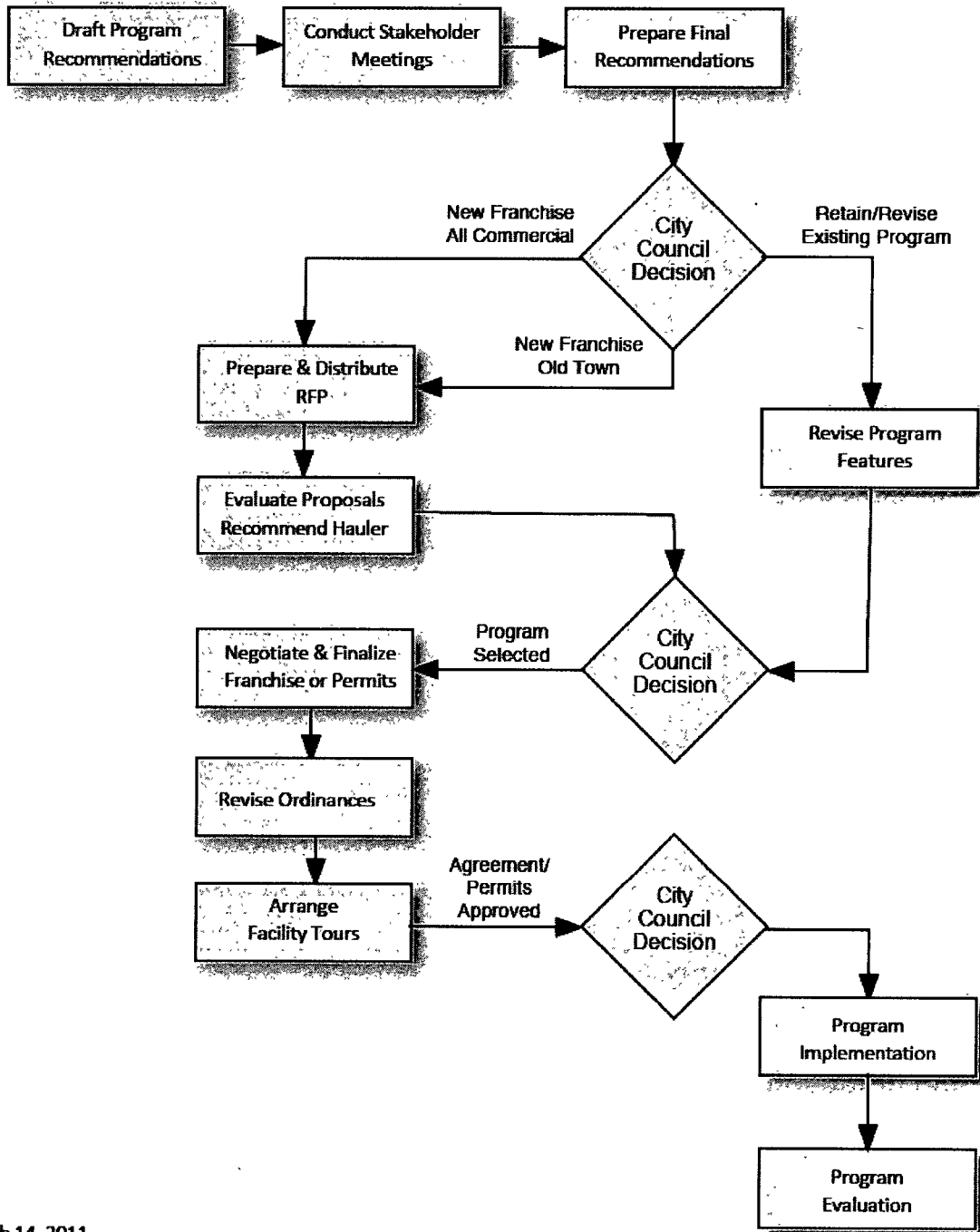
1. Award the contract to Maxcom Data Management, Inc., and reject all other proposals.
2. Reject all proposals and instruct Staff to re-advertise for Request for Proposals for this project; however, this option will delay the completion of the project.

**RECOMMENDATION:** Staff recommends Option 1, awarding the contract to Maxcom Data Management, Inc., and rejecting all other proposals.

**COUNCIL ACTION REQUIRED:** If the City Council concurs, the appropriate action would be a motion to award a professional service agreement for a Commercial Recycling Program with Maxcom Data Management, Inc., in the Amount of \$129,560.00 for the term ending June 30, 2012.

# EXHIBIT A

## Proposed Work Plan



March 14, 2011