



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Scott P. Johnson

SUBJECT: SEE BELOW

DATE: June 7, 2006

Approved *Deanna Sub*

Date *6/14/06*

**SUBJECT: REPORT ON QUOTES FOR SOLID WASTE COLLECTION SERVICE
FROM PUBLIC LITTER CANS LOCATED IN THE CITY OF SAN JOSE**

RECOMMENDATION

Adoption of a resolution authorizing the Director of Finance to:

1. Execute a Solid Waste Collection from Public Litter Can Service Agreement with Green Waste Recovery, Inc (San Jose, CA), the low quoter, for a one-year agreement from July 1, 2006 through June 30, 2007 not to exceed \$440,000.
2. Exercise four additional one-year options to renew subject to annual appropriations.

OUTCOME

Provide cost effective Solid Waste Collection services from Public Litter Cans located in the City of San Jose.

BACKGROUND

The Environmental Services Department provides oversight to the Agreement for Solid Waste Collection from Public Litter Cans (PLC). Historically, PLC service had been included in the residential solid waste collection agreements, with service by Waste Management from 1986 to 1993 and by GreenTeam from July 1993 to June 2002. As of July 1, 2002, a new residential service contract took effect and the PLC service was no longer included. The City made separate arrangements for this service in FY 2002-03 with Stevens Creek Disposal & Recycling; in FY 2003-04 with the Valley Transportation Agency; and, starting in FY 2004-05, with the San José Conservation Corps and Charter School (SJCC). The contract with SJCC expires June 30, 2006.

Collection frequencies vary depending upon location and the work is currently performed Monday through Saturday. Most PLCs in the Downtown and in some other very heavily trafficked areas are collected 6 days a week (Monday-Saturday), some are on 2-, 3-, 4-, or 5-day schedules, and remote residential areas are generally serviced once per week.

June 7, 2006

Subject: Report on Quotes Solid Waste Collection Services from Public Litter Cans located in the City of San José

Page 2

The San Jose Municipal Code (Section 9.10.1500) states that collection of Public Litter Cans shall take place between midnight and 6 a.m.

ANALYSIS

A notice inviting quotes was published on March 31, 2006. A mandatory pre-quote conference was held on April 13, 2006. Five waste management companies attended. Two bids representing two service companies were received and publicly opened on April 27, 2006. A “No Bid” was received from SJCC. The quote results were evaluated as follows.

The quote process required all respondents to submit with their quotes the required documentation including but not limited to references, insurance, a copy of their Residential contract or Commercial Solid Waste and Recycling Franchise or completed application. The two quotes accepted were evaluated and found to be responsive for inclusion of all required documentation. Both vendors were evaluated and found to be responsible and had the capability to perform all of the requirements of the scope of work including sufficient experience, personnel, adequacy of plant facilities, and proper equipment to perform all services under the specification of this agreement.

After quotes were deemed to be responsive and responsible, the recommendation for award was price determinative based on the estimated quantities of Public Litter Cans and the number of weekly pick-ups needed which was provided by the City. The analysis represented in the table below shows that Green Waste Recovery Inc. submitted the lowest price. The City’s Local and Small Business preference had no effect on the award recommendation since both vendors qualified for the Local Business Enterprise Preference and neither qualified for the Small Business Preference. The current vendor, San Jose Conservation Corps, did not submit a quote. In a letter to the City, Robert J. Hennessy stated that the required hours of operation for the pick-up of waste from downtown (mid-night to 6 a.m.) are not safe for the youth working for SJCC.

Vendors	Base Bid Total	Local Business Enterprise (LBE) 2.5%	Small Business Enterprise (SBE) 2.5%	Adjusted Total	Cost of Additional Services	Total Contract Amount
Green Waste Recovery, Inc. (San Jose, CA)	\$330,521	Yes - \$8,263	No	\$322,257	\$117,743	\$440,000
Stevens Creek Disposal & Recycling (Santa Clara, CA)	\$484,463	Yes - \$12,111	No	\$472,257	\$168,743	\$641,000

Based on identified funding and the estimated cost per pick-up of a Public Litter Can, the quote was issued and evaluated on a service level of 3,115 collections annually including additional per unit rate for any extra pickup collections resulting in a bid of \$322,257.

Pricing for optional services such as Sunday service, additional weekday and weekend afternoon pick ups were submitted should the City be able to identify additional funds for such services.

June 7, 2006

Subject: Report on Quotes Solid Waste Collection Services from Public Litter Cans located in the City of San José

Page 3

After quote submission, staff was able to identify additional funds. Therefore, the recommended award is based on an average of 3,701 weekly pickups, including the optional services of Sunday morning pick-ups and second day pick-ups during the holiday season and for large events resulting in a recommended contract award of \$440,000. Providing the same level of service at the prices quoted by Stevens Creek, the second low quoter, would cost \$641,000.

Enhanced Public Litter Can Service

The overall increase in services as recommended in this memorandum in comparison to the current service level reflects an augmentation of 76% weekly pickups and, for the first time, a Sunday morning pick-up. Additionally, the contract allows for as needed second collection on up to 90 afternoons per year during the holiday season or during large events. If all of the optional services were ordered, the number of weekly collections would increase to an annual average of 3.953, bringing the total increase in service to 88%.

SUMMARY

Staff recommends the award to Green Waste Recovery, Inc., the low quoter. This agreement is subject to the City's Prevailing Wage Policy.

ALTERNATIVES

Not Applicable.

PUBLIC OUTREACH

The Request for Quote was advertised on the City's Bid Line and on the DemandStar Bid Notification System, which proactively notifies suppliers. All Commercial Solid Waste and Recycling franchisees were notified of the bidding opportunity directly.

COORDINATION

This memorandum has been coordinated with the departments of Finance, Transportation, and Environmental Services, the Redevelopment Agency, the City Manager's Budget Office, and the City Attorney's Office.

COST IMPLICATIONS

This Council item is consistent with General Principle #2, "We must focus on protecting our vital core city services," and Item #7 "We must continue to streamline, innovate, and simplify our operations...so that we can deliver services at a higher quality level, with better flexibility, at a lower cost."

HONORABLE MAYOR AND CITY COUNCIL

June 7, 2006

Subject: Report on Quotes Solid Waste Collection Services from Public Litter Cans located in the City of San José

Page 4

BUDGET REFERENCE

Fund #	Appn #	Appn. Name	RC#	Total Appn.	Amt. for Contract	2006-2007 Proposed Operating Budget (page)	Last Budget Action (Date, Ord. No.)
001	0762	Non-Personal/ Equipment	500550	\$1,577,988	\$440,000	VIII-42	N/A

The 2006-2007 Operating Budget is scheduled for approval by the City Council on June 27, 2006.

CEQA

Exempt, PP03-04-140.


SCOTT P. JOHNSON
Director, Finance

For questions, please contact Walter C. Rossmann, Chief Purchasing Officer, at (408) 535-7051.