



## Board Report

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Agenda Number: 31.

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### OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE SEPTEMBER 15, 2022

**SUBJECT: WASTE MANAGEMENT SERVICES**

**ACTION: APPROVE CONTRACT AWARD**

#### **RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to award an indefinite delivery indefinite quantity Contract No. OP809690008370, for the North and South Regions, combined, to Consolidated Disposal Service, L.L.C. dba Republic Service, to provide systemwide waste management services. The contract not-to-exceed amount is \$7,107,207 for the five-year base period, and \$2,950,875 for the one, two-year option term, for a combined not-to-exceed amount of \$10,058,082, effective November 1, 2022, through October 31, 2029, subject to resolution of protest(s), if any.

#### **ISSUE**

The existing contract is currently being extended on a month-to-month basis as previously approved by Metro Board of Directors. To continue providing the required integrated waste management services, a new contract award for the North and South Regions combined is required effective November 1, 2022, replacing the existing system-wide contract. This action is necessary to allow the contractor ample time to acquire and mobilize new trash and recycling bins for all Metro facilities in accordance with the new contract requirements.

#### **BACKGROUND**

The existing waste management services contract was due to expire on October 31, 2020. On May 28, 2020, the Metro Board of Directors approved a motion to reject staff's recommendation for Item 18 (Attachment A) to approve contract award for Waste Management Services, extend the current contract with Republic Services on a month-to-month basis and resolicit the contract including past performance to include safety, labor, and environmental standards at least as stringent as the City of Los Angeles waste hauling franchise system as part of the selection criteria.

Metro has been working diligently and collaborating with the City of Los Angeles staff to review and enhance contract requirements, modify performance measures and evaluate Metro's rapidly expanding service area.

#### **DISCUSSION**

On December 16, 2021, a solicitation for two (2) waste management services contracts was released, splitting Metro's service area into two (2) geographical regions, the North and South regions, to enhance competition and small business participation. Two (2) outreach events were conducted before the release of the solicitation to provide an overview of the two (2) regional contracts' scope of work, service area, performance requirements, and evaluation criteria.

The new contract recommended for the award includes transportation and recycling or disposal of solid waste from Metro facilities, providing roll-off containers and dumpsters, and requiring monthly diversion reports submission. There are a total of 244 trash bins and 78 recycling bins of various sizes distributed throughout 77 Metro facilities and locations. Most containers are serviced on a regular schedule, while others are on an on-call as-needed basis.

Improved diversion is one of many ways that Metro is striving to reduce its environmental impact. The new contract is an integral part of Metro's Environmental Management System. The contractor will support the Environmental Compliance and Services unit of the Transit Project Delivery department in education and waste disposal change efforts with front-line employees at all Metro operating facilities. In addition, the contractor will provide ongoing analysis of Metro's efforts to reduce landfill waste and improve in-house recycling programs to exceed waste diversion requirements.

Currently, all local government organizations in California are required to divert at least 50% of their waste from landfills. To meet this requirement, Metro's trash-hauling contractor separates and recycles suitable materials from waste materials it collects from all Metro operating, support, office, and passenger facilities. This contract sets goals to improve and exceed the 50% waste diversion requirements over the next seven (7) years.

Further improvements include incorporating City of Los Angeles Waste Hauling Franchise system standards and requirements of transfer, disposal, and processing facilities certified by the City of Los Angeles and the required vehicles to be utilized for service delivery. In addition, the contractor is required to submit a plan to ensure service continuity during emergency events, and an annual safety and training plan.

The new contract's seven-year base term not-to-exceed amount of \$10,058,082 is 13% below the Independent Cost Estimate (ICE) and 23% above the existing contract value awarded nine (9) years ago.

To continue providing the required waste management services, the award of the contract is required effective November 1, 2022. This action is necessary to allow the contractor under the new North and South Regions contract ample time to acquire and mobilize new trash and recycling bins for all Metro facilities, in accordance with the new contract requirements.

### **DETERMINATION OF SAFETY IMPACT**

The timely and efficient removal of trash and recycling are important elements of a safe and responsible waste management program.

## **FINANCIAL IMPACT**

Funding of \$1,226,026 for systemwide waste management services is included in the FY23 budget in cost center 8370 - Facilities Contracted Maintenance Services, account 50308, Service Contract Maintenance, under various projects.

Since this is a multi-year contract, the cost center manager and Deputy COO, Administration and Development will be accountable for budgeting the costs for future years.

### **Impact to Budget**

The current source of funds for this action includes State and Local funds, including Fares. These funding sources ensure the best allocation given approved funding provisions and guidelines.

## **EQUITY PLATFORM**

As part of the North and South Regions contract solicitation, two (2) Metro Connect Industry Forum Outreach events were conducted on November 17 and December 15, 2021, respectively to enhance competition and small business participation. The waste management contract will provide services that are expected to improve the working conditions for Metro facility and division employees, as well as cleanliness for public members using Metro facilities. There are no anticipated equity impacts from this contract.

The Diversity and Economic Opportunity Department (DEOD) established a 7% Small Business Enterprise (SBE) and 3% Disabled Veteran Business Enterprise (DVBE) goal for this solicitation. Republic Services made a 7% SBE and 3% DVBE participation commitment for the North and South Regions contract.

## **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

This board action supports Strategic Goal 5: Provide responsive, accountable, and trustworthy governance within the Metro organization. Metro's objectives for this contract are to increase efficiency, minimize costs, improve Metro's recycling and landfill diversion programs, reduce the amount of waste that Metro disposes of and comply with all applicable Federal, State, and Local laws.

## **ALTERNATIVES CONSIDERED**

The Board may elect not to approve this recommendation. This option is not recommended as it would result in a gap in service, impacting Metro's system safety, cleanliness, operations, and customer experience.

## **NEXT STEPS**

Upon approval by the Board, staff will execute Contract OP809690008370 with Republic Service to provide integrated waste management services systemwide effective November 1, 2022.

**ATTACHMENTS**

Attachment A -Item 18.1, Report No. 2020-0370 - Recap of Proceedings of the May 28, 2020, Metro Board of Directors Meeting

Attachment B - North and South Regions' Service Area Maps

Attachment C - Procurement Summary

Attachment D - DEOD Summary

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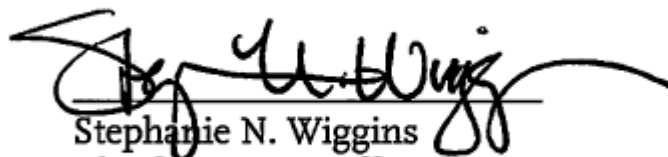
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