

DEPARTMENT OF PUBLIC WORKS

BUREAU OF SANITATION
BUREAU OF CONTRACT ADMINISTRATION
JOINT BOARD REPORT NO 1
September 26, 2016

CD: ALL

**AUTHORITY TO AWARD CONTRACTS FOR THE ZERO WASTE LA EXCLUSIVE
FRANCHISE SYSTEM FOR COMMERCIAL AND MULTIFAMILY SOLID WASTE
COLLECTION AND HANDLING – BUREAU OF SANITATION (LASAN)**

RECOMMENDATIONS

1. Approve and forward this report with transmittals to the Mayor and City Council (Council) with the request that the Board of Public Works (Board) be authorized to execute a Personal Services Contract for exclusive Franchise System for commercial and multifamily solid waste collection and handling with:
 - Large Zones:
 - Arakelian Enterprises, Inc. (dba Athens Services aka Athens)
 - Consolidated Disposal Service, LLC (dba Republic Services or Republic)
 - Universal Waste Systems, Inc. (aka UWS)
 - USA Waste of California, Inc. (dba Waste Management aka WM)
 - Small Zones:
 - CalMet Services, Inc., (aka CalMet)
 - NASA Services, Inc. (aka NASA)
 - Ware Disposal, Inc. (aka Ware)
2. Upon the Mayor's and Council's authorization, the President or two members of the Board will execute the contract.
3. Return the executed contract to the Bureau of Sanitation (LASAN) for further processing. For pick up, contact Dan Meyers of Solid Resources Commercial Franchise Division (SRCFD) at 213-485-3774 or Quonita Anderson of LASAN at 213-485-4246.
4. Recommend that the City Council find it is in the City's best interest to award one of the exclusive franchise contracts for commercial and multifamily solid waste collection and handling to Republic, an Arizona based company, for the reasons outlined in the report below.
5. Request the City Attorney, in collaboration with LASAN, to draft an Ordinance creating a special fund for the Zero Waste LA revenues, excluding AB 939 fees.

TRANSMITTALS

1. Request for Proposals (RFP) for Citywide Exclusive Franchise System for Municipal Solid Waste Collection and Handling.
2. Description and map of the Franchise Zones.
3. Copy of the Ordinance authorizing the Commercial and Multifamily Franchise Hauling System (Ordinance #182986).
4. Copy of the exclusive franchise contract with Athens.
5. Copy of the exclusive franchise contract with Republic.
6. Copy of the exclusive franchise contract with Universal Waste Systems.
7. Copy of the exclusive franchise contract with Waste Management.
8. Copy of the exclusive franchise contract with Cal Met Services.
9. Copy of the exclusive franchise contract with NASA.
10. Copy of the exclusive franchise contract with Ware Disposal.
11. Action by the Board of Public Works on July 10, 2015, finding all proposers responsive to the City's Business Inclusion Plan.
12. Copy of the e-mail transmittal from Recology, dated March 25, 2015, withdrawing from the RFP process.
13. Copy of the UPW letter dated July 26, 2016, withdrawing from the RFP process.

DISCUSSION

During the last six years, LASAN has embarked on an extensive process to bring the City's solid resources collection, hauling, recycling and disposal to a new level by implementing an exclusive franchise system for the commercial sector. The exclusive franchise system brings improvements to the environment, meets Mayor Eric Garcetti's sustainability goals, allows the City to meet additional mandates by the state of California, and brings clarity and answers to questions about what solid resources materials are collected in the City and how they are managed. Franchise holders are required to collectively reduce disposal of solid waste by 1,000,000 tons per year by 2025. The contracts presented for consideration include in excess of \$200 million in investment in recycling and materials handling infrastructure. The contracts provide predictable, reasonable customer rates and have extensive customer service and performance requirements with liquidated damages for failure to provide excellent service. In order to accomplish the transition of customers into the new system, a six month transition period is needed between contract execution and full franchise implementation, to allow for customer education, notification, planning, and equipment purchases in support of the system. LASAN looks forward to implementing the Exclusive Franchise system in mid-2017.

Solid Resources System in the City of Los Angeles and Regulatory Environment

Current Solid Resources Management System

The City has both the right and the responsibility to manage its solid resources collection and handling system. State Public Resources Code (PRC) section 40050, et seq., explicitly states that solid waste handling services are an issue of local concern. The City has the sole discretion to contract, license, and/or permit private haulers, and may award franchise agreements including, but not limited to, frequency of collection, means of collection and transportation, level of services,

charges and fees, and nature, location and extent of providing solid waste handling services (PRC section 40059).

LASAN, as the agency that provides recycling and solid waste management services to over 750,000 customers, as well as management of haulers under the current permitting system, is charged with implementation of the new Franchise System.

The Exclusive Commercial and Multifamily Solid Waste Franchise Hauling System Ordinance No. 182986 (Transmittal No. 3) provides some guidelines for the Franchise System, including:

- All customers are required to have recycling and solid waste services.
- The City will have eleven (11) Franchise zones, of which three (3) are designated as single zones, in which they may not be bundled together with others in the franchise awards.
- All materials collected under the Franchise System must be delivered to facilities certified by the City.
- Franchise haulers are required to meet clean fuel requirements.

Solid resource collection, hauling, recycling, and disposal in the City of Los Angeles (City) are currently managed by both LASAN and permitted private waste haulers. Single family homes, multifamily properties with four (4) units or less, and some larger buildings with five (5) or more units are serviced by LASAN. Private waste haulers collect from all multifamily and commercial establishments not collected by LASAN under a permit system. Currently, there are approximately 144 private haulers collecting from multifamily and commercial sites, but only 31 private haulers collect from regular commercial accounts. The fifteen (15) top private haulers control 99% of the businesses, serving 64,500 of a total of 65,000 unique service addresses, see Table 1 below. In contrast, the City of San Jose has only 8,000 service accounts in its exclusive commercial franchise. Other cities in Los Angeles County, such as Palmdale, Santa Clarita, and Santa Monica, have approximately 5,000, 6,000, and 7,000 business accounts respectively.

Table 1 – Hauler Market Share by Reported Accounts

Hauler Name	Percent of Accounts in the City	Cumulative Percentage
Athens	25.7%	25.7%
Republic	19.5%	45.2%
Waste Management	14.3%	59.5%
NASA	13.6%	73.1%
Recology	11.6%	84.7%
UWS	9.0%	93.7%
UPW	2.2%	95.9%
AAA Rubbish	1.1%	97.0%
SoCal Disposal	0.9%	97.9%
EDCO	0.4%	98.3%
Waste Resources	0.3%	98.6%
Calmet	0.3%	98.8%
American Reclamation	0.2%	99.0%

Hauler Name	Percent of Accounts in the City	Cumulative Percentage
BayWest	0.2%	99.2%
SoCal Waste	0.1%	99.4%
Southland Disposal	0.1%	99.5%
Patriot	0.1%	99.6%
CWS	0.1%	99.6%
SVT	0.1%	99.7%
Waste & Recycling Svcs	Less than 0.1%	99.7%
Valley Vista	Less than 0.1%	99.8%
WARE	Less than 0.1%	99.8%
City Rent A Bin	Less than 0.1%	99.8%
Anderson Rubbish	Less than 0.1%	99.9%
CR&R	Less than 0.1%	99.9%
Quality Waste	Less than 0.1%	99.9%
Melva	Less than 0.1%	100.0%
Active Recycling	Less than 0.1%	100.0%
Lannen	Less than 0.1%	100.0%
Minuteman	Less than 0.1%	100.0%
Direct Disposal	Less than 0.1%	100.0%

Although the existing waste hauler permit system and the AB 939 Compliance Fee have been an effective tool used by LASAN in establishing significant recycling programs, the current solid waste hauling system limits the City's ability to address many of the current challenges it faces. These challenges include compliance with new state mandates, City diversion goals, and the environmental and health impacts of waste hauling. The current permit system does not have requirements for the flow of materials into the market, nor tracking for recyclables

The Sustainable City pLAn issued by Mayor Eric Garcetti includes the vision of Los Angeles becoming the first big city in the U.S. to achieve zero waste, and recycle and reuse most of its waste locally. The pLAn target measurements include landfill diversion of 90% by 2025, and 95% landfill diversion by 2035, by productively reusing a majority of our waste within LA County by 2035. This vision will require the expansion and development of infrastructure to handle solid resources, as well as policies of requiring waste diversion and extended producer responsibility.

Due to the existing permit structure, some waste haulers are not required by the state to operate clean alternative fuel vehicles, thereby negatively impacting local air quality. In addition, multiple haulers operating in a given area translate to more refuse trucks on the road, traffic impacts, and more localized emissions. Price and customer service vary widely depending on the size of the business and current private waste hauler. The current permit system also does not monitor compliance by private waste haulers with state laws regarding employee health and safety requirements for their employees collecting and processing commercial waste.

Changes in Regulations over Solid Resources Management in California

The California Integrated Waste Management Act of 1989 (AB 939) was adopted by the state to regulate solid waste management in California. AB 939 established an integrated waste management hierarchy to guide the California Integrated Waste Management Board (now CalRecycle) and local agencies to implement, in order of priority: (1) source reduction, (2) recycling and composting, and (3) environmentally safe transformation and land disposal of refuse. AB 939 mandated cities and counties to divert 25 percent by January 1, 1995 and 50 percent by January 1, 2000 of all solid waste from landfill through source reduction, recycling, composting and transformation activities. The City has surpassed this requirement, with a 76.4% diversion rate as of 2013.

In 2006, the Legislature passed the California Global Warming Solutions Act of 2006 (AB 32), which created a comprehensive, multi-year program to reduce greenhouse gas (GHG) emissions in California. AB 32 required the California Air Resources Board (ARB) to develop a Scoping Plan that describes the approach California will take to reduce GHGs to achieve the goal of reducing emissions to 1990 levels by 2020. Mandatory Commercial Recycling was one of the measures adopted in the AB 32 Scoping Plan by the ARB to increase commercial waste diversion as a method to reduce GHG emissions. To achieve the measure's objective, an additional 2 to 3 million tons of materials annually would need to be recycled from the commercial sector by the year 2020 and beyond.

On October 5, 2011, AB 341 was signed, requiring not less than 75% of solid waste generated in California be source reduced, recycled, or composted by the year 2020. On and after July 1, 2012, AB 341 also requires a business that generates more than four cubic yards of commercial solid waste per week or a multifamily residential dwelling of five units or more to arrange for recycling services. CalRecycle is the state agency charged with developing the plan to bring the entire state to 75% waste diversion from landfills by 2020.

LASAN provides recycling services for all of our residential customers, and administers a voluntary program for privately served multifamily complexes. The City's current system does not monitor compliance by commercial businesses, as the permits do not require specific recycling or composting programs, and businesses may choose permitted private haulers that do not offer any recycling services.

In October 2014, AB 1826 Chesbro (Chapter 727, Statutes of 2014) was signed, requiring businesses to recycle their organic waste on and after April 1, 2016, depending on the amount of waste they generate per week. Organic waste, also referred to as organics, means food waste, green waste, landscape and pruning waste, nonhazardous wood waste, and food-soiled paper waste that is mixed in with food waste. Organics are recyclable through composting and mulching, and through anaerobic digestion, which can produce renewable energy.

AB 1826 phases in the mandatory recycling of commercial organics over time, requiring businesses that generate four cubic yards or more of commercial solid waste per week to arrange for organic waste recycling services by January 1, 2019. If statewide disposal of organic waste in 2020 is not reduced by 50 percent below the 2014 baseline disposal level the organic recycling requirements on businesses will expand to cover businesses that generate two cubic yards or more of commercial solid waste per week. The City's current system does not allow for the implementation of AB 1826 to commercial businesses, and does not track or monitor the diversion results.

Actions Taken by the City of Los Angeles for the Development of the Zero Waste LA Exclusive Franchise System (Franchise System)

In November 2010, a motion (Huizar and Koretz) was introduced in City Council directing LASAN to examine whether an exclusive commercial and multifamily franchise system would assist the City in meeting its Zero Waste and environmental goals. Development of the Franchise System required extensive stakeholder outreach and opportunities for public comment. LASAN staff conducted twenty-eight (28) public workshops and multiple meetings with industry groups including private waste haulers, studios, hospitals, non-profit organizations, and business associations.

Under state law (Public Resources Code section 49520), local governments must give at least a five-year notice to the solid waste haulers operating in their jurisdiction of changes in how a city provides services. In July 2006, LASAN issued a seven year notice to private waste haulers regarding solid waste handling for all multifamily establishments, excluding multifamily establishments collected by the City. On December 16, 2011, after approval by the Mayor and City Council, LASAN issued a five-year notice to permitted haulers regarding solid waste handling for all commercial establishments.

On November 14, 2012, the Mayor and City Council adopted the actions (Council File No. 10-1797) instructing LASAN to develop an exclusive franchise system to modify the existing permitted hauler system for the collection of solid resources from multifamily and commercial establishments. LASAN was also instructed to prepare an Environmental Impact Report (EIR), and a Franchise Implementation Plan on the proposed project.

In January 2013, LASAN sent an information request to existing permitted haulers, soliciting input on the development of the form and structure of the proposed project. The responses to the information request were considered in the development of the proposed project and its alternatives, which are described in the Franchise Implementation Plan. Multiple meetings were held including discussions by the City Council's joint Energy and Environment and the Ad Hoc on Waste Reduction and Recycling Committees on February 20, 2013 and March 20, 2013. LASAN also conducted an Open House on April 4, 2013 to accept comments on the proposed franchise zone boundaries. The City established a total of eleven (11) Franchise Zones, (Transmittal No. 2), considering the following factors:

- Zones sized with a range of 1,000 to 13,000 accounts,
- Key geographic features such as rivers, mountains,
- Major roadways,
- Prior patterns of service for collection firms,
- Proximity to unloading facilities (processing, transfer, disposal), and
- A research survey conducted from several cities and counties.

Three (3) of the Franchise Zones were designated as "small" in order to create opportunities for smaller collection companies to compete for Franchise contracts. It should be noted that a proposer awarded any one of the "small" Franchise Zones may not be awarded any of the other ten (10) Franchise Zones.

In April, 2013, the Mayor and the City Council approved the Franchise Implementation Plan, including the program goals used to develop the proposed project. Key guidelines include the following:

- Blue Bin recycling at every customer site, and a phase in of Organics recycling over time;
- No more than 49% of service may be performed by a single company;
- Include a capped cost of living increase in contracts;
- Require contingency plans to provide uninterrupted service;
- Require extensive, ongoing public education;
- Address special needs of Hospitals and other medical facilities;
- Provide an alternative process for Studios.

In April, 2014, the Mayor and the City Council certified the Final Environmental Impact Report and adopted the ordinance authorizing the Zero Waste LA Franchise System, which was signed by the Mayor on April 15, 2014 (Council File: 10-1797-S15). The proposed exclusive franchise system was found to be the environmentally preferable alternative.

On June 11, 2014, the Board authorized LASAN to distribute a Request for Proposals (Transmittal No. 1) and to negotiate Personal Service Contracts with solid waste haulers for the Franchise System.

On June 12, 2014, the RFP was released by the Board of Public Works and 15 proposals were received by the due date of October 29, 2014. Companies submitting proposals included the following:

Table 2 – Proposals Received

Proposals Received	
1	AAA Rubbish Inc
2	Athens Services, Inc
3	CalMet Services, Inc
4	Consolidated Disposal Service, LLC DBA Republic Services
5	CR&R
6	NASA Services, Inc
7	Pacific Coast Waste, LLC DBA Pacific Coast Waste
8	Recology
9	SVT Services, Inc
10	United Pacific Waste
11	Universal Waste Systems, Inc
12	USA Waste of California, Inc. DBA Waste Management
13	Ware Disposal, Inc
14	Waste Connections of California, Inc, DBA Green Team of Los Angeles (GTLA)
15	Waste Resources Los Angeles, Inc

In February 2015, the Mayor and the City Council approved LASAN's Franchise System staffing plan, to add City resources over a period in anticipation of the implementation of the Franchise

System. All resources have been allocated to the program, with managers and key staff hired, and will be ready for implementation in mid-2017.

On July 10, 2015, the Board of Public Works deemed all fifteen private waste haulers responsive to the Business Inclusion Program requirements for the Franchise System.

Zero Waste LA Franchise System Staffing Plan

In recognition of the need to have sufficient resources to undertake the entire renovation process for the City's solid resource management system, in February 2015, the Mayor and City Council approved a staffing plan for the Franchise System. The staffing plan included the following key features:

1. Three phases of adding new authorities, completed in fiscal year 2016-17;
2. Staff for the new system, including new regular authorities for the Franchise System, as well as current positions being dedicated to the new system; and
3. The ability to add staffing through contract or as-needed for the 'surge' period when the program first rolls out to customers.

LASAN created a new Solid Resources Commercial Franchise Division to administer and manage the new Franchise system and its contracted waste hauling companies. This Division, as well as those Divisions providing support, are charged with the following responsibilities:

1. Management, administration, finance, and contract oversight (15 staff);
2. Certification process and system for all facilities handling or receiving materials under the Franchise system (10 staff);
3. Field inspection to manage customer issues and provide support on City ordinance requirements (unit of 32 full time staff);
4. Customer Care Center needs (2 full time supervisors and 16 full time Customer Information Representatives;
5. Information Technology needs (5 staff); and
6. Zero Waste and Landfill Diversion (7 staff)

Franchise System staff continued to be hired as City personnel processes allow. LASAN will have sufficient staff on hand to manage the transition period beginning with notification in mid 2017.

Zero Waste LA Franchise System Request for Proposals (Franchise RFP) process

Key Elements of the Franchise RFP

The Franchise RFP had the following primary objectives:

1. Higher diversion (at least 65% disposal reduction in each zone) through 100% blue bin recycling at customer sites, and increasing organics management programs;
2. Fair and equitable customer service rates through predictable, capped increases and published rates for solid resources and extra services;
3. Reduced street and air quality impacts through clean fuel vehicles and efficient routing;
4. Superior customer service through specific requirements and procedures with monitoring and enforcement by LASAN;

5. Improved health and safety for solid waste workers through certification of all facilities accepting solid resources through the Franchise System;
6. Long term competition by awarding multiple contracts and varying sized zones; and
7. Reliable system infrastructure through expanded and new development.

The Franchise RFP provided the opportunity for waste collection companies to submit proposals for initial ten-year contracts with an additional two optional five-year extensions. Each waste hauling company holding a franchise contract would become the exclusive provider of Solid Waste, Commingled Recyclables, and Organics collection and handling services for privately served commercial and multifamily customers in one or more of the Franchise Zones defined by the City.

The franchise service model is intended to mirror LASAN's curbside service model, to the extent possible, for consistency of messaging and education, and ease of use by City residents and businesses such as: Blue bin for recyclables, green bin for yard waste and organics, and black bin for residual waste. Bulky item collection will be provided universally citywide by LASAN to all residential sectors including single family, multifamily, condominiums, townhouses and high-rise residential towers.

The following waste categories are exempt from the Franchise System: Medical Waste, Hazardous Waste, Electronic Waste, Radioactive Waste, Pharmaceutical Waste, Construction and Demolition Debris (C&D), and specialty waste such as biosolids or fats, oils and grease (FOG). Waste generated at on-location filming is excluded. Also, recyclables that are sorted and either sold or donated are not included in the Franchise System.

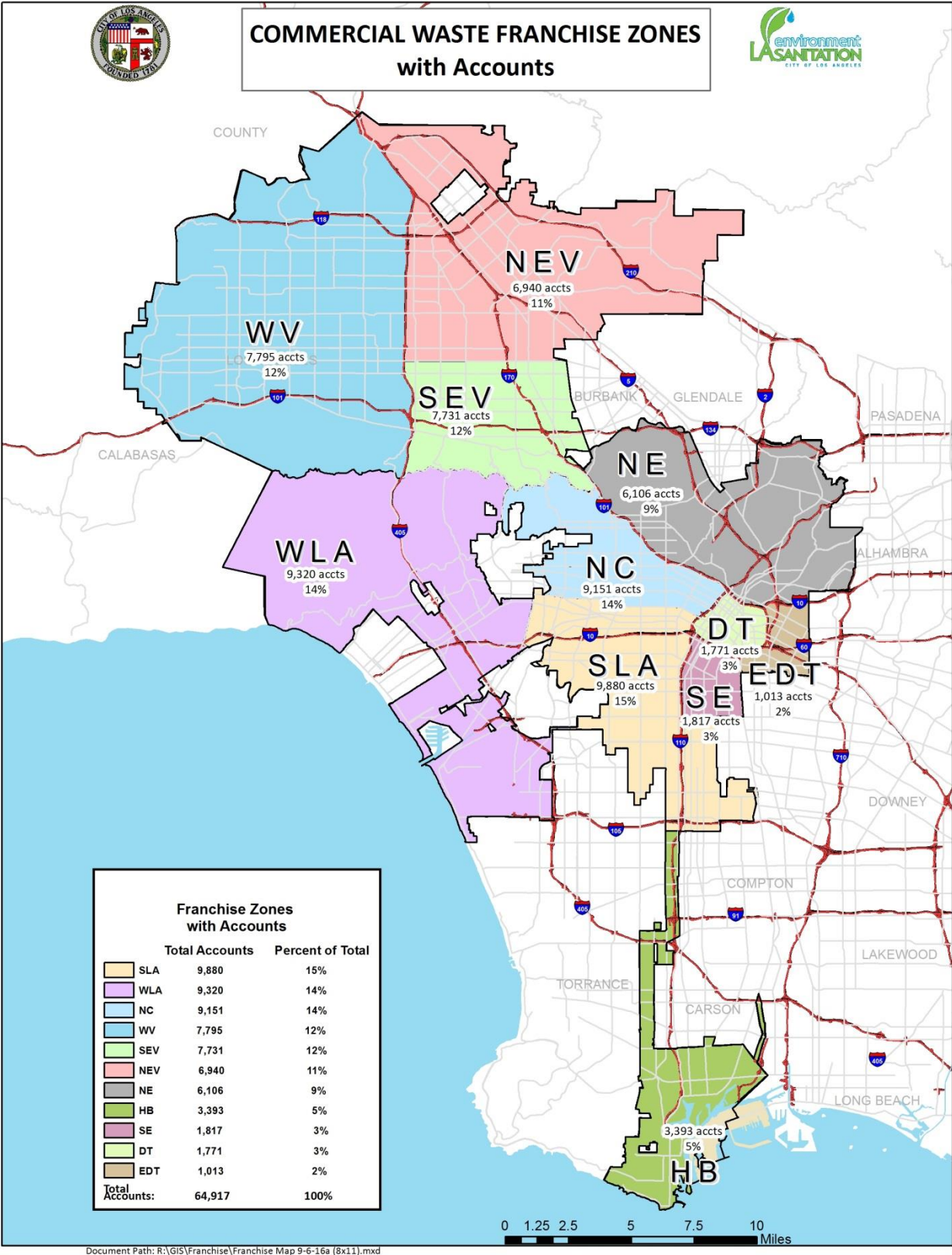
As priority customers, hospitals and their special requirements were specifically included in both the RFP and resulting contracts. Due to the unique nature of the use of their facilities, major studios defined per Ordinance are allowed to contract with any of the Exclusive Franchise haulers, as long as they meet the programmatic requirements of the Franchise System.

The Table 3 and Map 1 below shows each zone's number of service accounts, based on self-reported information from current permitted haulers.

Table 3 – Accounts per Franchise Zone

Franchise Zone	Total Service Accounts
West Valley (WV)	7,795
Northeast Valley (NEV)	6,940
Southeast Valley (SEV)	7,731
West Los Angeles (WLA)	9,320
North Central (NC)	9,151
Northeast (NE)	6,106
South Los Angeles (SLA)	9,880
Harbor (HB)	3,393
Downtown (DT)	1,771
East Downtown (EDT)	1,013
Southeast (SE)	1,817
	64,917

Map 1 - Franchise Zone's Geographical Area and the Number of Service Accounts.



To maximize efficiency, the City allowed proposers to submit proposals for multiple zones as a single group, called a bundle. The City created three (3) bundles for this purpose. The proposers were also allowed to also develop one (1) bundle as well. Therefore, each proposer could propose on any or all of the eleven (11) individual zones, and up to four (4) bundles.

As there are eleven (11) zones, there could have been as many as eleven (11) contracts recommended. No single proposer would be awarded more than 49% of all customers. This will ensure that there are sufficient resources available in the case where redundancy is needed, backup in case of service interruptions, options in case of emergency, opportunities for smaller, local waste haulers, meeting the City's Business Inclusion Program (BIP), and fostering the availability of long-term competition.

Evaluation Process

The objective of the evaluation process is to award Franchise Agreements to qualified proposers that best demonstrate the ability to effectively and efficiently achieve the City's customer service, diversion, and service delivery objectives, as defined in the RFP, while also providing fair and equitable customer rates.

The evaluation process was conducted by five (5) Evaluation Teams. Each team was responsible for a single Franchise RFP scoring category: qualifications, customer service plan, diversion plan and innovative ideas, service plan, and cost proposal. The Evaluation Teams were comprised of four (4) or more team members, from both LASAN and consultant teams, having expertise in each evaluation category, and a team leader. Each Evaluation Team reported their finding and scores to the Evaluation Committee that reviewed findings and scores for completeness. The Evaluation Committee was responsible for combining individual Team scores into a final proposer score.

Roles and Responsibilities of the Evaluation Team Members

Each team member fulfilled a prescribed role in order for the evaluation process to run smoothly and efficiently.

Protecting each proposer's proprietary and confidential information was an important objective of the selection process. Every Evaluation Team Member signed a Confidentiality Agreement to ensure that all information furnished by the proposers would not be disclosed, copied, reproduced or distributed. The following was the evaluation protocol:

- Evaluation sessions were restricted to Evaluation Team Members and subject matter experts. They were closed to the public and City staff who were not supporting the Evaluation Team.
- The evaluators did not discuss the contents of the submitted proposals, procurement activities or evaluation findings with anyone outside of the Evaluation Team.
- There was no communication between the evaluators and the proposer organizations from the date of the RFP release through the evaluation process with the exception of contact as necessary to complete evaluation activities as approved by the Evaluation Committee.
- Evaluators did not communicate the scoring outcomes or content of proposals, and did not disclose the status of any proposal.

The RFP was scored using relative weights for criteria within each scoring category as follows:

Table 4 – Franchise RFP Scoring Weights

RFP Category	Points
1. Qualifications	10
2. Customer Service/Transition Plan	25
3. Service Plan	20
4. Diversion Plan/Innovation	25
5. Cost and Franchise Fee	20
Total	100

Each Evaluation Team reviewed and scored separate sections of the proposals using the evaluation methodology set forth in the evaluation manual. Each Evaluation Team Member individually scored each criterion within a category on a scale of whole scores from 1 to 5. Each Evaluation Team had a leader who facilitated the process of arriving at a consensus-based score for each criterion within the category.

Evaluation Findings

All fifteen (15) proposals received in response to the RFP were reviewed for completeness. The Board of Public Works found all proposals were in compliance with the BIP requirements and deemed to be responsive (Transmittal No. 11). A short summary of each proposer follows:

Athens Services

Athens is a family owned business in the County of Los Angeles. Athens serves more than 200,000 commercial and residential customers with a fleet of more than 300 collection, hauling, and container vehicles in Riverside and Los Angeles Counties. Within the City, Athens is the largest service provider with a customer base of 26 percent. Athens owns and operates three material processing facilities, four collection yards, two container storage facilities, and an organics compost facility.

Republic Services

Republic provides solid resources services to 13 million customers nationwide and in Puerto Rico. Republic owns or operates 334 hauling companies, 194 transfer stations, 191 active solid waste landfills, 74 recycling facilities, and 69 landfill gas and renewable energy projects. Within the City, Republic is one of the largest service providers with a customer base of 20 percent. Republic holds long-term exclusive solid waste collection contracts with 40 municipalities in Los Angeles, Orange, and San Bernardino counties. Republic employs approximately 33,000 professionals nationwide and nearly 1,000 professionals throughout Los Angeles County.

Waste Management

WM is a Delaware corporation and a wholly-owned subsidiary of Waste Management, Inc. Within the City, WM is one of the largest service providers with a customer base of nearly 15 percent and is one of the City's multifamily recycling collection service contractors. WM services many city franchises throughout the state and has experience servicing businesses special needs. WM has a significant amount of experience in hauler transition.

NASA Services, Inc

NASA is a family owned business which has been operating in Los Angeles for over 50 years. NASA is a current franchise hauler for the cities of Pico Rivera and La Cañada. NASA serves 14 percent of the accounts in the City, with 90 employees and 65 collection trucks in Los Angeles and Orange Counties. NASA is also one of the City's multifamily recycling collection service contractors with about 3,000 customers.

Recology Los Angeles

Recology, a wholly-owned subsidiary of Recology, Inc, is incorporated in California, and is headquartered in San Francisco. Recology serves over 778,000 commercial, multi-family, and residential customers in 118 communities across California, Nevada, Oregon, and Washington. At the time of its proposal, Recology had recently purchased a local hauling company (Crown Disposal), its transfer station and material recovery facility (Community Recycling), and its composting facility (Lamont Composting).

Universal Waste Systems

UWS has been a family-owned waste hauling and processing business for 28 years. UWS collects from 9 percent of the accounts in the City. UWS is one of the City's multifamily recycling collection service contractors. UWS currently operates 150 collection vehicles and six (6) new compressed natural gas (CNG) powered vehicles are ready to be deployed.

United Pacific Waste

UPW is a family-owned and operated California Corporation since 2001. UPW management has over 90 years of combined experience in the solid waste and recycling industry. UPW reported that they serviced more than 2,000 municipal and private customers in the Los Angeles area, including 700 in the City. UPW is the franchise hauler for Hunting Park and has provided services for the cities of El Monte and West Hollywood.

Ware Disposal

Ware is a California Corporation, based in Santa Ana, and has served Southern California since its establishment in 1968. Ware provides service to more than 20,000 residential and commercial accounts, using over 100 collection trucks. Ware has two exclusive franchises that service Laguna Woods and the unincorporated areas of Orange County. Ware hauls from more than 25 school districts in Los Angeles, Orange, and San Bernardino counties.

CalMet Services, Inc.

CalMet is a family-operated, privately held corporation headquartered in Paramount, California. CalMet has an experienced management team operating franchises in Downey, Paramount, Cerritos, Lomita, and unincorporated Los Angeles County. It currently owns Paramount Resource Recycling Materials Recovery Facility and is a sister company to Tierra Verde Industries in Orange County. CalMet has proposed to construct a new material processing facility capable of processing 2,450 tons per day.

CR&R, Inc

CR&R was established more than 50 years ago, currently serving over 50,000 commercial and multifamily customers. To handle solid resources, CR&R proposed the use of a number of disposal and processing facilities including CLARTS, the Culver City Transfer Station, Full Circle Recycling, the Downey Area Recycling and Transfer Facility, and CR&R owned Lakeview Compost Facility and CRT Material Recovery Facility. CR&R is in the process of constructing an anaerobic digester to handle organics.

Waste Connections

Waste Connections is a wholly owned subsidiary of Waste Connections, Inc., a publicly traded company on the New York Stock Exchange. WCN is the third largest provider of municipal solid waste services in the United States with over two million residential, commercial, and industrial customers in 31 states. WCN has 6,500 employees and manages 148 solid waste collection operations, 67 transfer stations, 35 recycling operations, and 6 composting operations. WCN owns the Chiquita Canyon Landfill and is partnering with Southern California Disposal & Recycling, Potential Industries, UWS, and Community Recycling & Resource Recovery to handle solid waste from the City of Los Angeles.

AAA Rubbish, Inc

AAA is a family owned and operated hauler with eighteen (18) employees headquartered in Bell Gardens, California. AAA operates twelve (12) full-size collection trucks, two (2) small trucks, and three (3) company vehicles. AAA currently serves 1,482 business customers in the Greater Los Angeles area including 846 in the City.

Pacific Coast Waste

Pacific Coast Waste Services, LLC, is a California-based, Local and Minority Business Enterprise. In the past, PCW had provided services for the City of Compton, City of Inglewood, L.A. Unified School District, and the City of Los Angeles. Pacific Coast Waste was the franchise hauler for the City of Compton from 2007 to 2012, and was awarded a 12-year extension in 2013, but did not perform the services. Pacific Coast Waste sold its franchise and at the time of its proposal was not operating a waste hauling business.

Waste Resources Los Angeles

Waste Resources Los Angeles, Inc. (WRLA), is a wholly owned subsidiary of Waste Resources, Inc., a Los Angeles based waste management firm founded in 2002. The management team is from

Western Waste Industries which had merged with USA Waste, which later changed its name to Waste Management. As of 2013, WRLA is the franchise hauler for the cities of Gardena and Lynwood.

SVT Services

SVT Services, Inc. (SVT) is based in Tustin, California. SVT staff has over 17 years of combined waste hauling experience in the Los Angeles area, although SVT is fairly new. SVT has set up successful recycling programs at Downtown buildings such as Wells Fargo Center, AON Building, Union Bank Plaza, and the Washington Building.

Proposed Zone Unit Cost Comparison

In their proposed zones, Athens and Ware consistently had the lowest costs. NASA Services, UPW and Waste Management also had low costs, although slightly higher than Athens and Ware. AAA, Republic, and Pacific Coast Waste had the next lowest costs, but their cost was approximately twice that of the lowest cost proposers. CalMet, CR&R, UWS, Waste Connections and WRLA had costs more than twice the lowest cost proposals. Recology Los Angeles and SVT had costs of three times or greater than the lowest cost proposals.

The Evaluation Committee conducted follow-up interviews with each proposer to clarify the findings, questions and concerns raised by the Evaluation Team members. The Evaluation Committee verified the preliminary scores of specific sections to create final scores for each proposer, resolved any scoring disagreements, ranked all proposals by zone, and presented the findings to the Steering Committee.

Goals of the Negotiation Process

The fundamental goals of the contract negotiation process are to reach consensus on contract terms while ensuring acceptable results for both parties. During the negotiations, all parties agreed to the following code of conduct:

- Confidentiality;
- Negotiations did not imply that the Proposer had secured the contract;
- Maintenance of an ethical approach and conduct was required at all times;
- Interpersonal differences were to be resolved away from the negotiation room;
- All participants were to retain an open mind at all times;
- Seek long term results; and
- Ensure that essential terms had been mutually agreed to when proposing to add to a contract.

The Lead Negotiators were responsible for ensuring that the objectives and goals of the negotiation were met. Team members were responsible for developing contract language from the agreed upon negotiated terms. Technical experts provided technical input and insight during negotiations.

All negotiation meetings took place over a series of sessions with the assigned representatives of the selected proposers. The Negotiation Teams reaffirmed the negotiation objectives as related to the topics of discussion and terms, understood the negotiation approach, discussed anticipated issues and approach to overcome such issues, and met weekly to review agreed upon terms, discuss outstanding

issues, develop positions, develop strategies to reach agreement, and provide guidance to the development of contract terms.

Each proposer demonstrated its abilities to meet the City's requirements for:

- A high level of customer service;
- Smooth and seamless transition from incumbent hauler(s);
- Updating collection vehicles and equipment to meet state and South Coast Air Quality Management District (SCAQMD) regulations;
- The use of state-of-the-art technology for the collection vehicles, equipment, and facilities, including the Call Centers;
- Compatible technology to interface with the City's Customer Care Center;
- Achieving waste disposal reduction in order to meet the City's Zero Waste goal by 2025, and state requirements for mandatory commercial recycling;
- Providing solid resources collection and handling services satisfactorily at commercially reasonable, negotiated rates; and
- All other terms and conditions of the contract.

Wherever applicable, proposers were encouraged to invest in capital improvements and to use facilities within the City to create and sustain more local job opportunities.

Final Scores and Zone Awards

Initial Shortlisting

Each of the proposals was evaluated by each of the five independent evaluation teams assigned to one of the five criteria indicated in the Franchise RFP. The scores assigned by each of the teams were aggregated and summed for each of the companies yielding a total final score. The companies were ranked according to their final score in either the large zones and/or the small zones (see Tables 5 and 6, and Chart 1 and 2). In accordance with Section 4.1.1 of the RFP, the City reserves discretion as to which zones the City chooses to negotiate with each proposer.

The Council-approved Implementation Plan contains clear provisions on the award of franchise zones:

- No one Franchisee shall be awarded more than 49% of the franchise market share.
- No one Franchisee shall be awarded both a large zone and a small zone.
- No one Franchisee shall be awarded more than small zone.

In consideration of these provisions, LASAN used the companies overall ranking, their operational and organizational capacity, their financial wherewithal, and their geographical strengths as determined by the LASAN team, to short-list a group of companies, in both the large and small zones categories, to participate in the first round of the negotiations. Four companies (Athens, Republic Waste Management, and Recology) were invited to negotiate on two of the eight large zones as the initial pairings. Three companies (NASA, UWS, UPW) were invited to negotiate on one of the three small zones.

Table 5 – Average Overall Score, Proposers on Large Zone

Evaluation Criteria	WR	WCN	CalMet	CR&R	Ware	UPW	UWS	Recology	NASA	WM	Republic	Athens
Qualifications	5.1	6.2	6.9	6.8	6.1	6.3	7.6	7.9	7.4	8.4	7.7	8.8
Customer Service	4.9	6.9	8.5	6.2	4.2	12.7	13.9	23.2	11.2	19.7	20.2	24.8
Service Plan	7.7	8.4	12.5	12.3	10.4	8.4	13.9	14.2	12.1	19.4	18.5	17.4
Diversion Plan	6.2	18.6	9.8	15.1	4.7	6.7	23.4	22.5	24.4	14.2	21.8	21.4
Cost and Fee Proposal	6.2	1.5	6.6	4.0	20.0	17.3	6.6	0.0	18.1	16.3	12.0	19.8
Total Score	30.1	41.6	44.3	44.4	45.4	51.4	65.4	67.8	73.2	78.0	80.2	92.2

Chart 1

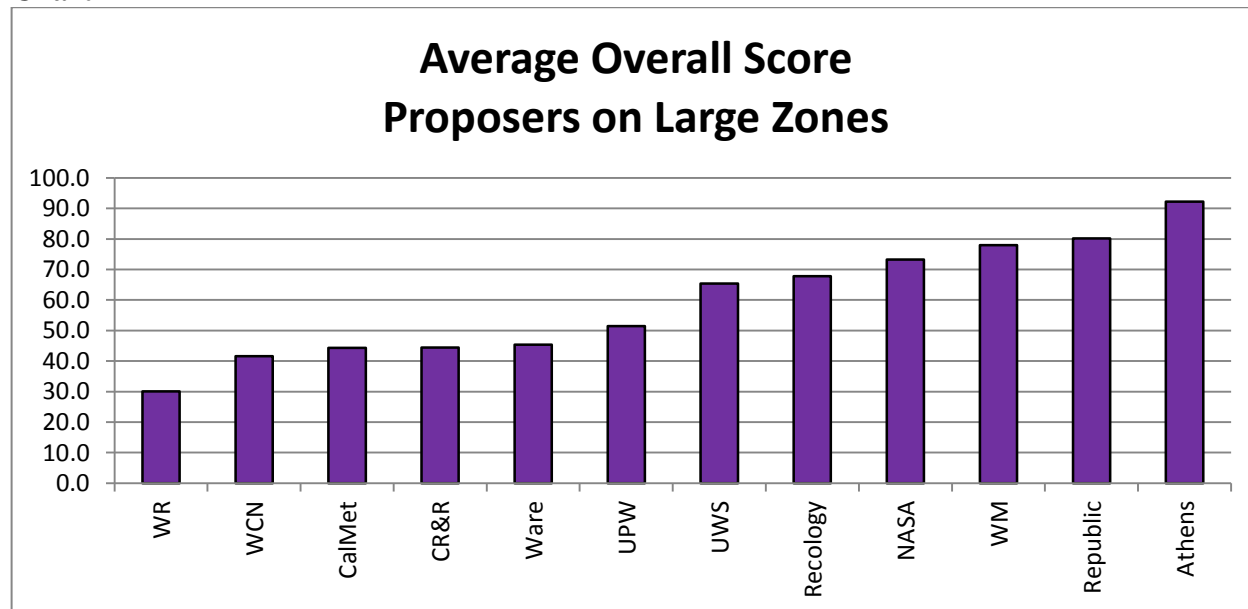
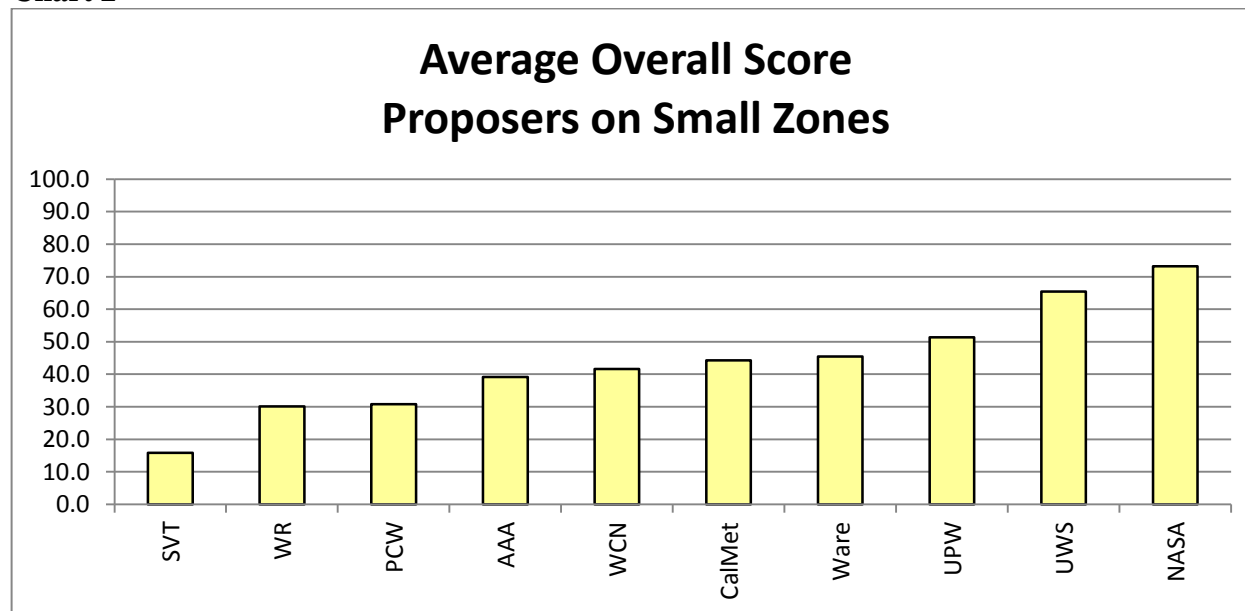


Table 6 – Average Overall Score, Proposers on Small Zones

Evaluation Criteria	SVT	WR	PCW	AAA	WCN	CalMet	Ware	UPW	UWS	NASA
Qualifications	1.7	5.1	3.8	4.4	6.2	6.9	6.1	6.3	7.6	7.4
Customer Service	0.4	4.9	4.5	6.1	6.9	8.5	4.2	12.7	13.9	11.2
Service Plan	5.2	7.7	5.4	8.2	8.4	12.5	10.4	8.4	13.9	12.1
Diversion Plan	8.5	6.2	3.6	6.9	18.6	9.8	4.7	6.7	23.4	24.4
Cost and Fee Proposal	0.0	6.2	13.5	13.5	1.5	6.6	20.0	17.3	6.6	18.1
Total Score	15.8	30.1	30.8	39.1	41.6	44.3	45.4	51.4	65.4	73.2

Chart 2



Negotiation Process and Zones

During the negotiation process, initial zone assignments were selected so that LASAN could negotiate specifically to cost proposal and service requirements. An extensive negotiation process that was specific to the initial zone assignments continued through March, 2016. During the negotiation process, Recology and LASAN could not come to terms on some key aspects of the contract. As a result, Recology withdrew from negotiations on March 24, 2016 (Transmittal No. 12).

With the withdrawal of Recology from the process, two large zones were now available to award. Following the rankings of the firms that proposed on large zones, LASAN offered NASA the opportunity to move from the Downtown Zone, which was the subject of negotiations up to that date, to the Northeast Zone. NASA declined and chose to stay in the Downtown Zone. Therefore, LASAN offered the Northeast Zone to UWS, the next highest ranked proposer in the large zones. UWS accepted the move from the Southeast Zone to the Northeast Zone. This created a vacancy in the small zone awards. LASAN moved to the next firm in ranking for the small zones, and invited

Ware Disposal to begin negotiations. LASAN offered the second vacant large zone to Athens, the highest ranked proposer.

Negotiations continued until July 2016. In July it was determined that negotiations would not continue with UPW, and UPW withdrew from the negotiation process on July 26, 2016 (Transmittal No. 13). With the withdrawal of UPW from the negotiation process, LASAN returned to the ranking of the firms that submitted proposals on the small zones, and CalMet as the next highest ranked proposer was invited to negotiate on a potential award of the East Downtown Zone.

Zero Waste LA Zone Awards

LASAN recommends the franchise zone awards to the firms as shown in Tables 7 and 8. Franchise RFP evaluation scoring for the large and small zones was the greatest factor in award of franchise zones.

All recommended proposers have agreed to the LASAN-approved terms and conditions such as level of customer service, use of City-certified facilities and equipment, use of technology, reporting requirements to the City and other regulatory agencies, maximum unit cost at required level of service, and diversion targets to meet City's Zero Waste goal. The location, current availability, and timeliness of completion of new infrastructure were also factors in zone assignments. This new infrastructure is necessary to meet the City's long term diversion goals

Table 7 - Recommended Large Zone Award

Ranking ¹	Proposer	Recommended Large Zone Award	Number of Accounts
1	Athens	West LA, North Central, and Harbor	21,864
2	Republic	Northeast Valley and South LA	16,820
3	WM	West Valley and Southeast Valley	15,526
4	UWS	Northeast	6,106

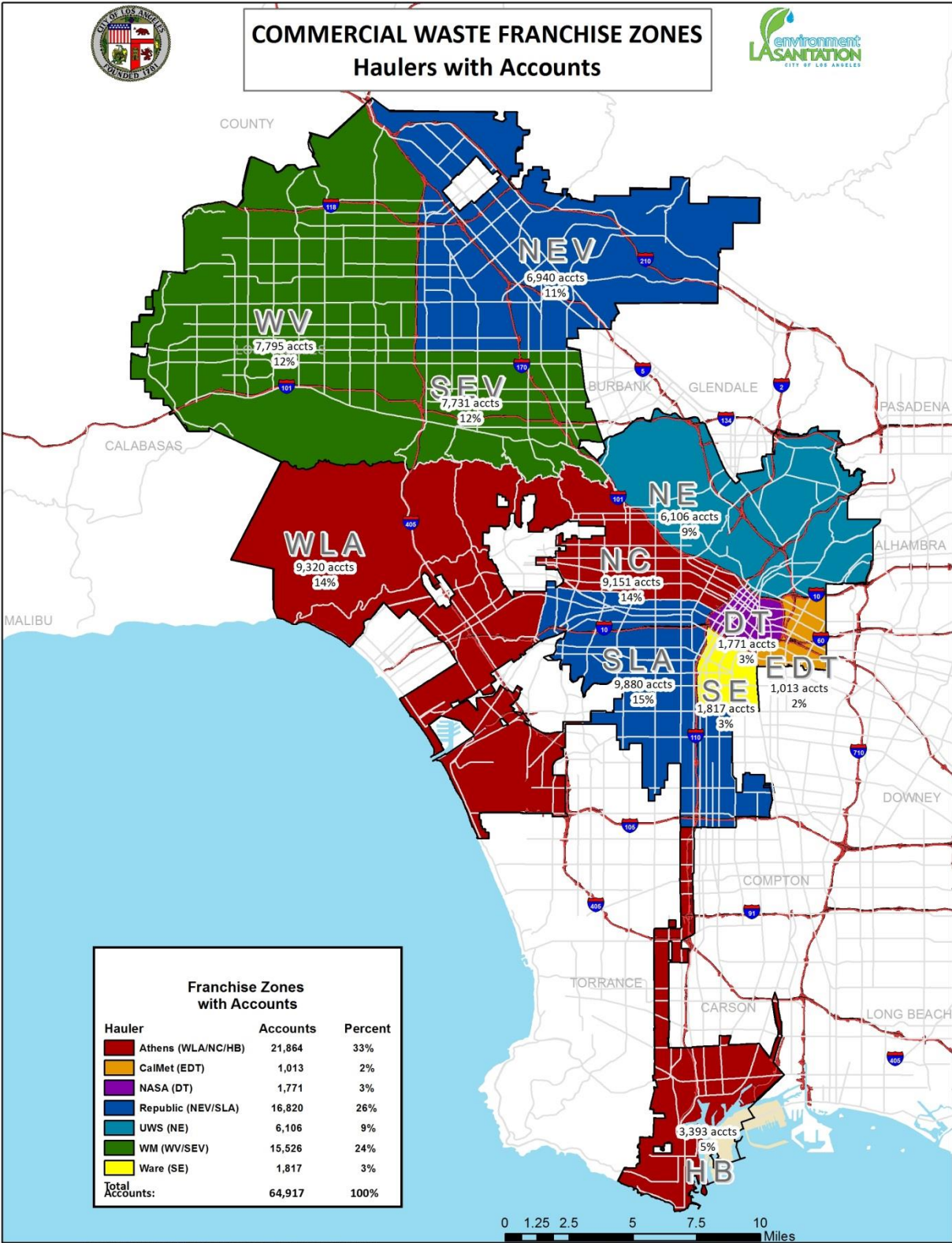
¹ – With the withdrawal of Recology and NASA electing to stay in the Downtown Zone

Table 8 – Recommended Small Zone Award

Ranking ²	Proposer	Recommended Small Zone Award	Number of Accounts
1	NASA	Downtown	1,771
2	Ware	Southeast	1,817
3	CalMet	East Downtown	1,013

² – With the withdrawal UPW and UWS recommended for a large zone

Map 2 – Recommended Franchise Zone(s) Awards



City Policy – Headquarters in Arizona

Republic's local main office is located in the City, however, its corporate headquarters is located in Arizona. Republic has had a long presence in the City and currently collects solid waste from over twenty percent of the customers transitioning into the franchise system. Republic has a long history of contracting with the City and currently contracts for solid resource services. Presently, Republic operates seven solid resources facilities in Los Angeles County, and employs nearly 2,500 people in Southern California, of which over 1,000 are employed within Los Angeles County, with 145 residing in the City. Republic's experience, expertise, and resources are important to the success of the Franchise System. Republic's existing and proposed resources, made available through the franchise contracts, allowed staff to negotiate low rates that are sustainable through the term of the contract. Limiting infrastructure resources would limit competition and increase demand on other facilities, which could have a negative impact on processing and disposal fees and ultimately rates to the Zero Waste LA customers. For the foregoing reasons, there would be significant tangible and intangible additional costs to the City and its citizens were the City to refrain from entering into a contract with Republic.

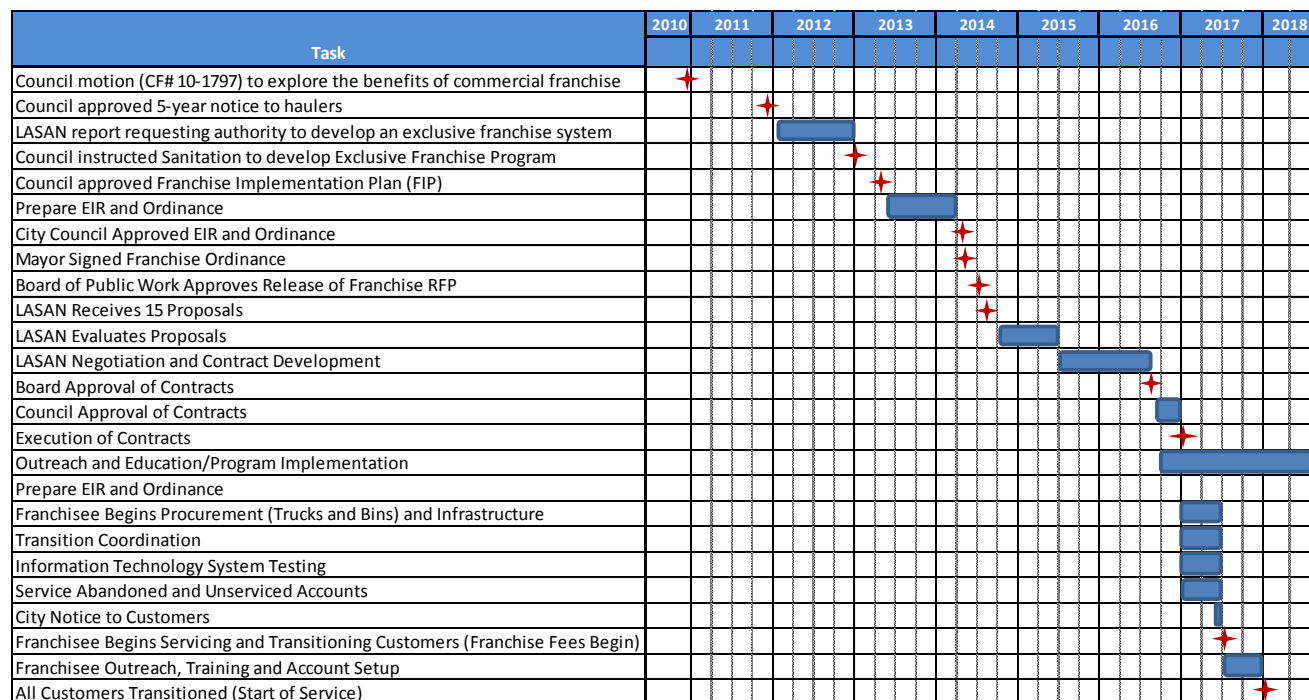
Zero Waste LA Exclusive Franchise System Key Contract Elements and Program Goals

The initial term of these contracts is ten (10) years with an additional two (2) optional renewals for five (5) years each at the City's sole discretion. Each Contractor shall provide collection, transfer, recycling, processing and disposal services for municipal solid waste, commingled recyclables, and organics from commercial and multifamily customers in Franchise Zone(s).

Franchise System Timeline

As shown in Chart 3, LASAN anticipates starting Franchise System transition in January 2017, immediately after contract execution. The first steps in the transition process begin with the Franchisee procuring all the necessary vehicles, bins and equipment, and to start the necessary infrastructure improvements. As there are limited vendors for procurement items such as trucks and bins the lead time for these items can be as long as six months. Beginning in January 2017 LASAN will coordinate the orderly transition of the 65,000 customers with the Franchisees and existing waste haulers. In January 2017 LASAN will also begin testing the integration of LASAN's and the Franchisees' customer service systems. The initial planning, coordination and testing will take approximately six months. In July 2017 the Franchisees will begin the outreach, training and transition of customers into the Franchise System. Transition of all customers into the Franchise System will take approximately six months and will be completed by January 2018.

Chart 3 – Franchise System Development and Implementation Schedule



Franchise System Goal - Meet the City's Zero Waste goals by establishing the maximum disposal for each zone, and implementing waste diversion programs that are consistent with the Solid Waste Integrated Resource Plan Guiding Principles. Meet and exceed California requirements for waste diversion and mandatory commercial and multifamily recycling

Franchisees will be required to provide recycling (Blue Bin) service to all customers. This service is unlimited at the same frequency of solid waste (Black Bin) collection, with additional frequency at a very low rate. The Contractor will continue source-separated Organics (Green Bin) service to customers that are already being provided this service, and will offer Organics service to all customers. Negotiated pricing for Organics service does not exceed the maximum rates for Black Bin service. All Customers shall receive an on-site Waste Assessment prior to service under the Franchise System, with additional waste assessments required every two years to assist customers in right-sizing their service and improving recycling and organics collection.

To assist Customers in reuse and food rescue, the Contractor is required to utilize and fund reuse organizations, provide information to their customers on their use, and report to LASAN on their success in moving usable materials back into productive use. Outreach and Education will be developed by LASAN, and the Contractor is required to educate residents and customers in the correct use of Blue and Green Bins, the benefits of reuse and food recovery, and other sustainability messaging.

Contractors are required to reduce the tonnage of solid waste disposed in their awarded Zone(s). In the first term (10 years) of the contract, approximately 65 percent of the materials collected must be moved from primarily Black Bin collection to recovery (Blue Bin or Green Bin). A baseline will be established during the first full year of service, with varying timelines for reaching the required disposal reduction. This disposal reduction, if not met, will result in liquidated damages as they are

measured during the contract term. The Contractor is required to perform multiple sampling and characterization of materials and provide extensive reporting to validate that disposal reduction (diversion) is taking place.

Franchise System Goal - Ensure reliable system infrastructure to provide uninterrupted service to City customers.

The Franchise System will provide uninterrupted service to City customers by ensuring reliable system infrastructure through its Franchise contracts. The Contractors are required to have individual facility plans. The Contractors shall develop the facilities as detailed in the Facility Development Plan as per the Contract. The Contractor shall ensure that the newly developed facilities have the improvements and processing capacity to meet the demands of the Zone(s) awarded. Failure to develop new processing facilities in accordance with the Facility Development Plan may result in termination by default of the Contract.

Their specific infrastructural improvements of the recommended Contractors are briefly described below:

Athens

Much of the solid resources collected from Athens' recommended zones, located in the central part of the City, will be transported east to its existing and proposed infrastructure. Athens will invest in infrastructure development for the Franchise System. It has already invested in the expansion of its Sun Valley Material Recovery and Transfer Station. Additional improvements to this facility will include modifying the baler and processing line, installing a solar power system, and building an additional push wall. In its City of Industry Material Recovery Facility, Athens will upgrade the facility by installing an organics pre-processing system and adding a new building and other equipment over its recycling network. Athens has committed by contract to invest an additional \$10 million in infrastructure to manage solid resources from the Harbor Zone.

Republic

Republic has infrastructure near the City to service the South LA and Northeast Valley Zones. Republic will upgrade an existing composting facility in Chino that is co-owned by Agromin. The current windrow composting system operated at the facility will be converted to an aerated static pile system with additional screens. Republic will also modify its American Waste Transfer Station by enclosing the building to comply with the City's facility certification requirements.

WM

WM will construct a new enclosed transfer and processing facility in Sun Valley, adjacent to its recommended zones, that is designed to receive and process 2,000 tons per day (tpd) of solid waste, receive and transfer 1,000 tpd of recyclables, and receive and pre-process 1,000 tpd of organics. At its Lancaster site, WM will construct a 2,000 tpd organics processing facility with dry anaerobic digestion and aerated static pile composting systems. The existing Mission Road transfer station in Los Angeles will be improved by expanding its receiving area and enclosing its organics receiving area. In Wilmington, additional sorting equipment will be installed to the existing material processing facility.

UWS

UWS will utilize new infrastructure just south of its recommended zone. UWS will develop its Santa Fe Springs Material Recovery Facility in two phases: Phase I (750 tpd) and Phase II (1,500 tpd). Its 24th Street Transfer Station in Los Angeles will be upgraded into a larger transfer facility with a 1,000 tpd processing capacity.

CalMet

CalMet will construct a new Royal Material Recovery Facility in Paramount next to its collection yard and existing transfer station. The new facility will be capable of processing 2,450 tpd.

Ware

Ware owns and operates the Madison Resource Recovery Facility in Santa Ana. Ware will improve this existing facility to accept and process organic waste.

The Franchise System will also provide additional organics infrastructure through new or expanded private partnerships. Athens has partnered with Anaergia, Inc. for the development of a bioenergy facility in Rialto that utilizes digestion technology to produce renewable energy from organics. The Rialto facility is expected to be operational in 2019. Republic has also collaborated with Anaergia, Inc. to build the Anaheim Sustainability Center, a state-of-the-art facility that will convert organics into renewable energy through the process of anaerobic digestion. This facility is anticipated to be completed in 2018. Both facility development projects will be entirely funded by Anaergia, Inc. with Athens and Republic supplying organics as feedstock to the digestion process.

Franchise System Goal - Create a consistent, clearly defined system with predictable and reasonable rates and contingency plans to ensure reliable service.

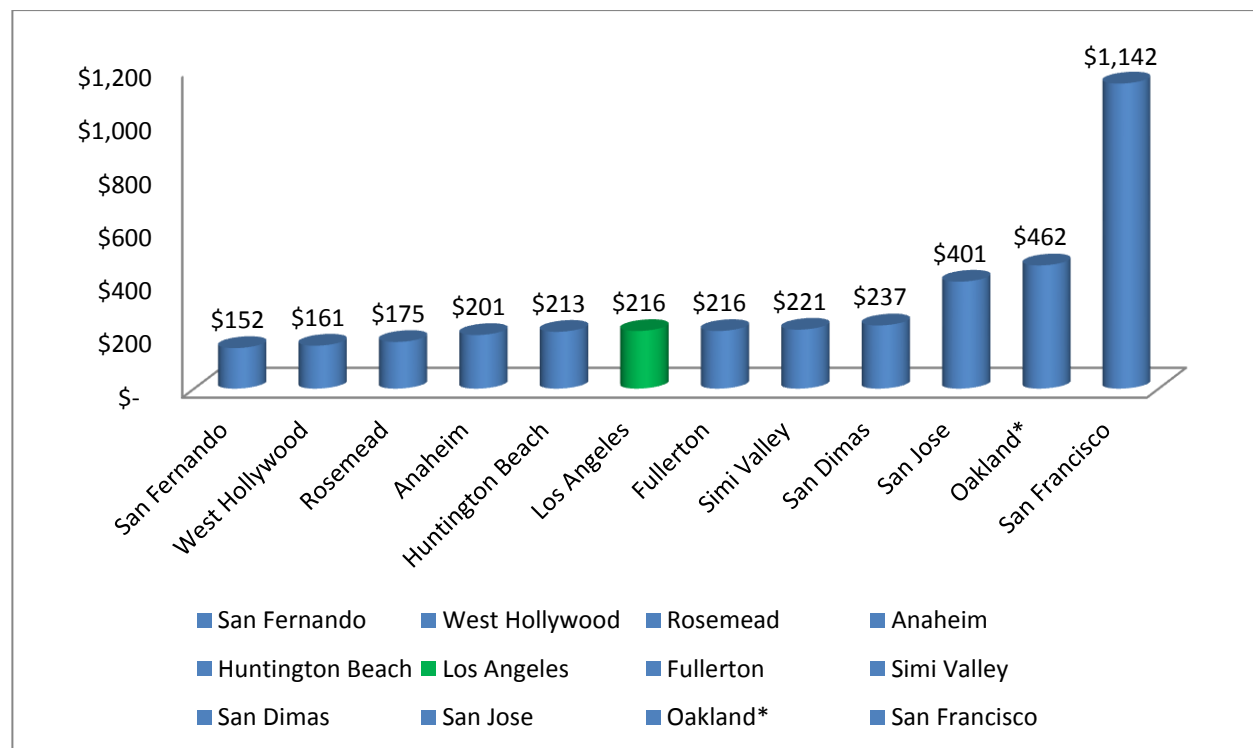
One of the goals of the Franchise System is a fair and equitable rate structure, with predictable rates. LASAN staff utilized private sector experts in the field of solid waste rate development, rate verification and modeling to assist in negotiating fair rates with all proposers. These experts utilized experience, industry standards and information provided by the proposers to develop rate models. These models took into account the requirements of the contract including clean fuel vehicles, education and outreach, staffing, infrastructure, and landfill reduction.

LASAN staff researched rates in other cities throughout the state, including current rates for solid waste and recyclables collection, both combined and individually. Many of the cities researched had separate rates for solid waste and recycling, which for comparison were combined into a single rate. In total, over one hundred California cities with franchise agreements were reviewed. Statistics for those rates are shown below in Table 9. In the Franchise System, the monthly rate for a 3 cubic yard solid waste bin, with unlimited recycling, collected once per week, is capped at \$216.72 per month, which is 15 percent lower than the average of the cities researched. Over one-third of all the cities researched have rates that are within +/-10 percent of the proposed Franchise System maximum rate.

Table 9 – Rate Comparison

	Monthly Rate for Solid Waste and Recycling 3 cubic yard bin collected once per week (1-3-1)
Minimum	\$69.09
Maximum	\$1,198.88
Median	\$206.80
Mean (Average)	\$257.24
City of Los Angeles	\$216.72

Sample Rates of Commercial Exclusive Franchises in California
Solid Waste and Recycling
3 cubic yard bin collected once per week (1-3-1)



* - Rate for Oakland does not include collection of commingled recyclables

LASAN negotiated fair and equitable rates for all customers. Maximum rate caps citywide will ensure equity so that all of the City's business, institutional, and multifamily customers to receive the same services for a predictable rate. A citywide rate structure does not mean a one-size-fits-all approach. Customers will have a suite of solid waste and recycling options to choose from that promotes diversion and can be customized to fit their needs and/or desires. The rate schedules have been negotiated to help encourage additional diversion of material from landfills. The Contractors are required to include recycling services in their standard rates.

To save money and divert more material from landfills, customers may request a larger recycling or green bin and/or more frequent recycling, green waste, or organics service, and the unit cost of that service is priced lower than comparable service for solid waste. This will provide a powerful incentive for driving additional material away from landfills and toward more beneficial uses. The rates were also structured to address the City's phased approach to organic recycling.

The Contractors can only bill customers for services up to the maximum rates as per the contract. The Contractors will bill all customers, except customers with temporary service such as roll-offs, one month in advance on a monthly basis. The Contractors shall be solely responsible for collecting bill payments from customers and services shall be performed on the basis of payment rendered. If a customer goes out of business, the Contractors shall be solely responsible for collecting that debt.

Another objective was predictable rate increases to customers. To this end, an annual compensation adjustment shall be made considering readily available cost indices. Costs in the Contract shall be used as the basis for adjusting Contractor compensation (plus additional financial information that may be requested by the City). These indices will be the same for all contracts, allowing rates to move consistently throughout the term of the contract. The total annual compensation adjustment shall not exceed five (5) percent. Over the last five years this compensation adjustment has averaged just over 2 percent annually.

Organics infrastructure, additional hauling, pre-processing, and processing will be required due to the special requirements of organics, especially food waste. These costs will become significant in years three and four of the contract, and will continue through the end of the contract. To account for these costs, there will be a three (3) percent increase in all rates for each of these years in addition to any annual rate increase. The contracts also allow for increases due to changes in law or regulations that result in an increased fee or assessment. In addition, the contracts contain a potential rate adjustment every 60 months of the contract, capped at 3%, to allow for unforeseen circumstances. These increases will be in addition to the calculated Consumer Price Index increase within the 5 percent cap.

LASAN has established a list of Extra Services included in each contract, which each Contractor shall offer their customers within the accompanying rates. Extra Services shall be increased annually in accordance with the formula specified for an Annual Compensation Adjustment.

Franchise Fee

The Contractors will pay, on a quarterly basis, a negotiated Franchise Fee to the City based on a percentage of the gross receipts billed to all customers. The payment is due on or before 30 days following the end of each calendar quarter.

AB 939 Compliance Fee

The AB 939 Compliance Fee will remain the same. The Contractors shall remit to the City the AB 939 Compliance Fee equal to ten (10) percent of gross solid waste receipts in accordance with Section 66.32 of the Los Angeles Municipal Code. The payment is due on or before 30 days following the end of each calendar quarter.

Franchise System Goal - Provide the highest level of Customer Service through communication and delivery of services

The City's LASAN Customer Care Center and Dispatch Center, which operates 24/7, will be the first point of contact for customers initiating service requests, complaints, and inquiries either through phone, internet/website, or mobile/smart-phone application; except for billing inquiries, which may go directly to the Contractors' billing department. Each Contractor shall maintain a fully staffed call center operating Monday through Friday from 7:00 AM through 6:00 PM, and Saturday from 8:00 AM through 12:00 PM. During these regular business operating hours, customers shall be able to resolve all billing-related requests and inquiries. The Contractors shall be capable of handling customer inquiries and initiating service requests 24 hours per day, 7 days per week, to receive, respond and resolve all customer inquiries and service complaints.

The Contractors' customer support performance will be monitored and the Contractors must have sufficient technology in place to support the performance metrics specified in the Contract. The City will ensure that customer service standards are met. The City may, at its sole discretion, investigate all unresolved disputes between the Contractors and a Customer. At the end of the investigation, the City will determine the resolution of such disputes.

The Contractors shall provide sufficient staffing to meet and execute all requirements of this Contract including the transition period. All Contractors' and subcontractors' staff assigned to hospitals must comply with hospital medical screening and testing, integrity of the hospital waste stream from pick up to ultimate disposal, and Protected Health Information requirements.

The Contractors shall participate in the City's Solid Resources program outreach activities, including but not limited to: public appearances in support of the City's Recycling Program, use of the City's recycling theme, colors, and logos on collection vehicles and containers, distribution of promotional literature, participation in special events, special educational presentations, and similar activities.

The Contractors shall utilize the state-of-the-art technology available to meet the Contract requirements stated under customer service, outreach and education, field operations, solid resources collection, as well as all other elements of the Contract. The Contractors shall assist in maintaining LASAN's franchise customer database. This information must be able to interface with and cross-link to the City's account database software and technology.

Franchise System Goal - Improve the City's air quality by requiring late model low emission clean fuel vehicles

Collection vehicles must be clean fueled, using CNG or liquefied natural gas, and less than 8 years old at the start of the contract and less than 10 years old throughout the duration of the first term of the contract. Separate vehicles will be used for each commodity (Solid Waste, Commingled Recyclables, and Organics). When the program is fully implemented, the small zones will require about 44 total vehicles, excluding spares. The large zones may require as many as 340 total vehicles, excluding spares. While some of the proposers already have some CNG vehicles, most of them will need to be newly purchased. All will need to be replaced by the end of the initial 10 years of the contract. This will require a significant capital investment for the first 10 years of the project.

In addition, all collection vehicles, including tractor trailers that carry roll-off Containers, shall be in compliance with the SCAQMD Fleet Rule 1193. All solid resources collection vehicles shall be

equipped with on-board technology (software and hardware) capable of monitoring and recording data, vehicle dynamics monitoring, lift monitoring, photo and video, and engine performance monitoring systems. On-board technology shall capture at minimum, fuel consumption, idle time, unsafe driving practices, safety inspections, vehicle maintenance, engine emissions, and container lifts. This data shall be communicated from the truck in real-time and maintained by the haulers. The data must be accessible transferred to the City in an acceptable format and in real-time. Contractor's collection vehicles and equipment shall be maintained in compliance with the manufacturer's specifications, and all applicable laws and regulations.

Franchise System Goal - Improve health and safety for solid waste workers under City contract provisions

All facilities intended for use by the Contractor in operations pertaining to this Contract shall undergo the City's facility certification process and maintain the certification in good standing while they are utilized under the Franchise System.

The Contractors are required to have a written contingency plan, describing the steps that the Contractors shall take to avoid interruptions in collection, disposal and processing services. At all times, the Contractors and their employees shall operate and maintain all collection vehicles and equipment in compliance with all applicable laws. The Contractors shall maintain all necessary licenses and registrations, and shall timely pay all fees and taxes, on all vehicles and equipment, as required under applicable laws.

The Contractors shall provide routine safety training to its employees, in compliance with OSHA, all applicable laws and its safety and training plan. The safety and training plan would include but not be limited to: general safety, alcohol and drug-free workplace, fire safety, driver training, accident prevention, personal protective equipment, solid resource collection safety, Illness and Injury Prevention Program, workplace free from sexual harassment, and workplace free from violence.

The Contractors shall use only City-Certified Facilities with sufficient capacity to process or dispose of all solid resources collected under the Contracts. The Contractors shall ensure that the City's facility certification requirements are met by the facilities utilized, whether or not the facility is located within the City boundaries. The facility plan shall include secondary or back up facilities to be utilized in the event a facility is unable to accept material. Residual waste from Certified Facilities shall be disposed of by the Contractor or the processing facility Subcontractor at a City-Certified Facility selected by the Contractor or its Subcontractor.

The facility certification process will include an inspection to enforce compliance with current laws and regulations, as well as enforce City compliance provisions. Violations will be enforced through liquidated damages and other means. All facilities used by the Contractors shall be in compliance with the regulations of dust, odor, litter, noise, and other issues arising from the operation of the facilities. The facility compliance requirements should help prevent health and safety hazards and nuisance to nearby communities. The operation of facilities used for the transfer and processing of solid waste and organics creates some environmental burdens that require full enclosure to address them. Certified Facilities are subject to compliance with recordkeeping, reporting requirements, and maintenance of compliance records. The Certified Facilities must undergo audit and inspection to ensure compliance with the terms and conditions of the Franchise agreement and adequate protection of workers, public health, and the environment.

PROPOSED TERM OF AGREEMENT AND COST CEILING

The proposed contract term will be for ten (10) years, with two (2) 5-year renewal option(s). There are no cost ceilings associated with these contracts.

BUSINESS INCLUSION PROGRAM

The City recognized that the potential subcontracting opportunities and the associated level of participation would vary depending on the franchise zone(s) awarded. Due to the numerous proposal response option resulting from the eleven (11) zones Proposers submitted a Schedule A, List of Potential MBE/WBE/SBE/EBE/DVBE/OBE Subcontractors, that was inclusive of all subcontractors for all zones for which the Proposer submitted a proposal. Following contract negotiations, the shortlisted Proposers prepared a final Schedule A for the contract for which they are recommended to be awarded. The final Schedule A includes the list of subcontractors and their pledged subcontractor participation dollar values.

On July 10, 2015, the Board of Public Works found all proposers responsive to the City's Business Inclusion Plan. At the time of distribution of the RFP for these services, the City established anticipated participation levels for this contract of 8% MBE, 5% WBE, 5% SBE, 1% EBE, and 1% DVBE. The following Contractors and their participation levels are as follow:

Athens Services has pledged participation levels of 2.51% MBE, 0.05% WBE, 0.08% SBE, 0.07% EBE, 0% DVBE, and 7.79% OBE.

NASA has pledged participation levels of 0.41% MBE, 1.63% WBE, 1.82% SBE, 0.19% EBE, 0% DVBE, and 1.38% OBE.

Republic Services has pledged participation levels of 1.08% MBE, 0.32% WBE, 1.96% SBE, 1.96% EBE, 0% DVBE, and 11.06% OBE.

Waste Management has pledged participation levels of 2.98% MBE, 2.23% WBE, 0% SBE, 0% EBE, 0% DVBE, and 8.81% OBE.

Universal Waste Systems has pledged participation levels of 0.88% MBE, 0.17% WBE, 1.45% SBE, 1.45% EBE, 0% DVBE, and 4.71% OBE.

Ware Disposal has pledged participation levels of 0.53% MBE, 0% WBE, 0.11% SBE, 0.11% EBE, 0.11% DVBE, and 0% OBE.

CalMet has pledged participation levels of 0.29% MBE, 0% WBE, 0% SBE, 0% EBE, 0% DVBE, and 7.27% OBE (See Tables below).

Gender/Ethnicity Codes:

AA = African American

HA = Hispanic American

SAA = Subcontinent Asian American

APA = Asian Pacific American

C = Caucasian

NA = Native American

M = Male

F = Female

Athens:

SUBCONTRACTOR	MBE/WBE/SBE/ EBE/DVBE/OBE	GENDER/ ETHNICITY	% OF CONTRACT AMOUNT	SUBCONTRACT AMOUNT
Aslan Consulting LLC	MBE	F/AA	0.02%	\$250,000
Container Management Group, LLC/ CDSRVS, LLC	MBE	F/HA	0.06%	\$568,182
JI Gandara Transport Inc.	MBE	M/HA	2.40%	\$24,688,661
Schafer Consulting	MBE, SBE, EBE	F/APA	0.02%	\$250,000
Consensus Inc.	WBE	F/C	0.05%	\$500,000
Three Squares International Inc/ One-Drop Interactive	WBE, SBE	F/C	0%	\$50,000
Isidore Electronics Recycling	SBE, EBE	-	0.05%	\$496,000
AEP/Arts Earth Partnership	OBE	-	0.02%	\$200,000
Anaergia Services LLC	OBE	-	1.17%	\$12,065,972
AXIOM Translations, LLC	OBE	-	0.02%	\$240,000
Chiquita Canyon Landfill/ Waste Connections	OBE	-	4.10%	\$42,162,870
Consolidated Fabricators Corp	OBE	-	1.22%	\$12,500,000
Discovery Cube Los Angeles	OBE	-	0.01%	\$52,000
Green Halo	OBE	-	0.01%	\$60,000
Global Green	OBE	-	0.02%	\$200,000
I:Collect AG/SOEX Group	OBE	-	0%	\$25,000
JJ Keller & Associates	OBE	-	0.05%	\$489,600
LA Shares	OBE	-	0.03%	\$324,839
Mario's Trucking	OBE	-	1.02%	\$10,454,366
Plastics Solutions Inc./ EcoSafe Zero Waste	OBE	-	0.01%	\$150,000
reDiscover Center	OBE	-	0.02%	\$250,000
Soft-Pak	OBE	-	0.08%	\$785,000

SUBCONTRACTOR	MBE/WBE/SBE/ EBE/DVBE/OBE	GENDER/ ETHNICITY	% OF CONTRACT AMOUNT	SUBCONTRACT AMOUNT
Sustainable Works	OBE	-	0.01%	\$100,000
Total MBE Participation			2.51%	\$25,756,843
Total WBE Participation			0.05%	\$550,000
Total SBE Participation			0.08%	\$796,000
Total EBE Participation			0.07%	\$746,000
Total DVBE Participation			0%	\$0
Total OBE Participation			7.79%	\$80,059,647
Total MBE/WBE/SBE/EBE/DVBE/OBE Subcontractor Firm Participation			10.40%	\$106,862,490
Base Estimated Contract Amount				\$1,027,792,030

NASA:

SUBCONTRACTOR	MBE/WBE/SBE/ EBE/DVBE/OBE	GENDER/ ETHNICITY	% OF CONTRACT AMOUNT	SUBCONTRACT AMOUNT
Clean-up America	MBE	M/AA	0%	\$0
Container Management Group, LLC	MBE	F/HA	0.41%	\$765,345
Go2Zero Strategies	WBE, SBE	F/C	1.62%	\$3,000,000
Kambrian Corporation	WBE, SBE, EBE	F/APA	0.01%	\$10,000
Isidore Electronics Recycling	SBE, EBE	-	0.05%	\$100,000
S. Groner Associates, Inc.	SBE, EBE	-	0.14%	\$250,000
Adapt Consulting Inc. dba Adapt Ad Specialty	OBE	-	0.05%	\$99,998
Consolidated Fabricators Corp.	OBE	-	0.05%	\$100,000
Distributors Unlimited	OBE	-	0.27%	\$500,000
Fleetmind Solutions, LLC	OBE	-	0.26%	\$481,092
Impact Eco Vision	OBE	-	0.05%	\$100,000

SUBCONTRACTOR	MBE/WBE/SBE/ EBE/DVBE/OBE	GENDER/ ETHNICITY	% OF CONTRACT AMOUNT	SUBCONTRACT AMOUNT
Environmental Inc.				
Kuba & Associates, Inc.	OBE	-	0%	\$0
MHI Global (Impact Learning Solutions)	OBE	-	0.01%	\$20,000
Schafer Systems International, Inc.	OBE	-	0.52%	\$961,625
The Printing Connection	OBE	-	0.02%	\$30,305
The V Group	OBE	-	0.05%	\$100,000
True Truck, LLC	OBE	-	0.03%	\$58,200
Wastequip Manufacturing, LLC	OBE	-	0.05%	\$100,000
Total MBE Participation			0.41%	\$765,345
Total WBE Participation			1.63%	\$3,010,000
Total SBE Participation			1.82%	\$3,360,000
Total EBE Participation			0.19%	\$360,000
Total DVBE Participation			0%	\$0
Total OBE Participation			1.38%	\$2,551,220
Total MBE/WBE/SBE/EBE/DVBE/OBE Subcontractor Firm Participation			3.61%	\$6,676,565
Base Estimated Contract Amount				\$185,000,000

Explanation for "\$0" Dollar Value of Subcontract:

Kuba & Associates, Inc. – It was determined that most of the proposed activities were not required.
Clean-up America, Inc. – Construction material is not a part of the contract, therefore services are not needed.

Republic Services:

SUBCONTRACTOR	MBE/WBE/SBE/ EBE/DVBE/OBE	GENDER/ ETHNICITY	% OF CONTRACT AMOUNT	SUBCONTRACT AMOUNT
DYJP, Inc. Cabo Transport & Services	MBE	M/HA	0.50%	\$4,500,000
Container Management Group, LLC	MBE	N/A	0.43%	\$3,900,000
Titan Disposal	MBE	M/AA	0.15%	\$1,350,000
Mariposa Eco Consulting	WBE, SBE, EBE	F/C	0.13%	\$1,195,000
Paragon Language Services	WBE	F/C	0.01%	\$100,000
Pinnacle Petroleum	WBE	F/C	0.18%	\$1,600,000
AAA Rubbish, Inc.	SBE	-	0%	\$0
A-Mehr, Inc.	SBE, EBE	-	0.05%	\$450,000
City Terrance Recycling, LLC	SBE, EBE	-	1.71%	\$15,422,650
Compliance Plus	SBE, EBE	-	0.03%	\$250,000
Isidore Electronics Recycling	SBE, EBE	-	0.04%	\$350,000
Agromin	OBE	-	1.44%	\$13,000,000
AIMCS Consulting	OBE	-	0.01%	\$50,000
Anaergia Services, LLC	OBE	-	0.01%	\$100,000
Camland, Inc.	OBE	-	0%	\$0
Cemex	OBE	-	0%	\$0
Chiquita Canyon Landfill	OBE	-	0.01%	\$100,000
Consolidated Fabricators	OBE	-	0.36%	\$3,270,836
Diversified Energy Supply	OBE	-	0%	\$0
Ecology Auto Parts	OBE	-	0.83%	\$7,500,000
Environmental Solutions	OBE	-	4.33%	\$39,000,000
Finishing Studio	OBE	-	0.19%	\$1,700,000
Fleetmind Solutions, Inc.	OBE	-	0.17%	\$1,557,500

SUBCONTRACTOR	MBE/WBE/SBE/EBE/DVBE/OBE	GENDER/ETHNICITY	% OF CONTRACT AMOUNT	SUBCONTRACT AMOUNT
GrandMas USA Inc	OBE	-	0.02%	\$200,000
Harvest Power	OBE	-	0%	\$0
MEND – Meet Each Need with Dignity	OBE	-	0%	\$45,000
Otto Environmental Systems, LLC	OBE	-	0.05%	\$490,000
Pacoima Beautiful	OBE	-	0%	\$45,000
Sun Valley Paperstock	OBE	-	2.62%	\$23,600,000
Sustain LA	OBE	-	0.00%	\$20,000
Universal Waste Systems, Inc.	OBE	-	0%	\$0
Wastequip Mfg. Co. LLC	OBE	-	0.99%	\$8,900,000
Total MBE Participation			1.08%	\$9,750,000
Total WBE Participation			0.32%	\$2,895,000
Total SBE Participation			1.96%	\$17,667,650
Total EBE Participation			1.96%	\$17,667,650
Total DVBE Participation			0%	\$0
Total OBE Participation			11.06%	\$99,578,336
Total MBE/WBE/SBE/EBE/DVBE/OBE Subcontractor Firm Participation			14.30%	\$128,695,986
Base Estimated Contract Amount				\$900,274,218

Explanation for “\$0” Dollar Value of Subcontract:

Camland, Inc – Camland was originally listed to haul organics to Harvest Power based on 3 zone award. With only 2 zones award, Harvest Power will not be utilized, therefore, no transportation from Camland is needed.

AAA Rubbish – AAA was listed for 3 zone award. Northeast Valley and SLA zones are not feasible for service from AAA yard.

Universal Waste Systems, Inc. – Not needed for assigned franchise zones.

Cemex, Inc. – Cemex was listed as an engineered fuels subcontractor for residuals from Harvest Power. Harvest Power will not be utilized for current zone award.

Harvest Power – Harvest Power was listed as a possible AD facility for 3 zone award. Harvest Power facility will not be permitted or used with final zone award.

Diversified Energy – Diversified Energy’s fueling system is not compatible with Republic's fueling capabilities.

Waste Management:

SUBCONTRACTOR	MBE/WBE/SBE/ EBE/DVBE/OBE	GENDER/ ETHNICITY	% OF CONTRACT AMOUNT	SUBCONTRACT AMOUNT
J.I. Gandara Transport, Inc.	MBE	M/HA	2.98%	\$31,600,000
ASLAN Consulting	WBE	F/AA	0%	\$0
Pinnacle Petroleum, Inc.	WBE	F/C	2.23%	\$23,700,000
American Language Services	OBE	-	0.00%	\$1,000
AMREP	OBE	-	3.27%	\$34,700,000
Axiom Translation	OBE	-	0%	\$0
BIS Computer Solutions	OBE	-	0%	\$0
C.L.A.R.T.S	OBE	-	0%	\$0
C+C Public Relations & Social Marketing	OBE	-	0%	\$0
Cascadia Consulting Group	OBE	-	0.05%	\$500,000
Chemistry PR	OBE	-	0%	\$0
Community Build	OBE	-	0%	\$0
CONFAB	OBE	-	0.67%	\$7,100,000
Doppstadt West USA	OBE	-	0%	\$0
Drew Sones Consulting Services	OBE	-	0%	\$0
Global Business Solutions	OBE	-	0%	\$0
ICON Information Consultants	OBE	-	0%	\$0
ID Industries	OBE	-	0.74%	\$7,900,000
Immigrant Charitable Foundation	OBE	-	0%	\$0
IW Group, Inc.	OBE	-	0%	\$0

SUBCONTRACTOR	MBE/WBE/SBE/ EBE/DVBE/OBE	GENDER/ ETHNICITY	% OF CONTRACT AMOUNT	SUBCONTRACT AMOUNT
Los Angeles Beautification Team	OBE	-	0.02%	\$250,000
Pacoima Beautiful	OBE	-	0.02%	\$250,000
Paragon Language Service	OBE	-	0.00%	\$1,000
Potential Industries Inc.	OBE	-	0.03%	\$350,000
Rush Truck Centers	OBE	-	0.41%	\$4,300,000
Santiago Hernandez Trucking	OBE	-	2.23%	\$23,700,000
TEC La Mirada	OBE	-	0%	\$0
The PM Group	OBE	-	0%	\$0
Urban Design Center	OBE	-	0%	\$0
Urban Strategy Group	OBE	-	0%	\$0
Wastequip Toter	OBE	-	0.02%	\$250,000
Zero Waste Energy	OBE	-	1.34%	\$14,200,000
Total MBE Participation			2.98%	\$31,600,000
Total WBE Participation			2.23%	\$23,700,000
Total SBE Participation			0%	\$0
Total EBE Participation			0%	\$0
Total DVBE Participation			0%	\$0
Total OBE Participation			8.81%	\$93,502,000
Total MBE/WBE/SBE/EBE/DVBE/OBE Subcontractor Firm Participation			14.02%	\$148,802,000
Base Estimated Contract Amount				\$1,061,677,000

Explanation for “\$0” Dollar Value of Subcontract:

Axiom Translation – No longer exists according to LABAVN search and call to phone number on file.

C.L.A.R.T.S. – Not needed for assigned franchise zones; distance is too far from the West Valley and Southeast Valley.

Drew Sones Consulting Services – Solid waste collection consulting services not needed for assigned franchise zones.

C+C Public Relation & Social Marketing – Not needed for assigned franchise zones.

IW Group, Inc. – Not needed for assigned franchise zones.

Urban Design Center – Not needed for assigned franchise zones.

Urban Strategy Group – Not needed for assigned franchise zones.

Chemistry PR – Not needed for assigned franchise zones.

The PM Group – Not needed for assigned franchise zones.

Community Build – Not needed for assigned franchise zones.

Immigrant Charitable Foundation – Not needed for assigned franchise zones.

ICON Information Consultants – WM has existing capabilities that will meet the requirement of the contract for assigned franchise zones.

ASLAN Consulting – WM has existing capabilities that will meet the requirement of the contract for assigned franchise zones.

Global Business Solutions – WM has existing capabilities that will meet the requirement of the contract for assigned franchise zones.

BIS Computer Solutions – WM has existing capabilities that will meet the requirement of the contract for assigned franchise zones.

TEC La Mirada – WM has existing capabilities that will meet the requirement of the contract for assigned franchise zones.

Universal Waste Systems:

SUBCONTRACTOR	MBE/WBE/SBE/ EBE/DVBE/OBE	GENDER/ ETHNICITY	% OF CONTRACT AMOUNT	SUBCONTRACT AMOUNT
Container Management Group	MBE	F/HA	0.43%	\$1,500,000
The Robert Group	MBE	F/AA	0.43%	\$1,500,000
Schafer Consulting	MBE	F/APA	0.01%	\$50,000
Pinnacle Petroleum	WBE	F/C	0.17%	\$600,000
Clements Environmental	SBE, EBE	-	1.45%	\$5,000,000
Isidore Electronics Recycling	SBE, EBE	-	0%	\$0
A&B Recycling and Disposal	OBE	-	0%	\$0
Angelus Western	OBE	-	1.45%	\$5,000,000
Chiquita Canyon Landfill	OBE	-	2.89%	\$10,000,000
Consolidated Fabricators	OBE	-	0.12%	\$400,000
Fleetmind Solutions Inc.	OBE	-	0.07%	\$250,000
Law Offices of Gideon Kracov	OBE	-	0.06%	\$200,000

SUBCONTRACTOR	MBE/WBE/SBE/ EBE/DVBE/OBE	GENDER/ ETHNICITY	% OF CONTRACT AMOUNT	SUBCONTRACT AMOUNT
MDM Analysis	OBE	-	0.06%	\$200,000
Rehrig Pacific Company	OBE	-	0.06%	\$200,000
VigilEye Security Systems	OBE	-	0%	\$10,000
Total MBE Participation			0.88%	\$3,050,000
Total WBE Participation			0.17%	\$600,000
Total SBE Participation			1.45%	\$5,000,000
Total EBE Participation			1.45%	\$5,000,000
Total DVBE Participation			0%	\$0
Total OBE Participation			4.71%	\$16,260,000
Total MBE/WBE/SBE/EBE/DVBE/OBE Subcontractor Firm Participation			7.21%	\$24,910,000
Base Estimated Contract Amount				\$345,510,000

Explanation for “\$0” Dollar Value of Subcontract:

A&B Recycling and Disposal –UWS only proposed using this vendor for the North Central zone, however UWS is not being recommended for that zone, therefore A&B Recycling and Disposal services will not be utilized.

Isidore Electronic Recycling – UWS has not committed any dollars from this contract to Isidore Recycling, because this service is not typically a service that we would pay for. UWS does plan to recommend Isidore as a 3rd party recycling vendor for our clients.

Ware Disposal:

SUBCONTRACTOR	MBE/WBE/SBE/ EBE/DVBE/OBE	GENDER/ ETHNICITY	% OF CONTRACT AMOUNT	SUBCONTRACT AMOUNT
DYJP, Inc., dba Cabo Transport Services	MBE	M/HA	0.53%	\$500,000
Daniel R Arguello	SBE, EBE, DVBE	N/A	0.11%	\$100,000
Total MBE Participation			0.53%	\$500,000
Total WBE Participation			0%	\$0
Total SBE Participation			0.11%	\$100,000
Total EBE Participation			0.11%	\$100,000

SUBCONTRACTOR	MBE/WBE/SBE/ EBE/DVBE/OBE	GENDER/ ETHNICITY	% OF CONTRACT AMOUNT	SUBCONTRACT AMOUNT
Total DVBE Participation			0.11%	\$100,000
Total OBE Participation			0%	\$0
Total MBE/WBE/SBE/EBE/DVBE/OBE Participation	Subcontractor	Firm	0.74%	\$600,000
Base Estimated Contract Amount				\$94,000,000

CalMet:

SUBCONTRACTOR	MBE/WBE/SBE/ EBE/DVBE/OBE	GENDER/ ETHNICITY	% OF CONTRACT AMOUNT	SUBCONTRACT AMOUNT
Container Management Group, LLC	MBE	F/HA	0.29%	\$200,000
AMREP Inc.	OBE	-	2.83%	\$1,980,000
Clean Energy Fuels	OBE	-	0.90%	\$630,000
Consolidated Fabricators Corp	OBE	-	3.00%	\$2,100,000
Fleet Mind Solutions Inc	OBE	-	0.13%	\$89,000
LACSD	OBE	-	0%	\$0
Paramount Resource Recycling	OBE	-	0%	\$0
PCScale Tower	OBE	-	0.14%	\$100,000
Rehrig Pacific Company	OBE	-	0.13%	\$90,000
Synoptek	OBE	-	0.14%	\$100,000
TVI	OBE	-	0%	\$0
Zero Waste Energy	OBE	-	0%	\$0
Total MBE Participation			0.29%	\$200,000
Total WBE Participation			0%	\$0
Total SBE Participation			0%	\$0

SUBCONTRACTOR	MBE/WBE/SBE/ EBE/DVBE/OBE	GENDER/ ETHNICITY	% OF CONTRACT AMOUNT	SUBCONTRACT AMOUNT
Total EBE Participation			0%	\$0
Total DVBE Participation			0%	\$0
Total OBE Participation			7.27%	\$5,089,000
Total	MBE/WBE/SBE/EBE/DVBE/OBE	Subcontractor Firm	7.56%	\$5,289,000
Base Estimated Contract Amount				\$70,000,000

Explanation for “\$0” Dollar Value of Subcontract:

Zero Waste Energy – Organics requirements have changed since RFP, CLARTS will have a program.

TVI – Organics requirements have changed since RFP, CLARTS will have a program.

Paramount Resource Recycling – Material will be taken to CLARTS per contract instead.

LACSD – CalMet is planning on using LACSD for the processing of commingled recyclables. It expect the net cost will \$0.

OTHER CITY POLICIES AND REQUIREMENTS

Athens Services, Republic Services, NASA Services, Universal Waste Systems, Waste Management, Ware Disposal, and CalMet shall comply with all City requirements, including:

- Non-Discrimination/Equal Employment Practices/Affirmative Action
- Living Wage and Service Contractor Worker Retention Ordinances
- Equal Benefits Ordinance
- Business Tax Registration Certificate
- Child Support Obligations Ordinance
- Insurance and Performance Bond Requirements
- Slavery Disclosure Ordinance
- Americans with Disabilities Act
- Municipal Lobbying Ordinance
- Los Angeles Residence Information
- Contract History
- Non-Collusion Affidavit

- First Source Hiring Ordinance
- Contractor Bidder Campaign Contribution and Fundraising Restriction
- Iran Contracting Act of 2010

NOTIFICATION OF INTENT TO CONTRACT AND CHARTER SECTION 1022

The required Notification of Intent (NOI) to contract was filed with the City Administrative Officer (CAO) Clearinghouse on February 7, 2011 and a revised NOI was submitted on January 14, 2014. However, this contract is exempt from the Charter Section 1022 requirements as this contract will cost less than \$25,000 in terms of City-initiated payments under the contracts. An exemption from Charter Section 1022 was approved by the CAO on January 14, 2014.

CONTRACTOR RESPONSIBILITY ORDINANCE

All contractors participating in this program are subject to compliance with the requirements specified in the City of Los Angeles's Contractor Responsibility Ordinance No. 173677, [Article 14, Chapter 1, Division 10, L.A.C.C.]. Failure to comply with the requirements specified in this ordinance will render the bidder's contract subject to termination pursuant to the conditions expressed therein.

CONTRACTOR PERFORMANCE EVALUATION

In accordance with Article 13, Chapter 1, Division 10 of the City of Los Angeles Administrative Code, the appropriate City personnel responsible for quality control of this personal services contract shall submit Contractor Performance Evaluation Reports to the Bureau of Contract Administration upon completion of these contract.

LOS ANGELES RESIDENCE INFORMATION

The headquarters of Athens Services is 14048 Valley Blvd., City of Industry, CA 91746. Athens Services employs 1,155 people, of which 247 reside in the City of Los Angeles.

The main office of Republic Services is 9200 Glenoaks Blvd, Sun Valley, CA 91352. Republic Services employs 1,950 people, of which 145 reside in the City of Los Angeles.

The headquarters of NASA Services is 1100 S. Maple Ave., Montebello, CA 90640. NASA Services employs 90 people, of which 17 reside in the City of Los Angeles.

The headquarters of Universal Waste Systems is 9016 Norwalk Blvd., Santa Fe Springs, CA 90670. Universal Waste Systems employs 145 people, of which 24 reside in the City of Los Angeles.

The headquarters of Waste Management is 1001 Fannin, Suite 4000, Houston, TX 77002. Waste Management employs 42,616 people, of which 232 reside in the City of Los Angeles.

The headquarters of Ware Disposal is 1451 Manhattan Ave., Fullerton, CA 92831-5221. Ware Disposal employs 114 people, of which 2 reside in the City of Los Angeles.

The headquarters of CalMet is 7202 Petterson Lane, Paramount, CA 90723. CalMet employs 149 people, of which 12 reside in the City of Los Angeles.

APPROVED AS TO FORM

The proposed contracts have been approved as to form by the Office of the City Attorney.

CONTRACT ADMINISTRATION

Responsibility for the administration of this contract will be with the Solid Resources Commercial Franchise Division of LASAN.

STATUS OF FINANCING

There is no impact to the General Fund. All cost associated with these contract are between the Contractor (Franchisee) and the customer. The estimated overall value of these contracts is over \$3.5 billion for an initial contract term of ten (10) years.

FUTURE ACTION

Upon Approval by the Board, the Report will go to the Mayor for his approval. The Mayor may commission an independent analysis by the City Administrative Officer. Upon his approval, the Mayor will refer the Reports to the City Council for its consideration and approval. The City Council will have authority to approve or disapprove the Report but not to amend or modify. Upon approval by the City Council, The President of the Board or two members will execute the agreements.

Respectfully submitted,

COMPLIANCE REVIEW PERFORMED

AND APPROVED BY:

A handwritten signature in blue ink, appearing to read "Hannah Choi for", written over a horizontal line.

HANNAH CHOI, Program Manager

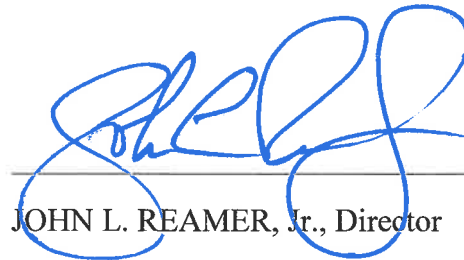
Office of Contract Compliance

Bureau of Contract Administration

A handwritten signature in blue ink, appearing to read "Enrique C. Zaldivar", written over a horizontal line.

ENRIQUE C. ZALDIVAR, Director

Bureau of Sanitation

A large, stylized handwritten signature in blue ink, appearing to read "John L. Reamer, Jr.", written over a horizontal line.

JOHN L. REAMER, Jr., Director

Bureau of Contract Administration

Prepared by:

Dan Meyers (SRCFD), and
Karen Coca (SRCRD)
(213) 485-3686