



STAFF REPORT

Report To: Board of Supervisors

Meeting Date: November 1, 2018

Staff Contact: Darren Schulz, Public Works Director

Agenda Title: For Possible Action: To determine that Waste Management of Nevada has proposed the best value for collection services in response to the request for proposals issued June 26, 2018 and to direct staff to enter into negotiations with Waste Management of Nevada for Solid Waste and Recyclable Materials Exclusive Franchise collection services. (Rick Cooley; RCooley@carson.org)

Staff Summary: The current solid waste and recyclable materials franchise agreement expires on June 30, 2019. In order to have a vendor in place ready to serve a new franchise agreement by July 1, 2019, a new contract must be awarded by December 2018. A Request for Proposals was published seeking vendors to provide solid waste and recyclable materials franchise collection services on June 26, 2018. Five proposals were received on August 21, 2018. The evaluation committee reviewed each proposer's background, experience, and proposal. Staff recommends moving forward with Waste Management of Nevada for solid waste and recyclable materials franchise collection services.

Agenda Action: Formal Action/Motion

Time Requested: 60 minutes

Proposed Motion

I move to determine that Waste Management of Nevada has proposed the best value for collection services in response to the request for proposals issued June 26, 2018 and to direct staff to enter into negotiations with Waste Management of Nevada for Solid Waste and Recyclable Materials Exclusive Franchise collection services.

Board's Strategic Goal

Efficient Government

Previous Action

During the Board of Supervisors' meeting of April, 5, 2018, the Board received recommendations for specific items to be included in the Request for Proposals. The Board provided direction for the inclusion of the following items: 1) franchised residential and commercial services; 2) construction and demolition service would be exempt from the franchise; 3) mandatory residential service picked up on a weekly basis with exemption for residents that can prove regular use of the landfill; 4) provide costs for both regular carts and wildlife-proof carts for all customers on mandatory service; 5) automated single-stream recycling service picked-up on a bi-weekly basis; 6) provide fee-based commercial recycling that incentivizes participation; and 7) have proposers include possible options for the collection and disposal of yard waste which would accommodate seasonal changes.

During the Board of Supervisor's meeting of June 21, 2018, the Board provided direction for staff to issue the Request for Proposals for Solid Waste and Recyclable Materials Collection Services and draft agreement to include residential and commercial service, mandatory residential service, automated trash and single-stream recycling service, and options for yard waste services.

Background/Issues & Analysis

In November 2017, the City hired the consulting firm of Sloan Vazquez McAfee (SVM) to assist in the development of a request for proposal for solid waste and recyclable materials franchise agreement. SVM would also assist in soliciting public input and conducting public meetings to gather input as to what should be included into the new agreement.

SVM developed a questionnaire to stimulate feedback from current and potential residential and commercial customers from within Carson City. The City converted the questionnaire into an online format that was hosted on the City's website so that the questionnaire could be completed and submitted directly from this site. SVM also established an email address specifically for individuals to request a questionnaire, submit a completed questionnaire, or to provide unscripted input. Questionnaires were also made available for pick-up at the Public Works Department.

Five public meetings were held during the months of February and March in order to meet with the public, engage in an open discussion, and collect additional input directly from public. The public meeting dates and times and a request to complete a questionnaire were advertised via a note on all water bills, via social media (Facebook, Twitter), communications to the Carson City Chamber of Commerce, communications to the Downtown Business Association, on CarsonNow.org, within specific articles and the opinion section of the Nevada Appeal, and a specific advertisement in the Sunday edition of the Nevada Appeal prior to each public meeting. A total of 475 completed questionnaires were received plus other unscripted comments via email and phone message. During this period, potential bidders and other interested local haulers have been solicited to get their input.

The end result of all of the information collected and previous Board direction at the April 5, 2018 Board of Supervisors meeting was presented to the Board on June 21, 2018. As a result the RFP was issued on June 26, 2018 and bids were received from five vendors on August 21, 2018. The results of the bid evaluation process has culminated in the staff recommendation to the Board today.

Applicable Statute, Code, Policy, Rule or Regulation

NRS 268.081(3) & NRS 268.083(2)
in addition to NRS 244.184(3) & NRS 244.188(1)(b)

Financial Information

Is there a fiscal impact? Yes No

If yes, account name/number:

Is it currently budgeted? Yes No

Explanation of Fiscal Impact:

Alternatives

Provide direction to staff to award differently.

Board Action Taken:

Motion: _____ 1) _____ Aye/Nay

2) _____

(Vote Recorded By)

City of Carson City

REQUEST FOR PROPOSALS FOR SOLID WASTE AND RECYCLING FRANCHISE SERVICES

Evaluation and Scoring of Proposals

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1.0 OVERVIEW

The City of Carson City (City) initiated the Solid Waste and Recycling Franchise Services Request for Proposals (RFP) process to enter into a new contract for City-wide collection services. The process involves planning, soliciting and evaluating proposals, and selecting and negotiating with the selected contractor(s), followed by a 6-month implementation period leading to commencement of new services on July 1, 2019.

The planning phase leading up to the RFP process included the review of numerous programs, services, procurement processes and contracting issues in order to provide insight and formulate recommendations for consideration by the Board of Supervisors. During this phase, input was sought from stakeholders throughout the City regarding current and potential programs and services. The resulting draft Scope of Services was presented to the Board of Supervisors for input and direction. An RFP document was prepared and presented to the Board and ultimately approved for release in June 2018.

The successful collector will be required to execute a franchise agreement with the City. The franchise agreement will be based on the Draft Agreement included with the RFP and may be modified to reflect the final negotiated terms and conditions of service. (e.g., the optional programs selected; agreed upon exceptions to the draft agreement, etc.). Services under the new agreement will commence on July 1, 2019.

1.1 RFP Goals

As part of the development of the RFP, the City established key process and program goals. These goals incorporate the feedback from stakeholders and reflect the priorities and expectations of the City for the implementation of the RFP process, and the City's goals and objectives for future collection services.

Process Goals: Integrity, Competition in Selection Process, and Industry-Standard Contract Terms

- Conduct the RFP process with integrity and transparency
- Stimulate competition among proposing companies
- Set high performance standards
- Ensure value for ratepayers
- Enter into contract with fair terms and conditions

The RFP process conducted by the City achieved the Process Goals for integrity, competition in selection process, and industry-standard contract terms. The City's approach and the Board's direction resulted in a process that was conducted with integrity and transparency. The City's RFP attracted a high level of competition and resulted in the submission proposals from a strong roster of participating companies, which stimulated the desired level of competition among proposers.

Program Goals: Quality, High-Value Programs

Each company's demonstrated ability and proposed plans to achieve the following program goals were evaluated as part of the RFP process.

- Consistent, reliable and quality service
- Efficient service delivery that provides a strong value to the ratepayers
- Responsive customer service system
- Well-planned and professionally-executed transition to any new programs and services
- Quality outreach and education
- Effective diversion programs to ensure compliance with regulations

While each of the participating proposers is an established solid waste company with the resources and experience necessary to provide services for the City, there were differences in the thoroughness of the transition plans, commitment to providing the City's desired level of customer service, quality of the proposed outreach and education, and focus on ensuring diversion. Ultimately, the achievement of the Program Goals listed above is dependent on which proposer is ultimately selected.

Participating Proposers

Proposals were submitted by five (5) reputable companies with the financial stability necessary to initiate and conduct services for the City. The following is an alphabetical list of the proposers, and a brief description of each company.

C&S Waste Solutions: C&S Waste Solutions was established in 1997 and provides solid waste and recycling services throughout Nevada and California. The company has extensive experience in serving jurisdictions with solid waste, recycling and green waste services in environments similar to Carson City.

Eagle Valley Environmental: Eagle Valley Environmental is comprised of South Lake Tahoe Refuse, Tahoe Truckee Sierra Disposal, Marin Sanitary and Garden City Sanitation. Combined, Eagle Valley offers many decades of operational experience in the region. If selected, Eagle Valley will be a newly formed legal entity, established upon contract award.

Olcese Waste Services: Olcese Waste Services is a local company established in 1996. With over 33 full-time employees, the company currently provides subscription solid waste services in unincorporated Churchill County, the City of Fernley and the City of Sparks.

Recology: Recology traces its roots to the 1920s, and has since grown into the 9th largest company in the U.S. waste industry while remaining a 100% employee-owned company. Recology companies provide integrated services to over 700,000 residential and 100,000 commercial customers in California, Oregon and Washington.

Waste Management, Inc.: Waste Management, Inc (Waste Management) is the largest company in the environmental services industry. The legal entity that would execute the Franchise Collection Services Agreement is Waste Management of Nevada, Inc.

2.0 PROPOSAL EVALUATION PROCESS

2.1 Evaluation & Selection Process

The Franchise Collection Services RFP prescribed a process for evaluation of proposals. The evaluation process set forth in the RFP required consultants to analyze and score the proposals in order to formulate a recommendation for the Board of Supervisors. The evaluators, Joe Sloan, Enrique Vazquez and Charissa McAfee of Sloan Vazquez McAfee (the Evaluation Team) conducted an analysis and evaluation of the five (5) RFP responses and based the scoring and ranking upon the following information and sources:

- Written proposals submitted by each company on August 21, 2018.
- Other information submitted by proposers in response to requests by the Evaluation Team.

The Evaluation Team followed the prescribed process to evaluate the five (5) proposals submitted in response to the RFP. The Evaluation Team reviewed and scored the proposals based on a maximum score for each evaluation criteria as set forth in the RFP and also included below as **Table 1: Evaluation Criteria and Maximum Evaluation Score**.

Table 1: Evaluation Criteria and Maximum Evaluation Score

Evaluation Criteria	Maximum Evaluation Score	Percent of Total
Responsiveness to the RFP	Pass/Fail	n/a
Company Qualifications and Experience	150	15%
Proposal for Collection Services	350	35%
Implementation Plan and Capabilities	150	15%
Cost Proposal	350	35%
Number and Materiality of Exceptions to Draft Agreement	Noted	n/a

Note: n/a = not applicable

2.2 Evaluation Criteria

The proposals were numerically scored and ranked using the criteria and weighting described in the RFP. The evaluation criteria, maximum score and scoring results are presented in **Table 2: Proposer Evaluation Score**. Four of the main categories and their corresponding subcategories are described below. The final scored category, Cost Proposal, is described in **Section 3.4, Cost Proposal Evaluation**.

Responsiveness (Pass/Fail)

Proposer must be fully compliant with the RFP and procurement procedures as demonstrated by submittal of all elements required by Sections 3 and 5 of this RFP; full completion of all cost proposal forms; compliance with process guidelines presented in Section 4; and adherence to the code of conduct signed by the proposer.

Company Qualifications and Experience

- Collection Experience. Demonstrated experience of company providing the requested or similar services to other jurisdictions. If the proposer is a joint venture, demonstrated experience of parties working together.
- Service Initiation Experience. Demonstrated experience of company's ability to implement new collection services and new franchise agreements and obligations that are like the City services in comparable sized communities.
- Management and Customer Service Systems. Demonstrated capabilities of the company's existing management and customer service systems' abilities to track and monitor contract compliance, quality of collection service, and call center responsiveness.
- Key Personnel Qualifications. Extent and relevance of the qualifications and experience of key personnel proposed for the transition team and on-going management of collection operations.
- Past Performance Record. Review of company's history with litigation and regulatory action (e.g., nature of past and pending civil, legal, regulatory, and criminal actions; history and nature of payments of liquidated damages); regulatory compliance, safety record and ability to meet customer service requirements.
- Financial Stability. Financial strength and ability of company to acquire equipment and provide financial assurance of performance based on review of its audited financial statements and its proposed financing plan and the relationship of the CITY's Franchise Agreement to the company's total annual revenues.
- Jurisdiction Satisfaction. Satisfaction with services such as implementation, customer service, call center, billing, payment of fees, reporting, and handling of contractual issues.

Proposal for Collection Services

- Collection Approach. Reasonableness and reliability of the proposed collection methods (e.g., technology, equipment, and containers); reasonableness of productivity and operating assumptions (i.e., number of routes, route drivers, route hours, stops per route, and other operating statistics), if applicable; and reasonableness of assumptions.
- Collection Facilities. Plan for providing the facilities needed for equipment storage and parking, maintenance, and administration. Level of assurance provided, if any, about site acquisition and timely development of necessary facilities if not proposing an existing, operational and permitted facility.
- Recycling Program. The nature, reliability, and innovation of proposed recycling programs and potential of such programs to divert recyclables from landfill disposal.
- Green Waste Program. The nature, reliability, and innovation of proposed green waste programs and the potential of the proposed program to successfully meet the needs of residents and provide strong value.
- Public Education and Promotion Program. Compatibility of the proposed education program, staffing level, and program ideas with the needs of the City and the requirements of Article 5.11 of the Agreement; and, the quality of public education samples relative to other proposers.

Implementation Plan and Capabilities

- Employee Retention Plan. Employee retention plan to meet or exceed requirements described in Section 3.6.3 of this RFP.
- Implementation Plan. Reasonableness of implementation schedule and ability to meet deadlines (e.g., reasonableness of equipment procurement schedules, implementation staffing levels, public education program, container/cart distribution, new corporation or maintenance yard development, contingency plans, etc.).
- Capacity. Reasonableness and reliability of the proposed facilities for transfer, disposal and/or processing of solid waste, recyclable materials and organic materials, including documentation of existing facility permitting/approvals and/or guarantee of sufficient capacity for tonnage from the CITY service area, and the reasonableness of proposed material transport plans.
- Customer Service. Customer service approach, staffing levels, and City-specific training programs.
- Billing System. Billing approach, and procedures for handling customer billing activities.

Evaluators allocated points on a percentage basis after reading, analyzing, and, if necessary, clarifying the responses of each proposer in each of the aforementioned evaluation sub-categories. The scores assigned to each of the proposals reflect the extent to which the company fulfilled the requirements of the evaluation criteria and the extent to which each criterion was fulfilled relative to other proposals. For example, with the exception of the “Cost Proposal” category, the response that evaluators deemed to be the most thorough, complete, responsive, and/or effective was awarded the highest rating of 100%. Then, the remaining proposals were scored based upon the evaluator’s determination of divergence (decline) from the best rated response. Several factors were measured in each evaluation category. In some cases, responses were deemed to be equal and were allotted the same scores.

Additionally, the RFP included requests for information regarding any exceptions that the proposer may have taken to the Draft Agreement which was included as a part of the City’s RFP. Proposers were also allowed to present options that were not requested by the City. As indicated in the RFP, responses to these items are noted for the City’s consideration, but they are not scored in the evaluation score sheet.

3.0 PROPOSAL EVALUATION RESULTS

3.1 Evaluation Recommendation and Scoring

The proposer’s evaluation scores are presented in **Table 2: Proposer Evaluation Score** on the following page. Based on the comprehensive analysis and evaluation of each proposal, Waste Management earned the highest overall evaluation score of 961 points. The evaluators recommend entering into negotiations with Waste Management.

Table 2: Proposer Evaluation Score

Evaluation Criteria	Maximum Points Available	Proposer and Score				
		C&S	Eagle Valley	Olcese	Recology	WM
Qualifications and Experience: 15%	150	139	141	105	146	144
Collection Services Proposal: 35%	350	329	322	252	315	329
Implementation and Capabilities: 15%	150	141	144	111	144	150
Cost Proposal: 35%	350	330	254	175	311	338
Total Points Awarded	1000	939	861	643	916	961
Ranking		2	4	5	3	1

C&S, Eagle Valley and Recology submitted excellent proposals that achieved the City’s RFP goals. However, their cost proposals were higher than that of Waste Management. Because of this, the evaluators cannot recommend these companies as providing the strongest value to the ratepayers.

Olcese’s implementation approach and timeline lacked the detailed planning necessary to validate the company’s ability to execute a smooth transition. The company’s outreach and education plans did not match the quality demonstrated by the recommended companies in their proposals. Additionally, their cost proposal was the highest among the proposers. Because of these factors, the evaluators cannot recommend Olcese as providing the strongest value to the ratepayers.

RFP Goals: Quality, High-Value Programs

- Consistent, reliable and quality service
- Efficient service delivery that provides a strong value to the ratepayers
- Responsive customer service system
- Well-planned and professionally-executed transition
- Quality outreach and education

3.2 Summary of Proposer Evaluation Highlights

The following is a summary highlighting the evaluation results of the five proposers:

C&S

C&S submitted a comprehensive, high-quality proposal that was tailored to the input of community stakeholders and Supervisor direction.

- The company has extensive collection experience and offers the necessary experience in service initiation and implementation.
- The key personnel bring years of local expertise and have the availability to effectively service Carson City.
- The company's performance record, financial capabilities and jurisdiction satisfaction are outstanding and would equip the company to provide stable, high-quality service the City.
- C&S's proposal included weekly Recycling and Green Waste service for residential customers, offered at the second-lowest residential rates. Standard rates include the Green Waste service.
- Their proposed programs would deliver excellent customer service, with a focus on diversion, public education, and customer service. The examples of electronic and print public education materials provided in the proposal are outstanding.
- The proposal included in-depth implementation plans with realistic schedules. The company also demonstrated their capability to provide all of the services required, including local customer service and billing services.
- The company's commercial rates are, on average, 50% higher than those proposed by Waste Management.

While C&S submitted the second-highest rated proposal, demonstrating excellent capabilities, service offerings and programs, and is the only proposer offering weekly residential Recycling and Green Waste collection services, C&S does not offer the greatest value to the City due to the incremental additional cost to residential customers and significant additional cost for commercial customers.

Eagle Valley

Eagle Valley submitted a professional, thorough and high-quality proposal to the City.

- The company offers the benefit of local experience and the strength of multiple established partners. Combined, Eagle Valley has broad collection experience and a wide breadth of service initiation and implementation expertise.
- The combined personnel of the Eagle Valley partners have extensive experience and the company demonstrated excellent management and customer service systems.
- The company demonstrated an excellent performance record, and has the financial capabilities necessary to initiate service. Eagle Valley partner companies provide excellent services to their current jurisdictions and have a strong record of customer satisfaction.

- The Eagle Valley proposal included the option of animal-proof carts for residential customers at no additional charge, with the expectation of limited participation. Standard rates include Green Waste service.
- Eagle Valley offers extensive, high-quality public education and promotion programs. Their proposal included numerous examples of their capabilities.
- The Eagle Valley proposal also included in-depth implementation plans with realistic schedules. Their implementation plan would ensure a well-executed transition to new services. The company demonstrated the capacity necessary to service the City and offers high-quality services and systems.
- The company's proposed residential rates are approximately \$3.00 more per month than the proposed Waste Management. Their proposed commercial rates are, on average, more than 100% higher than those proposed by Waste Management. In total, the company's first year combined residential and commercial rate revenue is nearly 50% higher than Waste Management's.

Eagle Valley submitted an excellent proposal that highlighted their outstanding experience and capabilities, and a well-designed plan for implementing new programs and services. While Eagle Valley would provide high-quality, reliable service to the City, their proposal featured significantly higher rates.

Olcese

Olcese is a well-managed company that provides personalized solid waste collection services to residential and commercial customers throughout the region. The company has established a well-staffed operation and has positioned itself for continued growth. However, Olcese submitted the least comprehensive proposal.

- The company's management team is well-qualified and provides direct management of operations.
- While the company's submittal offered straightforward information to demonstrate its experience, qualifications and capabilities, the proposal earned lower ratings due to the limited detail. The collection approach, public education and promotion program and implementation plans did not feature the level of specificity or examples necessary to demonstrate the experience, qualifications and capabilities needed for a contract of this size and complexity.
- The company's proposed residential rates were significantly higher than all other proposers and did not include green waste in the standard service. The subscription rate for adding green waste adds substantial cost for those households wishing to add green waste service. The commercial rates were significantly higher than those proposed by Waste Management, the company's first year combined residential and commercial rate revenue is more than 50% higher than Waste Management's.

While Olcese is a reputable, well-managed company with respected operations, their proposal did not provide the level of detail or planning necessary for a contract of this size and complexity, and their proposal featured significantly higher rates.

Recology

Recology submitted a high-quality proposal that demonstrated their extensive experience, wide-ranging capabilities, expertise in developing and initiating new programs and services, and their regional capacity for providing services in the City.

- Recology has a highly-qualified management team with exceptional experience in providing municipal solid waste services. Their ability to execute solid waste and recycling collection programs and their performance record are well documented. The company has the financial strength and operational capabilities necessary to meet and exceed the City's expectations.
- The company's proposal for collection services are thorough and their extensive public education and promotion program is exceptional. Recology has an excellent performance record, and has the financial resources necessary to initiate service. The company also has a strong record of customer satisfaction.
- The Recology proposal featured in-depth implementation plans with realistic milestones. Their implementation plan would ensure a well-executed transition. Recology also has the capacity necessary to service the City as well as proven services and systems.
- The company's proposed residential rates were the second highest among the five proposers and did not include green waste as part of the standard residential service. Their proposed commercial first year rate revenue requirement is approximately 30% higher than Waste Management. The company's combined residential and commercial first year rate revenue requirement was more than 20% higher than that of Waste Management.

Recology offers outstanding experience and capabilities, and the company submitted an excellent proposal featuring a well-designed plan for implementing new programs and services. However, although Recology would provide high-quality service to the City, their proposal featured significantly higher rates.

Waste Management

Waste Management submitted a comprehensive proposal that demonstrated their knowledge of the community, and their willingness to adapt their services in response to the input of community stakeholders and Supervisor direction.

- The company has extensive collection expertise, a highly-experienced management team and the resources necessary for reliable program implementation and service delivery.
- Waste Management's key personnel bring years of local expertise and have the ability to effectively service Carson City. The company's performance record and financial capabilities ensure that the company is able to provide stable, high-quality service to the City.
- Waste Management proposed the lowest residential rate, which include green waste collection as part of the standard service. The company also proposed the lowest rates for additional carts. Their proposed commercial rates will result in significant savings across the board for customers.
- Their proposed programs would deliver excellent customer service. The examples of electronic and print public education materials provided in the proposal are excellent.

- The company demonstrated their capability to provide all of the services required, including the establishment of a local customer service office.

Waste Management prepared an excellent proposal that was responsive to the City's feedback and direction. Additionally, Carson City customers will enjoy a reduction in rates, with Waste Management offering the lowest rates to both residential and commercial customers and proposing the lowest combined residential and commercial first year rate revenue requirement.

3.3 Summary of Findings

The following summary of findings provides highlights of the key details that were considered to be significant differentiators between proposers and key attributes or shortcomings of the proposals.

Company Qualifications and Experience

Recology received the highest rating in company qualifications and experience. The company provided the most thorough and extensive information regarding the company's qualifications and experience. Waste Management, Eagle Valley and C&S earned the next highest scores, and Olcese was rated 5th in this category. Although there were slight differences in the scoring among the top four companies, the ratings ranged from 146 to 139, only a seven-point differential, with no fewer than 139 points awarded out of the possible 150. Given the overall experience and qualification of each of the top four proposers, it is not unexpected for all of the companies to earn solid scores in this category.

Proposal for Collection Services

C&S and Waste Management were awarded the highest ratings for Proposed Collection Services, scoring 329 out of the available 350 points. Both C&S and Waste Management demonstrated careful attention to providing proposals that were responsive to the feedback from community stakeholders and the direction of the Board of Supervisors. Either of their proposed collection services programs would provide optimal service for the City. Eagle Valley and Recology also provided excellent collection services proposals and demonstrated their extensive knowledge of effective franchise collection services, and followed close behind with 322 and 315 points, respectively.

Implementation Plan and Capabilities

Waste Management was awarded the highest rating for Implementation Plan and Capabilities. The company earned 100% of the available 150 points. Eagle Valley and Recology each earned 144 points, and C&S earning 141 points. Olcese earned 111 points. The primary reason for this score was the lack of detail in the company's proposed implementation plan. C&S, Eagle Valley, Recology and Waste Management each submitted comprehensive plans, demonstrating a thorough understanding of the steps necessary to complete an effective and well-executed transition and service initiation. While Olcese may have the ability to conduct a successful implementation, their proposal lacked the methodical planning necessary to demonstrate their ability to do so in Carson City. Each of the proposers declared their intent to offer employment to eligible employees of the current contractor.

3.4 Cost Proposal Evaluation

The RFP included criteria for evaluation of the Cost Proposal component of the proposals. The criteria are described in detail under **Section 2.0, Proposal Evaluation Process** and are included here in summary form for ease of reference:

- **Cost Proposal**

Competitiveness of Cost Proposals: Cost competitiveness relative to other proposals.

Reasonableness of Cost Proposals: Logical relationship between proposed cost and operation assumptions. Proposals will be evaluated on total first-year revenue requirement.

Proposers were required to provide detailed financial information by completing the Cost Proposal Forms issued with the RFP. In addition, proposers were required to prepare a Cost Detail Form to provide cost projections by service sector such as residential and commercial. The projected revenue requirements do not include the franchise fee of 8%. However, the quoted rates (provided in Section 5) include the franchise fee.

Cost Proposal Competitiveness

Each cost proposal's competitiveness was determined using a formulaic approach. First, the rates quoted in the rate sheets by each proposer were used to project first-year revenue requirement. Proposers provided rates in three distinct service categories: residential, commercial and On-Call Roll Off. In both the residential and On-Call categories, proposers provide their estimated number of customers (residential) or services (On-Call), and the number of customers or services is multiplied times their proposed rate to calculate the revenue requirement. The larger the number of customers or services, the greater the revenue requirement.

Proposers estimated anywhere between 16,356 and 20,038 residential customers, and anywhere between 1,500 and 5,000 On-Call Roll-Off services per year. In order to achieve a fair comparison, a normalization of customer number assumptions has been applied to the residential rate requirements, and a comparison of the rate-per-pull is provided for the On-Call Roll-Off services.

Residential Rate Revenue Comparison

Table 3: Residential Estimated Customer Counts on the following page shows the estimated number of residential customers used by each proposer to calculate their revenue requirement.

Table 3: Residential Estimated Customer Counts

Proposer	C&S	Eagle Valley	Olcese	Recology	Waste Management
Estimated Standard Service Customers	16,509	16,274	17,000	15,393	18,938
Estimated Low-income Senior Customers	250	82	3,000	3,507	1,100
Total	16,759	16,356	20,000	18,900	20,038

Both the lowest and highest estimated number of customers for residential standard service customers, along with the corresponding number of Low-income senior citizens, was applied to the proposed rate per month for each proposer. **Table 4: Normalized First-Year Residential Rate Revenue** shows the following:

- 1) The annual residential revenue for each proposer based on their proposed rates and estimated number of residential customers.
- 2) The annual residential revenue standardized using the lowest number of estimated residential customers (with the respective standard and low-income senior rates applied to the corresponding estimated number of customers).
- 3) The annual residential revenue, standardized using the highest number of estimated residential customers (with the respective standard and low-income senior rates applied to the corresponding estimated number of customers).

For the purposes of comparison, these first-year rate revenue calculations do not include additional revenues for services such as extra carts or additional bulky item services.

Table 4: Normalized First-Year Residential Rate Revenue

Proposer	C&S	Eagle Valley	Olcese	Recology	WM
1) Using each proposer's own Estimated Customer Count (Shown in parenthesis)	\$3,601,044 (16,759)	\$4,083,600 (16,356)	\$6,889,500 (20,000)	\$4,465,668 (18,900)	\$4,204,740 (20,038)
Difference	-	+13.40%	+91.32%	+24.01%	+16.76%
2) Lowest Estimated Customer Count (16,356)	\$3,520,180	\$4,035,224	\$4,686,276	\$3,948,953	\$3,448,095
Difference	+2.09%	+17.03%	+35.91%	+14.53%	-
3) Highest Estimated Customer Count (20,038)	\$4,277,245	\$4,894,200	\$10,654,144	\$4,789,588	\$4,204,740
Difference	+1.72%	+16.40%	+153.38%	+13.91%	-

*First year residential rate revenue requirement does not include the franchise fee.

Whether the lowest or highest estimated customer count is applied to the proposed rates, the Waste Management first year rate revenue requirement was the lowest among the proposers.

Animal-Resistant Carts

The RFP included a request that the Proposers include pricing for the use of animal-resistant carts for residential services. Proposers opted to respond with rates or fees that would apply on a subscription basis, versus a system-wide approach, with the expectation that participation would be limited. The evaluators considered the subscription-based approach and found it to be reasonable for a municipality where a greater proportion of the ratepayers would likely prefer not to utilize animal-resistant carts, especially if rates increased. A system-wide approach would, in most cases, require higher incremental price increases than those quoted for limited participation. The approach taken by the proposers ensures that those residents wishing to use the animal-resistant cart would have a reasonably-priced option, while those residents who do not prefer animal-resistant carts are not charged rates that are higher than necessary for a service they do not require.

Commercial Services

The proposed first-year commercial rate revenue for each proposer is shown in Table 5 below. A selection of commercial rates is provided in Table 5 below. While most tables provide proposer information in alphabetical order, the proposed first year commercial rate revenue requirements are shown from lowest to highest for ease of comparison.

Table 5: First Year Commercial Rate Revenue

Proposer	WM	Recology	C&S	Olcese	Eagle Valley
First Year Commercial Rate Revenue*	\$3,604,674	\$ 4,686,262	\$5,253,929	\$6,157,848	\$ 6,368,796
Difference	-	+30.0%	+45.8%	+70.8%	+76.7%

*First year commercial rate revenue requirement does not include the franchise fee.

Table 6: First Year Combined Residential and Commercial Rate Revenue Requirement, on the following page, shows the combined residential and commercial first-year rate revenue requirement for each proposer, using the normalized residential revenue calculated using the lowest estimated number of customers as shown in Table 4: Normalized First-Year Residential Rate Revenue Requirement. Table 6 lists proposers from lowest to highest revenue requirement for ease of comparison.

Table 6: First Year Combined Residential and Commercial Rate Revenue Requirement

Proposer	WM	Recology	C&S	Eagle Valley	Olcese
Residential Revenue (Using Lowest Estimated Number of Customers from Table 5 #2)	\$3,448,095	\$3,948,953	\$3,520,180	\$4,035,224	\$4,686,276
Commercial Revenue	\$3,604,674	\$ 4,686,262	\$5,253,929	\$ 6,368,796	\$6,157,848
Total First Year Commercial and Residential Revenue	\$7,052,769	\$8,635,215	\$8,774,109	\$10,404,020	\$10,844,124
Difference	-	+22.4%	+24.4%	+47.5%	+53.8%

*First year rate revenue requirement does not include the franchise fee.

The proposal with the lowest combined revenue requirement was given a rating of 100% for Cost Competitiveness. The remaining proposals were rated based on the percentage deviation from the proposal with the lowest revenue requirement.

Cost Proposal Reasonableness

In addition to evaluating cost proposal competitiveness, the reasonableness of the cost proposals was considered. The primary tool used to evaluate the reasonableness of the cost proposals was the preparation of a financial proforma to serve as the Benchmark Proforma. Prior to the public distribution of the RFP, the evaluators prepared the Benchmark Proforma to project the cost for providing the services requested in the RFP.

The model considers that there may be variations in proposer costs due to competitive advantages or long-term arrangements they may have made that allows some of the proposers to maintain an economic advantage. While it was anticipated that proposers would deviate from the Benchmark Proforma due to varying competitive advantages and/or disadvantages, greater deviations may indicate that a proposal is significantly underpriced or overpriced.

If the proposed rate revenue is more than 10% lower than the benchmark, the proposed services required by the City have most likely been underestimated. This is important because an underpriced proposal can become problematic under a 15-year contractual commitment. If the proposer is financially unable to sustain its operations, the City may have to consider granting unexpected financial relief in order to minimize possible service disruptions.

If the proposed rate revenue is more than 30% higher than the benchmark, the proposal is most likely not offering the best value for the City. When an annual CPI-based rate adjustment is applied over the course of a 15-year contract, the cumulative impact to ratepayers can be significant.

Our Benchmark Proforma indicated that the residential and commercial services contemplated in the RFP could reasonably be performed with a revenue requirement of \$7,360,000 per year. The results of the benchmark comparison analysis are provided in Table 7, on the following page.

Table 7: First Year Combined Residential and Commercial Rate Revenue Reasonableness

Proposer	WM	Recology	C&S	Eagle Valley	Olcese
Residential Revenue (Using Lowest Estimated Number of Customers from Table 5 #2)	\$3,448,095	\$3,948,953	\$3,520,180	\$4,035,224	\$4,686,276
Commercial Revenue	\$3,604,674	\$ 4,686,262	\$5,253,929	\$ 6,368,796	\$6,157,848
Total First Year Commercial and Residential Revenue	\$7,052,769	\$8,635,215	\$8,774,109	\$10,404,020	\$10,844,124
Difference from Benchmark	-4.2%	+17.3%	+19.2%	+41.3%	+47.3%

*First year rate revenue requirement does not include the franchise fee.

4.0 RECOMMENDATION

The Board of Supervisors conducted a thorough procurement process that included extensive outreach to the public and the identification of new and enhanced services to benefit the residents and businesses of Carson City.

As a result, five proposers responded to the request for proposals and offered innovative programs and services for the City’s consideration. Based upon the evaluation criteria set forth and approved by the Board, the evaluators recommend that the City enter into negotiations with Waste Management of Nevada. This recommendation is made for the following reasons:

- Waste Management earned the highest evaluation score among the five proposers, receiving 961 points out of 1,000 in the combined categories of Company Qualifications and Experience, Proposal for Collection Services, Implementation Plan and Capabilities and Price Proposal.
- Waste Management proposed the lowest first-year residential and commercial rate revenue requirement. The company offered the lowest residential rates and significantly lower commercial rates.

Waste Management was responsive to the input from the Town Halls and the direction from the Board of Supervisors. Highlights from their proposal are described on the following page:

Local Customer Service	Waste Management included a dedicated liaison and a Carson-City based and locally-staffed customer service call center to ensure timely, City-specific responses to customer requests and issues.
Mandatory Service	Waste Management offered mandatory residential service at a rate that is lower than the current rate and that includes 96-gallon carts without a rental fee. The company developed a comprehensive outreach program to assist with a smooth transition to the new program.
Single Stream Recycling	Waste Management included bi-weekly single stream recycling in the standard rate, which is lower than the current residential rate. Residents may request up to two 96-gallon recycling carts as part of the standard service.
Green Waste	Waste Management included bi-weekly green waste collection for residential customers in the Standard service offering. Residents may request up to two 96-gallon green waste carts as part of the standard service, and may request additional carts if needed for a reasonable rate.
Animal-Proof Carts	Residential customers who wish to request Animal-Proof cart service can do so for \$5.03 per home, per month.
Commercial Service	Waste Management offered a significant reduction in rates for commercial customers. All Proposers were required to offer Recycling service at 80% of the cost of solid waste service, which means commercial customers will have the opportunity to incorporate Recycling services at a very low rate.

The negotiation would include updating the draft agreement to include the programs and services specifically proposed by Waste Management. Additionally, the exceptions taken to the draft agreement would have to be negotiated prior to a final agreement being presented to the Board of Supervisors for final approval.

5.0 PROPOSAL SUMMARY TABLES

Table 8 shows the proposed residential rates, including the rates for Low-Income Seniors. Waste Management, C&S and Eagle Valley included Green Waste carts as a standard component of the service at no additional charge. Recology and Olcese offered Green Waste service on a subscription basis for an additional charge. C&S included weekly collection of Recycling and Green Waste as part of the standard service, using split-body trucks to pick up Solid Waste and Recycling, and then the same trucks returning in the afternoon to collect Green Waste. All other proposers offered bi-weekly Recycling and Green Waste service. Recology offered two (2) added bulk item collections in addition to the standard four (4) at no additional charge.

Table 8: Residential Solid Waste Services

	C&S	Eagle Valley	Olcese	Recology	Waste Management
Residential Rate*	\$17.95	\$20.58	\$23.90	\$20.14	\$17.59
Low-income Senior	\$15.00	\$16.46	\$19.20	\$16.11	\$13.19
GW Subscription	included	included	\$15.00	\$3.00	included
SFD Recycling	weekly	bi-weekly	bi-weekly	bi-weekly	bi-weekly
SFD Green Waste	weekly	bi-weekly	bi-weekly	bi-weekly	bi-weekly
Extra Trash Cart	\$17.95	\$12.91	\$12.00	\$12.00	\$6.91
Extra Recycling**	\$7.85	\$10.29	\$10.00	\$9.00	\$6.52
Extra Green Waste**	\$7.85	\$10.29	\$10.00	\$9.00	\$6.91
Extra Bulk Item	\$30.00	\$50.00	\$125.00	\$50.00***	\$56.72

*Rates include the franchise fee.

** Extra carts after first two

*** Recology included two additional Bulk Items at no extra cost

A selection of commercial rates is provided in Table 9, below. The selected services are the most common service levels currently used by Carson City commercial customers. While most tables provide proposer information in alphabetical order, in this table the proposed commercial rates are shown from lowest to highest for ease of comparison.

Table 9: Commercial & Multi-Family Service Rates (Solid Waste)

Service Level	Current	WM	Recology	C&S	Olcese	Eagle Valley
96 Gallon Cart*	\$43.41	\$33.41	\$42.11	\$25.00	\$45.00	\$46.69
2 yard bin, 1 time per week	\$152.66	\$89.90	\$148.08	\$135.00	\$155.00	\$174.73
2 yard bin, 2 times per week	\$305.28	\$179.60	\$296.16	\$270.00	\$310.00	\$349.42
3 yard bin, 1 time per week	\$189.17	\$117.04	\$183.49	\$166.50	\$190.00	\$216.52
3 yard bin, 2 times per week	\$378.31	\$234.08	\$366.99	\$333.00	\$380.00	\$433.01
4 yard bin, 1 time per week	\$219.08	\$133.54	\$212.51	\$193.50	\$220.00	\$250.76
4 yard bin, 2 times per week	\$438.16	\$267.08	\$425.02	\$387.00	\$440.00	\$501.51
6 yard bin, 1 time per week	\$328.55	\$191.47	\$318.69	\$292.50	\$330.00	\$376.05
6 yard bin, 2 times per week	\$657.13	\$382.94	\$637.69	\$585.00	\$660.00	\$752.14

*Most frequent service levels shown. All proposed rates include the 8% franchise fee.

The following table compares the proposed rate-per-pull for drop box service, as well as the rate-per-ton for the material collected in the drop box to be disposed or processed. Previous pricing featured an all-inclusive rate for “up-to” a set number of tons, depending on the size of the drop box. Under the new agreement, customers will only be charged for the actual amount of material disposed or processed.

Table 10: Drop Box Services

Current Rate: \$215- \$398 Price varies by size of drop box and includes a corresponding number of tons	C&S	Eagle Valley	Olcese	Recology	WM
	Per Pull	Per Pull	Per Pull	Per Pull	Per Pull
	\$200.00	\$346.80	\$285.00	\$250.00	\$379.74
Disposal/Processing	Per Ton	Per Ton	Per Ton	Per Ton	Per Ton
Solid Waste Disposal	\$24.00	\$24.00	\$24.00	\$29.27	\$24.50
Recycling Materials	\$55.00	\$149.22	-\$40.00	\$85.37	\$97.00
Green Waste	\$12.00	\$30.00	\$40.00	\$8.54	\$23.93

All proposed rates include the 8% franchise fee.

Table 11 provides the make of the collection vehicles proposed by each company. The vehicle manufacturers listed below are all reputable companies that are standard in the industry.

Table 11: Proposed Collection Vehicles

Company	Automated Side Load	Front-End Load	Roll-Off
C&S	Peterbilt/Labrie	Peterbilt/Witke	Peterbilt/AmRep
Eagle Valley	Peterbilt/Labrie	Peterbilt/Heil	Peterbilt/Spartan
Olcese	Witke/Labrie	Peterbilt/Witke	-
Recology	Autocar/Heil	Autocar/Heil	Autocar/Dentoni's
Waste Management	Autocar/McNeilus	Peterbilt/Heil	Peterbilt/AmRep

The proposed collection container manufacturers are listed in Table 12 below. Each of the proposed manufacturers is reputable and their products are standard in the industry.

Table 12: Proposed Collection Containers

Company	Carts	Bins	Drop-Boxes
C&S	Schaefer	Consolidated Fabricators	Consolidated Fabricators
Eagle Valley	Otto	Consolidated Fabricators	Consolidated Fabricators
Olcese	Schaefer	McLaughlin Waste Equipment	-
Recology	Toter	Consolidated Fabricators/Wastequip	Wastequip
Waste Management	Otto	Wastequip/Consolidated Fabricators	Wastequip/Consolidated Fabricators

The following is a brief list of the proposed facilities to be used by proposers for recycling and green waste material processing. All proposers are required to take solid waste to the Carson City Landfill. Each of the facilities listed below is permitted and has the capacity required for Carson City tonnage.

Table 13: Proposed Recycling and Green Waste Facilities

Company	Facilities
C&S	<p>Recycling would be delivered to the C&S facility located on Lineham Road, Mound House, NV.</p> <p>Green Waste would be direct hauled to Nevada Organics (formerly Full Circle Compost) in Carson City, NV.</p>
Eagle Valley	<p>Recycling would be transferred to South Tahoe Refuse Material Recovery Facility, South Lake Tahoe, CA.</p> <p>Green Waste would be direct hauled to Nevada Organics (formerly Full Circle Compost) in Carson City, NV.</p>
Olcese	<p>Mixed Recycling would be collected and delivered to Olcese’s warehouse under construction in Mound House, NV. Material would be transferred to California Waste and Recycling in Galt, CA. Cardboard recycle to be direct hauled to Green Planet 21 in Sparks, NV.</p> <p>G Green Waste would be direct hauled to Nevada Organics (formerly Full Circle Compost) in Carson City, NV.</p>
Recology	<p>Recycling would be delivered to Nevada Recycling and Salvage in Reno, NV.</p> <p>Green Waste would be direct hauled to Nevada Organics (formerly Full Circle Compost) in Carson City, NV.</p>
Waste Management	<p>Recycling would be delivered to the WM Eco Center Campus in Reno, NV, then to the WM Sacramento Recycling and Transfer Station in Sacramento, CA.</p> <p>Green Waste would be direct hauled to Nevada Organics (formerly Full Circle Compost) in Carson City, NV.</p>

City of Carson City Collection Services Franchise RFP Evaluation Analysis



Participating Proposers

- C&S Waste Solutions
- Eagle Valley Environmental (South Lake Tahoe Refuse, Tahoe Truckee Sierra Disposal, Marin Sanitary and Garden City Sanitation)
- Olcese Waste Services
- Recology Carson City
- Waste Management of Nevada



Process Goals

Integrity, Competition in Selection Process, and Industry-Standard Contract Terms

- Conduct the RFP process with integrity and transparency
- Stimulate competition among proposing companies
- Set high performance standards
- Ensure value for ratepayers
- Enter into contract with fair terms and conditions



Program Goals

Quality, High-Value Programs

- Consistent, reliable and quality service
- Efficient service delivery that provides a strong value to the ratepayers
- Responsive customer service system
- Well-planned and professionally-executed transition to any new programs and services
- Quality outreach and education



Evaluation Criteria and Weighting

Evaluation Criteria	Percent of Total	Maximum Score
Responsiveness to the RFP	n/a	Pass/Fail
Company Qualifications and Experience	15%	150
Proposal for Collection Services	35%	350
Implementation Plan and Capabilities	15%	150
Cost Proposal	35%	350
Exceptions to Draft Agreement	n/a	Noted



Evaluation Results

Evaluation Criteria	Max Points Available	Proposer and Score				
		C&S	Eagle Valley	Olcese	Recology	WM
Qualifications and Experience: 15%	150	139	141	105	146	144
Collection Services Proposal: 35%	350	329	322	252	315	329
Implementation and Capabilities: 15%	150	141	144	111	144	150
Cost Proposal: 35%	350	330	254	175	311	338
Total Points Awarded	1000	939	861	643	916	961
Ranking		2	4	5	3	1

Proposed Residential Rates

	WM	C&S	Eagle Valley	Recology	Olcese
Single Family Residential Rate *	\$17.59	\$17.95	\$20.58	\$20.14	\$23.90
Low Income Senior	\$13.19	\$15.00	\$16.46	\$16.11	\$19.20
Yard Waste Cart	included	included	included	\$3.00	\$15.00
Recycling Service	bi-weekly	weekly	bi-weekly	bi-weekly	bi-weekly
Yard Waste Service	bi-weekly	weekly	bi-weekly	bi-weekly	bi-weekly
Extra Trash Cart	\$6.91	\$17.95	\$12.91	\$12.00	\$12.00
Extra Recycling **	\$6.52	\$7.85	\$10.29	\$9.00	\$10.00
Extra Yard Waste **	\$6.91	\$7.85	\$10.29	\$9.00	\$10.00
Extra Bulk Item	\$56.72	\$30.00	\$50.00	\$50.00 ***	\$125.00

*Rates include the franchise fee.

** Extra carts after first two

***Recology offered two (2) additional Bulk Items at no extra charge

Proposed Commercial Solid Waste Rates

	Current	WM	C&S	Recology	Olcese	Eagle Valley
96 G Cart*	\$43.41	\$33.41	\$25.00	\$42.11	\$45.00	\$46.69
2 yd, 1 x week	\$152.66	\$89.90	\$135.00	\$148.08	\$155.00	\$174.73
2 yd, 2 x week	\$305.28	\$179.60	\$270.00	\$296.16	\$310.00	\$349.42
3 yd, 1 x week	\$189.17	\$117.04	\$166.50	\$183.49	\$190.00	\$216.52
3 yd, 2 x week	\$378.31	\$234.08	\$333.00	\$366.99	\$380.00	\$433.01
4 yd, 1 x week	\$219.08	\$133.54	\$193.50	\$212.51	\$220.00	\$250.76
4 yd, 2 x week	\$438.16	\$267.08	\$387.00	\$425.02	\$440.00	\$501.51
6 yd, 1 x week	\$328.55	\$191.47	\$292.50	\$318.69	\$330.00	\$376.05
6 yd, 2 x week	\$657.13	\$382.94	\$585.00	\$637.69	\$660.00	\$752.14

*Rates include the franchise fee.

Recommendation

Enter Negotiations with Waste Management of Nevada

- Responsive to Stakeholder Input and Supervisor Direction
- Residential Service including Single-Stream Recycling offered at reduced cost to ratepayers; lowest proposed rates
- Yard Waste service included at reduced cost; option for additional yard waste carts offered at reasonable additional cost
- Significant reduction in rates for commercial customers
- Local Call Center and Customer Service office, enhanced communication and extensive outreach and education programs



City of Carson City Collection Services Franchise RFP Evaluation Analysis

