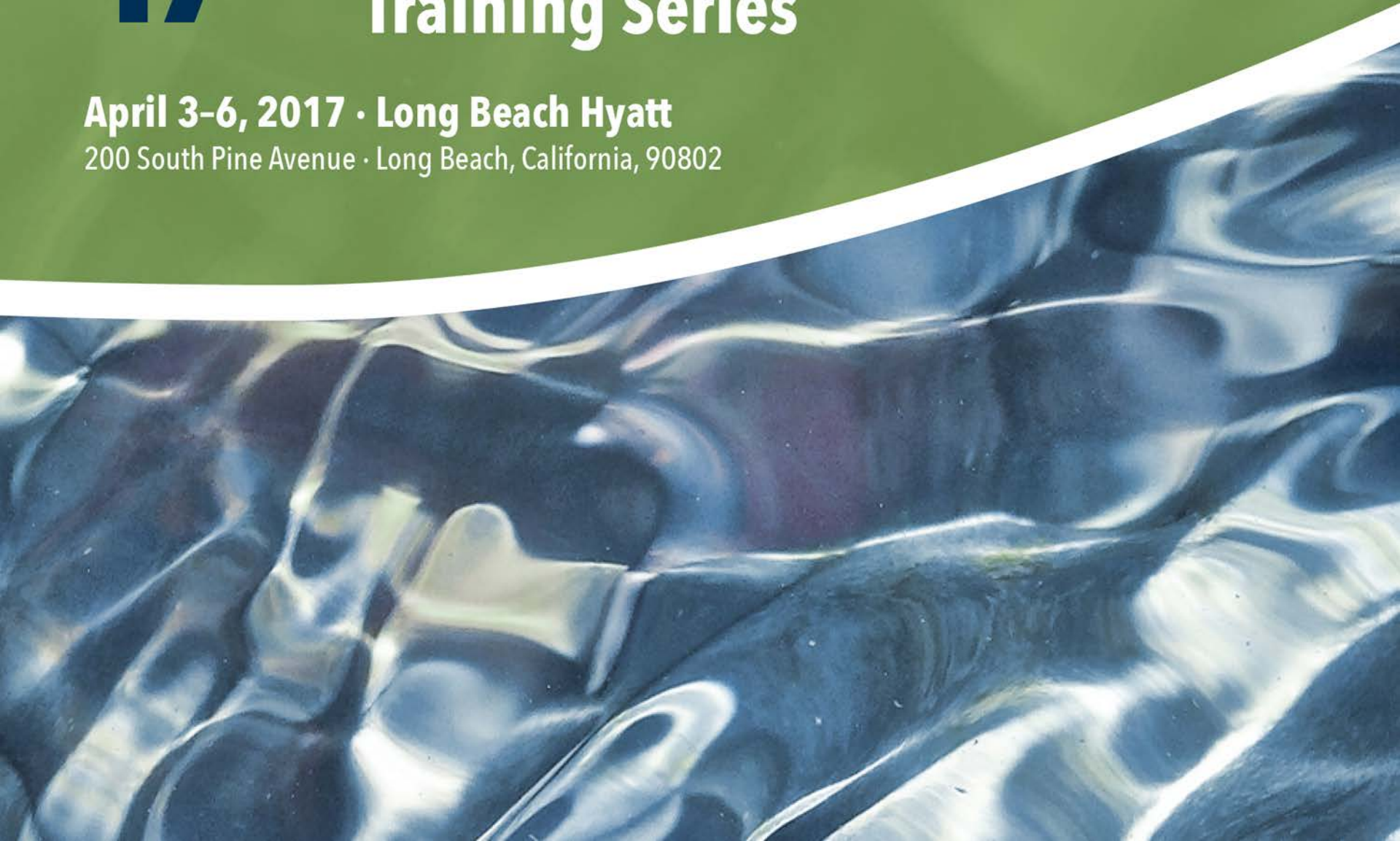


17th Technical Training Series



April 3-6, 2017 · Long Beach Hyatt
200 South Pine Avenue · Long Beach, California, 90802



City of Los Angeles Mandatory Commercial Organics Compliance Plan



City of Los Angeles
LA Sanitation

Enrique C. Zaldivar, Director
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Current Waste Collection System

- Private waste haulers collect from all multifamily and commercial establishments not collected by LASAN under a permit system
- Permit system does not require Recycling
- Approximately 144 private haulers collect from multifamily and commercial sites
- Only 31 of the 144 private haulers collect from regular commercial accounts
- Fifteen (15) top private haulers collect from 99% of the businesses

Why is Exclusive Franchise Needed

- Limitations of the existing hauler permit system
 - Unable to meet City landfill reduction goals
 - Unable to comply with AB 341, AB 1826, and SB 1383
 - Haulers not required to operate clean fuel vehicles
 - Inefficient vehicle routing
 - Insufficient Infrastructure for handling and recycling Organics

What is Zero Waste LA

- Zero Waste LA is a public private partnership that establishes the new waste and recycling franchise system for all businesses, commercial, industrial, and large multifamily customers in the City of Los Angeles
- For the first time, all the major sectors of residential, commercial, and large multifamily buildings in the City will recycle using the Blue Bin
- Zero Waste LA does not include residential properties collected by LASAN

How Did We Get Here

Action	Date
Council motion (CF# 10-1797) to explore the benefits of commercial franchise	November 2010
Council President Eric Garcetti, established the Ad-Hoc Committee on Waste Reduction and Recycling	2011
Mayor and Council approved 5-year notice to haulers, per State Statute (CPRC Section 49520-49524)	December 2011
Mayor and Council instructed Sanitation to develop Exclusive Franchise Program	November 2012
Mayor and Council approved Zero Waste LA Franchise Implementation Plan (FIP)	April 2013
Mayor and City Council Ordinance and EIR	April 2014
Board Of Public Works Approves RFP	June 2014
Proposals Received	October 2014
Evaluations Completed	July 2015
Negotiations Completed	August 2016
Contracts Approved and Signed	January 2017

Community Outreach and Involvement

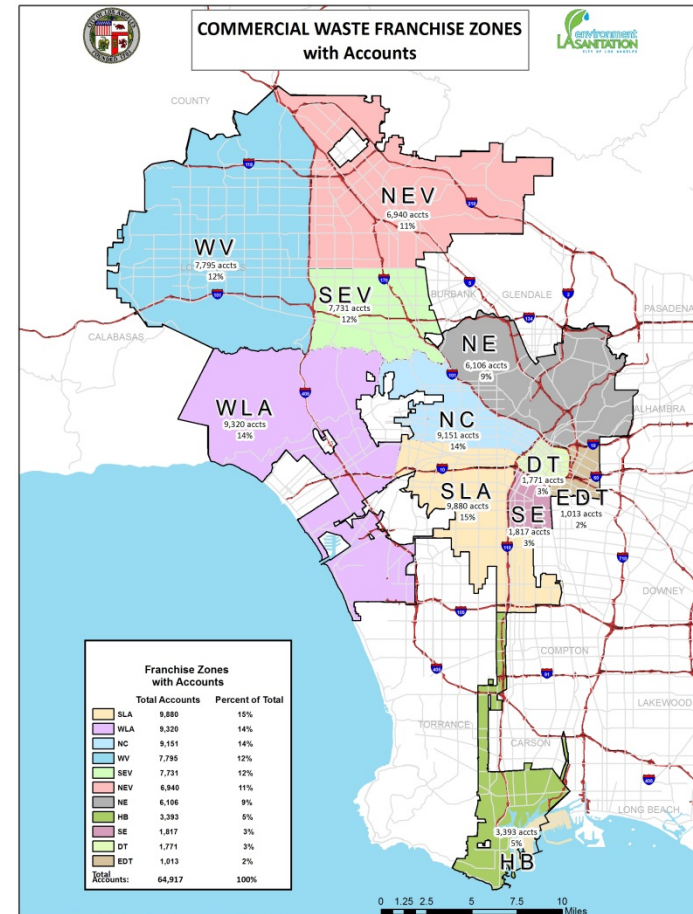
- Over 25 Public Stakeholder Workshops
- A workshop solely for Zone Development
- Hauler survey and meetings
- 10+ Council Committee Meetings
- 5 City Council Meetings
- Multiple Board of Public Works Meetings
- Stakeholder Surveys – Mailed
- Stakeholder Surveys – Online

Goals of Zero Waste LA

- Meet the City's Zero Waste Goals
- Meet state requirements for landfill reduction & mandatory recycling and organics recycling
- Improve health and safety for solid waste workers
- Improve efficiency of the City's solid waste system
- Improve the City's air quality
- Provide the highest level of customer service
- Create consistent, fair and equitable rates
- Create a system that ensures long term competition
- Ensure sufficient staffing to meet Program goals
- Ensure reliable system infrastructure

Additional Request for Proposals (RFP) Requirements

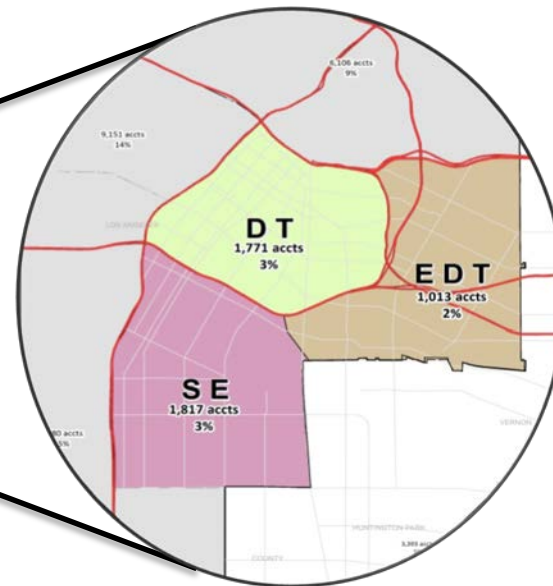
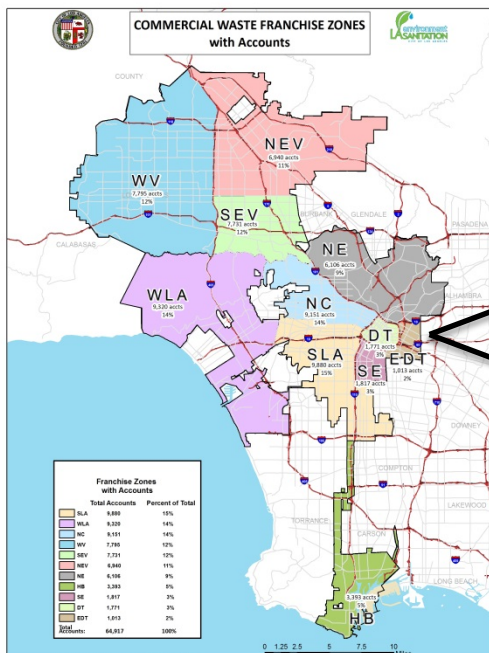
- Eleven (11) Franchise Zones
- Proposer could propose on one or all zones.
- No Proposer could receive an award of more than 49% of the accounts in the system.



Additional RFP Requirements

Of the 11 zones 3 are designated as single zones (Small Zones), which may not be bundled together with others franchise awards.

- The Small Zones were established to allow all haulers regardless of their size the opportunity to compete through the process
- The three Small Zones were established around the City's Central LA Recycling and Transfer Station (CLARTS)
- The utilization of CLARTS allowed proposer that did not own infrastructure the ability to compete



RFP and Evaluation

- RFP and Evaluation tools were designed to support each other

RFP Category	Points
1. Qualifications <u>Samples:</u> Management and company experience, litigation history, workplace safety, and references.	10
2. Customer Service/Transition Plan <u>Samples:</u> Customer service staffing, outreach and education, billing, technology, and transition planning	25
3. Service Plan <u>Samples:</u> Collection services, routing, and facilities	20
4. Diversion Plan/Innovation <u>Samples:</u> Diversion plan feasibility, organics diversion plan, organics infrastructure, and innovations	25
5. Cost	20
Total	100

Scoring and Ranking

- 15 proposals were received.
- Teams scored their categories, scores were compiled into a single score for each proposal
- After scoring proposers were ranked within two categories
 - Those that proposed on Small Zones; and
 - Those that proposed on Large Zones

Negotiation Process

- Extensive negotiations occurred over 12 months
- LASAN developed two negotiations teams
 - One for Small Zones
 - One for Large Zones
- Teams consisted of City staff and private sector experts
- All negotiations confidential

Recommended Zone Award

- Highest ranked proposers received larger overall zone awards based on the number of accounts within those zones
- 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

Contracts Awarded

Recommended Small Zone Award

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

Recommended Large Zone Award

Initial Ranking	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*

- Estimates are 20-25% Low

Increased Recycling to Meet Zero Waste Goals

- Franchisees are required to reduce disposal in landfills by 1 million tons annually by 2025
- Blue Bin for All - All customers will receive a blue bin for recycling as part of their basic service
- Green Bin organics recycling will be offered to all customers, at cost that equals Black Bin service

Mandatory Commercial Organics Compliance

- Service Providers must perform a waste assessment at every customer site.
- Current Organics programs must be preserved.
- FSPs will assess AB 1826 buckets.
- Reuse and Food Rescue is required through contract with financial support.
- Cannot meet required disposal reductions without Organics programs.

Increased Recycling to Meet Zero Waste Goals

- Mandatory outreach, education and training through the term of the contract
- Monthly disposal and diversion reporting
- Numeric landfill reduction targets through the contract term
- Failure to meet disposal reduction targets will result in heavy penalties

Accountability

Enforceability

- All customer service and performance standard supported by penalties (liquidated damages) for not meeting requirements for:
 - Implementation of Franchise System
 - Provision of Services to customers
 - Segregation and Delivery of Collection Materials
 - Reporting
 - Diversion Requirements – Landfill Reduction, Recycling and Organics Programs
 - Payment and Reporting Requirements

Monitoring

City oversight

- City approved Staffing Plan for Zero Waste LA
 - Contract oversight
 - Facility certification
 - Customer Care Center
 - Information technology needs
 - Zero Waste and landfill diversion
 - Customer field inspection

New or Improved Infrastructure to Meet City and State Requirements

- The Service Providers for the Franchise have proposed to utilize 39 facilities
- Of these, 13 facilities will need to be constructed or improved to meet the City certification requirements
- This program will bring over **\$200 million** in new infrastructure to the region to meet the needs of the Franchise System and recycle organics

Cleaner Air

- The Zero Waste LA requires new, clean-fueled vehicles for all solid waste collection
- A total of 384 trucks are expected to be used for this program
- Reduced traffic
- Reduced vehicle miles traveled

Services at Equitable and Transparent Customer Rates

- Maximum rates established through exhaustive analysis of proposer provided cost pro forma data and known industry standards
- Industry experts with a combined nearly 80 years of experience in waste system rate analysis negotiated the contracted maximum rates
- Rates change predictably. Rate increases methods are set in the franchise contracts

What is included in Zero Waste LA Rates

- Base Rates are inclusive of many services including :
 - Blue Bin Collection
 - Material reuse and food rescue
 - Bin cleaning
 - Graffiti removal
 - Community Benefits
- Customer Costs for additional requested services is set in contract.

How Zero Waste LA Rates Compare

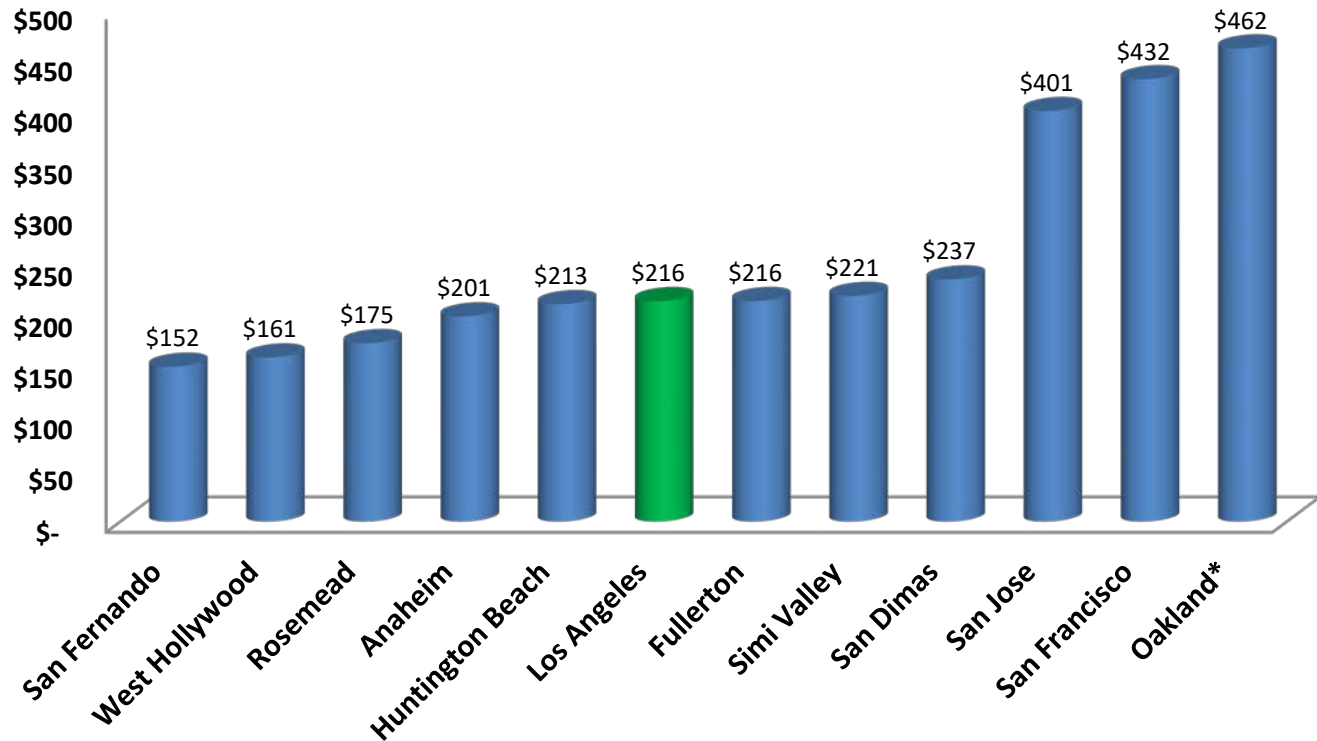
LASAN staff researched over one hundred California cities with franchise system

- Over one-third of all the cities researched have rates that are within +/-10 percent of the proposed Franchise System maximum rate

	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)	\$250.78
City of Los Angeles	\$216.72

Services at Equitable and Transparent Customer Rates

Sample Rates of Commercial Exclusive Franchises in California



* Rate for Oakland does not include collection of commingled recyclables

Transition to Exclusive Franchise

One year transition and implementation

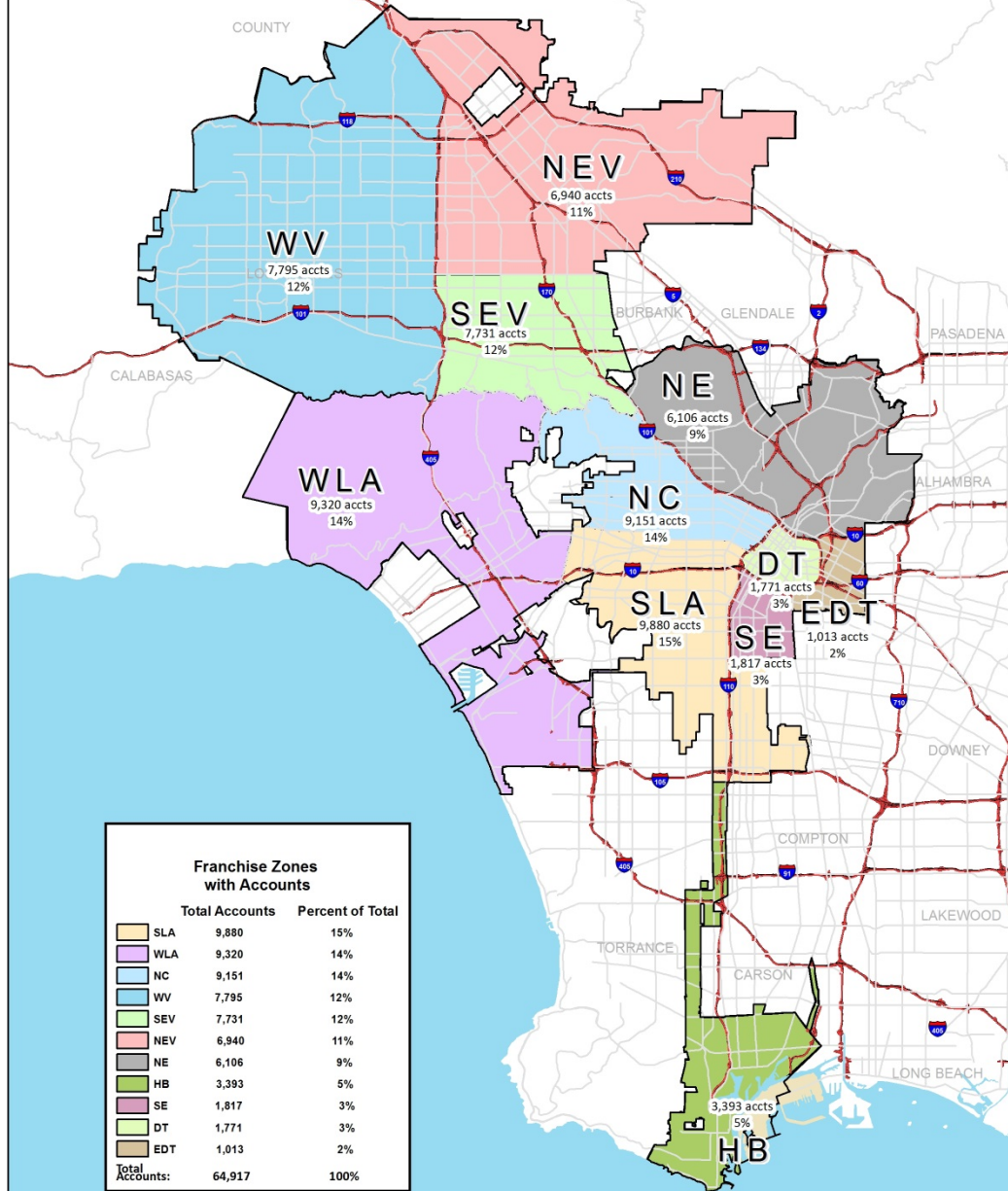
- At contract execution
 - Begin procurement of Clean Fuel Trucks and Bins
 - Develop account and billing databases and testing
 - Develop account transition plan and strategies
 - Nearly 85% of the current customers are serviced by one of the seven franchisees
- Begin customer transition in July 2017
- Known customers into system by March 2018

QUESTIONS?

<https://www.lacitysan.org/zerowastela>



COMMERCIAL WASTE FRANCHISE ZONES with Accounts



Zone	Total Accounts	Percent of Total
SLA	9,880	15%
WLA	9,320	14%
NC	9,151	14%
WV	7,795	12%
SEV	7,731	12%
NEV	6,940	11%
NE	6,106	9%
HB	3,393	5%
SE	1,817	3%
DT	1,771	3%
EDT	1,013	2%
Total Accounts:	64,917	100%





COMMERCIAL WASTE FRANCHISE ZONES Haulers with Accounts

