CITY OF HUNTINGTON PARK REQUEST FOR PROPOSALS FOR A SOLID WASTE FRANCHISE AGREEMENT

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BUSINESS POINTS

Deal Point	Proposed Contract	Notes
Single Agreement	Combine all service (commercial and residential) into a single franchise agreement so that the entire City continues to be subject to an exclusive hauling arrangement	
Basic Concept	Obtain lowest rates for residential and commercial customers by seeking proposals that can be compared on an objective basis.	
Goal	Enhanced quality of service with significant rate reductions	

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Qualifications to propose	Recommend at least 5 years current experience with similar services as requested	Pros and Cons revolve around lower rates which will likely be offered by less experienced haulers and whether City is willing to risk allowing a hauler with no prior experience to handle account
Ex Parte Rule	Policy question for Council as to whether they desire proposers to be barred from conferring with Council during process	
Term	Five year term, with option for City to renew for two years if after a review of performance (paid for by hauler) City chooses to do so	

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Franchise fee	Franchise fee of 15% on Gross Revenue to be paid monthly.	This is an increase in current franchise percentage, but will likely be based on gross revenues from reduced rates
Financial terms not suggested	Upfront franchise fee, sharing in recycling revenue, standing community contribution fee, higher franchise fee	
Annual Administrative Fee	Payment to City to cover cost of ensuring contract compliance on an ongoing basis. Flat fee of $50k with CPI inflator, plus actual amount of any legal fees	Staff views this as essential to ensuring small issues do not turn into very large issues, and to ensure City gets benefit of bargain
Negotiation Costs	Payment of all City's costs of RFP process	

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Rates	RFP to propose fixed rates that will automatically adjusted by CPI with 3% cap. No charge permitted for extra green waste and recycling carts	
System for Residential	Three Cart only or consider a one Cart system?	Recent RFP in saw significant cost reductions for a one Cart system. Council may wish to allow proposers to give rates for a three Cart system and a one Cart system

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Bulky Waste Collection	Free service (up to 4 items per pickup), for residential including tenants of multi-family; charge for commercial. Include electronic waste, batteries, florescent tubes, etc at curbside Fund a City truck and employee (annual cost of $25,000 with CPI inflator) Provide abandoned item collection within 48 hours	
Walk out Service	Hauler brings Carts from storage location to truck and returns it. Free to qualified Customers who have need Charge for other Customers who want it as a "luxury"	

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Senior Discount or Varied Cart Sizes	Option to request a Senior Discount or Smaller Carts for those who need less service (i.e., seniors) or have space/maneuverability issues.	
Sharps and Unused Medication Disposal	Fund mail in program by paying for postage and packaging for sharps disposal.	
City Facilities	Free collection at all facilities	Includes collection at approximately 200 locations in Downtown area 7x/week
City Wide Clean up Events	Two Citywide waste drop off/clean up events to be provided each year	

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Community involvement	Requirement to join Chamber, and similar organizations	Goal is for hauler to be part of the community
Service at City Events	Free collection at City sponsored events	Recommend specified list of events
Customer outreach	Quarterly newsletter and hotline for customer questions and complaints required	
Billing	Provided by hauler	
Vehicles	Require new vehicles, less than 10 years old, that meet AQMD clean air requirements	
Reporting	Require all necessary reports for CalRecycle, and include tonnage reports for disposed waste, recycled materials, green waste, etc	

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Assignment	Only if City agrees in its unfettered discretion, with requirement of significant payments to City to capture value City creates by granting franchise.	
Performance Bond	Set appropriate level	$1 Million recommended
Liquidated damages schedule	Liquidated damages to be paid for minor failures to perform based on schedule to be provided	
Strikes	Up to 5 days, performance excused as a "force majeure", thereafter performance not excused	

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Indemnity	Include comprehensive language making hauler responsible for all claims expecting those arising from City's sole negligence. Also, include Hazardous material indemnity and indemnity for AB 939 penalties	
Insurance	$10,000,000	

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AB 939 Guarantee/Recycling	Give hauler responsibility for all diversion and reporting compliance; and make them responsible for all penalties. Require that they warrant and guarantee they will keep City in compliance (goes beyond limit in law on indemnity obligations) Require compliance with 75% diversion requirement with no rate increase Agreement to outline programs that they will implement as minimum requirements, but require hauler to do adjust programs and add programs, and in essence do whatever else is needed to comply with diversion requirements and all other laws and regulations Public awareness programs to be included in programs to be implemented	