

DRAFT

CITY OF PACIFIC, WASHINGTON SOLID WASTE COLLECTION REQUEST FOR PROPOSAL PROCESS FINDINGS

I. Background

Two companies provide solid waste collection services to the City of Pacific, Washington (the City). The City is seeking to contract with one provider for all solid waste services in the City. To that end, a Request for Proposals process was initiated on April 3, 2015, although the City is not required to bid this contract. Bid laws do not apply, and the City reserved the right to negotiate contract changes with the finalist and/or to award the contract to any proponent, in the City's sole discretion. The City further reserved the right to reject the proposal of any and all proponents if the City believes that it would not be in the best interest of the City to make an award, whether because the Proposal is nonresponsive or because the proponent is found to be not responsible or fails to meet any other pertinent standard or criterion established by the City.

A proposal submittal date was set for April 24, 2015. This date was changed to May 8, 2015 on proponents' request. The City received timely proposals from Waste Management, Inc. and DM Disposal/Murrey's Disposal, Inc.

The City reviewed the proposals by an evaluation team composed of City staff and the Solid Waste Committee. The City based its choice on considerations including, but not limited to, unit prices, the clear ability of the Proponent to successfully perform the service. Proposals were evaluated in two phases: (1) a review and evaluation of proposal elements other than price, including reference checks; and (2) review of price proposals and scoring of the price components.

Based on careful review by the evaluation team, Waste Management was selected as the finalist proponent. City staff have been conducting negotiations to finalize the contract.

II. Public Hearing

On June 22, 2015, the City held a public hearing to hear comments regarding the solid waste collection contract with Waste Management. The following summarizes the comments:

(To be completed after public hearing)

III. Findings

Based on recommendations of the evaluation team, City staff and public comment, the City finds that it is in the public interest to enter into a contract with Waste Management, Inc. for solid waste collection services, based on the following:

- A. Waste Management and DM/Murrey's Disposal submitted timely proposals that met or exceeded the proposal criteria.
- B. Waste Management and DM/Murrey's Disposal arranged for proposal security to the City of Pacific in the amount of Twenty-five Thousand Dollars (\$25,000) and in the form of an irrevocable standby letter of credit, cashier's check or a Proposal Bond satisfactory to the City.
- C. Although the two proponents scored nearly equally by the evaluation team, Waste Management scored slightly better than DM/Murrey's Disposal on management and environmental criteria.
- D. Waste Management unit prices for all service levels, inclusive of all taxes and fees, were proposed in year 2015 dollars and represent a cost savings to the City over current rates.
- E. Murrey's assertion that the City would save \$1.9M should they be chosen has been found lacking after a staff review which found incorrect and unverifiable calculations.
- F. Waste Management agreed to comply with additional requirements, including:
 - 1. A 15% discount for low-income senior & low-income disabled customers who qualify for the discount.
 - 2. Limiting rate increases to CPI with a ceiling of 5% and/or increases in the franchise fee as determined by the City.
 - 3. A minimum franchise fee of 3% of total gross receipts.
 - 4. Residential rates based on default 35-40 gallon cart fee that shall not exceed \$23.60 per month in the first year of the contract.
 - 5. Garbage billing for multifamily garbage collection based on commercial rates.
 - 6. Garbage billing for commercial garbage collection may be based on separate commercial rates if the rate structure is different than that provided to residential customers.
 - 7. All service to City facilities and parks provided at no cost to the City.
 - 8. All billing and collections conducted by Waste Management at their expense.
 - 9. Utility tax of 6% applied to each customer's bill separate from the monthly rate.
 - 10. All garbage collected taken to the King County system for solid waste disposal regardless of which County the garbage comes from. This requirement does not apply to recycling or yard waste.

11. Utilize collection vehicles that reduce carbon emissions (e.g., natural gas fuel, electric hybrid, fully electric, etc.) to help reduce the City's carbon footprint.
 12. Commence collection services under the contract on July 1, 2015.
- G. Waste Management agreed to all terms and conditions specified in the RFP, including service, hiring preferences, contract, indemnification, and insurance.

FINDINGS BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON THE 22nd DAY OF JUNE, 2015.

CITY OF PACIFIC

LEANNE GUIER, MAYOR

ATTEST/AUTHENTICATED:

AMY STEVENSON-NESS, City Clerk

Approved as to form:

Carol Morris, City Attorney