



CITY OF TROUTDALE

"Gateway to the Columbia River Gorge"

AGENDA

CITY COUNCIL – WORK SESSION

Troutdale City Hall - Council Chambers
219 E. Historic Columbia River Hwy. (Lower Level, Rear Entrance)
Troutdale, OR 97060-2078

Tuesday, April 7, 2015 – 6:30pm

Mayor

Doug Daoust

City Council

David Ripma

Eric Anderson

Larry Morgan

Glenn White

Rich Allen

John Wilson

City Manager

Craig Ward

1. Roll Call
2. A presentation from Waste Management on their involvement in the Troutdale community.
Dean Kamper, Manager, Public Sector Services
3. A discussion on the Solid Waste Franchise competitive process.
Amy Pepper, Civil Engineer
4. Adjourn



Doug Daoust, Mayor

Dated: 4/01/15

Further information and copies of agenda packets are available at: Troutdale City Hall, 219 E. Historic Columbia River Hwy., Monday through Friday, 8:00 a.m. - 5:00 p.m.; on our Web Page www.troutdaleoregon.gov or call Debbie Stickney, City Recorder at 503-674-7237.

The meeting location is wheelchair accessible. A request for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made at least 48 hours before the meeting to: Debbie Stickney, City Recorder 503-674-7237.

BACKGROUND:

By resolution 1909, Council approved an exclusive Franchise Agreement with Waste Management of Oregon on November 13, 2007. Effective January 1, 2008, this exclusive Franchise Agreement has an eight year term, expiring December 31, 2015. At the February 10, 2015 Council meeting, during staff communications, the Council was given the option to either direct staff to extend the existing franchise with Waste Management or direct staff to conduct a competitive process for a new franchise to provide these services. Council directed staff to move forward with a competitive process for solid waste and recycling services.

It does not appear from City records that the City has ever formally solicited competitive bids or proposals for solid waste and recycling services. From as early at 1979, and perhaps earlier than that, Edwin O. Ege Sanitary Service, Inc. had exclusive franchise rights to provide solid waste collection service within the City of Troutdale. In February 1996, Waste Management acquired Edwin O. Ege Sanitary Service, Inc. and the City approved a transfer of the Franchise Agreement to Waste Management. The Franchise Agreement has been non-competitively re-negotiated and renewed with Waste Management twice previously: for the period of January 1, 2000 to December 31, 2007; and our current Franchise Agreement.

Staff has no experience bidding solid waste and recycling services. Regionally, only two jurisdictions have undertaken this process in the past 15 years, the cities of Sandy and West Linn. Both jurisdictions relied on the assistance of outside consultants to manage the process and assist in reviewing proposals for said services. Staff recommends that the City also rely on the services of a consultant to manage and assist with this process. As such, staff have requested and received a Proposal from Bell & Associates (attached as Exhibit A). Bell & Associates has previously provided solid waste rate review services for the City and more recently managed the competitive selection process for solid waste and recycling services for Sitka, AK.

The schedule provided in the Proposal from Bell & Associates allows for public input at various steps in the selection process, including conducting a survey in April/May 2015 to gauge the satisfaction with services provided under the existing franchise. The schedule provided proposes commencing the new franchise July 1, 2016. Should Waste Management not be selected, this will allow time for new equipment (trucks, roll carts, etc) to be ordered and purchased by a new hauler and allow for delivery to customers at a time that avoids the winter holiday season. Following this schedule, staff will have to work with Waste Management to extend the existing Franchise Agreement at least 6 months, which is permissible under the existing franchise.

PROS & CONS:

Pros:

- Fostering competition for solid waste and recycling services helps to assure that the services received are the best combination of service quality, efficiency and cost effectiveness available.

Cons

- Conducting a competitive process for solid waste and recycling services does not guarantee that there will be a cost savings to residents and businesses.

- Consumes staff time and resources and council's time and energy
- Cost to the City for hiring a consultant needed to assist with the process is \$29,000.

Current Year Budget Impacts Yes (*describe*) N/A

If directed by Council, staff will move forward with contracting with Bell & Associates this fiscal year at a cost of \$5,000 in FY 14-15.

Future Fiscal Impacts: Yes (*describe*) N/A

In addition to the costs associated with contracting with Bell & Associates at a cost of \$24,000 in FY 15-16, the results of competitively bidding this franchise will have fiscal impacts on the City, residents and businesses. The exact impact (positive or negative) will not be known until after the City has evaluated proposals and approved a new Franchise Agreement.

City Attorney Approved N/A Yes

Community Involvement Process: Yes (*describe*) N/A

Staff proposes surveying the public about the services provided under the current franchise. In addition to the survey, the schedule provided includes multiple meetings with the City Council in the process of developing and evaluating the Request for Proposals.

Phase I – Solicit and Develop Stakeholder Input on Requested Services April to June 2015

Task 1.1 – Review existing agreement and gather background information

Review materials provided by City of Troutdale (City) staff, including current solid waste and recycling collection franchise agreement; local ordinances pertaining to solid waste and recycling, and the Metro RSWMP to evaluate the current system and future plans for collection services.

The Project Team will identify major policy and program issues requiring clarification and City direction, with particular attention to:

A. Technical Issues

1. Consider requiring waste and recycling options be provided to all accounts.
2. Consider collection alternatives to deal with the wind issues for residential collection.
3. Identify policies that could be adopted to encourage businesses to maximize recycling.
4. Confirm definitions in proposed agreement to new and existing City ordinances.

B. City Administrative Tasks

1. Update City municipal code for proposed collection services.
2. Amend and simplify the franchise agreement for proposed collection services.
3. Reconcile the franchise agreement to the City municipal code.

C. Economic & Financial Considerations

1. Review cost estimates for proposed new services and identify opportunities for streamlining or decreasing costs, increasing waste diversion or other options for paying for services.
2. Consider 7-10 year term of franchise (7 to amortize equipment; with 3 year extension as incentive)
3. Consider how best to structure Rate Review Process –Identify what type of rate analysis should be done as part of the RFP. Evaluate benefits and simplicity of indexed system, and which index is most appropriate to ensure that indexing is easy to verify that rates will sustain operations proposed, including profits.
4. Consider reviewing operational performance of contractor before providing a 3-year extension.

D. Reporting Issues

1. Include how best to structure reporting and auditing requirements.

E. Process & Procedure

1. Ensure that RFP forms are not too burdensome to encourage the maximum number of proposers. A simple approach is the most effective – bottom line is “Are they capable?” and “Did they propose enough money to perform the services proposed?”
2. Identify other financial and legal issues and procedures required to implement recommendations.

Task 1.2 – Assist Staff with the Development of a Customer Survey

Assist with the development of survey questions to solicit input from Troutdale customers. Consider various approaches to request information including advertising in the Troutdale Champion, City’s website and Facebook page, face-to-face survey at City sanctioned events such as the annual clean-up in May, direct mailing, and telephone solicitation.

Phase II - Prepare RFP and Collection Franchise Agreement

July to October 2015

Task 2.1 – Develop collection RFP and proposal packets

1. Update customer counts to compile a summary of account size and frequency to include in the RFP. Based on the customers and the life of the proposed franchise agreement, we will then estimate the total value of the franchise to be awarded. These assumed numbers of customers would also become the basis for comparing price proposals.
2. Assist City staff with updates to the existing franchise agreement.
3. Draft the Request for Proposals and draft Agreement (RFP). The RFP will:
 - a. Seek information on proposers' technical and financial qualifications, key staff committed to be involved, and litigation history.
 - b. Request information on the number and types of trucks to be used, and the number of staff required.
 - c. Ask for information on the costs per customer to collect recyclable materials
 - d. Request descriptions of their experience with the approach proposed for the City, including facility descriptions and references for comparable communities and services.
 - e. Provide a process for proposers to take exception to the draft agreement.
 - f. Include criteria for the evaluation of the qualifications and experience of proposers, the quality of their technical proposals (including company and individual's assigned knowledge and experience, financial capabilities, approach to scope of work, and client references/reputation) and the feasibility of cost proposals providing sufficient revenues to the proposer to support the services proposed.

Task 2.2 – Develop RFP evaluation templates

Include rate schedule forms for the evaluation of price proposals. These forms will include the current number of customers that will be the basis for comparing the total value of proposals and ranking those prices (with a caveat that the City does not guarantee this distribution of customers). Proposed rate schedules will include categories for all types of services to be provided. Rate schedules will be provided in electronic format for use by proposers.

Task 2.3 – Submit draft RFP to City staff for review

The Project Team will review the draft RFP with City staff, and then revise the documents as directed / requested.

Task 2.4 – Update draft RFP

The Project Team will submit the final RFP to City staff and/or City Council for review and input.

Task 2.5 – Approval of RFP / Distribution to interested contractors

Upon approval, the RFP and agreement will be distributed electronically to potential proposers. We will assist City staff in responding to questions and issuing addendums as needed.

Phase III - Proposal Evaluation

November to December 2015

Task 3.1 - Proposals evaluation and recommendation

The Project Team will assist City staff with the review of the technical proposals to determine if there are any non-responsive proposals to the requirements of the RFP. Then the Project Team will identify any issues that may require clarifications from the proposers. At this point, we will recommend whether to get such clarifications in writing or through interviews. Once adequate responses are received, we will then rank the technical merits of the proposals received and their compliance with RFP requirements.

The Project Team will then review the cost proposals and identify any issues requiring clarification from the proposers. Once all responses have been received, the Project Team will then rank the proposals according to the anticipated full cost of the base proposals over the life of the agreement. Then additional review will be done to clearly identify and compare any options presented. The Project Team will present a revised ranking of the proposals considering all the options presented.

The Project Team will then review its preliminary findings with City staff and identify any issues of concern or questions. We will also respond directly to City staff on any issues regarding the substance and process of the evaluations.

Task 3.2 – Interview potential service providers (Optional)

If City staff determines that interviews are necessary, the Project Team will assist with the preparation of the interview questions as well as interviews.

Task 3.3 – Summary Report

The Project Team will then summarize its findings and recommendations to City staff, including any implications of options proposed, or exceptions taken to the draft agreement.

Franchise Award

Task 3.4 - Assist in negotiating Agreement (Optional)

The Project Team will assist the City with negotiations with the top proposer if necessary. The Project Team will evaluate and recommend how to respond to options and exceptions to the agreement that were proposed, keeping in mind the priorities in designing the RFP and ranking the proposals.

Troutdale Procurement Schedule

Phase and Task	Work Days	Hours	Date(s)
Phase I – Solicit and Develop Stakeholder Input on Requested Services			
1.1. Review and Update Franchise Agreement and Solid Waste Ordinance	20	20	May 1 to June 30
1.2. Assist with Customer Survey	5	8	May 1 to 31, 2015
1.3. Meeting with City Council for Review and Input	5	4	July (TBD)
Phase II - Prepare RFP and Collection Franchise Agreement			
2.1. Develop Collection RFP and proposal packets	20	30	August 3 to 21
2.2. Develop Proposal Evaluation Templates	10	16	August 10 to 21
2.3. Submit Draft RFP and Franchise Agreement to City Staff for Review and Input	10	6	August 24 to 28
2.4. Meeting with City Council for Final Review	5	4	August 31 to September 4
2.5. Update and Finalize RFP	5	8	September 8 to 11
2.6. City Approves RFP / Distribution to Interested Contractors	5	4	September 14 to 18
2.7. Pre-proposal Meeting	5	4	September 21
2.8. Proposals Due	30	4	October 30
Phase III - Proposal Evaluations			
3.1. Complete Review & Evaluation of Proposals	10	40	November 2 to 13
3.2. Hauler Interviews (if requested)	5	16	November 16 to 20
3.3. Report to City Project Manager	5	24	November 30
3.4. Meeting with City Council to Review Proposals	5	4	December 1 to 4
3.5. City Council Awards Franchise	10	4	December 7 to 11
3.6. Final Agreements Executed (including Contractor documentation)	10	4	January 15, 2016
3.7. Startup of New Services			July 1, 2016

Task Notes: Task 1.1 Assumes City will utilize contracted legal counsel to update agreement and ordinance.

Project Cost for FY 2014-15 is **\$4,060** - Tasks 1.1 and 1.2 are estimated at 28 hours x \$145 per hour.

Project Cost for FY 2015-16 is **\$24,940** – Tasks 1.3 to 3.4 are estimated at 172 hours x \$145 per hour.

Total Project Hours: 200 x \$145 per hour = \$29,000