



CITY OF OAKLAND

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City Administrator's Office

MEMORANDUM

TO: HONORABLE MAYOR &
CITY COUNCIL

FROM: Vitaly B. Troyan, P.E.

SUBJECT: R3 Consulting Scope of Work

DATE: January 31, 2012

City Administrator
Approval

[Signature]

Date

2/1/12

INFORMATION

This information is provided at the request of the Public Works Committee meeting on January 24, 2012 in response to the Council Agenda Report, "Resolution Waiving The Advertising And Competitive Request For Proposal/Qualification Requirements And Authorizing The City Administrator To Amend An Agreement With R3 Consulting Group To Provide Zero Waste System Technical Assistance Services Increasing The Amount Not To Exceed By Two Hundred Thousand Dollars (\$200,000.00) For A Total Contract Amount Not To Exceed Five Hundred Thousand Dollars (\$500,000.00) And Extending The Term By Two Years To September 1, 2015."

The Committee requested staff to provide additional information on the Scope of Work to be performed by R3 Consulting Group (R3) under the proposed amended agreement. R3's main focus and majority of work will be dedicated to drafting the Request for Proposals (RFP) document and three new service agreements per the adopted Zero Waste System Design framework, and evaluating the responses received to the RFP.

Oakland has a limited history of competitive procurement for recycling services and no history for competitive solid waste services procurement. Current technical specialized expertise is needed to complete the RFP process. In addition to preparing complex RFP and service contract documents, R3's scope of work includes developing and implementing tools and methodologies for detailed technical and financial review, analysis, and evaluation of proposals.

R3, with assistance of the City Attorney's Office, will finalize service contracts, transition plans and exhibits based on the results of negotiations and any service options selected during the evaluation and award process.

Staff does not possess the premium technical skill set to perform the below functions in a thorough and timely manner and at the level of analytical detail needed for optimal selection. R3 will provide technical assistance expertise including:

- Calibration of the economic model to compare proposals, including evaluating proposed customer rates to optimize waste reduction performance and value to ratepayers
- Evaluation of cash flow, net present value, and financial viability metrics pertaining to both the proposers and their partner entities, and to the operational and fiscal elements of proposals
- Evaluation of technical and operational proposals according to stated metrics, including processing facility tonnage throughput and vehicle routing efficiencies
- Verification, through facility field site visits, of representations made in proposals, and confirmation of operational capabilities
- Consolidation of pricing and service provider compensation requirements from three separate proposals into one set of customer rates, with prescribed rate adjustment mechanisms in order to maintain financial solvency for affected City funds and stable financial positions of service providers
- Calculation of year-by-year available permitted disposal capacity. Technical and fiduciary analysis of landfill permitting compliance and closure/post-closure maintenance and remediation operational plans, and financial reserves.
- Calculation of compliance with California Air Resources Board (CARB) requirements for collection vehicle fleet and materials processing and disposal facility operations . emissions
- Development of technical contract language incorporating performance metrics, service specifications, and contract management advancements and innovations
- Producing a complete RFP package which will include instructions for proposers, demographic and existing service account data, evaluation criteria, evaluation process description, cost forms for proposers to complete, and model service contracts

Amending the agreement with R3 Consulting Group for specialized and technical consulting services is necessary to complete the RFP process in thorough and timely manner and at the level of analytical detail needed for optimal selection, so that new contracts and services are in place when current service agreements end in June 2015.

Respectfully submitted,



Vitaly B. Troyan, P.E.
Director, Public Works Agency

For questions please contact Susan Kattchee, Environmental Services Manager, at 238-6382.