

CITY OF PALO ALTO



REQUEST FOR PROPOSALS FOR SOLID WASTE, RECYCLABLE MATERIALS, AND ORGANIC MATERIALS SERVICES

* * *

February 29, 2008

Prepared by:

HF&H Consultants, LLC



and

the City of Palo Alto

CITY OF PALO ALTO

REQUEST FOR PROPOSALS FOR

SOLID WASTE, RECYCLABLE MATERIALS, AND ORGANIC

MATERIALS SERVICES

Introduction: The City of Palo Alto is requesting proposals for the collection and processing of solid waste, recyclable materials, organic materials, and other services. As part of the process for requesting proposals, there are two key events and dates we would like to bring to your attention.

Mandatory Pre-Proposal Meeting: All proposers shall attend a mandatory pre-proposal meeting on Tuesday, March 18, 2008 which commences at 1:00 PM at the Civic Center, Council Chambers— 1st floor, 250 Hamilton Avenue, Palo Alto. Proposers are requested to R.S.V.P. by phone or email to Greg Pustelnik, by Friday, March 14, 2008, if attending the pre-proposal meeting.

Proposal Submittal: All proposals must be received no later than 3:00 p.m. on Monday, April 28, 2008. Proposals received after this time and date may be rejected. Postmarks will not be accepted as proof of receipt. Proposers shall mail or hand-deliver proposal packages to:

City of Palo Alto
Purchasing/Contract Administration
250 Hamilton Avenue- M Level
Palo Alto, CA 94301
(650) 329-2300

Attention: Greg Pustelnik

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Section I - Introduction

OVERVIEW OF THE REQUEST FOR PROPOSALS

The City of Palo Alto (City) has an existing agreement, which expires June 30, 2009, with Palo Alto Sanitation Company (PASCO), a subsidiary of Waste Management, Inc. for collecting, transporting and processing solid waste, recyclable materials, and yard trimmings generated in the City.

The City is soliciting proposals from qualified companies interested in providing collection and processing services for residential, multi-family and commercial solid waste, recyclable materials, and organic materials. This RFP directs proposers to describe how they will provide these services consistent with the following three service levels: “Baseline Services”, “Zero Waste Services”, and “Other Service Innovations.” These service levels are described in Section III of this RFP. The proposals shall contain descriptions of how the proposer will provide both Baseline and Zero Waste Services and, if the proposer chooses, how they will provide Other Service Innovations. Additionally, the City is requesting:

- Option for the use of alternative fuel vehicles
- Single-stream processing services
- Organics processing services
- Construction and demolition debris processing services
- Option for the use of approximately 9/10ths of one acre of City-owned land at 2000 Geng Road (a map of this site is included as Attachment 1B)

Finally, while standard residential collection service shall be “curbside”, the proposer shall propose the additional incremental cost of providing collection service to: (i) Customers who choose to receive side/backyard collection service; and, (ii) Customers who choose to receive service in special service areas (including private streets and alley-ways). A map identifying these difficult to service locations including private streets and alley-ways is included as Attachments 1C and 1D.

The term of the new agreement (Agreement) will commence on July 1, 2009, and will continue for eight years and may be extended, unilaterally by the City, in increments of one or more years, for a maximum term of 12 years.

Compensation for the first two years of the Agreement will be based on: 1.) The contractor retaining 100 percent of the revenues from the sale of recyclable materials, including CRV revenues; and, 2.) The contractor’s cost proposal as that may be negotiated between the contractor and the City (“Agreed-Upon Compensation”). Thereafter, the contractor’s annual compensation shall be based on the application of certain indices to the Agreed-Upon Compensation (refer to Agreement Section 9.07). The only other adjustments to contractor’s compensation would result from changes related to uncontrollable circumstances, negotiated changes in the services provided, the payment to the contractor of incentives for the diversion of

any additional material (to be incorporated in the Agreement based on information provided in the selected proposal and discussion with the selected proposer), and the obligation to the City for liquidated damages (refer to Agreement Section 11.09).

CITY’S GOALS AND OBJECTIVES

The City is interested in receiving proposals from companies that have demonstrated experience providing solid waste, recyclable materials, and organic materials collection and processing services comparable to those described in this RFP, under an agreement with a community comparable (in population, customer mix and services) to the City.

The City seeks a contractor who places a high priority on diversion and has demonstrated significant results and innovation through its diversion program development, implementation, public education, and on-going operations.

The City’s goals and objectives for future services include:

- Maintain a high level of service (timely, courteous, and responsive) to customers
- Meet “Zero Waste Program” goals
- Ensure the cost effectiveness of the services provided
- Fulfill community needs (support of the City’s Zero Waste policy, compliance with State mandates, on-call and drop off services for selected materials, etc.)
- Ensure a fair Agreement for the contractor, customers, and City
- Minimize the carbon footprint and other adverse environmental impacts from the provision of service
- Operate within all regulatory requirements

ORGANIZATION OF RFP

This RFP is organized into the following sections:

Section I provides a brief introduction to the RFP, a summary of the City’s goals and objectives, a description of City’s rights with regard to the procurement process, and procurement schedule.

Section II provides a description of the City service area and a summary of the current services it receives from its existing contractor, PASCO.

Section III presents the scope of requested collection and processing services.

Section IV outlines the proposal submittal requirements.

Section V describes the proposal submittal process.

Section VI lists the criteria by which the proposals will be evaluated.

The attachments include a draft Agreement, proposal forms, Secretary's Certificate, Anti-Collusion Affidavit, and additional background information.

ADDENDA AND CLARIFICATIONS

Should discrepancies or omissions be found in this RFP or should there be a need to clarify the RFP, please communicate them in writing and deliver to the City by April 7, 2008. Such correspondence shall be addressed to Greg Pustelnik, Purchasing Manager at 250 Hamilton Street, M-Level, Palo Alto California or emailed to Greg.Pustelnik@cityofpaloalto.org. All contact with the City during this solicitation process shall be through Mr. Pustelnik.

No person is authorized to give oral interpretations of, or make oral changes to, the RFP documents. Therefore, oral statements will not be binding and should not be relied upon. Should discrepancies or omissions be found in the RFP, such clarification will be provided in the form of an addendum. Any interpretation of, or changes to, the RFP documents will also be made in the form of a written addendum to the RFP document and will be furnished by the City to all proposers who have attended the mandatory pre-proposal meeting. Only those interpretations of, or changes to, the RFP document that are made in writing and furnished to the proposers by the City may be relied upon. The proposer shall acknowledge receipt of each addendum by signing in the space provided on the issued addendum and by submitting all addenda with their proposal.

RIGHTS RESERVED BY THE CITY

The City will not be obligated by the submission of a proposal to respond in any manner to any proposal.

The City reserves the right, in its sole discretion, to pursue any or all of the following actions with regard to this RFP:

- Issue addenda to the RFP
- Request additional information and/or clarification from the proposers
- Extend the deadline for submitting proposals
- Permit the timely correction of errors and waive minor deviations
- Withdraw this RFP
- Remedy technical errors in the RFP process
- Postpone opening proposals for its own convenience
- Reject any or all proposals
- Reject proposals that do not fully comply with the requirements detailed in this RFP, its attachments, addenda, or clarifications
- Reject incomplete proposals; proposals containing errors, inconsistencies, false, inaccurate, or misleading information; proposals not submitted with the proper quantity of copies; proposals submitted after the deadline; or proposals with other process or content errors or deficiencies

- Waive informalities and minor irregularities in the proposals
- Make the selection based on its sole discretion
- Award the Agreement to a proposer(s) without further discussion or negotiation
- Approve or disapprove the use of particular subcontractors
- Issue subsequent RFPs for the same, similar, or related services
- Accept other than the lowest responsive offer
- Negotiate with any, all, or none of the proposers
- Enter into a Agreement with another proposer in the event the originally-selected proposer defaults or fails to execute the Agreement with the City
- Amend the Agreement
- Amend the Palo Alto Municipal Code
- Take any other action it deems in the best interest of the City, its residents and businesses

GENERAL RFP AGREEMENTS

This RFP shall not be construed by any party as an agreement of any kind between the City and such party.

This RFP does not obligate the City to accept any proposal, negotiate with any proposer, award an Agreement, or proceed with the development of any project or service described in response to this RFP. The City has no obligation to compensate any proposer for its expense of preparing its proposal and participating in this procurement process.

All responses to this RFP shall be prepared at the cost and expense of the proposer responding to the RFP, with the express understanding that there shall be no claims whatsoever for reimbursement to any proposer from the City for the cost or expense of such preparation for any reason including, but not limited to, the cancellation of the RFP. Proposals will not be returned to proposers, except for “confidential” information as specified in this RFP.

Submission of a proposal shall be deemed a representation that proposer has investigated all aspects of the RFP, that the proposer is aware of the applicable facts pertaining to the RFP process, its procedures and requirements, and that the proposer has read and understands the RFP. No request for modification of the provisions of a proposal shall be considered after its submission on the grounds that the proposer was not fully informed as to any fact or condition. Statistical data that may be contained in the RFP or any addenda thereto is for informational purposes only.

Submission of a proposal shall also constitute acknowledgment and acceptance of all the terms and conditions contained in this RFP, its attachments, addenda, or clarifications and the Agreement, unless an exception to particular terms and conditions is expressed in writing in the proposal. Submittal of a proposal signifies proposer’s commitment to provide the proposed services if selected. The proposals are to be firm for a period of 270 days from the date the proposal is submitted. Proposals may not be altered after submittal except in response to the

City's request for clarification or negotiation of a final Agreement. Acceptance of a proposal by the City obligates the proposer to enter into an Agreement with the City consistent with its proposal.

The City will have the right (but not the obligation) to perform an investigation and review of each proposer's ability to perform the work required. Each proposer must agree to cooperate with such investigation. Such cooperation by proposers shall apply to the verification of the proposer's capability and experience in the provision of services and any other component of work that may be required under this procurement.

LIMITS ON DISCLOSURE OF PROPOSALS

The City has determined that the public interest will be best served if proposals submitted in response to this RFP are not made available for review by other companies participating in the competitive selection process. For that reason, proposals (and materials submitted during subsequent meetings and discussions with City staff) will not be made available to other proposers or the public generally any earlier than the date on which City staff submits a report to the City Council on its evaluation of proposals and its recommendation for negotiation of an Agreement with a particular proposer(s) (see Table 1). All materials received from that proposer(s), other than those identified as entitled to protection under Government Code Section 6254(k) as trade secrets, will be made available for public review no less than three (3) days prior to the date on which the City Council will consider the staff recommendation.

The following procedures will be followed in order to implement this policy:

- A. Materials which a proposer considers to contain trade secret information entitled to protection from disclosure under Government Code Section 6254(k) must be clearly marked on each page as "CONFIDENTIAL". Do not mark your entire proposal as "CONFIDENTIAL". Although the California Public Records Act recognizes that certain confidential trade secret information may be protected from disclosure, the City may not be in a position to establish that the information that a proposer submits is a trade secret.
- B. If, prior to the date on which City staff issues a report to the City Council recommending negotiation of a final Agreement with a particular proposer, the City receives a request to review and/or copy materials submitted by any proposer, it will decline to release those materials pursuant to Government Code Section 6255.
- C. If the person submitting the request files a legal action against the City seeking its release, the City will notify the affected proposer(s) and will not oppose a motion by such proposer(s) to intervene in the action. The proposer(s) must either intervene or agree to pay the City's legal expenses in defending the action, including fees, if any, awarded to the plaintiff. Absent such an agreement, the City will have no obligation to defend the action and may release the information sought without any liability whatsoever.
- D. No proposer shall, directly or through an intermediary, employ the California Public Records Act in an attempt to obtain access to materials submitted to the City by other proposers.

- E. No proposer shall seek damages against the City or recovery of its attorneys' fees from the City as a result of any dispute related to the release or withholding of information submitted in response to this RFP.
- F. Materials that have been marked as "CONFIDENTIAL" will be returned to all unsuccessful proposers once an Agreement has been signed by the City and the selected proposer.

PROCESS AND SCHEDULE

The key activities and completion dates for the procurement process are provided in Table 1. The schedule for review of proposals is subject to change at the City's sole discretion. The schedule information in Table 1 is current as of the date of issuance of the RFP and will be updated as necessary.

Proposals will be evaluated for compliance (variances from the procedures described in the RFP), completeness (e.g., inclusion of all forms and addenda), and acceptability (achievement of minimum requirements for comparable experience, financial ability, and agreement with the proposed terms of the draft Agreement). Those proposals that fail to pass the initial evaluation may not be considered for further review.

The cost proposals for each scenario (Scenario 1 – Baseline Services, Scenario 2 - Zero Waste Services, and Scenario 3 - Other Service Innovations (optional)) of those proposals that pass the initial evaluation will be reviewed. Clarifications and answers to any questions will be obtained from the proposers.

Based on cost proposal information for Scenarios 1 and 2 submitted by proposers, staff will report to Council the ranges of program costs and the estimated diversion results without identifying the proposing companies for each service level. Based on this information, Council will select the service level that it desires. (Note that this step is optional depending on the number of proposals, cost of new programs, and price variance.)

Staff will complete the evaluation and ranking of proposals based on the weighting of the evaluation criteria described in Section VI of this RFP, in addition to any direction received from the Council regarding the service levels discussed above.

Staff will report to Council the ranking of proposals and provide a recommendation on the company with whom staff will negotiate a final Agreement. Staff will inform all proposers of its recommendation. At this time, Council may provide direction for the negotiations (e.g., changes, eliminations or additions to proposed programs and services, and/or direction regarding costs).

Staff will return to Council recommending approval and execution of the final Agreement. City Council will then make a decision to approve the recommendation or provide further direction to staff.

During the process, proposers may be disqualified for factors including, but not limited to:

- Evidence of collusion, directly or indirectly, among proposers in regard to the amount, terms, or conditions of this proposal;
- Failure to direct all questions/inquiries through the purchasing contact;
- Any attempt to improperly influence any member of the selection staff including members of the City Council;
- Existence of any lawsuit, unresolved contractual claim or dispute between proposer (and/or its related entities) and the City;
- Evidence of incorrect information submitted as part of the proposal;
- Evidence of proposer's inability to successfully complete the responsibilities and obligations of the proposal; and,
- Proposers' default under any similar agreement, which resulted in termination of such agreement.

Table 1
Procurement Process Schedule

| ACTIVITY | DATE* |
|---|------------------------|
| Release RFP | February 29, 2008 |
| RSVP Deadline for Pre-Proposal Meeting | March 14, 2008 |
| Mandatory Pre-Proposal Meeting | March 20, 2008 |
| Deadline to Submit Written Questions | March 28, 2008 |
| Issuance of City Addenda | April 7, 2008 |
| Deadline to Submit Requests for Clarification of Addenda | April 14, 2008 |
| Issuance of Final City Addenda | April 21, 2008 |
| Proposals Due | April 28, 2008 |
| Evaluation and Interviews of Proposers | April – June 2008 |
| CEQA – Project Level Environmental Review | February – August 2008 |
| Council Study Session (RFP Cost Results – Proposed Ranges and Programs) | May 2008 |
| Council Meeting (Ranking of Proposals and Direction for Negotiations) | June 2008 |
| Negotiate and Finalize Agreement | June – July 2008 |
| Council Meeting to Award Agreement | August 2008 |
| New Services Begin | July 1, 2009 |

* The City may modify this schedule at any time.

Communication: In July 2007, the City Council adopted a resolution that applies to all Palo Alto council members (Covered Parties). That resolution provides:

- Covered Parties are discouraged from accepting contributions by potential proposers and shall be required to disclose such contributions.
- Covered Parties shall disclose any income from a potential proposer.

- Non-public meetings or conversations between potential proposers and Covered Parties are discouraged and shall be disclosed.

Potential proposers are discouraged from distributing information, in any way (by newspaper, radio, television advertisements or interviews, or other methods), concerning this procurement to the residents or businesses in the City or the general public.

No person shall offer, give, or agree to give any City employee any gratuity, discount, or offer of employment in connection with the award of Agreement by the City. No City employee shall solicit, demand, accept, or agree to accept from any other person a gratuity, discount, or offer of employment in connection with a City Agreement.

DISCLAIMER

To the best of the City's knowledge, all data and information provided in this RFP and in subsequent communications are accurate. However, the City is in no way responsible for any inaccurate, inconsistent, or incomplete data or information. In submitting a proposal, each proposer agrees to waive any claims against the City for loss or damages incurred by the proposer for its reliance on data and information contained in the RFP or subsequent communications.

Section II - Description of Current Services and Conditions

DESCRIPTION OF CURRENT SERVICES

Single and multi-family residents and businesses are required to subscribe for and pay for solid waste collection services provided by the current contractor (PASCO, a division of Waste Management Inc.). Section 5.20.020 of the Palo Alto Municipal Code states “...all...such occupants are made liable for the solid waste and recyclable materials collection charges established by the council for the collection, removal and disposal of solid waste and recyclable materials”. In addition, single-family residents subscribing for solid waste collection are offered, but not required to receive recyclable materials and yard trimmings collection services. Businesses receive recycling services from the current contractor but have the option to utilize other collection and processing service providers for source separated recyclable materials.

For assistance in understanding current and future services, Attachment 1 includes the following:

- Attachment 1A Map of the City of Palo Alto – Note distinct service area to west of I-280.
- Attachment 1B Map of 2000 Geng Road Site – See area of the City-owned site that may be available to rent to the contractor.
- Attachment 1C Map of Special Service Areas – Delineates areas of the City that are difficult to serve with conventional route vehicles.
- Attachment 1D Map of Business Districts – Delineates areas of the City in which special conditions apply as discussed in the RFP.
- Attachment 1E Map of Current Residential Routes – Shows current route areas and collection days for residential refuse and recycling, and for some commercial customers.
- Attachment 1F City Budget for PASCO – Provides City’s expenses and compensation for the current contract with PASCO.

Table 2 summarizes the City’s current solid waste, recyclable materials, and yard trimmings collection services provided by PASCO. Attachment 2 provides a more detailed description of these services.

Table 2
Current Basic Services

| Service Type | | Single-Family | Multi-Family | Commercial |
|--------------------------------------|---------------------------|---|---|---|
| Solid Waste | | One collection per week is required | One collection per week is required | One collection per week is required |
| | Frequency | Minimum of once a week with a maximum of six days a week | Minimum of once a week with a maximum of six days a week | Minimum of once a week with a maximum of six days a week |
| | Pickup Location | Side/backyard collection (within 25 feet of the curb) for customer provided cans. Curbside collection for City supplied carts. Side/backyard cart collection services for individuals with physical limitations | Side/backyard collection (within 25 feet of the curb) for customer provided cans. Curbside collection for City supplied carts | Curbside collection (within 25 feet of the curb) for customer provided cans |
| | Can/Cart Sizes | Customer provided 32 gallon cans or City provided carts 20, 32, 64, and 96 gallon. Customer allowed to exchange cart sizes at no additional cost once per calendar year | Customer provided 32 gallon cans or contractor provided carts 32, 64, and 96 gallon | Customer provided 32 gallon cans or contractor provided carts 32, 64, and 96 gallon. Contractor provided 95-96 gallon carts |
| | Bin Service | | Contractor provided 1, 1.5, 2, 3, 4, 5, 6, 8 cubic yard | Contractor provided 1, 1.5, 2, 3, 4, 5, 6, 8 cubic yard |
| | Debris Box Service | 7, 15, 20, 30, 40 cubic yard | 7, 15, 20, 30, 40 cubic yard | 7, 15, 20, 30, 40 cubic yard |
| | Special Services | Alley-ways or private roads extra charge for more than 25 feet | Alley-ways or private roads extra charge for more than 25 feet | 1) Alley-ways or private roads extra charge for more than 25 feet. 2) Compactor service |
| Locks are offered for the containers | | | | |
| C&D Debris Recycling | | Requested service | Requested service | Requested service |
| | Type of Materials | - Mixed debris - Single Source Separated | - Mixed debris - Single Source Separated | - Mixed debris - Single Source Separated |
| | Frequency & Sizes Offered | On call service for debris boxes (7, 15, 20, 30 & 40 cubic yard sizes) | On call service for debris boxes (7, 15, 20, 30 & 40 cubic yard sizes) | On call service for debris boxes (7, 15, 20, 30 & 40 cubic yard sizes) |

Table 2
Current Basic Services (Continued)

| Service Type | | Single-Family | Multi-Family | Commercial |
|--------------------------------------|--------------------|--|---|--|
| Recyclable Materials | | Optional service | Requested service | Requested service |
| | Frequency | Once a week collection | Optional once a week schedule collection with on-call service to specific locations. Optional on-call and weekly cardboard collection Monday through Friday | Optional once a week schedule collection with on-call service to specific locations. Optional on-call and weekly cardboard collection Monday through Friday |
| | Pickup Location | Curbside | | |
| | Type of Materials | Single stream, common materials including plastic containers (1-7), scrap metals, motor oil, oil filters and household batteries | Single stream (common materials including plastic containers (1-7)), and cardboard | Single stream (common materials including plastic containers (1-7)), and cardboard |
| | Cart Sizes | City provided 32, 64, and 96 gallon carts. Customer allowed to exchange cart sizes at no additional cost once per calendar year | City provided 32, 64, and 96 gallon carts. Allowed up to 5 carts for no additional cost | City provided 32, 64, and 96 gallon carts. Allowed up to 5 carts for no additional cost |
| | Bin Service | | Bin service for cardboard (2, 3, 4, 6) and limited quantity of single stream bins (currently only 6) | Bin service for cardboard (2, 3, 4, 6) and limited quantity of single stream bins (currently only 6) |
| | Debris Box Service | Single source separated services in debris boxes (7, 15, 20, 30, & 40 cubic yard sizes) | | Single source separated services in debris boxes (7, 15, 20, 30, & 40 cubic yard sizes) |
| | Special Services | 1) On premise/backyard recycling collection service for residents with physical limitations. 2) Alley-ways and private roads extra charge for more than 25 feet | | Weekly collection of single stream materials from different locations at 21 City parks. Collection of polystyrene and film plastics from City Hall for reuse and/or recycling. |
| Locks are offered for the containers | | | | |

Table 2
Current Basic Services (Continued)

| Service Type | | Single-Family | Multi-Family | Commercial |
|----------------------------------|--------------------|--|---|--|
| Yard Trimmings | | Optional service | Requested service | Requested service |
| | Frequency | Once a week optional service | Optional service | Optional service |
| | Pickup Location | Curbside | | |
| | Type of Materials | Yard trimmings | Yard trimmings | Yard trimmings |
| | Cart sizes | City provided 32, 64, and 96 gallon carts. Customer allowed 3 carts at no additional fee. Customer allowed to exchange cart sizes at no additional cost once per calendar year | 1) Up to three, contractor provided 32, 64, and 96 gallon carts for no additional cost. 2) Must be within existing residential collection route | 1) Up to three, contractor provided 32, 64, and 96 gallon carts for no additional cost. 2) Must be within or next to existing residential collection route |
| | Bin Service | | | |
| | Debris Box Service | | Scheduled debris box service one to three times weekly for 15, 20, & 30 cubic yard sizes | Scheduled debris box service one to three times weekly for 15, 20, & 30 cubic yard sizes |
| | Special Services | 1) On premise/backyard recycling collection service for residents with physical limitations. 2) Holiday tree collection. 3) Alley-ways and private roads extra charge for more than 25 feet | | Florist collection program in carts |
| Locks are offered for containers | | | | |
| Scheduled Clean-Up Program | | Requested service | | Recycle Day Program |
| | Frequency | One appointment annually | | |
| | Pickup Location | Curbside | | |
| | Type of Materials | Unlimited collection of excess debris and household items on the same day as regular solid waste collection; Small or loose items placed in disposable containers weighing less than 60 pounds. Up to four bulky items at less than 200 pounds each and less than 4'X4'X3' | | |
| Requirements for all services | Hours of Work | Six a.m. to six p.m. | Six a.m. to six p.m. | Four a.m. to nine p.m. |
| | Noise Requirement | Chapter 9.10, Title 9 of the Municipal Code - 95 decibels at a distance of 25 feet limit | Chapter 9.10, Title 9 of the Municipal Code - 95 decibels at a distance of 25 feet limit | |

The solid waste collected by PASCO is delivered to the Sunnyvale Materials Recovery and Transfer (SMaRT) Station (SMaRT Station) but the City reserves the option to redirect the loads when appropriate to the City landfill located at 2380 Embarcadero Road. Currently all loads go to the SMaRT Station. The City Landfill is scheduled to close in January 2011, at which time all solid waste will be delivered to the SMaRT Station. The SMaRT Station agreement will expire on October 15, 2021 (if the parties cannot agree on an extension). The City is obligated to deliver a set amount of waste annually to the SMaRT Station and the Kirby Canyon Landfill or pay a fee per ton for each ton short of the City's commitment. Palo Alto's agreement with Waste Management, Inc. to use Kirby Canyon Landfill will expire on October 15, 2021. At that time, the City will have the option to extend the term for an additional 10 years.

Recyclable materials collected by PASCO are transported to the Davis Street Transfer Station and Material Recovery Facility in San Leandro, where materials are processed and marketed.

Yard trimmings collected by PASCO are delivered to the City composting facility at the City Landfill. The City's composting operation is scheduled to close in January 2011 when the City's Landfill closes.

PASCO selects a minimum of six (6) recyclable-rich loads of construction and demolition debris (C&D Debris) per day that are hauled to City-approved processing facilities where at a minimum 70 percent of the load is either reused or recycled. Currently C&D Debris materials are taken to the Guadalupe Rubbish Company. C&D Debris loads that are not "selected" are currently going to the SMaRT Station where, on average, 18 percent of the load is either reused or recycled.

City facilities, parks, and the Palo Alto business districts (refer to Attachment 1D for a map of these business districts) receive solid waste and recyclable materials collection, processing, transportation and disposal service from PASCO.

PASCO operates the City Recycling Center located at the City Landfill under the terms of the existing agreement. The recycling center operates as a drop off facility for reusable and recyclable items receiving approximately 1,749 tons of material from approximately 6,650 customers in fiscal year 2006-07, and accepting:

- Single stream recyclable materials and telephone directories, blueprints, polystyrene foam and peanuts, plastic bags, milk and juice cartons, scrap metal, videos, hardback books, film plastics, appliances, and cooking oil;
- Household Hazardous Waste (HHW) materials including motor oil, motor oil containers, oil filters, antifreeze, auto and household batteries, fluorescent bulbs, and cathode ray tubes; and,
- Reusable items (Goodwill Donation Trailer), tires, and mattresses.

CITY ZERO WASTE POLICY AND OPERATIONAL PLAN

In October 2005, the Council adopted a Zero Waste Resolution and set goals to divert 73 percent of waste by 2011 and to strive for zero waste by eliminating Palo Alto's material sent to the landfill by the end of 2021. The Council also approved the Zero Waste Strategic Plan and directed staff to prepare a waste generation study and a Zero Waste Operational Plan.

In September 2007, the Council adopted a Zero Waste Operational Plan (Attachment 5). The plan includes a description of existing programs and facilities, program options to reach the 73 percent diversion goal and zero waste, the facilities necessary for achieving the City's goals, the policies and incentives to reach beyond maximum recycling and eliminate waste, two zero waste scenarios, and related costs and recommendations. The "Zero Waste Services" described in this RFP come from the Zero Waste Operational Plan.

DEMOGRAPHIC AND COMMERCIAL REAL ESTATE INFORMATION

Tables 3 and 4 present general demographic and commercial real estate information about the City. With regard to new residential development in Palo Alto, the City (between 1997 and 2007) approved a total of 2,536 new single-family and multi-family dwellings. Of that total, approximately 500 units remain under construction and will receive service upon completion. Additionally, the City projects approval of another 250 units of multi-family housing (over three units per acre) by 2010. For more information about the City of Palo Alto, please visit its website at <http://www.cityofpaloalto.org> or the Palo Alto Area Chamber of Commerce at www.PaloAltoChamber.com.

Table 3
City Population and Household Data

| | Population* | Households | Persons per Household |
|-------------|-------------|------------|-----------------------|
| 2000 | 58,598 | 25,216 | 2.33 |
| 2005 | 61,400 | 26,750 | 2.29 |
| 2010 | 64,500 | 27,980 | 2.31 |
| 2015 | 67,700 | 29,360 | 2.31 |
| 2020 | 70,900 | 30,710 | 2.31 |

Source: Association of Bay Area Governments Projections, 2007

* Day time population increases to 120,000 to 150,000.

Table 4
Estimated Commercial Real Estate Information

| Type | Square Footage* |
|-------------------|-----------------------------------|
| Office | Approx. 12 – 15 million sq. ft. |
| Industrial | Approx. 4.5 – 7.5 million sq. ft. |
| Retail | Approx. 2 – 5 million sq. ft. |

Source: Dun & Bradstreet Data

* Vacancy rate information is not available

CURRENT SERVICE DATA

Although the following information presented in this section was obtained from what are considered by the City to be reliable sources, it is presented for information purposes only. Each proposer shall take whatever steps it believes are necessary to reasonably determine the actual service requirements of the City and understand service conditions in the City when preparing a proposal. It is the responsibility of each proposer to undertake, at its sole cost, any verification of this information necessary for it to submit a response to this RFP. Businesses, multi-family complexes, schools and City facilities are combined into a category of “commercial” in the data below.

Table 5
PASCO Tonnage Information

| | FY 2006-07¹ | FY 2005-06 |
|-----------------------------------|-------------------------------|-------------------|
| Solid Waste² | | |
| Residential ³ | 9,249 | 10,933 |
| Commercial ⁴ | 26,875 | 26,628 |
| Roll-Off Loose ⁵ | 8,835 | 9,122 |
| Roll-Off Compacted | <u>6,871</u> | <u>7,051</u> |
| Subtotal | 51,830 | 53,734 |
| Diversion | | |
| Recyclable Materials ⁶ | 14,095 | 13,866 |
| Recyclable Materials - Drop Off | 1,749 | 2,015 |
| Yard Trimmings ⁶ | <u>12,987</u> | <u>12,918</u> |
| Subtotal | 28,831 | 28,799 |
| TOTAL | 80,661 | 82,533 |

1. Fiscal year July – June

2. Source: SMaRT Station

3. Residential includes multi-family units receiving cart and can service

4. Commercial includes multi-family units receiving bin service

5. Source: SMaRT Station and City Landfill

6. Source: PASCO tonnage collected by route trucks

Table 6
Single Family Solid Waste Can and Cart Accounts
(As of October 2007)

| Cans/Cart Per Pickup (32-gallon) | Times Per Week | | | | | Total |
|----------------------------------|----------------|---|---|---|----|---------------|
| | 1 | 2 | 3 | 4 | 5+ | Accounts |
| 20 Gallon | 2,534 | | | | | 2,534 |
| 1 | 10,406 | | | | | 10,406 |
| 2 | 3,674 | 7 | | | | 3,681 |
| 3 | 443 | 3 | | | | 446 |
| 4 | 72 | | | | | 72 |
| 5 | 9 | | 1 | | | 10 |
| 6 | 13 | 3 | | | | 16 |
| TOTAL | | | | | | 17,165 |

Source: Utilities Banner Program data

Table 7
Commercial Solid Waste Can and Cart Accounts
(As of October 2007)

| Cans/Cart Per Pickup (32gallons) | Times Per Week | | | | | Total |
|----------------------------------|----------------|-----------|-----------|----------|-----------|------------|
| | 1 | 2 | 3 | 4 | 5+ | Accounts |
| 1 | 418 | | | | | 418 |
| 2 | 211 | 2 | 3 | | 6 | 222 |
| 3 | 147 | 18 | 12 | 2 | 11 | 190 |
| 4 | 13 | 2 | | 1 | 1 | 17 |
| 5 | 17 | | | | | 17 |
| 6 | 7 | | | | | 7 |
| TOTAL | 813 | 22 | 15 | 3 | 18 | 871 |

Source: Utilities Banner Program data

Table 8
Commercial Solid Waste Bin Accounts
(As of October 2007)

| Bins by Size (cubic yards) | Times per Week | | | | | | Total |
|-------------------------------|----------------|----|----|----|----|----|--------------|
| | 1 | 2 | 3 | 4 | 5 | 6 | Accounts |
| 1 CY | 224 | 35 | 14 | 3 | 4 | 3 | 283 |
| 1.5 CY | 29 | 24 | 10 | 1 | | 1 | 65 |
| 2 CY | 208 | 97 | 62 | 6 | 14 | 15 | 402 |
| 3 CY | 74 | 56 | 45 | 11 | 17 | 6 | 209 |
| 4 CY | 55 | 45 | 39 | 10 | 29 | 9 | 187 |
| 5 CY | 2 | | | 1 | 2 | | 5 |
| 6 CY | 4 | 6 | 8 | 1 | 3 | 5 | 27 |
| TOTAL | | | | | | | 1,178 |

Source: Utilities Banner Program data

Table 9
Commercial Cardboard Bin Service
(As of October 2007)

| Bins by Size (cubic yards) | Times per Week | | | | | | Total |
|-------------------------------|----------------|-----------|-----------|----------|-----------|----------|-------------|
| | 1 | 2 | 3 | 4 | 5 | 6 | Accounts |
| 1 CY | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2 CY | 190 | 20 | 14 | 0 | 12 | 0 | 236 |
| 3 CY | 48 | 8 | 15 | 0 | 7 | 0 | 78 |
| 4 CY | 84 | 18 | 24 | 2 | 20 | 2 | 150 |
| 5 CY | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6 CY | 0 | 2 | 3 | 0 | 3 | 0 | 8 |
| TOTAL | 322 | 48 | 56 | 2 | 42 | 2 | 472* |

Source: PASCO Report commercial bins and number of weekly service

* Approximately 50% of these are serviced on an on-call basis.

Table 10
Commercial Solid Waste Stationary Compactor Service
(As of October 2007)

| Bins by Size (cubic yards) | Times per Week | | | | | Total |
|-------------------------------|----------------|----------|----------|----------|----------|----------|
| | 1 | 2 | 3 | 4 | 5 | Accts |
| 1 CY | 0 | 0 | 0 | 0 | 0 | 0 |
| 2 CY | 2 | 0 | 1 | 0 | 2 | 5 |
| 3 CY | 0 | 0 | 0 | 1 | 0 | 1 |
| 4 CY | 0 | 1 | 1 | 0 | 0 | 2 |
| 5 CY | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 2 | 1 | 2 | 1 | 2 | 8 |

Source: PASCO Report commercial bins and number of weekly service

Table 11
Solid Waste Roll-Off Pulls (Compactor)
December 2007

| Compactor Size (cubic yards) | Number of Weekly Pulls | On Call Pulls (average once every 10 days) | Monthly Average |
|---------------------------------|---------------------------|--|-----------------|
| 12-15 | 3 | | 13 |
| 20 | 1 | | 4 |
| 25 | 1 | | 4 |
| 30-36 | 4 | 6 | 34 |
| 40 | 6 | | 24 |
| TOTAL | 15 | 6 | 79 |

Source: PASCO

Table 12
Roll-Off Pulls (Solid Waste and C&D Debris)

| FY 2005-06 | | |
|-------------------|-------------------------------|----------------------------|
| Month | # of Loads¹ | Daily Average Hauls |
| Jul-05 | 537 | 26 |
| Aug-05 | 644 | 28 |
| Sep-05 | 758 | 26 |
| Oct-05 | 563 | 27 |
| Nov-05 | 497 | 23 |
| Dec-05 | 519 | 24 |
| Jan-06 | 478 | 22 |
| Feb-06 | 474 | 24 |
| Mar-06 | 487 | 21 |
| Apr-06 | 457 | 23 |
| May-06 | 525 | 22 |
| Jun-06 | 563 | 26 |
| FY 2005-06 | | |
| TOTAL | 6,502 | 292 |
| FY 2006-07 | | |
| Month | # of Loads | Daily Average Hauls |
| Jul-06 | 534 | 25 |
| Aug-06 | 592 | 26 |
| Sep-06 | 517 | 25 |
| Oct-06 | 617 | 28 |
| Nov-06 | 502 | 23 |
| Dec-06 | 475 | 23 |
| Jan-07 | 563 | 24 |
| Feb-07 | 464 | 23 |
| Mar-07 | 544 | 25 |
| Apr-07 | 513 | 24 |
| May-07 | 657 | 29 |
| Jun-07 | 650 | 31 |
| FY 2006-07 | | |
| TOTAL | 6,628 | 306 |

Source: PASCO

1. Data is not available by size of box

Table 13
C&D Debris Box Fiscal Years 2005-07

| FY 2005-06 | | | |
|-----------------------------|--------------|-------------------------------|------------------------------|
| Month | Tons | # of Loads¹ | Average Tons per Haul |
| Jul-05 | 460.70 | 123 | 3.75 |
| Aug-05 | 656.62 | 142 | 4.62 |
| Sep-05 | 492.03 | 124 | 3.97 |
| Oct-05 | 584.29 | 134 | 4.36 |
| Nov-05 | 559.88 | 133 | 4.21 |
| Dec-05 | 651.49 | 145 | 4.49 |
| Jan-06 | 582.02 | 127 | 4.58 |
| Feb-06 | 471.23 | 101 | 4.67 |
| Mar-06 | 654.26 | 139 | 4.71 |
| Apr-06 | 613.36 | 136 | 4.51 |
| May-06 | 565.38 | 139 | 4.07 |
| Jun-06 | 607.26 | 129 | 4.71 |
| FY 2005-06 TOTAL | 6,899 | 1,572 | 4.39 |
| FY 2006-07 | | | |
| Month | Tons | # of Loads | Average Tons per Haul |
| Jul-06 | 765.84 | 150 | 5.11 |
| Aug-06 | 710.77 | 161 | 4.41 |
| Sep-06 | 494.84 | 124 | 3.99 |
| Oct-06 | 646.37 | 136 | 4.75 |
| Nov-06 | 412.34 | 107 | 3.85 |
| Dec-06 | 480.3 | 119 | 4.04 |
| Jan-07 | 461.81 | 127 | 3.64 |
| Feb-07 | 501.88 | 125 | 4.02 |
| Mar-07 | 411.81 | 118 | 3.49 |
| Apr-07 | 472.42 | 125 | 3.78 |
| May-07 | 802.78 | 185 | 4.34 |
| Jun-07 | 682.21 | 159 | 4.29 |
| FY 2006-07 TOTAL | 6,843 | 1,636 | 4.18 |

Source: PASCO

1. Data is not available by size of box

Table 14
Inventory of Containers and Other Service Data

| | Solid Waste | Recycling | Yard Trimmings | Cardboard | Total |
|--|-------------|-----------|----------------|-----------|------------------------------------|
| Cans (estimated backyard service) | 9,440 | | | | 9,440 |
| Bins | 1,178 | | | 472* | 1,650 |
| City owned bins | | 12 | | 20* | 32 |
| Customer owned bins | 55 | | | | 55 |
| Boxes (permanent) | | | 7 | | 7 |
| City owned carts: | | | | | |
| 20-gallon inserts | 805 | | | | 805 |
| 32-gallon | 4,320 | 728 | 580 | | 5,628 |
| 64-gallon | 1,410 | 15,110 | 5,861 | | 22,381 |
| 96-gallon | 310 | 4,700 | 14,150 | | 19,160 |
| City owned cart replacement surplus: | | | | | |
| 20-gallon inserts | 320 | | | | 320 |
| 32-gallon | 20 | 147 | 95 | | 262 |
| 64-gallon | 40 | 1,152 | 229 | | 1,421 |
| 96-gallon | 90 | 75 | 850 | | 1,015 |
| 64-gallon used for Special Events | | 20 | | | 20 |
| 96-gallon used for Special Events | | 50 | | | 50 |
| Other: | | | | | |
| 95-96 gallon | 296 | | | | 296 |
| Cart exchanges per month | 40 | | | | 40 |
| Number of businesses serviced in non-standard containers (i.e., plastic bags) | 4 | | | | 4 |
| Number of curbside set outs with overflow of yard trimming and recyclables (in non-standard containers): | | | | | Less than one percent of customers |
| HHW collected curbside per month: | | | | | |
| Oil (gallons) | | | | | 175 |
| Oil filters | | | | | 80 |
| Batteries (pounds) | | | | | 1,600 |
| Receptacles: | | | | | |
| Parks (weekly service) | | 78 | | | 78 |
| Business Districts (weekly service) | 207 | 4 | | | 211 |
| Bus Stops (weekly service) | 20 | | | | 20 |

Source: PASCO

* Approximately 50% are serviced on an on-call service.

Note: Refer to draft Agreement Attachments F & H for containers that are City-owned and Contractor provided.

Table 15
Clean Up Day Program Data

| | 2005 | 2006 |
|--|-------|-------|
| Number of households requesting service | 1,434 | 1,366 |
| Cubic yards of solid waste collected (Not including Bulky items) | 3,351 | 3,442 |
| Average cubic yards per household | 2.33 | 2.51 |
| Number of bulky items collected (i.e., furniture, appliances) | 2,349 | 1,569 |
| Average of bulky item collected per household | 1.63 | 1.14 |

Source: PASCO

Data is based on Calendar Year

BILLING PROCESS

The City performs all billing services and maintains account billing and service level data. Customers without existing billing accounts requiring temporary refuse services are billed by PASCO. PASCO currently provides all customer service data to the City's billing database and maintains duplicative data on account service levels. See Sections 4.16 and 8.03 of the Agreement.

CUSTOMER SERVICE AND PUBLIC EDUCATION

The contractor performs customer service functions (e.g., receipt, recording, and resolution of complaints). These responsibilities are generally detailed in Article 4 of the Agreement.

The City separately maintains a recycling public education and outreach staff. Examples of staff duties include:

- Creating educational tools (newsletters, ads, utility bill announcements/inserts, brochures, articles, banners, television spots, radio spots and ads);
- Answering public questions (phone calls, attending special events, staffing tables, emails, and letters);
- Managing contracts (Graphic artist, mascot contract);
- Participating in regional waste prevention events (county and associations);
- Communicating with businesses (which include City Facilities);
- Creating recycling reports;
- Reviewing and evaluating commercial project plans from the Planning Department;
- Giving presentations; and,
- Working with volunteers (backyard composting and schools) and other projects as assigned.

CURRENT RATES

The current rates for collection services are shown in Attachment 3 of this RFP.

CURRENT GENERATION, DIVERSION, AND DISPOSAL INFORMATION

The City reached a 63 percent diversion rate in 2005. The City's solid waste generation, disposal, and diversion tons for 2005 are as follows:

| | | |
|------------|---|--------------|
| Diversion | = | 118,919 tons |
| Disposal | = | 69,491 tons |
| Generation | = | 188,410 tons |
| Diversion | = | 63 percent |

CUSTOMER PUBLIC OPINION SURVEY

The City periodically conducts bi-annual public opinion surveys to assess residential and commercial customers' satisfaction level with the current collection services being provided and their satisfaction level with the current hauler. The high level of customer satisfaction, demonstrated by the results, characterize the high level of service customers have come to expect. The public opinion survey results are included in Attachment 4.

Section III - Scope of Requested Services

The City is requesting proposals to provide single-family, multi-family, and commercial solid waste, recyclable materials, and organic materials services and other services commencing July 1, 2009 for a base term of 8 years and a maximum term of 12 years as described in the Agreement (Attachment 6). The scope of services is summarized in this section. A more detailed description is contained in the Agreement (Attachment 6). To the extent there are any inconsistencies between this summary list and the Agreement, the Agreement will prevail.

THREE SCENARIOS

The City is seeking proposals for three different scenarios. Each scenario is identified in the list below and then described in more detail.

- Scenario 1: Baseline Services – these include services being provided by the current contractor.
- Scenario 2: Zero Waste Services – these include the six specific additional services that are intended to implement elements of the City's Zero Waste Operational Plan.
- Scenario 3: Other Service Innovations – these include the proposer's additional approaches to maximizing the diversion of materials from landfill disposal in furtherance of the City's Zero Waste Policy and Zero Waste Operational Plan

Proposers are required to address Scenarios 1 and 2. Scenario 3 is optional.

Scenario 1: Baseline Services

The contractor shall collect from single-family, multi-family, and commercial customers solid waste, recyclable materials, and yard trimmings. The standard location for collection of containers from single-family customers shall be curbside, although such customers may receive side/backyard service for which they may be charged an additional fee. Similarly, customers requesting service on private streets, alley-ways or difficult to service areas may pay an additional fee depending on the proposed costs received through the RFP process. The contractor shall deliver all the solid waste loads to the SMaRT Station but the City reserves the option to redirect the loads when appropriate to the City landfill located at 2380 Embarcadero Road in Palo Alto. The City's landfill is currently projected to close in January 2011. The contractor shall collect yard trimmings and transport them to the City's composting facility at the City landfill, until that operation ceases. Thereafter, the yard trimmings can be delivered to the SMaRT Station unless the City directs that the material processing stay local. The contractor shall collect and transport recyclable materials to a contractor-proposed and City-approved processing site.

In addition to the collection and transportation of solid waste, single stream recyclable materials, and yard trimmings from single-family, multi-family, and commercial accounts, the contractor shall provide the following services:

- Side/backyard collection services for recycling, solid waste and yard trimmings for individuals with physical limitations.
- Collection of solid waste using debris boxes (7, 15, 20, 30 and 40 cubic yard).
- Collection of C&D Debris using specially labeled debris boxes (7, 15, 20, 30, and 40 cubic yard) and transportation of these materials to an appropriate processing facility. For purposes of this RFP, an appropriate processing facility is one which is capable of recovering a minimum of 70 percent of the materials from each mixed C&D Debris load for reuse and/or recycling and a minimum of 90 percent from each source separated C&D load.
- Weekly bin and cart collection of single stream recyclables from multi-family and commercial customers, including all schools and occupied City buildings (from bins ranging in sizes of one to four cubic yards and multiple sized carts to correspond to sizes available for single family customers).
- Weekly collection of yard trimmings from florists and nurseries in Palo Alto.
- Annual Clean-up Day Program – Curbside collection of excess debris, bulky items, and household items for single-family homes and multi-family complexes with four units or less. Bulky items are collected for reuse or recycling. Contractor shall provide one appointment (on the regular collection day) per calendar year.
- Other Receptacle Collection-Related Services:
 - Weekly collection of single stream recycling receptacles from locations within 21 City parks.
 - Collection of recyclables once per week from four downtown locations.
 - Collection of solid waste from approximately 207 public receptacle locations and 20 bus stop locations.
 - Cleaning of all public receptacle containers located in the business district twice per month.
- Curbside collection of motor oil, oil filters, and batteries from single family customers and transportation to City designated and acceptable processing location.
- Collection of a 30 cubic yard debris box for solid waste and two 4 cubic yard bins for cardboard at the City's Household Hazardous Waste events (approximately 12 annually), including delivery and transportation of containers, and processing of cardboard. The 30 cubic yard box of solid waste shall be disposed at the City's Landfill until that operation ceases; thereafter the City will redirect the load from the HHW events to be disposed at the SMaRT Station or at the Kirby Canyon Landfill.
- Collection of shared, slotted, and locked bins for recycling in the commercial sector (approximately 15 locations).
- Collection and recycling of pallets from commercial businesses.
- Collection, processing and marketing for reuse or recycling of polystyrene and film plastics at City Hall.
- Litter abatement during collection (see Section 4.12 of the Agreement).

- Planning, delivery, transportation, collection, and processing of recycling, solid waste, and organic service at all special events (approximately 16 annually) in the City using contractor-provided containers.
- Various audits that include: performance; route; waste generation/characterization on single stream recycling; green business certifications; program evaluation; and, customer public opinion survey.
- On-call Recycling Cleanout Service with not less than two 2-cubic yard for businesses and schools.
- Provide all customers with one exchange (substitution) of cart sizes per year at no charge.
- Purchase and distribute “recycling buddies” for multi-family customers (approximately 10,000 containers).
- Review construction and remodel blueprint plans for adequate storage of solid waste and recyclables containers and for collection vehicle access (approximately 50 annually).
- For commercial customers with space constraints, provide alternative collection containers for solid waste, recycling and organics collection. Some businesses in the downtown business district without alley-way access now have alternative methods of collection such as set-out of plastic bags on the main streets.

In addition to the services described above, the contractor shall provide the following customer service and reporting activities:

- A local business office.
- Monthly, quarterly, and annual reporting to the City, describing operations and providing service information in a format approved by the City.

Scenario 2: Zero Waste Services

In support of its “Zero Waste Policy”, on September 17, 2007, the City Council adopted its Zero Waste Operational Plan (ZWOP). The ZWOP included the following six specific programs, and proposals for these services are being requested. Note that proposers shall address how they will provide further options for collection from businesses located in the downtown business district and that have space or other constraints to reflect the addition of expanded and new services that will result in additional containers:

2.1 Expanding Organics Materials

Commencing July 1, 2009, the contractor shall expand collection of organics (that currently includes yard trimmings to add food scraps, compostable paper, untreated wood, untreated wallboard, and other compostables) placed in both carts and bins from all commercial customers (includes multi-family). The contractor may propose its or a subcontractor’s processing site, which shall be subject to City approval.

Commencing July 1, 2010, the contractor shall expand the collection of organics (that currently includes yard trimmings to add food scraps, compostable paper, untreated wood,

untreated wallboard, and other compostables) placed in carts from residential customers. The contractor may propose its or a subcontractor's processing site, which shall be subject to City approval.

2.2 Expanding Single Stream Materials

Commencing July 1, 2009, the contractor shall add at a minimum:

- Textiles and hardcover books to the materials included for single stream collection.
- Milk and juice containers (gabled tops) to the materials included for single stream collection.

2.3 Expanding Clean-Up Day Collection for Reuse and Recycling

Commencing July 1, 2009, the contractor shall expand the current Clean-Up Day program to collect materials from all customers for the purpose of reuse and recycling.

2.4 Enhancing Recycling Through Mandatory Participation

To reach the City's Zero Waste goals, the City's ZWOP recommended requiring single family, multi-family, and commercial customers to participate in the recycling and composting collection programs. This mandatory participation program requires customers to place recyclables and compostable materials in the appropriate collection containers. The City is asking the contractor to implement this program, starting on July 1, 2009. Program elements of the mandatory participation program include:

- In the first year, commencing July 1, 2009, the contractor shall educate customers on how to comply with mandatory participation and phase-in schedule requirements;
- In the second year, commencing July 1, 2010, the contractor shall notify customers who fail to separate recyclable and compostable materials from solid waste with a warning;
- In the third year, commencing July 1, 2011, the contractor shall assist the City in enforcing fines or penalties if customers fail to separate recyclable and compostable materials from solid waste.

2.5 Increasing C&D Debris Diversion

Commencing July 1, 2009, contractor shall collect and transport all roll-off boxes to a proposer-selected and City-approved processing facility(ies) capable of recovering a minimum of 70 percent of the materials from each mixed C&D debris load for reuse and/or recycling and a minimum of 90 percent from each source separated C&D load.

2.6 Enhancing Commercial Recycling

Commencing July 1, 2009, contractor shall provide public education, purchase new carts and bins, and roll-out single stream recycling services to all commercial customers. Commercial customers will be allowed to opt out of the program if they fill out an appropriate City approved form prior to delivery of containers.

Scenario 3: Other Service Innovations

The City of Palo Alto reached a 63 percent diversion rate in 2005. The ZWOP goals are 73 percent diversion by 2011 and to strive for zero waste by eliminating materials sent to landfill by 2021. The City is seeking proposals that include additional services that the proposer believes shall adequately contribute to increasing the City's total diversion levels (above 63 percent between 2009-2011, and above 73 percent after 2011) for the contractor-controlled streams of materials. These may include, but are not limited to, alternative business terms; additional, alternative, or enhanced programs; and, services and/or facilities.

OTHER SERVICES

Processing Proposals

Proposers presenting proposals for collection services must include arrangements for processing services, as applicable and as discussed in Section IV. In such case, processing may occur at a facility owned and/or operated by proposer or subcontractor. The City prefers one Agreement for all services; however, the City will consider proposals with separate agreements and terms for processing facilities.

Transportation & Disposal Services

Contractor shall be responsible for delivering solid waste to landfills and/or transfer stations as directed by the City. It will be the City's responsibility to identify and secure disposal capacity. At the commencement of the Agreement, the contractor shall deliver the waste materials to the SMaRT Station in Sunnyvale unless redirected by the City to the City landfill at 2380 Embarcadero Road.

Corporation Yard

The City requires proposer to own, lease, or have an option to purchase or lease the property to be used for staging equipment and personnel, equipment maintenance, administrative and customer service office, storage of containers and recyclable materials processing. A portion (approximately 90 percent of one (1) acre) of PASCO's current operational yard located at 2000 Geng Road may be available to rent to a future contractor for discrete operations (e.g., storage of

containers). When preparing cost proposals, proposers shall assume a rental rate of \$12,150 per month.

OTHER CONDITIONS

Environmental Impact

The City wishes to minimize the environmental impacts of the collection fleet including efficient routing of vehicles, minimizing hauling distances, reducing traffic congestion, and minimizing collection noise. As one element of mitigating adverse environmental impacts, proposers shall submit a plan addressing ways to minimize environmental impacts, including but not limited to, the use of clean alternative fuel vehicles, and improved routing efficiencies.

Offer of Employment

The City's future contractor shall offer employment to displaced workers currently employed by the City's current contractor at equivalent wages and benefits to the extent such displaced workers are needed to perform the services described in the attached Agreement. As part of that effort, the future contractor shall be required to compensate its employees in accordance with the wages and benefits then in effect at the current contractor. However, the future contractor is not required to: (a) displace any of its current employees; (b) modify its current job performance requirements or employee selection standards; or, (c) offer employment to more of the displaced workers than are needed to perform the services required under the Article 4 of the Agreement.

Section IV - Proposal Requirements

This section includes an outline for the proposal as well as a description of the specific information to be included in each section of the proposal. At a minimum, the proposer shall provide all information required in this section as part of its proposal. Proposals shall focus on demonstrating the proposer's ability to fulfill the obligations of the Agreement.

PROPOSAL OUTLINE

The following outline shall be used by proposers when completing their proposals:

- i. Title Page
 - ii. Cover Letter (signed by the designated representative shown on Secretary's Certificate, Attachment 8, authorized to bind the proposing company)
 - iii. Table of Contents
- 1.0 Company Description
 - 1.1 Business Structure
 - 1.2 Description of Proposer's Experience
 - 1.3 Description of Proposer's Service Initiation Experience
 - 1.4 Information Regarding Litigation, Regulatory Actions, and Payment of Liquidated Damages
 - 1.4.1 Criminal Proceedings
 - 1.4.2 Civil Litigation
 - 1.4.3 Administrative Proceedings
 - 1.4.4 Payment of Liquidated Damages
 - 1.4.5 Worker Safety
 - 1.4.6 Customer Service
 - 1.5 Financial Information
 - 1.5.1 Financial Statements
 - 1.5.2 Financing Plan
 - 1.6 Key Personnel
 - 1.7 Effective Human Resources Management
 - 1.8 Subcontractors
 - 2.0 Technical Proposal for Baseline Services (Scenario 1)
 - 2.1 Solid Waste Collection
 - 2.2 Recyclable Materials
 - 2.2.1 Collection
 - 2.2.2 Processing
 - 2.2.3 Marketing
 - 2.3 Yard Trimmings/Organics
 - 2.3.1 Collection
 - 2.3.2 Processing

- 2.3.3 Marketing
 - 2.4 C&D Debris Recycling Service
 - 2.4.1 Collection
 - 2.4.2 Processing
 - 2.4.3 Marketing
 - 2.5 Annual Clean-Up Program
 - 2.6 Park Recycling Container Collection
 - 2.7 Downtown Recycling Container Collection
 - 2.8 Refuse Collection from Public Locations and Bus Stops
 - 2.9 Cleaning of Public Refuse and Recycling Containers in the Business Area
 - 2.10 Collection at Special Events
 - 2.11 Refuse and Cardboard Recycling for HHW Events
 - 2.12 Annual Waste Audits
 - 2.13 On-Call Recycling Clean-Out Service
 - 2.14 Implementation & Transitional Plan
 - 2.15 Billing
 - 2.15.1 Compliance with Data Management Requirements
 - 2.15.2 Customer Data Tracking Requirements
 - 2.16 Customer Service
 - 2.17 Environmental Impacts
 - 2.18 Public Education and Outreach
 - 2.19 Subcontractors
 - 2.20 Facilities Related to Collection Services
 - 2.21 Diversion Incentive
- 3.0 Technical Proposal for Zero Waste Services (Scenario 2)
- 3.1 Expanding Organic Materials
 - 3.1.1 Collection
 - 3.1.2 Processing
 - 3.1.3 Marketing
 - 3.2 Expanding Single Stream Materials
 - 3.3 Expanding Clean-Up Day Collection
 - 3.4 Implementation of Mandatory Participation
 - 3.5 Increasing C&D Debris Diversion
 - 3.6 Enhancing Commercial Recycling (Universal Service)
 - 3.7 Other Commercial Considerations
- 4.0 Technical Proposal for Other Service innovations (Scenario 3) – Optional
- 5.0 Processing Proposals
- 6.0 Cost Proposals
- 6.1 Baseline Service Cost Proposal Forms (Scenario 1)
 - 6.2 Zero Waste Cost Proposal Forms (Scenario 2)
 - 6.3 Other Service Innovations Cost Proposal Forms (Scenario 3)

- 7.0 Acknowledge Addenda Receipt
- 8.0 Exceptions to Agreement and RFP
- 9.0 Secretary's Certificate
- 10.0 Anti-Collusion Affidavit

1.0 COMPANY DESCRIPTION

1.1 BUSINESS STRUCTURE

- Identify the legal entity(ies) that will execute the Agreement. State whether each entity is a sole proprietorship, partnership, corporation, or joint venture. Describe in detail the relationship of the proposer to the executing entity. If the proposer is a joint venture, describe where the entities have collaborated before.
- State the number of years the entity(ies) have been organized and doing business under this legal structure. The proposal shall include all the names of proposer's (and executing entities' if different than proposer's) owners/stockholders with greater than a 10 percent holding and creditors owed a debt greater than 10 percent of the company's total assets and the names of other businesses with common ownership and management.
- Identify other entities with common ownership and/or management.
- If the proposer is a foreign corporation, LLC, or partnership, provide evidence it is qualified to do business in California.

1.2 DESCRIPTION OF PROPOSER'S EXPERIENCE

Describe the proposer's experience in serving jurisdictions in California that are of similar or larger size (i.e., population of 50,000 to 70,000 or more) and demographics to the City and where proposer provides services similar to those being procured through this RFP. The description shall include:

- The service(s) performed (i.e., solid waste collection and disposal, recyclable materials, and organic materials collection and processing);
- The jurisdiction where the activities were performed and commencement date of the agreement;
- The name, address, and telephone number of each jurisdiction representative responsible for administering the agreement;
- The number of single family and commercial customers served, material type collected, tons collected by material type, tons diverted, State-approved diversion level for 2005, and type and number of vehicles dispatched per day for solid waste, recyclable materials, and organic materials services; and,

- The term (start and end date) of the agreement.

1.3 DESCRIPTION OF PROPOSER'S SERVICE INITIATION EXPERIENCE

Describe how the proposer has previously handled similar requirements of other jurisdictions for the procurement of vehicles and personnel, training of personnel, billing and fee collection services, determination of routes and operating procedures, delivery of containers, public education, and the preparation of procedures to ensure a smooth transition from one company to another and one type of service to another.

Include descriptions of solutions to common problems that occur during transition (e.g. inaccurate customer lists, lack of coordination of the removal and replacement of containers, service day changes, missed streets at the beginning of a contract, large number of customer calls in the beginning of the agreement, etc.). Include descriptions of any other problems and solutions from previous initiations of agreements.

Also include a minimum of three references of jurisdictions for which the proposer has initiated a new collection agreement, and/or new collection services. Describe the number of residential and commercial accounts for each reference. List the problems that occurred during the initiation of the new agreement and solutions implemented to solve the problem(s).

1.4 INFORMATION REGARDING LITIGATION, REGULATORY ACTIONS, AND PAYMENT OF LIQUIDATED DAMAGES

1.4.1 CRIMINAL PROCEEDINGS

Describe any criminal proceedings in which the proposer, any affiliate of the proposer, and/or any director or officer of the proposer or affiliate (with respect to their actions in such capacity), and any individual identified as key personnel in the proposal has been named as a defendant that are either currently pending or were concluded within the past five (5) years. For each proceeding, provide the name of the case, the court in which it was filed, the docket number, and the disposition.

1.4.2 CIVIL LITIGATION

Describe any lawsuit in which the proposer, or any affiliate of the proposer, has been named as a defendant or cross-defendant, either currently pending or were concluded within the past five (5) years. For each lawsuit, provide the name of the case, the court in which it was filed, the docket number, and the disposition. Lawsuits which involved only claims for personal injury or property damage arising from vehicle accidents which resulted in defense verdicts or in judgments against defendant, or settlements of less than \$10,000, need not be disclosed.

1.4.3 ADMINISTRATIVE PROCEEDINGS

Describe any administrative proceedings involving the proposer or any affiliate initiated by federal, state, or local regulatory agencies (including, by way of

example, the United States Environmental Protection Agency, the California Integrated Waste Management Board, the California Department of Toxic Substances Control, the California Highway Patrol, the California Department of Motor Vehicles, the California Department of Industrial Relations, the State Water Resources Control Board, or any regional water quality control board) that are either currently pending or were concluded within the past five (5) years. For each, provide the name of the agency, the office or District in which the proceeding occurred, the nature of the proceeding, the disposition, and the amount of any fines or penalties assessed.

1.4.4 PAYMENT OF LIQUIDATED DAMAGES

List each jurisdiction in California (e.g., city, county, special district, or JPA) which has assessed liquidated damages against the proposer, or any affiliate of the proposer, within the past five (5) years in an amount greater than \$50,000. For each jurisdiction, list the amount of liquidated damages paid and the event initiating contractual liability for liquidated damages.

1.4.5 WORKER SAFETY

For the proposer, and any affiliate of the proposer, provide information detailing its worker safety record for the past five (5) years. The information shall include employee safety metrics commonly used in the industry including, but not limited to, the number of hours lost for individual injuries per employee and workers' compensation insurance ratios.

1.4.6 CUSTOMER SERVICE

For the proposer, and any affiliate of the proposer, provide information detailing deficiencies in compliance with contractually stipulated customer service requirements for the past five (5) years. The information shall include a description of the areas of customer service that were not complied with, the duration and scope of the non-compliance, and how the contractor addressed and/or resolved the problems.

1.5 FINANCIAL INFORMATION

1.5.1 FINANCIAL STATEMENTS

Submit audited financial statements for the most recently completed three fiscal years for the legal entities (described in 1.1 above) that will execute the Agreement. All such statements shall be prepared in accordance with Generally Accepted Accounting Principles applied on a consistent basis and shall be audited in accordance with Generally Accepted Auditing Standards by an Accountant certified in the State of California and shall include a statement by the chief financial officer of the entity described in 1.1 above that there has been no material adverse change in such condition or operations as reflected in the submitted balance sheet and income statements since the date on which they were prepared.

1.5.2 FINANCING PLAN

Describe the plan for financing all capital requirements (i.e., those listed in Attachment 7, Form 4) in a "Sources and Uses of Funds" format, which describes the sources of required capital (e.g., banks, leasing companies, cash reserves, etc.) and uses (e.g., property, trucks, equipment, containers, reserves, etc.). Attach supporting documents (e.g., letters from banks or leasing companies) that demonstrate your ability to implement the financing plan.

1.6 KEY PERSONNEL

Provide an organization chart for key personnel and job descriptions indicating the qualifications and experience of key personnel the proposer will assign to the transition team and to the ongoing management of the services provided under the Agreement. Specify the amount of time each individual shall be dedicated to work on the City Agreement. Provide résumés, names, and phone numbers of municipal references of the key proposed management team members (e.g., customer service manager, general manager, maintenance manager, operations manager, financial manager, public education specialist, etc.) that will fill these positions. Indicate which positions will, in the opinion of the proposer, be considered "key" in providing service of this nature. At a minimum, key personnel shall include the chief executive officer (CEO), chief financial officer (CFO), president, vice-president, controller, general manager, operations manager, customer service manager, maintenance manager, public education specialist, or other personnel with similar titles.

1.7 EFFECTIVE HUMAN RESOURCES MANAGEMENT

The City has determined that the high quality service and customer satisfaction that it wishes to maintain and continue to improve under the proposed Agreement is significantly dependent upon the contractor's effective human resources management. The City frequently receives complimentary comments from its residents concerning the performance of the current workforce with respect to both its perceived efficiency and customer-friendly demeanor.

Proposers shall include in its proposal a detailed description of its human resource philosophy and the programs and policies that it plans to implement to maintain and improve the positive working environment and effective workforce performance that now prevails. Proposers shall include a description of any programs or policies that it has implemented in the past, what has worked, what has not, and what it has learned from the latter. Proposers shall describe its proposed grievance policy or procedure and what experience it has had with it or similar policies in the past. Each proposal shall also describe any prior experience it has had with absenteeism and how it has dealt with such issues in the past.

Proposers shall make available copies of its current collective bargaining agreements for review by the City within three business days of its written request.

1.8 SUBCONTRACTORS

Proposers shall disclose proposed subcontractors and the scope of work each will be responsible for. Agreements with the subcontractor(s) must meet the requirements of the level and type of insurance specified in Section 10.02 E of the Agreement.

2.0 TECHNICAL PROPOSAL FOR BASELINE SERVICES (SCENARIO 1)

Proposers shall provide the information requested below, for both standard and alternative fuel vehicles when appropriate. Proposers shall review and consider Attachment 2, Current Collector Services Information, and Article 4 of Agreement when describing approach to provide all Baseline services. Proposers shall describe approach to providing all customers the ability to switch carts (once per year at no cost to customer) for each material type.

2.1 SOLID WASTE COLLECTION

Proposers shall describe how it plans to perform the solid waste collection services requested in the RFP and described in the Agreement. Specifically, information shall separately address single-family services, multi-family services, commercial services, debris box and compactor services, City facilities, and special events. In order to minimize costs, it is assumed that the standard location of residential containers will be curbside. For the same reason, it is assumed that all collection from single family customers shall be from public street frontages. For an additional fee (intended to fully recover the incremental costs of service) single family customers could subscribe to side/backyard, private street, and alley-way service. Commercial customers, including multi-family customers, may be serviced in the public alleys, except for those with space constraints in the downtown business district which may receive service on main streets.

Include in your description, at a minimum:

- Collection methodology, including route planning, discussion of special methods for collecting in narrow streets, courts, heavily parked areas, tree lined streets with low hanging wires, and alley-ways;
- Estimated annual tons of solid waste collected by source;
- Equipment to be utilized (e.g. equipment/vehicle description, number, types, cost, capacity, and number of spares, etc.); all of which must reasonably be anticipated to provide service throughout the term of the Agreement;
- Manufacturer's specifications for collection vehicles;
- Standard crew size;
- Number, types, size, costs, and manufacturer's specifications of containers to be utilized;
- Location for equipment, containers, fueling and personnel staging;

- Maintenance facilities location and description of services to be handled;
- Preventive maintenance program for equipment;
- Office location for management and administration operations;
- Personnel training (including, but not limited to, operational training, safety training programs, compliance with Equal Employment Opportunities (EEO), the Americans with Disabilities Act (ADA), and training-meeting frequencies);
- Vehicle noise and emission reduction plan;
- Plan for staff uniforms and equipment (including cleaning frequencies) to community;
- Approach for customers changing from side/backyard collection to curbside; and,
- For commercial customers with space constraints, provide alternative collection container [see information in Section III, Scenario 1 discussion].

If the proposed methodology or equipment can be considered non-standard (e.g., co-collection vehicles with split compartments), proposer must provide the names of jurisdictions where the proposed equipment is currently being used as it is proposed. Also, describe in detail how this collection technology shall work, why it was chosen for the City, and how it shall benefit and work in the City specifically.

2.2 RECYCLABLE MATERIALS

2.2.1 COLLECTION

Proposer shall describe how it plans to perform each of the services requested in the RFP and described in the Agreement. Specifically, information shall separately address single-family services, multi-family services, commercial services, use of debris boxes, and compactors for recycling, City facilities, and special events. Include at a minimum:

- Collection methodology, including route planning, discussion of special methods for collecting in narrow streets, courts, heavily parked areas, tree lined streets with low hanging wires, and alley-ways;
- Estimated annual tons of recyclables collected by source;
- Approach to collecting pallets from businesses and diverting these from landfill disposal.
- Equipment to be utilized (e.g. equipment/vehicle description, number, types, cost, capacity, and number of spares, etc.); all of which must be reasonably expected to provide service throughout the term of the Agreement;
- Manufacturer's specifications for collection vehicles;
- Standard crew size;

- Types, sizes, costs, number, and manufacturer's specifications of containers to be utilized.
- Location for equipment, containers, fueling and personnel staging;
- Maintenance facilities location and description of services to be handled;
- Preventive maintenance program for equipment;
- Office location for management and administration operations;
- Personnel training (including, but not limited to, operational training, safety training programs, compliance with EEO and ADA, and training-meeting frequencies);
- Noise and emission reduction plan;
- Plan for staff uniforms and equipment (including cleaning frequencies) to community;
- Approach to collection of slotted and locked bins used for cardboard recycling in the commercial sector;
- Approach in the collection and marketing of polystyrene and plastic film from City Hall;
- Approach for purchase and distribution of recycling buddies for multi-family customers;
- Approach in the collection of recycling cleanout services from businesses and schools; and,
- Approach in the review of construction and remodel blueprint plans for adequate storage of containers and vehicle access.

If the proposed methodology or equipment can be considered non-standard (e.g., co-collection vehicles), proposer must provide the names of jurisdictions where the proposed equipment is currently being used as it is proposed. Also, describe in detail how this collection technology will work, why it was chosen for the City, and how it will benefit and work in the City specifically.

2.2.2 PROCESSING

Proposers shall describe how the processing requirements in Section 5.0 of the RFP will be met. The following information is required for recyclable materials services:

- Estimated annual tons by type of recyclable materials that will be collected (by source), processed, and marketed and estimated residue;
- Name and description of transfer and processing facility(ies) where recyclable materials will be handled, name of owner and operator of the facility(ies), copy of facility(ies) permits, proof of permitted capacity, CEQA review documentation for processing site; gross processing fee per ton, anticipated revenue/cost per ton, tonnage commitment for the term of the Agreement, and

method of tracking tonnage if the facility is receiving tonnage from other jurisdictions;

- If the proposer is not the owner/operator of the processing facility, provide a letter of commitment for the term of the Agreement, describing key terms of the processing agreement from the processing facility owner/operator;
- Describe processing method;
- Describe types of acceptable materials to be processed and how they will be prepared for marketing. Describe the benefits, limitations, contamination issues, and markets that will impact the program;
- Provide annual average residue rates for the facility over the last three years of each processing facility proposed; state where and how the residue will be disposed;
- Provide a list of other agencies and private companies using the facility;
- Describe any plans for expansion or changes to the facility;
- Labor force in terms of number of employees and description of any collective bargaining agreements;
- Hours of operation, number of days open per year, holidays closed;
- Number of violations received in the last three years and for what reason;
- Describe verification to be provided to City that materials were recycled;
- Describe a process for reporting additional residue to the City once materials are received by recyclers (e.g., mill reports); and,
- Describe the contingency plans should operations at the facility be curtailed for any reason.

2.2.3 MARKETING

Proposer shall describe its recyclable materials marketing plan, including the following information:

- Describe the marketing methods and approach (e.g. long-term contracts), targeted primary and contingent markets (specifically who materials will be sold to), pricing policy and assumed salvage value for each collected type of recyclable materials products (supported by average monthly prices by type and grade of material over the past 12 months);
- Describe how fluctuations in quantity and composition of recyclable materials will be handled;
- Describe how severe market demand and pricing fluctuations will be handled, (this will include, but not be limited to, describing how emergency storage of recyclable materials will be provided);
- Describe how the City will be assured, throughout the term of the Agreement, that no recyclable materials (except for insignificant amounts of

contamination and residue specified by the proposer) will be disposed throughout the processing and manufacturing process;

- Describe the markets used by the processor;
- Specify which materials will be marketed in the United States versus Asian or other foreign markets;
- Describe how the processor ensures that these materials are recycled after being processed including plan to obtain the highest and best use of materials; and,
- Describe any subsidized revenues such as CRV and grant revenues or credits.

2.3 YARD TRIMMINGS/ORGANICS

Under Scenario 1, the City will direct the flow of yard trimmings to the City landfill and/or to the SMaRT Station. Thus, for Scenario 1, proposer responsibilities for the processing and marketing of organics (see 2.3.2 and 2.3.3) apply only to food scraps collected from special events.

2.3.1 COLLECTION

Proposer shall describe how it plans to perform the services requested in the RFP and described in the Agreement. Specifically, information shall separately address single-family services, multi-family services, commercial services (including florists), use of debris boxes and compactors for these materials, City facilities, special events (including collection of food waste), and holiday tree collection. Include at a minimum:

- Collection methodology, including route planning, discussion of special methods for collecting in narrow streets, courts, heavily parked areas, tree lined streets with low hanging wires and alley-ways;
- Estimated annual tons of material collected by source.
- Equipment to be utilized (e.g. equipment/vehicle description, number, types, cost, capacity, and number of spares, etc.); all of which must be reasonably expected to provide service throughout the term of the Agreement;
- Manufacturer's specifications for collection vehicles;
- Standard crew size;
- Types, costs, number, and manufacturer's specifications of containers to be utilized;
- Location for equipment, containers, fueling and personnel staging;
- Maintenance facilities location and description of services to be handled;
- Preventive maintenance program for equipment;
- Office location for management and administration;

- Personnel training (including, but not limited to, operational training, safety training programs, compliance with EEO and ADA, and training-meeting frequencies);
- Sample of instructions which must be conveyed to participants; and,
- Vehicle noise and emission reduction plan.

If the proposed methodology or equipment can be considered non-standard (e.g., co-collection vehicles with split compartments), proposer shall provide the names of jurisdictions where the proposed equipment is currently being used as it is proposed. Also, describe in detail how this collection technology will work, why it was chosen for the City, and how it will work in the City specifically.

2.3.2 PROCESSING

The following information is required for processing of food scraps collected at special events:

- Estimated annual tons that will be collected, processed, marketed, and estimated residue;
- Name and description of transfer and processing facility(ies) where food scraps will be processed, name of owner and operator of the facility(ies), copy of facility(ies) permits, proof of permitted capacity, CEQA review documentation for processing site; gross processing fee per ton, anticipated revenue/cost per ton (if any), method of future fee adjustments, tonnage commitment for the term of the Agreement, method of tracking tonnage if the facility is receiving tonnage from other jurisdictions, and hours of operation;
- If the proposer is not the owner/operator of the processing facility, provide a letter of commitment, for the term of the Agreement, describing the key terms of the contract from the processing facility owner/operator; and,
- Description of processing method.

2.3.3 MARKETING

Proposer shall describe its materials marketing plan for food waste from special events:

- Describe the markets used by the processor; and,
- Describe how the City will be assured, throughout the term of the Agreement, that no materials (except for insignificant amounts of contamination and residue specified by the proposer) shall be disposed throughout the processing and manufacturing process.

2.4 C&D DEBRIS RECYCLING SERVICE

2.4.1 COLLECTION

Proposer shall describe how it plans to provide C&D Debris recycling service in support of the City's requirements. The service is to include provision of roll-off boxes (7, 15, 20, 30 and 40 cubic yards) to both customers requesting service as well as the identification and diversion of recyclable rich C&D Debris loads. Contractor shall have specially marked containers (subject to prior City approval) for this purpose. Contractor shall include description at a minimum of:

- Collection methodology, including route planning, discussion of special methods for collecting in narrow streets, courts, heavily parked areas, tree lined streets with low hanging wires and alley-ways;
- Equipment to be utilized (e.g. equipment/vehicle description, number, types, cost, capacity, and number of spares, etc.); all of which must be reasonably expected to provide service throughout the term of the Agreement;
- Manufacturer's specifications for collection vehicles;
- Estimated annual tons of material collected by material type and source;
- Standard crew size;
- Types, costs, number, and manufacturer's specifications of containers to be utilized;
- Location for equipment, containers, fueling and personnel staging;
- Maintenance facilities location and description of services to be handled;
- Preventive maintenance program for equipment;
- Office location for management and administration operations;
- Personnel training (including, but not limited to, operational training, safety training programs, compliance with EEO and ADA, and training-meeting frequencies);
- Noise and emission reduction plan; and,
- Plan for staff uniforms, container signs and equipment (including cleaning frequencies) to community.

2.4.2 PROCESSING

Proposers shall describe how the processing requirements in Section 5.0 of the RFP will be met. The following information is required for C&D Debris processing services:

- Name and description of transfer and processing facility(ies) where C&D Debris will be processed, name of owner and operator of the facility(ies), copy of facility(ies) permits, proof of permitted capacity, CEQA review

documentation for processing site, gross processing fee per ton, anticipated revenue/cost per ton (if any), method of future fee adjustments, tonnage commitment for the term of the Agreement, and method of tracking tonnage if the facility is receiving tonnage from other jurisdictions, and hours of operation;

- If the proposer is not the owner/operator of the processing facility, provide a letter of commitment for the term of the Agreement, describing key terms of the processing agreement, from the processing facility owner/operator;
- Proposers shall describe how the processor shall achieve a C&D diversion rate of not less than seventy 70 percent from each mixed load delivered and a minimum of 90 percent from each source separated C&D load;
- Estimated annual tons by type of C&D Debris materials that will be collected (by source), processed, and marketed and estimated residue;
- Description of the types of acceptable materials to be processed. Describe the benefits, limitations, contamination issues, and markets that will impact the program;
- Provide annual average residue rates for the facility over the last three years of each processing facility proposed; state where and how the residue shall be disposed;
- Provide a list of other agencies and private companies using the facility;
- Labor force in terms of number of employees and description of any collective bargaining agreements;
- Hours of operation, number of days open per year, holiday closed;
- Number of violations received in the last three years and for what reason;
- Describe verification that shall be provided to City that materials were recycled;
- Describe a process for reporting additional residue to the City once materials are received by recyclers; and,
- Describe the contingency plans should the operations at the facility be curtailed for any reason.

2.4.3 MARKETING

Proposers shall describe their materials marketing plan, including the following information:

- Describe the marketing methods and approach (e.g. long-term contracts), targeted primary and contingent markets (specifically who materials will be sold to), pricing policy and assumed salvage value for each type of product (supported by average monthly prices by type and grade of material over the past 12 months);

- Describe uses of processed C&D Debris as soil amendment, alternative cover, or other beneficial use or recycling;
- Describe how fluctuations in quantity and composition of materials shall be handled;
- Describe how severe market demand and pricing fluctuations shall be handled, (this shall include, but not be limited to, describing how emergency storage of materials shall be provided);
- Describe how the City will be assured, throughout the term of the Agreement, that no materials (except for insignificant amounts of contamination and residue specified by the proposer) shall be disposed throughout the processing and manufacturing process;
- Describe how the processor ensures that these materials shall be recycled after being processed including plan to obtain the highest and best use of materials; and,
- Describe subsidized revenues (if any) such as grant revenues.

2.5 ANNUAL CLEAN-UP PROGRAM

Proposers shall describe approach to providing single-family homes, and multi-family complexes with four units or less, one appointment annually (on the regular refuse collection day) to dispose of excess debris and household items for curbside collection. List other materials besides bulky items that will be accepted for reuse and recycling. List any prohibited items or limits on total or individual item weight or size.

2.6 PARK RECYCLING CONTAINER COLLECTION

Proposers shall describe approach to providing weekly recycling collection service for the City's parks listed in Attachment D-1 to the Agreement.

2.7 DOWNTOWN RECYCLING CONTAINER COLLECTION

Proposers shall describe approach to providing weekly recycling collection from recycling containers in four downtown locations as listed in Attachment D-3 to the Agreement).

2.8 REFUSE COLLECTION FROM PUBLIC LOCATIONS AND BUS STOPS

Proposers shall describe approach to providing a minimum of once-a-week refuse collection service to approximately 207 public receptacles and 20 bus stop locations as specified in Attachment D-2 to the Agreement.

2.9 CLEANING OF PUBLIC REFUSE AND RECYCLING CONTAINERS IN THE BUSINESS AREA

Proposers shall describe approach to providing twice monthly cleaning of all refuse and recycling containers in the business area as shown in Attachment 1C, and as specified in Section 4.09 B to the Agreement.

2.10 COLLECTION AT SPECIAL EVENTS

Proposers shall describe approach to providing refuse, recyclable materials, and food waste management planning, collection, and processing service to the City's annual special events.

2.11 REFUSE AND CARDBOARD RECYCLING FOR HHW EVENTS

Proposers shall describe approach to providing trash (currently a 30 cubic yard debris box is used) and cardboard collection (currently two, 4 cubic yard bins are used) at the City's 12 HHW events annually as specified in Section 4.08 of the Agreement.

2.12 ANNUAL WASTE AUDITS

Proposers shall describe approach to working with the City on the following audits:

- Performance Audits. City may annually conduct performance audits to review Contract's compliance with standards. Contractor shall assist and cooperate during the two week audit period and shall provide City with requested records;
- Route Audits. City will have the right, but not the obligation, to perform route audits. Contractor shall ensure correct service records are correctly billed and reported to the City. Contractor shall cooperate as needed with the City during route audits and correct all errors found within two (2) work days;
- Waste Generation/Characterization on Single Stream Recycling. Contractor shall annually conduct two waste characterizations studies of the City's single stream recycling materials being delivered to the processing facility;
- Waste Audits for Green Business Certifications. Contractor shall conduct a minimum of 12 waste audits each calendar year to survey Commercial, Multi-Family Customers and/or schools when requested by the City to assist the City's Green Business program;
- Program evaluation audits. Contractor shall periodically conduct audits of the Single-Family Residential, Multi-Family Residential, and Commercial Solid Waste, Recyclable Materials, and Yard Trimmings Collection programs to assess one or more of the following performance indicators: average volume of Recyclable Materials per setout per customer, average volume of Organic Materials per setout per customer, participation level, Contamination levels, etc. Contractor shall perform up to five days of route auditing each rate period; and,

- Customer Public Opinion survey audits. The City may conduct public opinion surveys to assess Customers' satisfaction level with Contractor and collection services being provided by Contractor. Contractor shall assist the City in developing such surveys. The Contractor shall respond to any Customer inquiries or complaints that arise from the survey.

2.13 ON-CALL RECYCLING CLEAN-OUT SERVICE

Proposers shall describe approach to providing collection containers for on-call clean-out recycling of single stream materials clean out service to businesses and schools. The service requires the provision of containers to business and schools in the City, once annually, for a period not to exceed 5 days (during which the bin(s) may be serviced on a daily basis).

2.14 IMPLEMENTATION & TRANSITIONAL PLAN

Proposers shall describe provide a detailed implementation plan describing the proposer's approach to facilitating a smooth transition in the implementation of the proposed services (see requirements of Attachment B to the Agreement). The proposal must clearly describe the proposer's ability to implement the services in accordance with the schedule shown in Section I of this RFP. This shall include how the proposer will meet equipment, personnel, administration, maintenance, and public education requirements. The proposer shall describe its assumptions regarding the City's staff participation and the current service provider's participation. Provide a schedule listing key events (i.e., equipment procurement, public education plan, container distribution, employee hiring and training, etc.), duration, and expected completion date of each event.

2.15 BILLING

2.15.1 COMPLIANCE WITH DATA MANAGEMENT REQUIREMENTS

Provide the following in conformance with the requirements of Attachment K-2 to the Agreement.

1. Describe how proposer will provide a data management platform capable of interfacing with the City's database.
2. Describe how proposer's data management platform will be capable of modeling complex business-to-business (B2B) and business-to-consumer (B2C) hierarchies.
3. Describe how data errors will be minimized.
4. Describe how the proposer's system will create and transmit data files.

2.15.2 CUSTOMER DATA TRACKING REQUIREMENTS

- Customer profile: (standard information – billing address, email address, service address, collection route, contact telephone numbers & complete names, account numbers, account history)
- Specific customer services describing customer types such as single family, multi-family, commercial, roll-off [temporary, permanent], and material types (solid waste, recycling, yard trimmings, food scraps, C&D)
- Collection day and route for each commodity
- Container information:
 - Number of containers at each location
 - Type of containers
 - Size
 - Date of container delivery
 - Service history, including collection, non-collection and contamination, on-call service history, history of changes to service
 - Serial number (bins, carts, boxes) by service location - especially in the public right-of-way and shared areas
- Container inventory
- Vehicle number providing specific collection
- Itemized City approved rates applicable to each service provided
- Monthly revenues received by customer type, service and individual accounts
- List of outstanding debt for customers billed by Contractor
- Work orders (to be queried multiple ways): missed collections; late collections; new services; on-call services
- Miscellaneous service requests
- Credit card charges for Contractor billed services such as on-call debris box services
- Info about shared services (e.g., billed to “X address”, but service actually located at “Y address” and shares with “addresses A & B”)
- Service tags - type of tag, date received, how issue was resolved and date of resolution

2.16 CUSTOMER SERVICE

Proposers shall describe how staff and customer service representatives will be trained, and how professional and courteous behavior will be ensured. Proposers shall describe how customers will consistently be presented with timely, responsive and thorough solutions to problems and requests for information.

See Section 4.15 of the Agreement for further detail of contractor responsibility regarding customer service including, but not limited to: telephone system performance requirements; customer service representative staffing and responsibilities; customer service recordkeeping; and, customer surveys. To ensure that customers in the City obtain competent, professional, and courteous customer service, each proposer shall:

- Specify the number of full time equivalent Customer Service Representatives (CSR) that will serve the City. Describe how calls will be handled/reported, how many calls are expected per CSR, and describe any changes that shall be made to your current CSR operation to accommodate the City.
- Describe procedures and policies to satisfactorily respond to, record, and report common customer complaints such as: missed pick-ups; spills and litter resulting from collection; collection schedule changes; broken or missing containers; improperly prepared set-outs; improper container placement after collection; noise complaints; traffic and sidewalk obstruction during collection; safety around collection vehicles during operations.
- Describe quarterly customer service staff training programs and on-going training programs.
- Proposers shall describe plans for an up-to-date website and on-going maintenance schedule of information and data.

2.17 ENVIRONMENTAL IMPACTS

Proposers shall describe plans to minimize environmental impacts on streets, collection noise and emission. Each proposer shall provide the following information:

- **Vehicle Impacts:** Provide a table listing each type and number, projected mileage per day, emission data of collection vehicles to be used, manufacturer and model number, maximum load per vehicle, axle load, type of material (solid waste, recyclable material, or yard trimmings), source (residential, commercial, roll-off), time of day for collection, maximum noise levels, noise prevention/suppression systems in each vehicle, and how changes in routing will be made to ease noise complaints.
- **Hazardous Waste Management:** Describe procedures for identifying and handling hazardous waste disposed in the solid waste, recyclable materials, and yard trimmings collected by the contractor in the performance of these services. The plan shall describe: identification and screening procedures; notification plan; disposal plan; and, employee training program.

- **Environmental Compliance:** Describe the proposer's ability to respond to issues identified during the environmental review, compliance, and permitting process associated with the development of a new corporation yard, maintenance facility, or processing facility.

2.18 PUBLIC EDUCATION AND OUTREACH

The City places the utmost importance on effective public education and promotion as the key to helping residents and businesses understand more about source reduction, reuse, and recycling. All contractor public education activities shall be performed in collaboration with the City. Contractor shall be responsible for ensuring that all customers consistently receive a high level of customer service and responsiveness. See Section 7.05 G and Attachment C of the Agreement for further detail of contractor responsibility regarding public education and outreach.

Proposers shall describe the following:

- Plans for public education programs and outreach and promotion for new and changed services that will be implemented for the single-family, multi-family, school, and commercial recyclable materials and yard trimmings programs.
- Experience preparing multi-lingual public education materials (preferably in English, Russian, Chinese, Japanese and Spanish).
- Approach to creating, issuing and keeping records of non-collection notices during collection of materials;
- Presentations to service organizations.
- Participation at City events such as booths, displays, sponsorship, parade floats, etc.
- Experience conducting waste audits to identify additional recycling and waste prevention opportunities.
- Schedule and quantity of information that will be distributed for new or changed services (e.g., brochures, handouts, press releases etc.)
- Proposed number of employees, their job functions, and number of hours per week that will be devoted to the promotion and maintenance of each the recyclable materials and yard trimmings programs.
- Public education and outreach staff or subcontractors qualifications, resumes, years of experience, and references.
- Samples of similar educational materials, which may have been used in other programs.
- Proposed annual budget for public education and outreach.

2.19 SUBCONTRACTORS

Proposer shall identify by name and describe all services to be performed by any subcontractors.

2.20 FACILITIES RELATED TO COLLECTION SERVICES

Proposers shall identify by address(es) the property to be used for: parking vehicles and storing containers and other equipment; equipment maintenance; customer service and business office operations; recyclable and yard waste/organics processing. Proposers shall identify the status of these properties (owned and currently operated by the proposer for these purposes, currently leased by the proposer and used for these purposes; optioned by the proposer and permitted for use in accordance with the proposer's proposal; etc.).

2.21 DIVERSION INCENTIVE

Proposers shall propose use of one or more diversion incentives related to recycling, reuse and increased customer participation opportunities that will provide an added inducement to maximize diversion and minimize residue rates from programs to be provided under the Agreement. Proposed incentives must be readily quantifiable, verifiable by City staff using readily available information, relatively simple in concept, and relatively easy for the City to administer. Proposers shall address each of these requirements, and shall provide proposed language addressing the incentive(s) for inclusion in the Agreement.

3.0 TECHNICAL PROPOSAL FOR ZERO WASTE SERVICES (SCENARIO 2)

Proposers shall describe how it plans to perform the following Zero Waste Services. Information shall separately address single-family, multi-family, and mixed commercial (including City facilities, and schools) material streams. Descriptions shall include, but not be limited to: public outreach and education plans; implementation plans; technical assistance; requirements on generators and container requirements; collection methodology, staffing, and equipment requirements; transfer and transport requirements and arrangements; processing facilities and arrangements; marketing plans; end use of materials; residual rates; and, estimated participation rates and annual tons of material collected by material stream. Proposers shall describe how Scenario 2 impacts any of descriptions provided for Baseline Services, Scenario 1.

3.1 EXPANDING ORGANIC MATERIALS

Proposer shall describe how it will provide, commencing on July 1, 2009, the commercial, organics (yard trimmings, food scraps, compostable paper, untreated wood, untreated wallboard, and other compostables) collection in both carts and bins. The contractor shall use its or a subcontractor's processing site.

Proposer shall describe how it will provide, commencing on July 1, 2010, single family organics (yard trimmings, food scraps, compostable paper, untreated wood, untreated wallboard, and other compostables) curbside collection in both carts and bins. The contractor shall use its or a subcontractor's processing site.

With regard to proposals, proposers shall also:

- For the commercial expanded organics service, assume availability to customers of the same range of container sizes and frequencies of collection as are available for recycling and yard trimming collection for single family customers.
- For both the residential and commercial expanded organics service describe, quantify, and provide the basis for assumptions regarding “migration” (e.g., the extent to which separate collection of organic materials will result in decreased solid waste service to individual customers, including decreases in the number and/or size of containers and in frequency of collection).
- For commercial service, describe how you will accommodate exceptions, such as a business that in the past was not able to participate due to space or some other constraints.

Please note that the City’s composting operation cannot accept or process this material and the proposer will have to identify a processing facility.

The following information is required for organics material services:

3.1.1 COLLECTION

Proposers shall include at a minimum:

- Collection methodology, including route planning, discussion of special methods for collecting in narrow streets, courts, heavily parked areas, tree lined streets with low hanging wires and alley-ways;
- Estimated annual tons of material collected by source;
- Equipment to be utilized (e.g. equipment/vehicle description, number, types, cost, capacity, age, and number of spares, etc.); all of which must be reasonably expected to provide service throughout the term of the Agreement;
- Manufacturer’s specification for collection vehicles;
- Standard crew size;
- Types, costs, number, and manufacturer’s specifications of containers to be utilized;
- Location for equipment, containers, fueling and personnel staging;
- Maintenance facilities location and description of services to be handled;
- Preventive maintenance program for equipment;
- Office location for management and administration;
- Personnel training (including, but not limited to, operational training, safety training programs, compliance with EEO and ADA, and training-meeting frequencies); and,
- Sample of instructions which must be conveyed to participants.

If the proposed methodology or equipment can be considered non-standard (e.g., co-collection vehicles with split compartments), proposer must provide the names of jurisdictions where the proposed equipment is currently being used as it is proposed. Also, describe in detail how this collection technology will work, why it was chosen for the City, and how it work in the City specifically.

3.1.2 PROCESSING

Proposers shall describe how the processing requirements in Section 5.0 of the RFP will be met.

The following information is required for organic materials services:

- Estimated annual tons by type of organic materials that will be collected (by source), processed, marketed, and estimated residue;
- Name and description of transfer and processing facility(ies) where recyclable materials will be handled, name of owner and operator of the facility(ies), copy of facility(ies) permits, proof of permitted capacity, CEQA review documentation for processing site; gross processing fee per ton, anticipated revenue/cost per ton, method of future fee adjustments, tonnage commitment for the term of the Agreement, method of tracking tonnage if the facility is receiving tonnage from other jurisdictions, and hours of operation;
- If the proposer is not the owner/operator of the processing facility, provide a letter of commitment describing key terms of the processing contract for the term of the Agreement from the processing facility owner/operator;
- Description of processing method;
- Types of acceptable materials to be processed and how they will be prepared for marketing. Describe the benefits, limitations, contamination issues, and markets that will impact the program;
- Provide annual average residue rates for the facility over the last three years of each processing facility proposed; state where and how the residue will be disposed;
- Provide a list of other agencies and private companies using the facility; and,
- Describe any plans for expansion or changes to the facility.
- Labor force in terms of number of employees and description of any collective bargaining agreements;
- Hours of operation, number of days open per year, holiday closed;
- Number of violations received in the last three years and for what reason;
- Describe verification to be provided to City that materials were recycled;
- Describe a process for reporting additional residue to the City once materials are received by recyclers; and,
- Describe the contingency plans should the operations at the facility be curtailed for any reason.

3.1.3 MARKETING

Proposer shall describe its organic materials marketing plan, including the following information:

- Describe the marketing methods and approach (e.g. long-term contracts), targeted primary and contingent markets (specifically who materials will be sold to), and pricing policy;
- Describe how severe market demand and pricing fluctuations will be handled, (this should include, but not be limited to, describing how emergency storage of recyclable materials will be provided);
- Describe how the City will be assured, throughout the term of the Agreement, that no organic materials (except for insignificant amounts of contamination and residue specified by the proposer) will be disposed throughout the processing and manufacturing process;
- Describe the markets used by the processor;
- Describe how materials will be stored and for how long before being marketed; and,
- Describe any subsidized revenues such as grant revenues or credits.

3.2 EXPANDING SINGLE STREAM MATERIALS

Commencing on July 1, 2009, add at a minimum the following materials to the single stream system:

- Textiles and hardcover books (placed in plastic bags or otherwise separated) and plastic bags in the curbside recycling cart.
- Milk and juice containers (gabled tops) in either the recyclables.

Proposers shall describe how the addition of proposed materials to the current residential curbside recyclable collection program and the Clean-up Day pick up program, commencing July 1, 2009, will impact the collection program in terms of estimated participation levels, average weekly set out volumes, increases in routes or route hours, more vehicles, etc. Proposers shall list possible other materials that could be targeted for reuse and/or recycling.

Proposers shall address requirements for collection, processing and marketing of the expanded materials as requested previously requested in sections 2.2.1, 2.2.2, and 2.2.3 and specify how the baseline services will be impacted.

3.3 EXPANDING CLEAN-UP DAY COLLECTION

Commencing July 1, 2009, expand the Clean-Up Day program to collect materials from all customers for the purpose of reuse and recycling. Proposers shall describe how the separation of re-use and recycling materials will impact the current Clean-Up Day

collection program in terms of estimated participation levels, average weekly set out volumes, increases in routes or route hours, more vehicles, personnel, etc.

Proposers shall describe:

- Any proposed relationships with thrifts or other third parties engaged in collecting materials for re-use and recycling, and describe their roles.
- Specifics of the re-use and recycling program in terms of how materials will be collected including, but not limited to, where separation occurs (at point of collection or at a facility).
- Education plan to promote service and educate public.
- Projected tonnages of collected material from the expanded program.
- Collection, processing, and marketing plans for materials collected for reuse and recycling.

3.4 IMPLEMENTATION OF MANDATORY PARTICIPATION

Upon City Council direction requiring generators to place recyclable and compostable materials in the appropriate collection containers, the contractor shall implement mandatory participation. The contractor shall enforce City's direction with an educational program commencing July 1, 2009, a warning to customers commencing July 1, 2010, and then enforcement commencing July 1, 2011. For the purpose of this RFP, proposers shall assume that the Council will adopt an ordinance requiring mandatory participation.

Proposers shall submit a plan and cost to implement this program starting with suggested types of education materials and planned education tools to be used. Proposers plan shall describe how to implement elements of the mandatory participation program including:

- Educating customers, in the first year commencing July 1, 2009, on how to comply with mandatory participation and phase-in schedule requirements;
- Notifying customers with a warning in the second year, commencing July 1, 2010, who fail to separate recyclable and compostable materials from solid waste;
- Assisting the City in enforcing fines or penalties, in the third year commencing July 1, 2011, if customers fail to separate recyclable and compostable materials from solid waste.

Proposers shall describe how the implementation of mandatory participation will impact the collection program in terms of estimated participation levels, average weekly set out volumes, increases in routes or route hours, more vehicles, additional employees, increased public education, implementation of a "lid-tipping" program to monitor recyclable contamination, etc. Proposers shall also describe how this program will be

coordinated with the universal roll-out of the commercial recycling service discussed in Item 3.6.

3.5 INCREASING C&D DEBRIS DIVERSION

Commencing July 1, 2009, collect and transport all roll-off boxes rich in C&D Debris (capable of achieving a minimum of 70 percent diversion of the materials from each mixed C&D debris load and a minimum of 90 percent from each source separated C&D load) to contractor-selected and City-approved designated processing facilities.

Proposers shall describe how the processor shall achieve a C&D diversion rate of not less than 70 percent from each mixed load delivered and a minimum of 90 percent from each source separated C&D load.

Proposers shall describe how this change to the baseline (Scenario 1) C&D Debris diversion program will impact the collection program (estimated numbers of loads and volumes, increases in route hours, vehicles, staffing and/or hours, etc.) and how it proposes to report its performance to the City.

Proposers shall describe how collection, processing and marketing services discussed in sections 2.4.1, 2.4.2 and 2.4.3 for the baseline services will be impacted by increasing the C&D Debris diversion.

3.6 ENHANCING COMMERCIAL RECYCLING (UNIVERSAL SERVICE)

Commencing July 1, 2009, provide extensive public education and universal roll-out of weekly recycling collection services for carts and bins to all commercial, school, and multi-family customers. Commercial customers could opt out if they complete a waiver form which shall be created and distributed by the Contractor prior to container deliveries (by the Contractor). Proposer shall describe how commercial customers will be surveyed prior to the purchase of containers to determine container and size needs of customers. Proposer shall describe how collection exceptions will be accommodated (i.e., a business that in the past was not able to participate due to space or some other constraints).

Proposers shall describe how the additional public education and roll-out of recycling services to all commercial, school, and multi-family customers will impact the commercial recycling program in terms of estimated participation levels, average weekly set out volumes, increases in routes or route hours, more vehicles and personnel, additional containers, etc.

3.7 OTHER COMMERCIAL CONSIDERATIONS

Proposers shall address how they will provide further options for collection from businesses located in the downtown business district and that have space or other constraints to reflect the addition of expanded and new services that will result in additional containers.

4.0 TECHNICAL PROPOSAL FOR OTHER SERVICE INNOVATIONS (SCENARIO 3) – OPTIONAL

As an option, proposers may describe any additional services or changes in the above services that the proposer believes shall increase the City's diversion levels for contractor-controlled streams of materials. These may include, but are not limited to, proposed policies/ordinances for adoption by the Council, alternative terms of the Agreement, additional or alternative programs, services, and/or facilities. Proposers shall describe how any additional services or changes provided under Scenario 3 would impact any services as described for Scenarios 1 or 2 above.

5.0 PROCESSING PROPOSALS

While the City would prefer to administer a single Agreement, proposers may propose to provide recyclable material, expanded organics, and C&D debris processing services separate from a single Agreement for the full set of services requested by the City in this RFP. Should the proposer elect to propose such an arrangement, then the proposer shall include a comprehensive and complete contract for these services (signed by the proposer) that could be executed by the City. At a minimum, such contracts shall include: the location, term of the contract plus any extension periods; material delivery requirements; materials processed and marketed; diversion/recovery rates (including description of how diversion will be measured, by whom, when, frequency and under what protocols); processing service description and specifications; certification of end use of the processed materials; and, prices for the service and the basis for adjustment to those prices.

In addition, proposals for stand alone processing shall address, as applicable, all of the information and data requested in Section 1.0, 2.2.2, 2.2.3, 2.3.2, 2.3.3, 2.4.2, 2.4.3, 3.1.2, 3.1.3, and Cost Form 8.

6.0 COST PROPOSALS

Proposers shall submit cost proposals using the cost proposal forms provided in Attachment 7. Three sets of forms are included. The first set, which is labeled "Baseline Services", shall be used for Scenario 1. The second set, which is labeled "Zero Waste Services", shall be used for Scenario 2. The third set, which is labeled "Other Service Innovations", shall be used for Scenario 3. At a minimum, proposers are required to complete two sets of forms: the Baseline Services forms (Scenario 1) and Zero Waste Services forms (Scenario 2). Proposers that choose (at their own discretion) to present other innovative programs, shall submit a third set of forms labeled "Other Service Innovations" (Scenario 3). This section provides instructions for completion of the forms.

The forms are in Excel and shall be completed by proposers in Excel. Proposers shall submit both a hard copy of the forms and electronic copy of the forms per instructions provided in Section V.

Forms 1 through 4 of each set of forms must be completed to document the proposer's assumptions (and their basis) for its annual costs. The information and operating statistics on Forms 1 through 4 will be evaluated to determine the reasonableness of the proposer's compensation requirement and will serve as a baseline for future adjustments to contractor's compensation. Forms 5 through 6 must be completed to document the proposer's annual costs for Rate Years One and Two.

For Baseline Services, Form 7 must be completed to document fees for extra services, as well as Form 8 to document per-ton processing costs. Lastly, Forms 9, 10, and 11 must be completed to reflect incremental costs for alternative fuel vehicles, delivery of residential yard trimmings to SMaRT Station, and delivery of commercial yard trimmings to SMaRT Station. For Zero Waste and Other Service Innovations, Form 7 must be completed to reflect incremental costs for alternative fuel vehicles.

If a proposer is only offering processing services for recyclables, organics, and/or C&D Debris services, the processing proposer shall complete only the relevant portions of Forms 1 and 8 of the Baseline Services forms.

The cost proposal shall be firm and valid for a period of nine months (270 days) from the submittal date of the proposal. Within 15 days of request by the City, the selected contractor shall revise the cost proposal forms presenting contractor's adjusted cost proposal to reflect: (i) inclusion of one or more of the Zero Waste Services; (ii) inclusion of one or more Other Service Innovations; or (iii) any other modifications to the scope of services requested by the City. These "adjusted proposed costs" will be reviewed by the City and, upon agreement by both parties, will be included in the executed Agreement as the base compensation for Rate Years One and Two. The City may request additional detailed cost and operating assumptions to fully understand the adjusted cost proposal and verify its reasonableness. Failure to provide the adjusted cost proposal within the timeframe specified above gives the City the right to discontinue negotiations and select a different contractor.

The contractor's compensation for the first two years of the Agreement will be set based on the contractor's cost proposal. Thereafter, the contractor's compensation will be adjusted using various indices applied to the Rate Year Two costs in accordance with procedures described in Article 9 of the Agreement.

Proposers do not need to develop collection rates. The City will develop and set rates, with assistance from the Contractor, as needed.

6.1 BASELINE SERVICE COST PROPOSAL FORMS (SCENARIO 1)

All proposers shall complete the Baseline Services cost proposal forms to present proposed Base Compensation and other costs for the Baseline Services described in Section III of the RFP. The following assumptions shall be used in preparing the cost proposal:

- Costs shall be presented for Rate Years One and Two; therefore, the proposer needs to anticipate any inflationary impacts to current costs.

- Costs shall assume that all single-family residents place all of their carts curbside for collection (as the contractor shall receive extra compensation for customers that subscribe to backyard or special service areas (alley-way service, and private driveway service)).
- Contractor shall receive extra compensation for residential and commercial customers that require extra services (as specified in Section 9.05 of the Agreement) at unit prices proposed on Form 7. Costs for such services shall not be presented on Forms 5 through 6.
- Organics collection includes yard trimmings collection only for residential and commercial customers and food scraps collection for special events only.
- All solid waste shall be delivered to the SMaRT Station. Cost of disposal shall not be included in the cost proposal forms, as the City will pay directly for this expense.
- Yard trimmings shall be delivered to the City's composting site for Baseline Services Forms 5, 6, and 9. Thereafter, the yard trimmings can be delivered to the SMaRT Station unless the City directs that the material processing stay local. Incremental costs to deliver yard trimmings to the SMaRT Station shall be presented on Forms 10 and 11 for residential and commercial collection services. These incremental costs shall reflect and cost increases (or decreases) compared to the costs shown on Forms 6C and 6F for delivery of yard trimmings to the City's composting site. Cost of yard trimmings processing services shall not be included in the cost proposal forms, as the City will pay directly for this expense; however, the cost of processing food scraps from special events shall be included as organics processing costs.
- Food scraps from special events, all recyclables, and all C&D Debris shall be delivered to processing facilities selected by the proposer.
- Pursuant to Sections 7.02.A and 7.03.A of the Agreement, cost proposals shall be based on the requirement that contractor shall purchase all new collection vehicles and shall purchase new containers (carts, bins, and drop boxes) with the exception that contractor shall use City-owned single-family carts (including the replacement inventory) and City-owned bins. Attachment H of the Agreement provides additional clarification on the new container needs. If a proposer has an approach that relies on the use of: (i) used vehicles that are relatively new, fuel emission, and have best available control measures for air emission; and/or, (ii) containers that are relatively new, undamaged, and have a clean appearance, the proposer may present this option and identify the potential annual costs savings; however, this option can only be presented if the proposer has completed all the proposal forms required in this Section 6.0 based on compliance with the new equipment requirements described in the Agreement.
- Depreciation costs for equipment shall reflect an eight-year depreciation period.
- Start-up costs related to implementation of the Agreement shall be annualized over an eight-year period.

- Vehicle and related fuel costs reflect standard diesel or other fuel chosen by the proposer. It should be noted that if the proposer presents a plan for alternative fuel vehicles and/or alternative fuel that will have a significant cost impact, the proposer can use Form 9 to separately identify the incremental annual cost for the alternative fuel vehicles (while reflecting costs for diesel fuel vehicles on Forms 5, 6, and 6A through 6N).
- Costs related to multi-family and commercial customers that subscribe to cart service and City facilities with carts that are serviced by residential routes shall be included in the residential costs shown on the cost proposal forms.
- Cost for commercial collection services shall include costs related to commercial and multi-family bin service.
- Costs for servicing roll-off compactors shall be included in with roll-off costs on the cost proposal forms.

6.2 ZERO WASTE COST PROPOSAL FORMS (SCENARIO 2)

All proposers shall complete the Zero Waste Services cost proposal forms. The costs shall reflect the Zero Waste Services described in Section III of the RFP. As described in Section III of the RFP, the City may choose to implement one or more of the Zero Waste Services and will consider the cost impact of such programs in making their decision. For this reason, the operating statistics and costs presented on these forms shall reflect the incremental cost impact (e.g., cost increases or decreases) for the Zero Waste Services compared to the Baseline Services. The following assumptions shall be used in preparing the cost proposal:

- Expanding Organic Materials – The Zero Waste Services cost proposal forms include Forms 6A and 6B for presentation of the incremental costs for expanding the residential and commercial organics programs respectively. The residential organics program (yard trimmings, food scraps, compostable paper, untreated wood, untreated wallboard, and other compostables) is to commence in Rate Year Two (on July 1, 2010). Thus, no incremental cost changes should be shown for residential organics in Rate Year One; incremental changes should be reflected in Rate Year Two only. The commercial organics program shall commence in Rate Year One (on July 1, 2009); therefore, the incremental changes shall be reflected in costs for Rate Years One and Two. Processing costs shall reflect an organics processing site selected by the proposer. Tonnage assumptions on Form 2 shall reflect increased organics collection and reduced solid waste collection. If the proposer anticipates that the commercial solid waste collection costs will decrease as a result of the expanded organics collection program, the proposer shall indicate on Forms 6A and 6B the percentage reduction in the residential and commercial solid waste costs, respectively, compared to that shown on Forms 6C and 6F of the Baseline Services cost proposal forms.
- Expanding Single Stream Materials – Forms 6C and 6D shall be used to present the incremental costs for expanding the residential and commercial single stream materials collection program. Tonnage assumptions on Form 2 shall reflect increased

recyclables collection and reduced solid waste collection. If the proposer anticipates that the residential or commercial solid waste collection costs will decrease as a result of the expanded recyclables collection program, the proposer shall indicate on Forms 6C and 6D the percentage reduction in the solid waste costs shown on Forms 6B and 6E of the Baseline Services cost proposal forms.

- Expanding Clean-Up Day Collection for Reuse and Recycling – If the proposer did not anticipate reuse and recycling in the Baseline Services cost proposal, the incremental cost for such activities shall be presented in the Zero Waste Services cost proposal on Form 6E. On Form 2, proposers are to identify the estimated number of set outs, route hours, vehicles, and tonnage related to this program and other relevant operating statistics.
- Enhancing Recycling Through Mandatory Participation – Proposers shall present incremental costs for the mandatory collection program on Form 6F. Because the City anticipates phasing the implementation and enforcement of the program in over three years as described in Section III, the cost form includes separate columns for Rate Years One, Two, and Three. Tonnage assumptions on Form 2 shall reflect increased recyclables collection and reduced solid waste collection. If the proposer anticipates that the solid waste collection costs will decrease as a result of the mandatory recycling program, the proposer shall indicate on Form 6F the percentage reduction in the solid waste costs shown on Form 6E of the Baseline Services cost proposal forms.
- Increasing C&D Debris Diversion – Proposers shall complete Form 6G to present the incremental cost related to expanding the C&D Debris program. Assumptions related to changes in tonnage, pulls, and other operating statistics shall be presented on Form 2.
- Enhancing Commercial Recycling – Proposers shall present incremental costs related to expanding commercial collection program on Form 6H. The cost form includes separate columns for Rate Years One and Two. Tonnage assumptions on Form 2 shall reflect increased recyclables collection and reduced solid waste collection. If the proposer anticipates that the commercial solid waste collection costs will decrease as a result of the expanded commercial recycling program, the proposer shall indicate on Form 6H the percentage reduction in the solid waste costs shown on Form 6E of the Baseline Services cost proposal forms.

Note that Forms 6I through 6K shall reflect the incremental change to allocated costs for all Zero Waste Services (compared to Baseline Services allocated costs). Form 7 is provided if proposers are presenting separate alternative fuel costs. In such case, the alternative fuel costs should reflect incremental changes related to the Zero Waste Services.

6.3 OTHER SERVICE INNOVATIONS COST PROPOSAL FORMS (SCENARIO 3)

Each proposer has the option, but not obligation, to submit a proposal that presents Other Service Innovations. Because each proposer may come up with different innovative

services, a set of general forms have been prepared. Proposers shall adapt the forms to present the costs for the innovative services in a suitable manner. For example, the proposer may present incremental costs for additional services (e.g., curbside household e-waste collection) or may present an entire new set of costs for a different collection strategy (e.g., wet/dry, etc.). Proposers shall clearly note on the top of each page or in column headings on the pages the program title (e.g., commercial wet collection; commercial technical assistance, etc.) by replacing “Proposed Service #1”, “Proposed Service #2”, etc. with their own program title. The cost proposal for the Other Service Innovations shall be based on the technical description provided by the proposer pursuant to Item 4.0 of this Section IV.

7.0 ACKNOWLEDGE ADDENDA RECEIPT

The proposer shall acknowledge receipt of each addendum by signing in the space provided on the issued addendum and by submitting all addenda with their proposal.

8.0 EXCEPTIONS TO AGREEMENT AND RFP

To provide proposers with a clear understanding of the roles, responsibilities, rights, and obligations of the contractor and the City, the Agreement has been prepared and is included as Attachment 6. Proposers are required to review the Agreement prior to submittal of their proposal to the City. This review process allows proposers to prepare the proposal and costs for services with full consideration of its rights and obligations.

The City expects the Agreement will be executed by the proposers in substantially the same form as attached. Any proposed exceptions to the RFP and/or the proposed terms and conditions of the Agreement shall be described in detail in the proposal. For each exception noted, proposer shall provide alternative language for the City’s consideration. The City reserves the right to determine if the exceptions are reasonable. However, the number of, and the nature of, the comments will be compared to those noted by the other proposers during the proposal evaluation process and may be grounds for proposal rejection. If the City chooses to enter into negotiations with a proposer, the comments noted and recommended alternative Agreement language will serve as a starting point for discussion. The proposer shall be deemed to have accepted and agreed to any provisions of the RFP and/or proposed terms and conditions of the Agreement which have not been noted as exceptions in the proposal. With this understanding, proposers may not initiate discussion related to Agreement language for which no exceptions were noted.

9.0 SECRETARY’S CERTIFICATE

Each proposer shall complete and submit the Secretary’s Certificate, Attachment 8.

10.0 ANTI-COLLUSION AFFIDAVIT

Each proposer shall complete and submit the Anti-Collusion Affidavit, Attachment 9.

Additional information or data relevant to the proposal is optional and may be included as an attachment. Failure to provide all required information may be grounds for rejection of a proposal.

Section V - Proposal Submittal Process

Companies submitting proposals to the City shall follow the procedures described in this Section and the procedures included in any subsequent clarifications or addendums to this RFP.

STEP ONE – WRITTEN QUESTIONS

Should questions, discrepancies, or omissions be found in this RFP, should there be a need to clarify the RFP, or should you wish to communicate any concerns regarding the RFP, please communicate them in writing and deliver to the City by March 28, 2008. Such correspondence shall be addressed to Greg Pustelnik at City of Palo Alto, Purchasing/Contract Administration, 250 Hamilton Avenue M Level, Palo Alto, CA 94301 or emailed to greg.pustelnik@cityofpaloalto.org. Responses from the City will be communicated in writing to all recipients of this RFP and receipt of such communications shall be acknowledged by proposer in the proposer's proposal. The City is not responsible for, nor will it be bound by, any oral instructions, interpretations, or explanations issued by the City or its representatives.

STEP TWO – MANDATORY PRE-PROPOSAL MEETING AND SUBSEQUENT QUESTIONS

All proposers must attend a mandatory pre-proposal meeting on Tuesday, March 18, 2008 which commences at 1:00 PM at the Civic Center, Council Chambers 1st floor, 250 Hamilton Avenue, Palo Alto. Proposers are requested to R.S.V.P. by email to Greg Pustelnik by Friday, March 14, 2008 if attending the pre-proposal meeting. Parking is available in the garage located below City Hall.

Proposers shall submit written questions related to the RFP and Agreement prior to the pre-proposal meeting as described in step one. In addition, oral and written questions will be accepted at the pre-proposal meeting. As appropriate, preliminary oral responses will be provided at the conference. Written responses to all questions will be provided as soon as possible subsequent to the pre-proposal meeting. In the event of any inconsistencies between oral and written responses, the written responses shall be used for the purpose of preparing proposals. Additional questions may be submitted up to April 14, 2008. Written requests for clarifications will be responded to in writing and shared with all interested proposers of record.

STEP THREE – PROPOSAL SUBMITTAL

Proposals must be delivered no later than 3:00 p.m. on April 28, 2008. All proposals received after that time may be returned to the proposer unopened. Proposers shall submit 18 bound double-sided copies of the complete proposal, and one copy clearly marked on the outside cover as "Original". Cost proposals shall be submitted in a separate sealed envelope with one copy clearly marked "Original" on the outside of the envelope. Proposers should include 4 copies of their cost proposal. In addition, an IBM-compatible computer disk (i.e., compact disk) containing an Acrobat Adobe PDF version of the proposal and an electronic copy of all

completed cost proposal forms (i.e., those provided in Attachment 7 of the RFP), in Microsoft Excel format, shall be submitted in a sealed package. Note, with regard to the request for copies of permit documents in Section IV, only one copy needs to be submitted. Proposals must be printed on 30 percent post-consumer recycled-content paper and bound copies must be double-sided. All pages shall be numbered.

The package shall be clearly labeled:

**PROPOSAL FOR SOLID WASTE, RECYCLABLE MATERIALS, AND
ORGANIC MATERIALS SERVICES**

FROM:

Name of Proposer: _____
Address: _____
Contact Person: _____
Telephone Number: _____
Fax Number: _____
E-mail: _____

Proposals shall be mailed or hand delivered to:

RFP124501-0-2007/GP

Attention: Greg Pustelnik, Purchasing Manager
City of Palo Alto
Purchasing and Contracts Administration
250 Hamilton Avenue, M Level
Palo Alto, CA 94301
(650) 329-2300

Each proposal must be accompanied by surety made payable to the City in the amount of \$50,000 and in the form of a certified check or certificate of deposit. The surety shall be submitted with the proposal in a separate, clearly labeled envelope. The purpose of the surety is to guarantee that the successful proposer will execute an Agreement with the City. If the selected proposer does not execute an Agreement within 30 days after receiving notice of the award of Contract, the City will keep the surety to offset the potential cost associated with identification of an alternate service provider and schedule delays. Checks or other forms of surety will be returned to all proposers no later than 10 days after the execution of an Agreement with the successful proposer.

A proposer may withdraw its proposal at any time before the proposal submission date (see Table 1), by delivering a written request for withdrawal signed by, or on behalf of, the proposer.

The submission of a proposal shall be deemed a representation and certification by the proposer that it:

1. Has carefully read and fully understands the information that was provided by the City to serve as the basis for submission of this proposal.
2. Has the capability to successfully undertake and complete the responsibilities and obligations of the proposal being submitted.
3. Represents that all information contained in the proposal is true and correct.
4. Did not, in any way collude, conspire to agree, directly or indirectly, with any person, firm, corporation, or other proposer in regard to the amount, terms, or conditions of this proposal.
5. Acknowledges that the City has the right to make any inquiry it deems appropriate to substantiate or supplement information supplied by proposer and proposer hereby grants the City permission to make these inquiries, and to provide any and all related documentation in a timely manner.

STEP FOUR – CLARIFICATION OF PROPOSAL INFORMATION

Proposers may be asked to clarify information through writing, interviews, or site visits with City staff or its consultants.

Proposers shall participate in an oral interview, as requested. The oral interview will be done by a panel selected by the City. If after reasonable notice and efforts to adjust the interview schedule for conflicts, the City experiences difficulty in scheduling a time for oral interview, it may result in disqualification of the proposer from further consideration.

Section VI - Proposal Evaluation Process and Criteria

The city has adopted the following six-step process for evaluating the proposals and selecting a contractor.

1. **Initial evaluation:** Upon receipt, the proposals will be evaluated for: compliance with the procedures described in the RFP; completeness; and, acceptability (achievement of minimum requirements for comparable experience, financial ability, and agreement with the proposed terms of the draft Agreement). Those proposals that fail to pass the initial evaluation will not be considered for further review.
2. **Cost proposal evaluation:** The cost proposals for each service level (for “Baseline Services”, “Zero Waste Services” and “Other Service Innovations”) of those proposals that pass the initial evaluation will be reviewed for reasonableness. Clarifications and answers to any questions will be obtained from the proposers.
3. **Council selects service level:** Staff will report to Council the ranges of program costs and the estimated diversion results without identifying the proposing companies for each of the service levels. Based on this information, Council will select the service level that it desires.
4. **Ranking of proposals:** Staff will complete the evaluation and ranking of the proposals based on the service level selected by Council. The staff’s ranking of proposals will be based on the weighting of the following criteria:
 - Administrative, Financial, and Contractual (maximum 20 points), including such factors as:
 - i. Solid waste and diversion experience of firm and key staff, municipal agency references, and regulatory record.
 - ii. Financial ability to perform its obligations under the Agreement including securing facilities and equipment.
 - iii. The number and significance of exceptions to the draft Agreement.
 - Technical and Environmental (maximum 40 points), including such factors as:
 - i. Reasonableness of transition and operational plan; effectiveness of collection and processing services and facilities (including marketing of materials); and, effectiveness of public outreach, education and customer services programs.
 - ii. Adverse environmental impact (including air and traffic) of operations, vehicles and facilities (including miles traveled and emissions); and, beneficial impacts (diversion and highest and best use of materials).
 - Cost (maximum 40 points), including such factors as:
 - i. Reasonableness and predictability of future costs.
 - ii. Relative competitiveness of costs.
 - iii. Cost effectiveness.
 - iv. Total cost.

5. **Contractor Selection:** Staff will report the ranking of the proposals to Council and provide a recommendation on the company with whom staff is to negotiate a final Agreement. At this time Council can provide direction, as applicable, for the negotiations (e.g., changes, elimination or additions to proposed programs and services, and/or directions regarding costs).
6. **Agreement Approval and Execution:** Staff returns to Council, recommending approval and execution of the final Agreement.
7. **Dispute of Award.** If an unsuccessful proposer wants to dispute the award recommendation, the protest must be submitted in writing to the Purchasing Manager no later than seven calendar days after announcement of the recommendation, detailing grounds, factual basis and providing all supporting information. Protests will not be considered for disputes of proposal requirements and specifications, which must be addressed before the solicitation is due. Failure to submit a timely written protest to the Purchasing Manager will bar consideration of the protest.

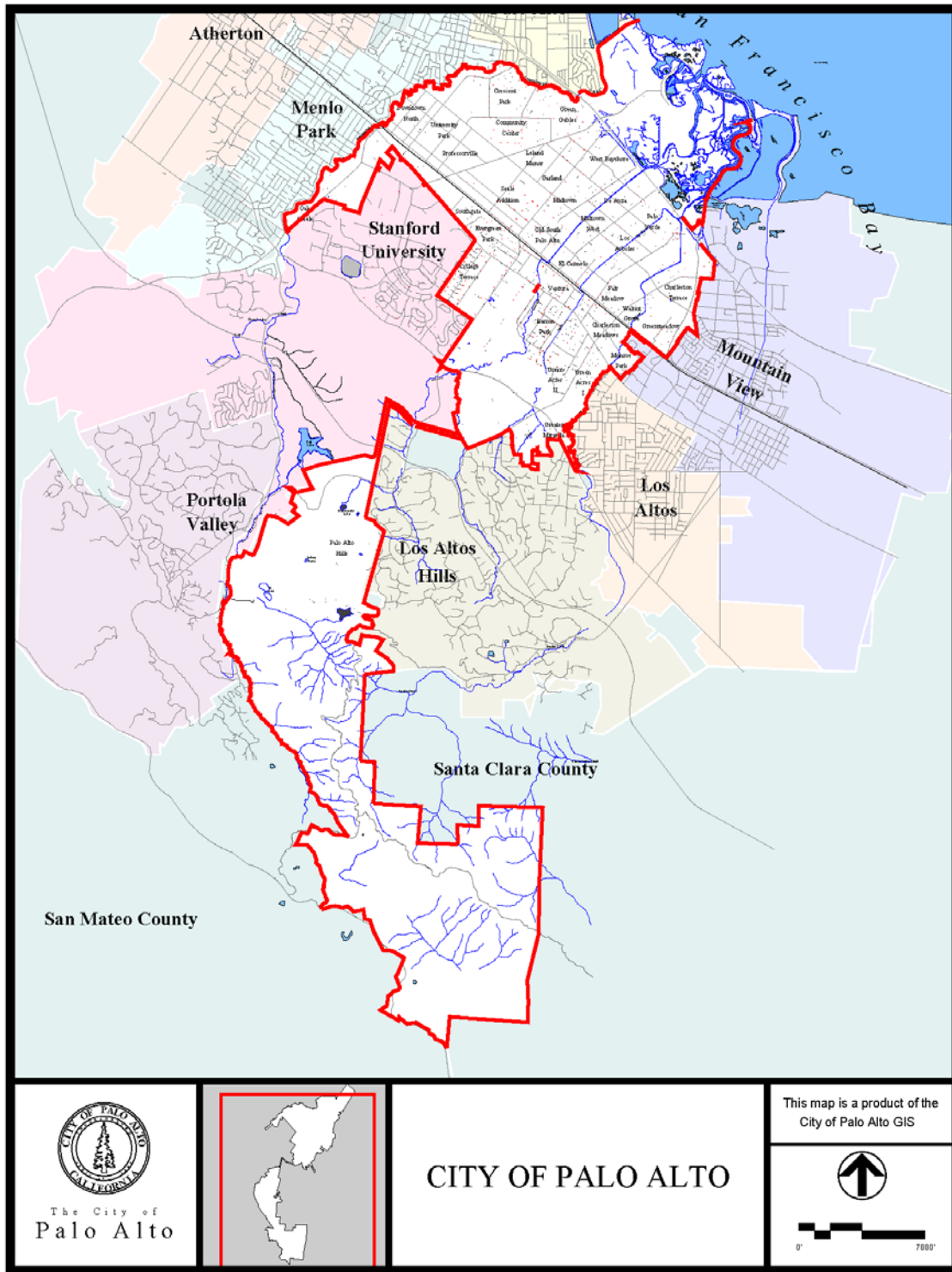
The address for submitting protest is:

City of Palo Alto
Attention: Purchasing Manager
250 Hamilton Street, M-Level
Palo Alto, CA 94301

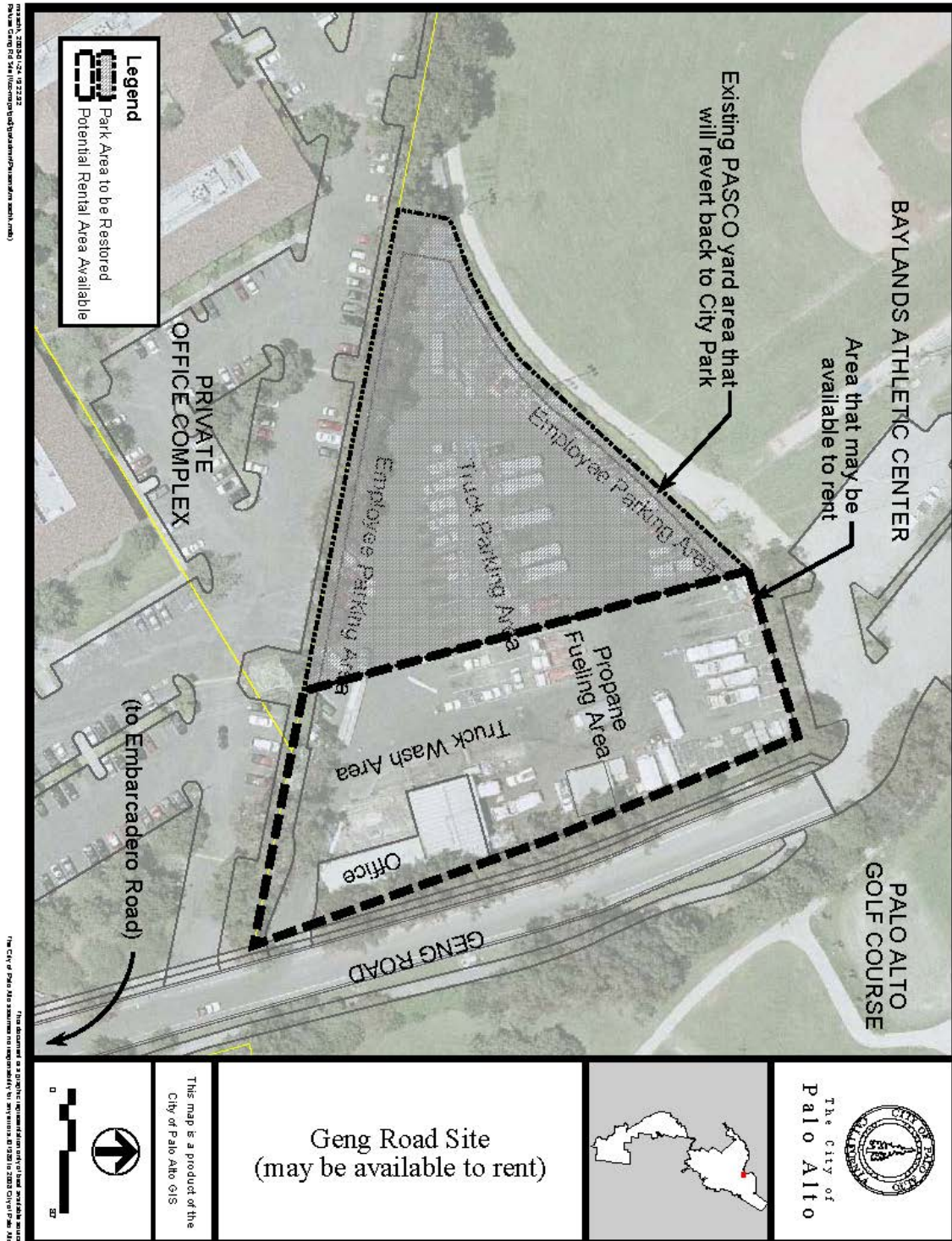
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Attachment 1A

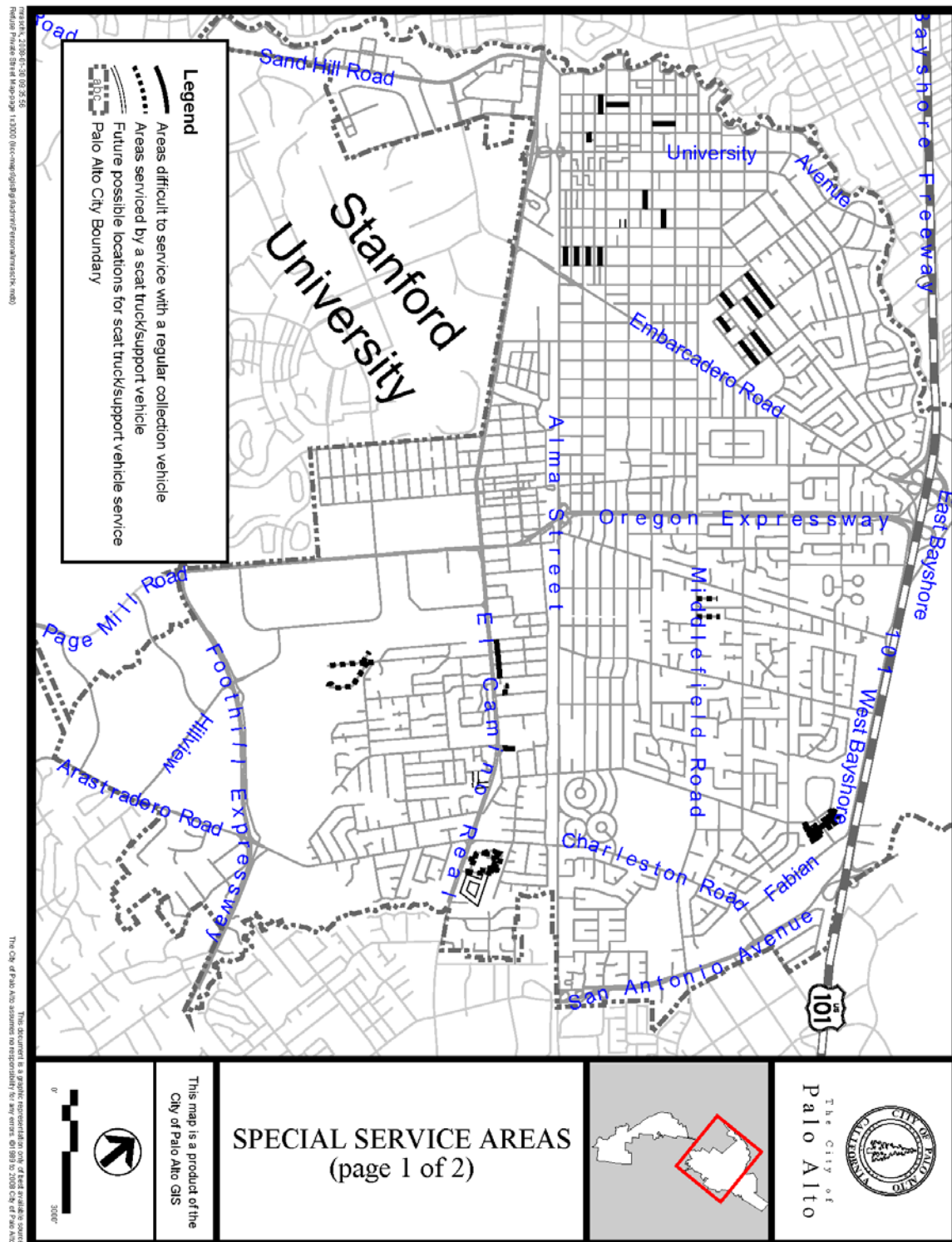
Map of the City of Palo Alto

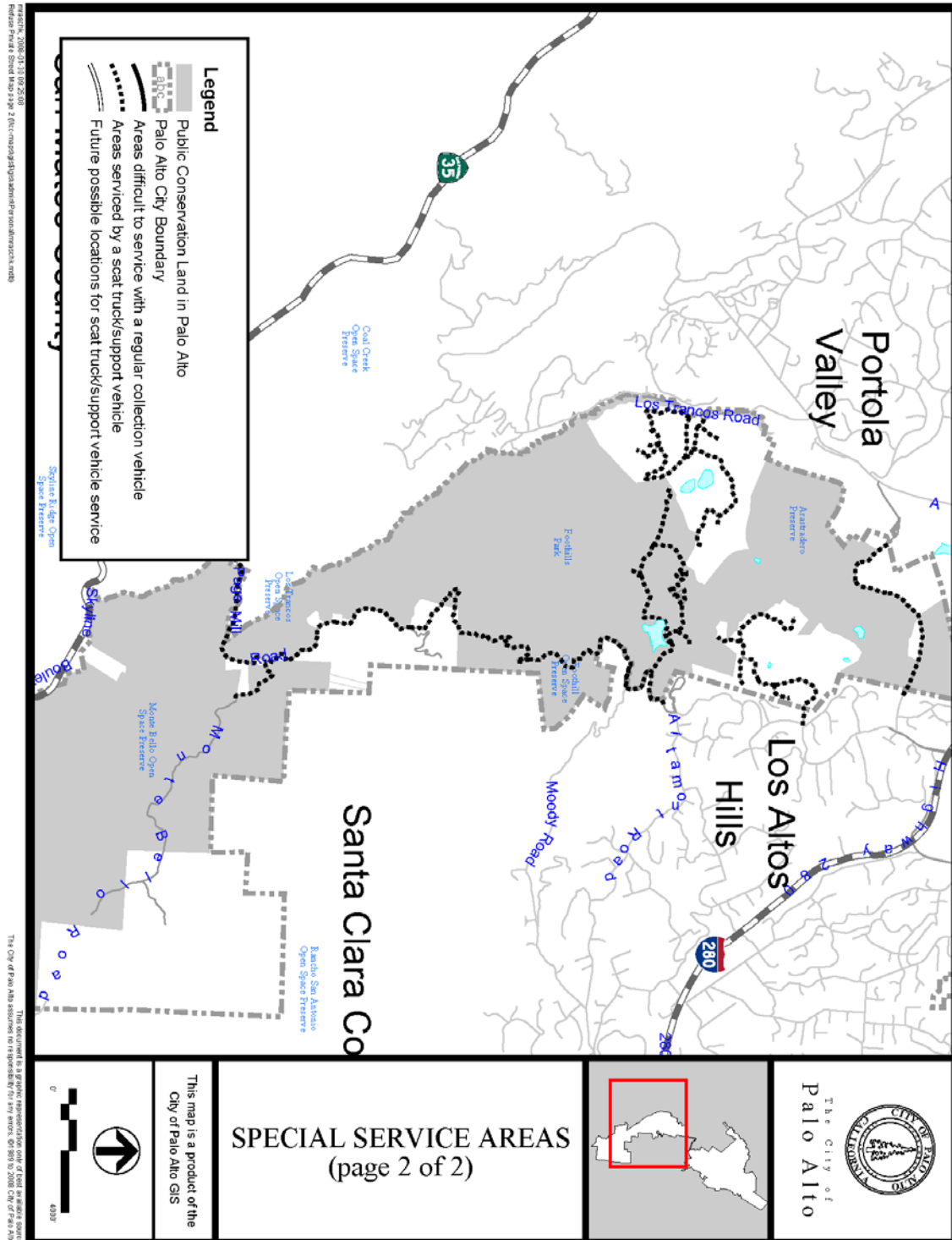


Attachment 1B
Map of 2000 Geng Road



Attachment 1C
Map of Special Service Areas

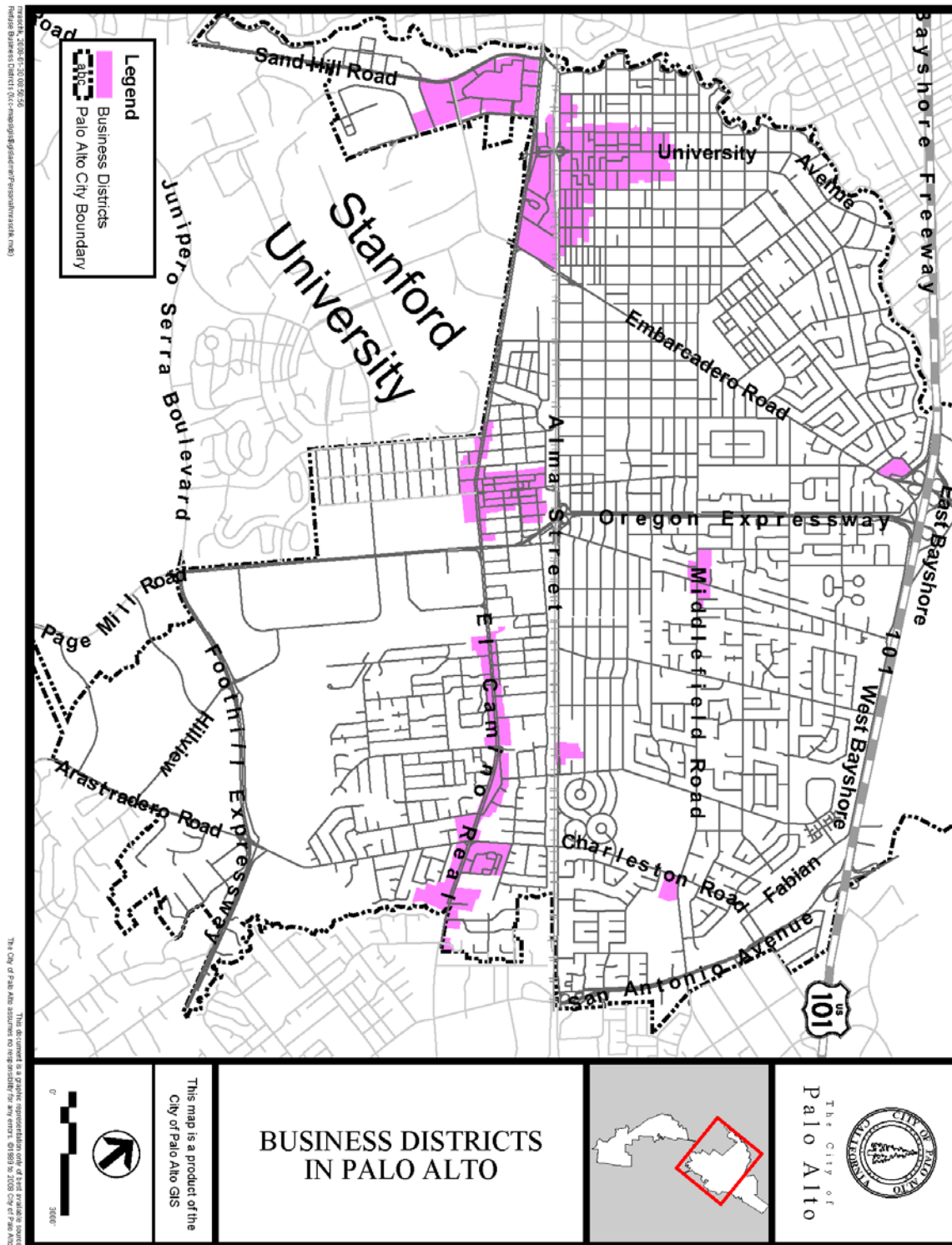




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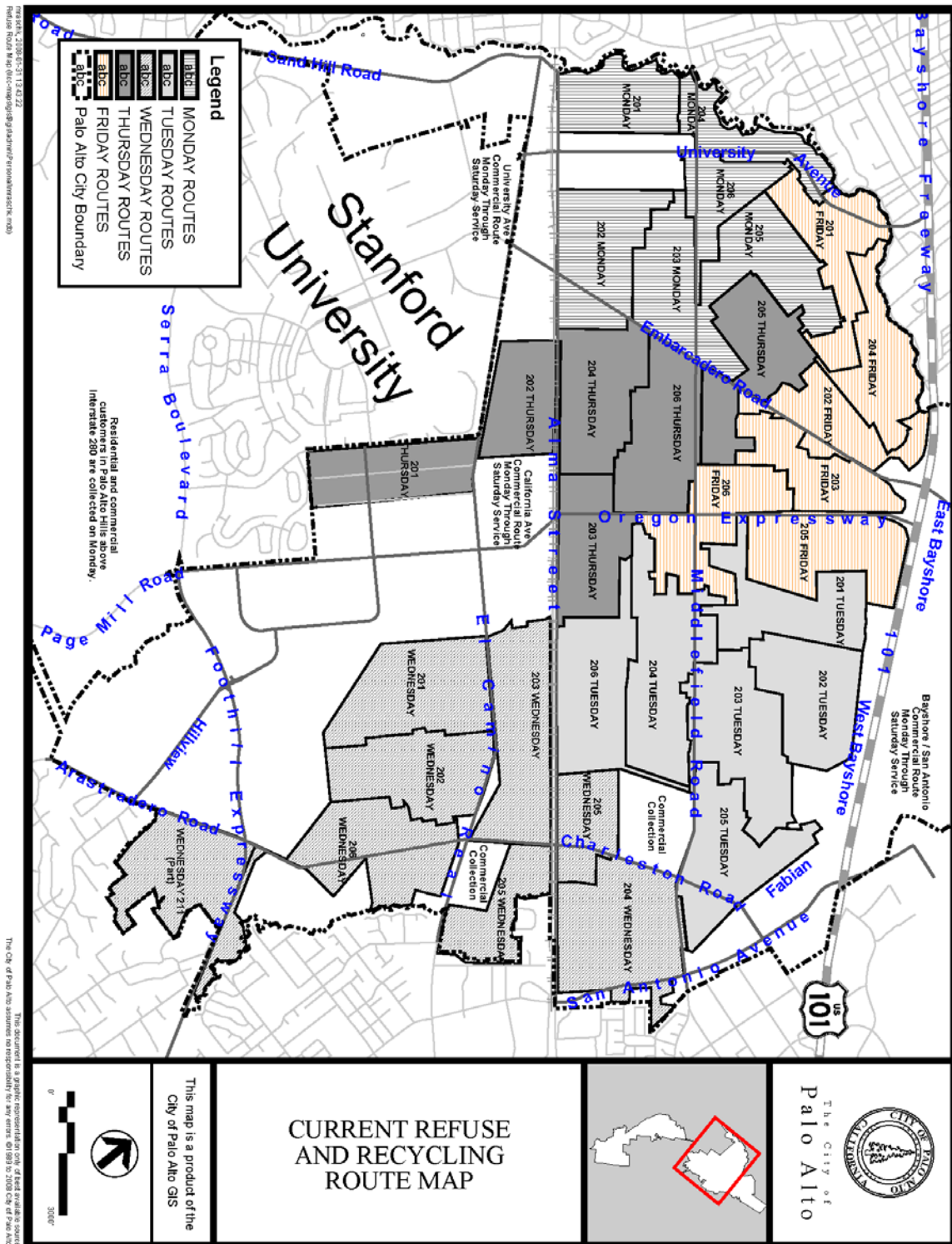
Attachment 1D

Map of Business Districts



Attachment 1E

Map of Current Residential Routes



Attachment 1F
City Budget for PASCO

Request for Proposals for Solid Waste, Recyclable Materials, and Organic Materials Services

| Submittal for 2007 | Cont. Yr 1 | Cont. Yr 2 | Cont. Yr 3 | Cont. Yr 4 | Cont. Yr 5 | Cont. Yr 6 | Cont. Yr 7 | Cont. Yr 8 | Cont. Yr 9 |
|--|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|---------------------|
| Description | Actual 1999-00 | Actual 2000-01 | Actual 2001-02 | Actual 2002-03 | Actual 2003-04 | Actual 2004-05 | Actual 2005-06 | Budgeted 2006-07 | Budgeted 2007-08 |
| | CPI - 4.2% | | CPI - 5.5% | CPI - 3.5% | CPI - 1.4% | CPI - 1.1% | CPI - 2.2% | CPI - 2.0% | CPI - 3.4% |
| Operating Expenses | | | | | | | | | |
| Disposal to Landfill | \$ | | 1,999 | 1,931 | 2,146 | 563 | 8,160 | 2,024 | 7,221 |
| C&D Program Processing Fee | | | | | 160,169 | 270,811 | 252,650 | 208,026 | 254,971 |
| Labor - Wages | 3,276,131 | 2,790,339 | 2,807,986 | 2,720,523 | 2,874,810 | 2,940,942 | 2,973,730 | 2,828,384 | 3,129,874 |
| Labor - Supplemental | 456,720 | 1,012,592 | 941,395 | 939,559 | 818,812 | 660,783 | 809,419 | 783,810 | 852,016 |
| Labor - Benefits | 221,089 | 716,962 | 877,373 | 901,923 | 957,956 | 917,320 | 1,006,544 | 952,106 | 1,061,004 |
| Labor - Payroll Taxes | 287,221 | 306,182 | 295,091 | 308,926 | 334,560 | 312,706 | 330,902 | 326,114 | 345,526 |
| Trucks - Fuel & Environment | 225,522 | 279,515 | 222,167 | 237,822 | 303,194 | 384,457 | 485,210 | 228,865 | 532,447 |
| Trucks - Operating | 502,214 | 181,781 | 180,571 | 130,430 | 297,597 | 207,595 | 142,947 | 137,687 | 151,822 |
| Trucks - Repairs | 333,699 | 239,728 | 385,413 | 294,765 | 589,027 | 319,930 | 336,486 | 311,166 | 350,718 |
| Trucks - Depreciation (7 yrs life) | 657,965 | 582,139 | 575,737 | 499,167 | 514,609 | 559,186 | 625,302 | 586,913 | 603,347 |
| Containers - Repair & Maintenance | 25,347 | 45,318 | 43,831 | 70,600 | 68,393 | 71,447 | 56,374 | 74,528 | 76,615 |
| Containers - Depreciation | 15,846 | 43,086 | 50,370 | 54,564 | 59,463 | 60,034 | 59,048 | 57,600 | 59,213 |
| Materials & Supplies | 46,944 | | | | | 0 | 0 | 0 | 0 |
| Operations - Support - Depreciation | 25,446 | 55,156 | 44,820 | 32,509 | 23,617 | 28,030 | 32,314 | 34,318 | 35,279 |
| Safety Program Expense | 56,271 | 53,077 | 46,757 | 60,048 | 62,543 | 47,997 | 66,469 | 63,389 | 70,304 |
| Total Operating Expenses | \$ 6,130,415 | 6,305,875 | 6,473,510 | 6,252,767 | 7,066,896 | 6,781,801 | 7,185,555 | 6,594,930 | 7,530,357 |
| General & Administrative | | | | | | | | | |
| Wages & Benefits | \$ 466,917 | 559,146 | 652,455 | 428,189 | 368,231 | 384,208 | 484,986 | 452,013 | 500,477 |
| Accounting | | | | | | | | | |
| Advertising | 18,563 | 4,652 | 11,820 | 6,843 | 10,063 | 6,648 | 7,928 | 7,224 | 7,426 |
| Bad Debt | 1,466 | 16,752 | | 4,745 | 5,906 | 6,433 | 15,682 | 5,009 | 5,149 |
| Dues & Subscriptions | 2,931 | 4,761 | 2,162 | 2,060 | 1,047 | 1,169 | 1,933 | 2,175 | 2,236 |
| Insurance - Group | 173,710 | 32,577 | 58,371 | 60,579 | 59,670 | 54,805 | 58,306 | 63,950 | 65,740 |
| Insurance - General Liability | 15,124 | 20,328 | 23,054 | 21,029 | 40,068 | 58,704 | 62,261 | 22,199 | 63,941 |
| Maintenance - Buildings | 10,744 | 27,303 | 25,385 | 13,098 | 189,194 | 165,107 | 7,608 | 16,367 | 16,825 |
| Miscellaneous | 141,571 | (56,132) | 12,476 | 17,750 | 27,366 | 25,142 | 878 | 18,738 | 19,262 |
| Office Supplies | 32,565 | 24,495 | 21,189 | 17,718 | 29,583 | 22,275 | 21,885 | 18,704 | 19,228 |
| Publications/Educational Manuals | 5,467 | 18,631 | 1,640 | 659 | 652 | 1,767 | 1,831 | 696 | 715 |
| Professional Expense | 50,649 | 65,424 | 21,396 | 40,800 | 48,513 | 68,117 | 40,396 | 43,070 | 44,276 |
| Postage | 2,735 | 2,518 | 9,871 | 7,782 | 9,557 | 10,532 | 5,740 | 8,215 | 8,445 |
| Rental - Equipment & Facilities | 1,083 | | | | | | 18,671 | 29,725 | 30,557 |
| Rental - City | 110,106 | 111,055 | 134,827 | 141,701 | 142,553 | 145,475 | 119,280 | 119,860 | 123,216 |
| Taxes & Licenses | 103,608 | 147,546 | 110,296 | 131,724 | 128,440 | 171,536 | 141,913 | 139,053 | 142,947 |
| Taxes - Payroll | 33,507 | 36,513 | 40,166 | 29,355 | 29,334 | 28,539 | 32,092 | 30,988 | 31,856 |
| Telephone | 19,955 | 24,374 | 31,489 | 42,296 | 34,579 | 33,690 | 41,221 | 44,649 | 45,900 |
| Travel | 583 | 53 | 6,339 | 7,815 | 4,699 | 11,387 | 18,184 | 8,250 | 13,621 |
| Uniforms | 20,068 | 36,762 | 47,218 | 30,907 | 39,567 | 26,076 | 32,646 | 32,627 | 33,540 |
| Utilities | 62,693 | 74,033 | 75,061 | 97,229 | 80,948 | 88,319 | 91,664 | 102,639 | 105,513 |
| Depreciation - Office Equipment | 105,622 | 18,283 | 11,962 | 6,299 | 182 | 0 | 0 | 6,649 | 6,836 |
| Depreciation - Leasehold Improvements | 6,486 | 12,972 | 12,972 | 12,972 | 12,766 | 10,491 | 10,492 | 13,694 | 14,077 |
| Division, Area, Corporate Expenses | 325,000 | 338,650 | 357,276 | 369,780 | 374,957 | 379,082 | 387,422 | 395,170 | 408,606 |
| Total General & Administrative Exp | \$ 1,835,726 | 1,520,696 | 1,667,425 | 1,491,330 | 1,637,875 | 1,699,502 | 1,603,019 | 1,581,663 | 1,710,388 |
| Expenses Subject to OR before Additional Services | 7,966,141 | 7,826,571 | 8,140,935 | 7,744,097 | 8,704,771 | 8,481,303 | 8,788,574 | 8,176,593 | 9,240,744 |
| Trucks - CNG Fuel Savings (FY05/06, 06/07) | | | | | | | 0 | (10,920) | 0 |
| Service Change: Cart Relocation | | | | | | | 0 | 5,544 | 0 |
| Program Change: Mattress Program | | | | | | | 0 | 6,240 | 0 |
| Additional PASCO Services for FY 07-08 | | | | 0 | 0 | 0 | 0 | 864 | 0 |
| Inflation | | 276,505 | 632,836 | 868,732 | 958,713 | 1,037,973 | 1,192,477 | 1,322,767 | 1,554,107 |
| CPI 00/01 (82%) - 3.44% | | 276,505 | | | | | | | |
| CPI 01/02 (82%) - 4.51% | | | 356,331 | | | | | | |
| CPI 02/03 (82%) - 2.87% | | | | 235,896 | | | | | |
| CPI 03/04 (82%) - 1.15% | | | | | 89,982 | | | | |
| CPI 04/05 (82%) - 0.90% | | | | | | 79,259 | | | |
| CPI 05/06 (82%) - 1.804% | | | | | | | 154,504 | | |
| CPI 06/07 (82%) - 1.6% | | | | | | | | 130,291 | 231,340 |
| CPI 07/08 (82%) - 2.8% | | | | | | | | | |
| Total Expenses Subject to OR | \$ 7,966,141 | 7,826,571 | 8,140,935 | 7,744,097 | 8,704,771 | 8,481,303 | 8,788,574 | 8,177,457 | 9,240,744 |
| Pass-through Expenses | | | | | | | | | |
| Operations - Interest | \$ 13,554 | 25,773 | 51,401 | 79,431 | 88,677 | 118,448 | 152,770 | 186,309 | 141,050 |
| Landfill Assessments | | | | | | | | | |
| Sale (Gain) on Assets | 6,476 | 915 | (2,500) | (2,250) | 32,280 | 0 | 17,093 | | |
| Interest Income | (14) | | | | | | | | |
| Gain on investments and sundry | | 3,611 | | | | | | | |
| Rent | | | | | | | | | |
| City of Palo Alto | | | | | | | | | |
| | \$ 20,016 | 30,299 | 48,901 | 77,181 | 120,957 | 118,448 | 169,863 | 186,309 | 141,050 |
| Grand Expenses | \$ 7,986,157 | 7,856,870 | 8,189,836 | 7,821,278 | 8,825,728 | 8,599,751 | 8,958,437 | 8,363,766 | 9,381,794 |

Request for Proposals for Solid Waste, Recyclable Materials, and Organic Materials Services

| OR Calculations | | | | | | | | | |
|---|------------------|------------------|------------------|------------------|-------------------|------------------|-------------------|------------------|-------------------|
| Actual OR | 92% | 85% | 89% | 82% | 87% | 87% | 96% | | |
| Target OR | 88% | 88% | 88% | 88% | 88% | 88% | 88% | 88% | 88% |
| Expenses Subject to OR | 7,966,141 | 7,826,571 | 8,140,935 | 7,744,097 | 8,704,771 | 8,481,303 | 8,788,574 | 8,177,457 | 9,240,744 |
| Operating Margin | 1,086,292 | 1,067,260 | 1,110,127 | 1,056,013 | 1,187,014 | 1,156,541 | 1,198,442 | 1,115,108 | 1,260,102 |
| Pass-through Expenses | 20,016 | 30,299 | 48,901 | 77,181 | 120,957 | 118,448 | 169,863 | 186,309 | 141,050 |
| Compensation Requirement | 9,072,449 | 8,924,130 | 9,299,963 | 8,877,291 | 10,012,742 | 9,756,292 | 10,156,879 | 9,478,873 | 10,641,896 |
| Less: Recycling Revenues | 1,199,929 | 1,003,450 | 923,211 | 1,162,932 | 1,351,705 | 1,412,439 | 868,957 | 1,309,025 | 1,211,034 |
| Less: Temp. Drop Box revenues | 1,585,468 | 1,514,579 | 1,107,719 | 981,167 | 1,113,637 | 1,299,401 | 1,196,523 | 1,131,402 | 1,203,187 |
| Less: Other revenues | | | 20,131 | | | | | | |
| Less: Drop Box Fees to City | (985,099) | (963,977) | (697,126) | (619,356) | (709,429) | (838,926) | (758,454) | (722,570) | (768,936) |
| Less: Recy Revnue Adjustment to City | (243,235) | 3,192 | 0 | 0 | (76,589) | (114,048) | 91,918 | (63,546) | (32,906) |
| Less: disposition of vehicles paid to City | 0 | 0 | 0 | (5,000) | (5,000) | (5,000) | (25,000) | | |
| Less: utilities paid to City | (58,758) | 16,508 | | | | | | | |
| Payments to PASCO | 7,186,886 | 7,667,937 | 7,753,169 | 7,961,899 | 8,356,432 | 8,002,426 | 7,798,241 | 7,824,562 | 9,029,518 |
| Total Actual Compensation | 8,685,191 | 9,241,689 | 9,107,104 | 9,481,642 | 10,030,756 | 9,756,292 | 9,172,185 | 9,478,873 | 10,641,896 |
| <u>Adjustment to 07-08 Budget - Due to Out of OR Range for Fiscal Year '05-06</u> | | | | | | | | | |
| | | | | \$ 814,832 | | | | | |

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Attachment 2

Current Collector Services Information

City of Palo Alto

Current Collector Services Information

1.0 SOLID WASTE COLLECTION

1.0.1 SINGLE-FAMILY SOLID WASTE COLLECTION

Estimated number of homes serviced: 17,548

Solid waste is collected from the backyard (within 25 feet from the curb) of residential premises. Backyard service includes front yard or sideyard. Customers receive collection service on a specified day of each week, and must have all materials ready for collection by 6:00 a.m. on collection day. Customers must supply a safe and accessible pathway for collector. PASCO does not enter buildings or garages to empty refuse or recycling containers.

Every occupied premise receives refuse service at the automatic service level of one standard container. A standard container is defined as a metallic or plastic can with a close fitting cover and handles that shall not exceed a capacity of 32-gallons or a weight of sixty pounds. Standard containers for backyard collection are not provided by City or collector. The minimum service is one mini-can (20-gallons) available by request. Residents may choose from a variety of service levels such as mini-can, single can, multiple cans, wheeled containers as well as the frequency of pick-ups.

1.0.1.1 OPTIONAL CART COLLECTION SERVICE

Approximately 45% of residences have opted for the garbage cart

Upon request, collector will provide wheeled carts for refuse collection, which are subject to the same rate structure and volume capacity as the standard container. Carts are available in the following sizes: 20-gallon; 32-gallon, 64-gallon and 96-gallon capacity. Customers opting for a wheeled cart must use the City provided wheeled cart to ensure compatibility with PASCO's vehicles. Contents of wheeled carts shall not exceed a weight of 200 pounds (200 lbs.). Customers using City provided wheeled carts for garbage must place wheeled carts at the curb for curbside collection by the City's collector.

PASCO will remove garbage in excess of the service level subscribed by the customer for an additional charge and upon customer request or notification. Customers exceeding their subscribed service level repeatedly are required to subscribe to additional collection service at the City established rates. Customers may exchange City provided refuse, recycling or yard trimming containers for a different size at no cost once per calendar year. Additional container exchanges

will be subject to an additional charge per exchange at rates established by the City.

1.0.1.2 BACKYARD GARBAGE SERVICE FOR RESIDENTS ABOVE HIGHWAY 280

There are approximately 86 residents above Highway 280 with garbage collection beyond 25 feet from the curb. Four of these residents have opted to pay an additional labor surcharge fee, established by the City's rate schedules, to have PASCO's smaller collection vehicle drive up their long driveways to collect the garbage.

The monthly surcharge is waived for those residents above I-280 with medical problems. These residents still need to go through the current application process. Upon medical certification and application approval, they can receive backyard collection service for garbage (cans), recycling and yard trimming carts beyond the 25 feet from the curb at no additional cost.

1.0.2 COMMERCIAL AND INDUSTRIAL SOLID WASTE COLLECTION

Estimated commercial customers with garbage service: 1,594

Estimated multi-family garbage containers: 2,641

The automatic service level is two standard containers and the minimum service is one standard container. A standard container is defined as a metallic or plastic can provided by the customer with a close fitting cover and handles that shall not exceed a capacity of 32-gallons or a weight of sixty pounds. Businesses may choose from a variety of service levels including cans, wheeled carts or bins in addition to a variety of frequency of pick-up options. Sunday is the only day that the City's Collector does not offer service other than holidays (Thanksgiving, Christmas and New Year's Day).

PASCO may assess additional charges for refuse or recycling service beyond 25 feet from the curb or for other special service needs such as in underground parking garages, for the pull-out of bins for service, or for service in areas that do not have the vertical clearance.

1.1 RECYCLING COLLECTION

Curbside collection of recyclable materials is available to single-family, multi-family, and commercial customers in the City. The following materials are currently accepted for single stream recycling:

- Paper - white paper, newspapers, magazines, cardboard, junk mail, manila folders, paper ream wrappers, NCR paper (carbonless), paperboard, paperback books,

telephone directories, non-metallic wrapping paper, shredded paper, paper envelopes, self-stick notes, paper bags, maps, egg cartons

- Cans & Foil- Metal cans, aluminum cans, aerosol cans (with non-hazardous contents), foil, metal lids and food trays
- Glass – bottles and jars
- Plastics - #1 - #7 containers
- Scrap metal – toaster size or smaller. Scrap metal needs to be set to the side and is only accepted in single-family set outs

1.1.1 RECYCLING FOR SINGLE-FAMILY HOMES

Estimated number of recycling carts at single-family residences: 17,532 carts (approximately 12 people opted out of recycling)

The City provides wheeled carts for the collection of designated recyclable materials. Single-family recycling collection occurs on the regular garbage service day. All materials should be set out at the curb for collection by 6:00 a.m. on collection day. Wheeled carts for recycling are available in three different sizes: 32-gallon, 64-gallon and 96-gallon. New single-family customers receive a standard recycling container designated as a 64-gallon wheeled cart, although other sizes are available upon request.

1.1.2 OTHER CURBSIDE COLLECTION MATERIALS

Single-family recycling also includes the collection of other materials set out next to the recycling cart. These materials include: scrap metal (toaster size or smaller) placed in a box; motor oil placed in a clear, one gallon plastic container with a tight-fitting lid; oil filters placed in the tear resistant bags supplied by the City; and household batteries placed in the bag supplied by the City.

PASCO distributes and replaces the filled bags left at the curb with new bags.

1.1.2.1 SUPPLYING REFUSE AND CARDBOARD RECYCLING FOR HHW EVENTS

PASCO provides a 30 cubic yard debris box for trash and two, 4 cubic yard recycling bins for cardboard for the City's Household Hazardous Waste events. There are approximately 12 events held annually.

1.1.3 RECYCLING FOR COMMERCIAL, MULTI-FAMILY & SCHOOLS

Approximately 50% of commercial customers have recycling carts:

*100% of multi-family complexes (greater than 4 units) subscribe to recycling
Estimated recycling carts at large multi-family complexes: 683*

100% Private and Public schools have recycling collection

All multi-family residences and commercial sites are provided with a standard recycling container designated as a 96-gallon wheeled cart. Other cart sizes, 64-gallon and 32-gallon carts, are available upon request. Multi-family residences and schools are provided with recycling carts at no charge and have weekly collection service. If PASCO is unable to drive to within 25 feet of the recycling carts, the complex can either wheel the carts to the curb for service or pay PASCO to wheel the containers out for collection and then return them to their original location.

Commercial sites are provided with up to five wheeled carts for single stream recycling at no cost. Additional carts can be obtained for a nominal rental fee established in the City's rate schedules. Multi-family and commercial recycling collection occurs on designated recycling collection days. Additional collection days may be scheduled for a fee.

Single stream recycling materials are also currently collected in two cubic yard bins from six different commercial sites including City Hall. The bins are painted blue and are labeled by PASCO. Three additional commercial or multi-family locations may have these bins serviced by PASCO starting on July 2006.

Collector notifies the City of containers that need to be removed due to contamination or non-use. The notification happens before any containers are removed to allow City's Recycling Program staff to work with the customer and promote recycling.

1.1.3.1 CARDBOARD & SLOTTED SHARED CITY CARDBOARD RECYCLING BINS

Cardboard is collected from businesses, schools and multi-family complexes in (front loading) bins ranging in size from 2 cubic yards up to 6 cubic yard bins. Cardboard recycling bins are painted white to distinguish them from the current garbage bins and to help reduce contamination problems. Monthly rental fees established in the City's rate schedules apply to these bins, except for those bins located in schools.

With a goal to increase cardboard recycling for smaller businesses and reduce problems with shared bins due to multiple users, unflattened cardboard and contamination, slotted bins were created for cardboard recycling. The bins were modified by cutting out approximately a 4" x 5' slot on the front side of the bins and installing an auto-bar-lock system. Currently there are approximately 15 commercial locations with slotted cardboard bins. These bins are owned by the City and there is no monthly rental fee charged to customers.

1.1.3.2 CITY FACILITIES AND SCHOOLS

City of Palo Alto facilities, public and private schools are exempt from rental charges for recycling containers and recycling bins.

1.2 YARD TRIMMINGS COLLECTION

Yard Trimmings Materials Accepted:

- Grass clippings
- Plant and tree trimmings
- Leaves
- Shrubs
- Ivy
- Succulents/ice plant
- Flowers.

1.2.1 SINGLE-FAMILY HOMES

Estimated yard trimming carts: 17,498 (approximately 50 residences do not have carts)

Curbside collection of yard trimmings for composting is provided to single-family residences on their regular refuse service day. City provides wheeled carts for the collection of designated yard trimmings materials. Residents may receive up to three (3) carts for yard trimmings at no cost. Additional carts may be rented or purchased.

For the rare occurrence of excess yard trimmings (2-3 times per year), residents may place the additional yard trimmings in biodegradable containers, such as 30-gallon Kraft paper bags, cardboard boxes, or in bundles (no larger than 2' x 4'). The containers and bundles used for the extra yard trimmings may not exceed 40 pounds and will not be returned to the customer.

1.2.2 COMMERCIAL AND MULTI-FAMILY COMPLEXES

Estimated yard trimming carts: 42 accounts

Estimated discounted debris boxes used from yard trimmings: 7 (including one at the landfill)

Curbside yard trimmings recycling collection in carts is available on a case-by-case basis to the commercial sector. The determining factor is that the commercial customers have to be within existing residential yard trimming routes. The yard trimmings collection carts will have weekly collection (since they are within

residential routes). The carts must be set out at the curb by 6:00am on collection day (this may or may not be the same as their regular refuse collection day).

Discounted debris boxes are available for the recycling of yard trimmings. Rates are established by the City.

1.2.3 CHRISTMAS TREE RECYCLING PROGRAM

Christmas trees are collected from single-family homes on their regular collection day. Christmas trees are collected from multi-family residences for a 2-3 week period after Christmas Day. Depending on the complex, collection is provided curbside or near location of recycling wheeled carts.

1.3 “SPECIALIZED” COLLECTION

There are some areas in Palo Alto that cannot accommodate a normal-sized garbage or recycling vehicle. For these difficult to service areas with long and steep roads, the City collector uses a scat truck to collect backyard garbage and yard trimmings and a 10-cubic yard lightweight packer truck referred to as a “Burro” truck for recycling collection.

The residential areas receiving collection from specialized vehicles include: rural areas above HWY 280 (Alexis Drive areas, Los Trancos, homes above Foothill Park), Ellsworth Ct. (private paved street whose residents requested that the City collector not drive their standard collection vehicles in order to not damage their street), and Driscoll Court.

The scat truck is also used to ‘pull out’ bins from commercial and multi-family complexes due to underground or parking garages, areas that do not have vertical clearance or that can accommodate the collection truck for turn around. Additional fees for the pull out may apply.

1.3.1 COLLECTION SERVICES FOR INDIVIDUALS WITH PHYSICAL LIMITATIONS

There are 40-50 residents currently receiving this service.

Backyard recycling and yard trimmings collection is available at no additional charge for residents who are physically limited. Program requires completion and approval of an application.

Application process:

- 1) Customer calls City collector requesting special service.
- 2) City collector mails application after screening request through telephone and explaining guidelines for the special service. This will provide the resident with information and restrictions on the service. It will also be used to ensure that the resident does not have assistance to move containers to the curb for service.

- 3) Upon receiving the completed application, the City collector schedules service appointment for a representative to meet with resident. At the appointment, the representative will find out how much the customer is recycling to determine the correct service level needed (weekly, monthly, or on-call). The City collector coordinates with the resident the specific service location for recycling and yard trimming carts, and will again make sure with the resident that he/she does not have assistance in moving carts to the curb.
- 4) Residents with this special service will receive the default carts for both recycling and yard trimmings with the exception of those residents that have narrow gates or enclosure location issues. Service will be limited to one cart each for recycling and yard trimmings. Garbage will be provided in cans.
- 5) The City collector will have the option to renew the application/certification on an annual basis. This includes sending the application to existing customers with a letter explaining the renewal process.
- 6) All recycling and yard trimming guidelines must still be followed, including acceptable items and weight restrictions.

1.4 COLLECTION CARTS

The City provides wheeled containers for recycling and yard trimming collection, and at the customer's option, wheeled containers for garbage collection. Contents of wheeled containers shall not exceed a weight of 200 pounds. Such containers remain the property of the City and shall not be removed by customers vacating premises. If containers are removed, the outgoing customer may be charged a fee to replace the container based on either a published fee or an actual replacement cost.

Customers may exchange City provided garbage, recycling or yard trimming containers for a different size at no cost once per calendar year. Additional container exchanges will be subject to an additional charge per exchange at rates established by the City.

Garbage, recycling and yard trimming containers shall not remain in the public right-of-way except as is necessary to accommodate the scheduled curbside collection. Containers are permitted in the public right-of-way only during the day preceding the day of scheduled collection and terminating the day following such collection. Containers placed for curbside collection shall maintain the 36-inch clearance on the sidewalk required by the American Disabilities Act (ADA) for safe pedestrian passage.

1.4.1 CONTAINER MAINTENANCE & INVENTORY

The City purchases all wheeled carts for recyclable materials. PASCO is responsible for the maintenance of all garbage, recycling and yard trimming

containers including those purchased by the City. PASCO is also responsible for all labor related to cart exchanges and deliveries as well as maintenance of carts. This includes receiving cart deliveries from the cart manufacturer, unloading, storing, cleaning the carts before delivery to customers, and repairing carts as needed.

PASCO is responsible for ensuring that an adequate supply of containers is maintained for distribution. This includes, maintaining a current inventory of all carts and notifying the City when the inventory is low and additional carts are needed.

PASCO also stores a few used 32-gallon garbage cans for complaining customers wanting the have their old cans replaced due to damage to their cans. This is not a contract requirement.

1.5 PARK RECYCLING COLLECTION

PASCO collects single stream recycling materials weekly from different locations at City parks. During the high season of summer months or for specific parks, service is weekly all year around. Parks with service include:

- Palo Alto/Stanford soccer fields – recycling service at the enclosure
- Briones Park – 1 cart
- Boulware – 1 cart
- Bol Park – 1 cart
- El Camino Park – 2 carts / 2 locations
- Peers Park – 1 cart
- Ramos Park – 2 carts / 2 locations
- Robles Park – 2 carts / 2 locations
- Seale Park – 2 carts / 2 locations
- Cosgwell Plaza – 1 cart / 1 location
- Johnson Park – 1 cart
- Mitchell Park – recycling service is at the enclosure only
- Greer Park – 8 carts / 8 locations
- Bowden Park – 1 cart
- Rinconada Park – 10 carts / 10 locations
- Baylands Athletic Center – 3 carts / 2 locations
- Cubberley Athletic Fields – 7 carts
- Terman Park
 - Location 1- backstop, location is near curb within regular service
 - Location 2- backstop, distance = 111'
 - Location 3- tennis/basketball court gate = 207'
- Arastradero Preserve

- Pickup frequency: once a week year round
 - Parking lot, one wheeled cart; distance less than 25 feet
- Foothills Park –
 - Pickup frequency: April through October, once a week. November through March, once a month. Approximately 25 locations:
 - Foothills Park- Entrance Station, (present location) wheeled carts; distance less than 25 feet.
 - Foothills Park- Boronda Lake at main dock, one wheeled cart; distance less than 25 feet
 - Foothills Park- Boronda Lake at plastic docks, wheeled cart; distance less than 25 feet
 - Foothills Park- Orchard Glen Picnic Area, 5 stone cans along the road; distance less than 25 feet
 - Foothills Park- Interpretive Center. wheeled carts; distance approx 60 feet each way
 - Foothills Park- Oak Grove Picnic Area, two wheeled carts; distance approx 60 feet each way
- Baylands Sailing Station –
 - Pickup frequency: May - October, every two weeks. November - April once a month.
 - Parking lot, one wheeled cart; distance less than 25 feet
 - Baylands Interpretive Center

1.6 DOWNTOWN RECYCLING CONTAINERS

PASCO provides weekly collection at the following downtown locations (the recycling containers are sometimes emptied as part of the garbage route due to high contamination levels):

- Corner of University / Emerson – Lytton Plaza
- Corner of University / Emerson (201 University)
- Corner of University / Bryant (278 University)
- Corner of University / Waverley (403 University)

1.7 GARBAGE COLLECTION FROM PUBLIC RECEPTACLES AND BUS STOPS

There are approximately 208 public receptacle locations and 17 bus stop locations.

PASCO services all public garbage containers and all garbage containers at bus stops. All containers are emptied a minimum of once per week. Receptacles are emptied between 4:00 AM and 11:30 AM. Collector provides the City with updated list of locations every year.

PASCO is responsible for ensuring that the area in and around each receptacle is left clean and free of any litter. Any overflowing garbage or recyclable materials are collected and removed by PASCO at the time of collection.

1.8 CLEANING PUBLIC REFUSE CONTAINERS IN THE DOWNTOWN AREA

On University Avenue only, all receptacle exteriors, approximately 50, and their lids are wiped clean with detergent and water on a semimonthly basis (twice per month, usually on second and fourth Thursdays). Interior of receptacles are to be cleaned as needed to avoid odors.

1.9 SPECIAL EVENTS

1.9.1 RECYCLING COLLECTION SERVICES AT SPECIAL EVENTS

PASCO provides wheeled carts for recycling at all special events in the City. The service includes delivery, removal and processing (or disposal) of all recycling wheeled carts. The recycling carts are provided by the City and have special lids with drop-in slots that minimize contamination. The containers are delivered by PASCO the morning of event or the day before, depending if the event is on a weekend. Containers are typically removed on the morning after the event, except on Sundays. Cardboard bins are available for an additional cost to the event organizer. Locks are automatically provided with the carts and there is the option of specifying that PASCO not lock the lids, depending on how the carts are going to be used at the event.

1.9.2 GARBAGE COLLECTION SERVICES AT DESIGNATED SPECIAL EVENTS

PASCO requires garbage collection from designated special events, however, currently there are only two events requiring the additional PASCO garbage collection - the City's concert series and the Chili Cook-off event at Mitchell Park.

1.9.3 FOOD WASTE COLLECTION FROM SPECIAL EVENTS

Containers for food waste can be obtained through PASCO and delivered at special events. However, there will be extra charges for the transportation of the food waste to a processing facility. The additional fees are typically handled through a purchase order. Currently, this service is only used by the Public Works department for the Chili Cook-off and the employee BBQ events and it is dependent on whether the processing facility (Zanker) can accept the delivery.

1.10 COLLECTING AND RECYCLING PALLETS FROM BUSINESSES

PASCO collects individual pallets from businesses at a rate designated in the City's rate schedules. The individual pallets are placed inside the trash bins to be delivered to the Sunnyvale SMaRT Station where they will be ultimately get sorted for recycling. Individual pallets may also be picked by PASCO in their pick-up trucks and taken to the City's composting site. Pallets are collected as needed and average about five per month.

If there are more pallets than will fit safely inside the customer's trash bin, collector offers customers to dispatch a flatbed truck to collect the pallets. The preferred site for the pallets is the composting site at the City's landfill, but they may also be delivered to the SMaRT Station. The cost includes the labor surcharge for the special collection plus the per pallet rate established by the City. Drop boxes can also be supplied for heavy pallet generators and would be billed for transportation and tonnage according to the approved rates. Large customers with debris boxes for compost may also place pallets with the yard trimming materials that are delivered to the Landfill's composting site.

1.11 RECYCLING CENTER OPERATION

The recycling center is operated by PASCO as a drop off facility. PASCO has an employee at the drop off site to educate and assist customers dropping off materials. The maintenance and cleaning of the bins in the drop-off area are the responsibility of PASCO. The signs are created and supplied by the City. Bins and signs are cleaned twice a year and replaced as needed. The hours of operation are the same as the hours of operation of the City Landfill, Monday through Sunday, 8 AM to 5 PM.

The following recyclable items are currently accepted: mixed paper, magazines, corrugated cardboard, newspaper, telephone directories, blueprints, glass bottles and jars, aluminum and metal cans, plastic containers #1 - #7, polystyrene foam and 'peanuts', plastic bags, milk and juice cartons, scrap metal, used motor oil containers, grease and cooking oil. The following household hazardous waste is also accepted (from Palo Alto residents only) at the Recycling Center: motor oil, oil filters, antifreeze (five gallon limit), auto batteries, household batteries, fluorescent bulbs, and cathode ray tubes. Reusable items, through Goodwill, and mattresses are also accepted at the Recycling Center. City collector is responsible for maintaining the area around the containers clean and free of broken materials.

PASCO collects, receives, handles, processes, transports, and markets all recyclable materials collected or received at the Recycling Center.

1.11.1 TOURS OF OPERATION AND PROCESSING FACILITIES

Tours of the Palo Alto landfill and Recycling Center are provided to the community and school groups approximately six times per year. Tours are generally scheduled and coordinated by the Recycling Program staff. PASCO's

staff also assists in the recycling center tours. The City collector also provides tours of their facilities and the single stream processing facility to City staff, Council members, and other interested parties.

1.12 CLEAN-UP DAY PROGRAM

The Clean-up day collection service allows residents in single-family homes to schedule one appointment with PASCO each calendar year to dispose of excess debris and household items. This service is for residents in single-family homes and those living in housing complexes with four units or less. Service is not available for complexes with five units or more including townhouses, condominiums, apartments, or mobile homes. Clean-up day materials will be collected on the regular refuse service day.

Guidelines include:

Residents are asked to call PASCO at least one week in advance and to place their excess debris and household items at the curb for collection.

Up to four bulky items (weight limit of 200 pounds each) may be collected at no additional charge. Bulky goods scheduled for collection by PASCO are permitted in the public right-of-way only during the day preceding the day of scheduled collection and terminating the day following such collection. Bulky goods collected include discarded furniture, mattresses, and household appliances. Collected bulky goods are reused or recycled.

Individual items must be no larger than 4 feet by 4 feet by 3 feet and weigh less than 60 pounds. Small or loose items have to be placed in disposable containers with contents not to exceed 60 pounds. Other guidelines set by City or its collector must be followed.

Hazardous waste, tires, cathode ray tubes (CRTs – e.g., television and computer monitors), batteries, and construction materials (dirt, rock, concrete) are NOT accepted/collected.

1.13 POLYSTYRENE & FILM PLASTICS COLLECTION AT CITY HALL

PASCO provides on-call collection at City Hall for polystyrene and film plastics recycling. A rack was created to hold large bags for collecting polystyrene. Film plastics are collected in a Clear Stream-type rack (approx 32 gallon bag). The material is picked up and delivered to the Recycling Center drop off for processing and marketing. PASCO supplies plastic bags to the City at a cost of \$106 per roll. The City Hall recycling contractor is responsible for maintaining the surrounding area. The City has been providing the bags for the Clear Stream rack.

PASCO bundles and transports an average of 10 loads of Polystyrene (material from City Hall and Recycling Center) a month to DVI Industries in Newark where the product is baled and sent to Freeflow Industries of Redwood City. This equals approximately two tons per month.

DVI charges \$80 per load to accept and process these products. The total cost of the program is approximately \$10,000 per year, excluding PASCO's assumed expenses.

1.14 TWO ANNUAL WASTE AUDITS FOR GREEN BUSINESS PROGRAM

PASCO surveys two businesses annually to assist the City's Green Business Program. The surveys consist of sending a dedicated empty truck to collect the trash containers(s) for the City selected business and delivering it to a segregated area at the City's Landfill. If the business has trash service 5 times per week, then PASCO provides the survey service daily for 5 days.

1.15 ON-CALL RECYCLING CLEANOUT SERVICE FOR BUSINESSES AND SCHOOLS

PASCO has available two, 2-cubic yard bins for Palo Alto businesses and schools to reserve for their recycling cleanout at no cost. This program is available on a first-come, first-served basis and available only one time per calendar year to each business/school utility account. Businesses and schools have the ability to call in advance and schedule to have a bin or both bins delivered at no charge to them. If the bins are already reserved for the dates requested and they do not want another date, or the year is booked, then the businesses will have to wait until the following year to try to schedule it.

Participants can only put office paper and small quantities of flattened cardboard inside the bins. The customers are responsible for the proper use of the bins; otherwise, City-approved contamination charges may be applied. The business or school can have the bin(s) for up to 5 business days. Service will only be provided during weekdays, with no service on weekends. The containers will be emptied up to once per day if needed, however the request for service needs to be scheduled a day in advance. City bins are used for this program. Auto locks are provided on the bins to prevent illegal dumping. Customers are provided with a key.

In fiscal year 2005-06, there were two of these clean out services a total of four cubic yards. In fiscal year 2006-07, there was one of these clean out services for a total of 2 cubic yards. The Recycling Program is planning to promote the service and anticipates a much greater need in the next fiscal year.

1.16 DEBRIS BOX COLLECTION SERVICES

PASCO provides debris box collection (sizes 7, 15, 20, 30 and 40 cubic yards) at rates established by the City. The service may be billed through a current City of Palo Alto utilities account or paid for with cash or COD through collector. PASCO provides same day service for debris boxes if customer requests the service before noon.

1.16.1 DEBRIS BOX ENFORCEMENT

PASCO has an exclusive contract with the City of Palo Alto for the collection of garbage. If collector encounters debris boxes from other private companies collecting garbage within the City of Palo Alto limits, they will issue a City made

violation notice informing the violator of the Palo Alto Municipal Code's requirements. Collector finds an average of violators eight times per year.

1.17 CONSTRUCTION & DEMOLITION DEBRIS RECYCLING PROGRAM

The construction and demolition (C&D) recycling program allows customers doing business within the City to order C&D Debris recycling boxes (sizes 7, 15, 20, 30 and 40 cubic yards) for recycling mixed or source separated materials. The boxes are identified with a sign as C&D recycling debris boxes.

PASCO transports an average of six C&D Debris boxes on a daily basis for recycling to the Guadalupe Landfill. Some of these boxes are requested by Palo Alto customers to be recycled in order to meet the Palo Alto Municipal Code requirements for C&D projects. The remaining debris boxes are chosen at the driver's discretion. Drivers will usually choose boxes that have higher content of C&D materials; their selection is usually best in the summer when construction projects increase. The debris boxes are sometimes staged at the City's Landfill from one day to the next (for example, if the required boxes for the day have been met, a customer requested box may be placed on hold at the landfill for delivery the next day).

In fiscal year 2005-06, there were 1,572 C&D Debris box loads with an average weight of 4.39 tons.

In fiscal year 2006-07, there were 1,636 C&D Debris loads with an average weight of 4.18 tons

1.17.1 C&D CONTAMINATION CHARGE

Customers requesting a C&D box to be recycled will incur a refundable fee (currently \$152.55 more than regular refuse box). The fee is credited back to the customer when the debris box is accepted by the C&D processing facility for recycling. If the C&D Debris placed in the box does not exceed 10 percent contamination (determined by the processing facility), the applicant will receive a credit/refund, thus causing no increase in cost to the customer to recycle C&D Debris. For customers with a City refuse account, the fee will only appear on the utility bill if the C&D Debris box is rejected by the C&D Debris processing facility. The box would then require additional transportation and processing costs associated with disposal. Because it is known immediately if the C&D Debris box has been rejected by the C&D Debris processing facility, there is no delay in the credit issued to customers with a City refuse account. Rejection at the processing facility is caused by the placement of prohibited materials in the box such as hazardous waste or tires.

1.18 RECYCLING VERIFICATION

PASCO provides customers with verification that the C&D box was recycled by issuing a record of a log that shows the date the box was serviced, box size, address, weight, and indication of whether the box was contaminated. C&D Debris box loads that are rejected by the C&D processing facility do not receive receipt of recycling.

1.19 VEHICLES CLEANED NO LESS THAN ONCE A WEEK

PASCO vehicles are inspected, inside and out, on a daily basis, and washed and cleaned as needed, but no less often than once a week.

1.20 VEHICLES REPAINTED AT LEAST ONCE EVERY FIVE YEARS

PASCO collection vehicles are repainted as least once every five years or more frequently as needed to maintain a good appearance.

1.21 OFFICE SERVICES

PASCO is required to maintain a business office within Palo Alto for purposes of carrying out its obligations under the agreement. A listed telephone number is required at both the main Geng Road facility and at the Recycling Center. The locations have dedicated telephone lines with voice mail capabilities. Employees, supervisors and managers, have email addresses available to City staff.

1.22 DEDICATED STAFF FOR LARGE VOLUME CUSTOMERS

PASCO is required to dedicate staff to handle all accounts with large volume customers in order to establish a good working relationship with the customer and resolve problems in a timely manner. This includes providing the customer with itemized list of charges, by address of each facility of that customer within 24 hours of request. Large volume customers mean the top 50 waste generators within the City. Collector has had the same customer service representative handling these requests since the beginning of 1999.

1.23 LOCKS ON BINS OR BOXES AS REQUESTED BY CITY OF PALO ALTO

PASCO places locks on carts, bins, or boxes as requested by the City or the customer, at purchase and key service rates established by the City. Approximately five percent of cardboard recycling customers have locks and approximately ten percent of the garbage bins have locks.

1.24 WASTE CHARACTERIZATION ON SINGLE STREAM RECYCLING MATERIALS

Two annual waste characterizations are performed on the City of Palo Alto's single stream recycling materials being delivered, through collector, for processing at the Waste Management processing facility for single stream. The waste sorts provide the City with a breakdown by material type and residue and are done every six months, spring and fall.

1.25 RECYCLING DROP-OFF CENTER ATTENDANT

Starting on Oct. 1, 2006, Goodwill Industries began staffing the trailer at the Recycling Center 7 days per week, 8 AM - 5 PM. PASCO's employee, previously responsible for the Goodwill trailer, is to maintain the Goodwill trailer area of the Recycling Center when the Goodwill attendant does not show. Collector is also responsible for the daily cleaning of motor oil container and surrounding area; the loading of composting bins - upon request by customer; the loading of CRTs and tires and the maintenance of areas surrounding CRTs and tires.

The attendant also acts as a 'recycling ambassador' to promote recycling and waste prevention to the users of the Recycling Center. The 'ambassador' responsibilities include being proactive in providing people resources for recycling materials that may not be accepted at the drop off area, stocking the brochures and flyers at the Recycling Kiosk, conduction waste reduction outreach, and assisting the City with verbal or written surveys of the Recycling Center. This employee also maintains the drop off area clean and assists with the operation of the recycling center if needed.

1.25.1 MATTRESS PROGRAM

The mattress trailer is located next to the existing Goodwill trailer at the Recycling Center (started July 2006), and is overseen by collector's Recycling Center attendant. PASCO employee loads the dropped-off mattresses into the designated trailer Mondays-Fridays. PASCO's weekend crew will help maintain the area, keeping it accessible and clean for the public. All other aspects of the program will continue to be overseen by the City, including scheduling pick-ups and recycling.

1.26 CART PLACEMENT GUIDELINES

Collector follows the City issued guidelines for cart placement after recycling, yard trimmings or garbage cart collection in residential areas:

1. Carts are to be positioned curbside while keeping the sidewalks clear. A minimum of 36-inches of sidewalk clearance is required by law for safe pedestrian passage.
2. On rolled curbs, containers are to be placed on the back portion of the sidewalk leaving a 36-inch minimum clearance on the sidewalk.

3. On regular curbs and in areas with planting strips, carts are to be placed on the curb.
4. Carts shall not be placed on the gutter or on the street.
5. PASCO shall be consistent/uniform on the route (i.e., always place containers either on the curb or on the back section of the sidewalk that way pedestrians don't have an obstacle course to walk through)
6. Only one exception - ADA clearance supersedes anything else (i.e., when there is a wall, sidewalk and a planting strip with plants and there's no place for the containers except the gutter/street, then place them on the street.)

1.27 CNG VEHICLES

PASCO has six vehicles (purchased in 2005 and 2006) used for recycling collection that run on compressed natural gas. Vehicles are fueled at the City's Municipal Service Center through an agreement with the City of Palo Alto. The remaining fleet vehicles operate on ultra low sulfur fuel, which meet the requirement by the California Air Resources Board.

1.28 COLLECTOR PERFORMANCE AUDIT

City staff has completed three performance audits of collector operations. The performance audit currently reviews and inspects all 174 contract standards. This is not a contract requirement and PASCO has always cooperated with City staff.

1.29 PUBLIC OUTREACH BY COLLECTOR

PASCO sends a letter and a document with the current rate schedule to all new residents identified by the City's Utilities Banner system. The City's Recycling Program sends out all the outreach and educational brochures and program information.

1.30 COLLECTOR CUSTOMER SATISFACTION SURVEY

The City's agreement with PASCO requires that a customer service satisfaction survey be conducted if PASCO has incurred less than \$25,000 in performance adjustments within any fiscal year since the previous review. The objective of the survey is to gauge the general satisfaction level of the community with the service provided by collector.

The survey was developed in conjunction with collector, and asked residents to evaluate PASCO's overall performance by rating its service as excellent, satisfactory or unsatisfactory. The same survey format was previously sent to residents in 2000, 2001, 2003, and 2005. In 2005, 19,194 surveys were sent to residents as an insert in the Palo Alto Weekly. City staff received 1,467 completed surveys, for a response rate of 8 percent.

1.31 HOLIDAY COLLECTION SCHEDULE

Collection is not provided on the following holidays: January 1, the fourth Thursday of November, and December 25. When the holiday falls on a regular scheduled collection day, collector historically provides the collection on the day before the holiday. If the holiday falls on a Thursday, collection is done the day after. This is to affect the least amount of people possible and create less change for Palo Alto residents. Collector notifies customers of any change in the collection schedule by direct mail and through advertising in the local newspapers.

1.32 NON-COLLECTION TAGS

PASCO creates and issues approximately five non-collection tags for garbage, recycling and yard trimmings. They also have tags for hazardous waste materials found and for cart placements.

These tags are approximately 5" x 2.5" printed on weather resistant plasticized paper with a cut out which allows them to be hung on the handle of the cart, or can. Each tag specifies the reason service was disallowed, or provides information for proper storage of carts and cans, as well as providing a contact phone number.

1.33 MONTHLY, QUARTERLY AND ANNUAL REPORTS ON PROGRAMS AND SERVICES

1.33.1 MONTHLY REPORTS

Collector is required to provide a monthly report, due within 15 business days from the end of the month. The monthly reports include:

A) OPERATIONAL REPORT

- 1) Cover Letter summarizing activities/issues for the month
- 2) Notification of route changes
- 3) Personnel changes/promotions
- 4) Drop box service figures for current month, one month previous and same month the previous year.
- 5) C&D Debris box collection service - Tons collected, number of hauls, and fiscal year to date tonnage
- 6) Customer requested C&D Debris box collection service. This includes tons collected, number of requested boxes/hauls and fiscal year to date tonnage.
- 7) Residential can summary and chart
- 8) Compliment/complaint figures with log and report on year to date totals
- 9) Safety: accidents/incidents
- 10) Assets purchased/sold/discarded for the month with total for each item
- 11) Number of reconditioned bins and bins purchased by customers

- 12) Street can service figures
- 13) Accomplishments, challenges, and planned solutions for the month including problem areas with recycling that have occurred
- 14) Monthly revenues PASCO receives broken out by charge type (i.e., special charges, debris box billed, bin rent/wash, finance charge, discount)
- 15) SMaRT Station tags for the month
- 16) Report which identifies date and time vehicles exceed a 15 minute turn-around time at the SMaRT Station
- 17) Container locations not serviced for that month
- 18) C&D Tonnage report (monthly, quarterly and annual tonnage; percentage breakdown by commodity)

B) RECYCLING REPORT

- 1) Tonnage amounts, price per ton of materials sold, expense figures, equipment depreciation list, revenue/loss
- 2) Single stream tonnage and revenues
- 3) Number of cars visiting Recycling Center
- 4) Number of homes serviced by recycling routes
- 5) Number of wheeled carts in service at multiple family dwellings
- 6) Number of City containers (carts and bins) available (inventory)
- 7) Discontinued recycling service at multiple family dwellings
- 8) Number of new commercial recycling starts
- 9) Documentary evidence that collector has complied with section 7.7 of Agreement (use of recycled materials)
- 10) MRF recycling sales (including sales from drop-off, single stream materials and any rebates received by PASCO).

1.33.2 QUARTERLY REPORTS

The quarterly report is due within fifteen (15) business days from the end of September, December, March, and June. The report includes, at a minimum, the following:

- 1) A list of the top 50 generators of solid waste in the City, the estimated amount of solid waste they generated and total garbage bill for the quarter.
- 2) A contamination report which lists the contact name and address of all multiple family dwellings and commercial/industrial sites where recyclable material containers have been removed due to contamination.

1.33.3 FINANCIAL REPORTS

Financial reports include:

- 1) The audited year-end report is due on or before September 30 of each year.
- 2) The unaudited mid-year report is due on or before March 31 of each year.
- 3) Recycling revenue report is due by August 1 of each year.

1.33.4 ANNUAL REPORTS

Annual reports are due within fifteen business days from the end of December. The annual reports include, at a minimum the following:

1) Recycling Reports:

Tonnage numbers, collection and processing costs are reported for the categories below. For some of the categories, the information is allocated by collector based on surveys rather than actual quantities (tonnage estimates are based on surveys for residential curbside, MFD and commercial sectors; actual tonnage based on container sizes and collection frequency is used for City facilities, schools). Materials reported include paper, glass, metals, plastic, other organic, construction and demolition, household hazardous waste, special waste, mixed residue, white goods.

Categories: Curbside (residential premises); curbside (multiple family dwellings); curbside (commercial /industrial); City Facilities (City Hall, MSC, Libraries, Cubberley, Water Quality Control Plant, Fire Stations); Schools (public only); Seasonal/special collection of Christmas trees; Recycling Center (drop-off only); salvage from Landfill; park recycling receptacles.

2) Report with schedule of solid waste and recyclable material receptacle cleaning, including location and date of bins/receptacles cleaned.

3) Recycling participation report for multi-family dwellings, public and private schools, and commercial/industrial sites including: number of wheeled carts/bins at each site by material type; frequency of recycling service, number of sites that are and are not recycling.

4) Recycling and Solid Waste Surveys

Collector conducts surveys once a year for one week in order to track recycling and solid waste tonnages from residential and non-residential premises. The surveys provide information for all the programs listed above, under 'recycling reports'.

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Attachment 3

Current Rates

DOMESTIC REFUSE COLLECTION*UTILITY RATE SCHEDULE R-1***A. APPLICABILITY:**

This schedule applies to each occupied domestic dwelling as required by City ordinance. An occupied dwelling unit is defined as any home, apartment unit, cottage, flat, duplex unit, having kitchen, bath, and sleeping facilities, and to which gas or electric service is being rendered.

B. TERRITORY:

Within the incorporated limits of the City of Palo Alto and on land owned or leased by the City.

C. RATES:

Separate single-family domestic dwelling and apartment dwellings.

MONTHLY COLLECTION COST

| | Collection Frequency Per Week | | |
|-----------------------|--------------------------------------|--------------|--------------------|
| Number of Cans | Once | Twice | Three Times |
| Mini-can * | 19.06 | | |
| 1 | 24.16** | | |
| 2 | 49.73 | 113.07 | 176.40 |
| 3 | 75.30 | 164.20 | 253.11 |
| 4 | 100.86 | 215.34 | 329.81 |
| 5 | 126.44 | 266.48 | 406.52 |
| 6 | 152.00 | 317.61 | 483.22 |

*Mini-can service cannot be combined with any other can service.

**Standard service is one can service.

D. SPECIAL ITEM CHARGES:

1. Stove/washer/dryer/water heater pickup *25.00
2. Freezer/refrigerator/air conditioner pickup *25.00
3. Upholstered furniture pickup (per unit) *15.00

| | |
|---|-------|
| 4. Mattress pickup * | 15.00 |
| 5. Tire pickup (per tire, limit of 4 tires) * | 10.00 |
| 6. Pallet pick up * | 5.00 |

* “Surcharge special” fee applied, when not collected under the cleanup guideline program.

E. SPECIAL LABOR CHARGES:

| | |
|--|---------------------|
| 1. Return trip (for services missed) | 21.96 |
| 2. Urgent special (per cubic yard charge, outside of routine services) | 49.40 |
| 3. Miscellaneous 1 person service rate | 3.22/min |
| 4. Miscellaneous 2 person service rate | 4.16/min |
| 5. Surcharge special | 70.48 |
| 6. Repair rate | 2.01/min + material |
| 7. Hand pick up (per cubic yard) | 51.49 |
| 8. Extra can (curbside) | 8.72 |
| 9. Extra can (backyard) | 11.41 |

F. SPECIAL CART CHARGES:

| | |
|---|-------|
| 1. 20 gallon cart rental | 2.44 |
| 2. 32 gallon cart rental | 2.44 |
| 3. 64 gallon cart rental | 2.44 |
| 4. 96 gallon cart rental | 2.44 |
| 5. 20-gallon cart purchase | 48.82 |
| 6. 32 gallon cart purchase | 48.82 |
| 7. 64 gallon cart purchase | 54.92 |
| 8. 96 gallon cart purchase | 61.02 |
| 9. Cart wash | 20.14 |
| 10. Cart clean out (by hand) | 13.42 |
| 11. Recycling cart contamination (entire cart dumped) | 26.85 |
| 12. Cart exchange (one exchange allowed per cart each calendar year at no cost) | 18.31 |
| 13. Key service per pick-up | 3.08 |
| 14. Lock (PASCO provided) | 22.15 |
| 13. Cart lock installation | 33.56 |

COMMERCIAL REFUSE COLLECTION*UTILITY RATE SCHEDULE R-2***A. APPLICABILITY:**

This schedule applies to all occupied establishments other than domestic dwellings as required by City ordinance. An occupied establishment is defined as one to which gas or electric service is being rendered.

B. TERRITORY:

Within the incorporated limits of the City of Palo Alto and on land owned or leased by the City.

C. RATES:**MONTHLY COLLECTION COST**

| Number of Cans | Collection Frequency per Week | | | | | |
|-------------------|-------------------------------|----------|----------|----------|----------|----------|
| | One | Two | Three | Four | Five | Six |
| 1 | \$24.16 | | | | | |
| 2 | 49.73* | \$113.07 | \$176.40 | \$239.75 | \$303.09 | \$366.43 |
| 3 | 75.30 | 164.20 | 253.11 | 342.02 | 430.93 | 519.83 |
| 4 | 100.86 | 215.34 | 329.81 | 444.28 | 558.76 | 673.23 |
| 5 | 126.44 | 266.48 | 406.52 | 546.56 | 686.60 | 826.64 |
| 6 | 152.00 | 317.61 | 483.22 | 648.82 | 814.44 | 980.04 |

* Standard service is two can service.

D. SPECIAL ITEM CHARGES:

| | |
|---|-------|
| 1. Stove/washer/dryer/heater pick up * | 30.00 |
| 2. Freezer/refrigerator/air conditioner pick up * | 30.00 |
| 3. Upholstered furniture pick up * | 20.00 |
| 4. Mattress pick up * | 20.00 |
| 5. Tire pick up (per tire, limit of 4 tires) * | 15.00 |

6. Pallet pick up *.....5.00

* “Surcharge special” fee applied, when not collected under the cleanup guidelines.

E. SPECIAL LABOR CHARGES:

1. Return trip (for services missed, with request for same day service)33.56
 2. Return trip (for services missed, with request for next day service).....21.96
 3. Urgent special (per cubic yard charge, outside of routine services)49.40
 4. Miscellaneous 1 person service rate..... 3.22/min
 6. Miscellaneous 2 person service rate..... 4.16/min
 7. Surcharge special70.48
 8. Repair rate.....2.01/min + material
 9. Hand pick-up (per cubic yard)51.49
 10. Extra can11.41

F. SPECIAL CART CHARGES:

1. 32 gallon cart rental.....2.44
 2. 64 gallon cart rental.....2.44
 3. 96 gallon cart rental.....2.44
 4. 32 gallon cart purchase48.82
 5. 64 gallon cart purchase54.92
 6. 96 gallon cart purchase61.02
 7. Cart wash20.14
 8. Cart clean out (by hand).....13.42
 9. Recycling cart contamination (entire cart dumped)26.85
 10. Cart exchange (one exchange allowed per cart each calendar year at no cost).....18.31
 11 Key service per pick-up3.08
 12 Lock (PASCO provided).....22.15
 13. Cart lock installation.....33.56

COMMERCIAL REFUSE COLLECTION*UTILITY RATE SCHEDULE R-3***A. APPLICABILITY:**

This schedule applies to commercial establishments and multi-unit apartment dwellings using refuse containers rented from the contractor.

B. TERRITORY:

Within the incorporated limits of the City of Palo Alto and on land owned or leased by the City.

C. RATES:**MONTHLY COLLECTION COST**

| | Collection Frequency | | | | | | |
|-----------------------|----------------------|----------|----------|----------|----------|----------|-----------------------|
| Size (cubic yards) | 1x/week | 2x/week | 3x/week | 4x/week | 5x/week | 6x/week | Monthly Bin Rental |
| 1 | \$ 120.82 | 247.01 | 373.19 | 498.05 | 624.23 | 749.08 | \$35.24 |
| 1.5 | \$ 165.12 | 340.31 | 516.17 | 690.69 | 865.87 | 1,040.39 | 35.24 |
| 2 | \$ 209.42 | 433.60 | 659.14 | 883.32 | 1,107.51 | 1,331.71 | 45.86 |
| 3 | \$ 296.68 | 620.21 | 942.40 | 1,265.92 | 1,589.45 | 1,912.98 | 57.80 |
| 4 | \$ 394.68 | 797.41 | 1,239.07 | 1,661.94 | 2,083.47 | 2,505.00 | 57.80 |
| 5 | \$ 481.93 | 1,002.81 | 1,523.67 | 2,044.53 | 2,565.41 | 3,086.27 | 70.48 |
| 6 | \$ 579.94 | 1,200.14 | 1,819.01 | 2,439.22 | 3,059.42 | 3,678.29 | 70.48 |
| 8 | \$ 755.79 | 1,572.00 | 2,389.54 | 3,207.09 | 4,024.63 | 4,842.19 | 93.03 |

DEBRIS BOX SERVICE FOR SOLID WASTE AND RECYCLABLE CONSTRUCTION AND DEMOLITION MATERIALS*

On-Call Service

| | 7 CY | 15 CY | 20 CY | 30 CY | 40 CY |
|--------------|-------------|--------------|--------------|--------------|--------------|
| Delivery | \$ 106.05 | \$ 106.05 | \$ 106.05 | \$ 106.05 | \$ 106.05 |
| Service | 459.12 | 459.12 | 532.95 | 681.96 | 743.71 |
| Total | 565.17 | 565.17 | 639.00 | 788.02 | 849.76 |
| Non-use ** | \$59.07 | \$59.07 | \$59.07 | \$59.07 | \$59.07 |
| Minimum | 40.27 | 40.27 | 53.70 | 67.12 | 80.89 |
| Abandoned | 53.70 | 53.70 | 53.70 | 53.70 | 53.70 |

* Additional contaminated charge of \$152.55 may apply on debris boxes used for construction and demolition materials

** Within a seven (7) day period

SINGLE-SOURCE SEPARATED DEBRIS BOX

| | 7 CY | 15 CY | 20 CY | 30 CY | 40 CY |
|----------------|-------------|--------------|--------------|--------------|--------------|
| Delivery* | \$ 98.20 | \$ 98.20 | \$ 98.20 | \$ 98.20 | \$ 98.20 |
| Service | 318.83 | 318.83 | 370.10 | 473.58 | 516.47 |
| Monthly Rental | 117.46 | 117.46 | 156.62 | 234.93 | 293.66 |
| Non-use ** | \$ 59.07 | \$ 59.07 | \$ 59.07 | \$ 59.07 | \$ 59.07 |
| Minimum | 40.27 | 40.27 | 53.70 | 67.12 | 80.55 |
| Abandoned | 53.70 | 53.70 | 53.70 | 53.70 | 53.70 |

* Waived if renting monthly

** Within a seven (7) day period

Permanent Service

| Size | Collection Frequency | | | Monthly Box Rental |
|-------|----------------------|-------------|-------------|--------------------|
| | 1x/week | 2x/week | 3x/week | |
| 15 CY | \$ 1,791.19 | \$ 3,582.35 | \$ 5,373.55 | \$ 126.87 |
| 20 CY | 2,178.56 | 4,357.14 | 6,535.71 | 169.15 |
| 30 CY | 2,797.78 | 5,595.53 | 8,393.32 | 253.72 |

Yard Trimmings Debris Box

| Size | Service | | | Monthly Box Rental |
|-------|-----------|-----------|-----------|--------------------|
| | 1x | 2x | 3x | |
| 15 CY | \$ 303.10 | \$ 606.21 | \$ 909.32 | \$ 126.87 |
| 20 CY | 353.61 | 707.22 | 1,060.82 | 169.15 |
| 30 CY | 379.33 | 758.63 | 1,137.96 | 253.72 |

DETACHABLE CONTAINER RENTAL:

| <u>Cubic Yard</u> | <u>Per Month</u> |
|-------------------|------------------|
| 1 | 35.24 |
| 1.5 | 35.24 |
| 2 | 45.86 |
| 3-4 | 57.80 |
| 5-6 | 70.48 |
| 8-10 | 93.03 |
| 15 | 126.87 |
| 20 | 169.15 |
| 30 | 253.72 |

SPECIAL PROVISION:

The monthly charge to multi-unit apartment dwellings will be billed to the owner.

D. SPECIAL ITEM CHARGES:

1. Stove/washer/dryer/water heater pick up * 30.00
2. Freezer/refrigerator/air conditioner pick up * 30.00
3. Upholstered furniture pick up * 20.00
4. Mattress pick up * 20.00
5. Tire pick up (per tire, limit of 4 tires) * 15.00

* Surcharge special applied, when not collected under the cleanup guideline program.

E. SPECIAL LABOR CHARGES:

1. Urgent special (per cubic yard charge, outside of routine services) 49.40
2. Miscellaneous 1 person service rate.....3.22/min
3. Miscellaneous 2 person service rate.....4.16/min
4. Surcharge special 70.48
5. Repair rate 2.01/min + material
6. Hand Pick up (per cubic yard) 51.49

F. SPECIAL BIN CHARGES:

1. Counter balance lid (3&4 yd)..... 77.86
2. Counter balance lid (5&6 yd)..... 90.61
3. Temporary bin-delivery (1)..... 73.29
4. Temporary bin-delivery (2)..... 100.68
5. Temporary bin-delivery (3)..... 128.20
6. Temporary bin-delivery (4)..... 201.37
7. Temporary bin-weekly fee 22.15
8. Bin wash..... 36.32
9. Key service per pick-up 3.08
10. Lock (PASCO provided)..... 22.15
11. Auto-bar lock installation 173.65

G. SPECIAL DEBRIS BOX CHARGES:

| | |
|---|--------|
| 1. Drop-box delivery | 106.05 |
| 2. Additional fee for delivery to Service Area 2 | 56.39 |
| 3. Drop-box non-use | 59.07 |
| 4. 15 yd box-overfull..... | 40.27 |
| 5. 20 yd box-overfull..... | 53.70 |
| 6. 30 yd box-overfull..... | 67.12 |
| 7. 40 yd box-overfull..... | 80.55 |
| 8. Special debris box service between 12 PM to 6 PM..... | 70.48 |
| 9. Special debris box service between 6 PM to 12 AM | 140.96 |
| 10. Special debris box service on Saturday before 12 PM..... | 70.48 |
| 11. Special debris box service on Sunday before 6 PM..... | 211.43 |
| 12. Special debris box service on Sunday, 6 PM to 12 AM | 281.91 |
| 13. Contaminated loads of construction and demolition recycling materials | 152.55 |
| 14. On call compactor | 52.35 |
| 15. Compactor/ drop box wash | 74.99 |
| 16. Compacted refuse (per compacted cubic yard) | 49.40 |

Attachment 4

Public Opinion Survey Results

2007 PASCO Customer Service Satisfaction Survey Results

The City of Palo Alto's agreement with PASCO requires the City to conduct Customer Satisfaction Surveys. The last survey was conducted in 2007. During FY 05/06 PASCO's performance adjustment payments were \$1,500.

The survey was essentially identical in content to previous surveys. Customers were asked to rate PASCO's overall performance by rating it Excellent, Satisfactory, or Unsatisfactory. In addition, the respondents were given the opportunity to make comments regarding the service level. The survey forms were sent as an enclosure in the *Palo Alto Weekly*, which is mailed to all residences in Palo Alto. The total number of surveys was 19,600, of which 1,384 were returned and tabulated representing a 7% return rate.

Survey Results

| Quality of Service | Percentage of Total | Total number |
|--------------------|---------------------|--------------|
| Excellent | 88% | 1,211 |
| Satisfactory | 11% | 159 |
| Unsatisfactory | 1% | 13 |

These results are consistent with previous surveys. The comparison of these results to earlier surveys can be viewed in the table below:

| Annual Comparison | 2000 | 2001 | 2003 | 2005 | 2007 |
|--|--------|--------|--------|--------|--------|
| Surveys distributed | 20,850 | 15,000 | 18,994 | 19,194 | 19,600 |
| Returned/completed surveys | 1,486 | 2,398 | 1,761 | 1,467 | 1,384 |
| Percentage response rate | 7% | 16% | 9% | 8% | 7% |
| % rated as excellent | 87.4% | 84.9% | 87.2% | 83% | 88% |
| % rated as satisfactory | 10.2% | 11.2% | 11.8% | 15% | 11% |
| % rated as unsatisfactory | 0.7% | 1.2% | 0.9% | 1% | 1% |
| % not checking any of the available categories | 0.7% | 1.8% | 0.0% | 0% | 0% |
| % checked more than one category and were undecided between classifying the service as excellent/satisfactory or satisfactory/unsatisfactory | 1.0% | 0.9% | 0.2% | 1% | 0% |

Comments by Respondents

Nearly half of those responding to the survey added additional comments. The majority of the comments were positive, if not exuberant. A small sampling of such comments follows: *“Reliable, efficient, gets the job done! Thank you very much!”*; *“Still the best I’ve ever encountered”* *“Very happy with service”*.

Unsatisfactory Comments:

Less than one percent of respondents had comments which could be considered complaints or suggestions for improvements. The ranking of those comments by type is tabulated below.

| | |
|--|-------------|
| Trash on ground after collection | 38 comments |
| Bins not placed in appropriate location after collection | 32 comments |
| Noise | 15 comments |
| Lid not replaced after collection | 8 comments |
| Gate not closed | 6 comments |

PASCO Response to Survey

City of Palo Alto staff reviewed the results of the survey with PASCO. Since the overall results were positive, the discussion with PASCO focused on several items of concern. Regarding trash left on the ground after collection, it was indicated that supervisors are responsible for monitoring such violations and efforts are made to prevent the problem. Bin replacement issues were said to be sometimes the result of placement by residents. PASCO collectors will be more pro-active in placing notices on carts misplaced by residents.

Follow-up With Customer Complaints and Suggestions

Approximately 50 responses contained comments that asked questions or gave suggestions for program change. City of Palo Alto staff responded by mail to 33 of these respondents.

Summary

As in previous years, the results of the PASCO Customer Satisfaction Survey are highly positive. It is clear that PASCO’s service is considered to be between good and excellent by the respondents to the survey.

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Attachment 5

Zero Waste Operational Plan

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Attachment 6
Agreement for
Solid Waste, Recyclable Materials, and
Yard Trimmings Services (Agreement)

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Attachment 7
Cost Proposal Forms

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Attachment 8
Secretary's Certification

ATTACHMENT 8

SECRETARY'S CERTIFICATION

The undersigned, being the Secretary of _____, a
Company Name
California corporation ("the Company"), do hereby certify that the following resolution was adopted by the Board of Directors of the Company and that such resolution has not been amended, modified or rescinded and is in full force and effect as of the date hereof:

RESOLVED, that _____ be, and hereby is, authorized to
Name of Designated Representative
sign the Company's proposal and execute by and on behalf of the Company any and all agreements, instruments, documents or papers, as he/she may deem appropriate or necessary, pertaining to or relating to the January 2008 Request for Proposals for Solid Waste, Recyclable Materials, and Yard Trimmings Collection Services from the City of Palo Alto, California, and that any such action taken to date is hereby ratified and approved.

Dated: _____

Signature

Title

Attachment 9

Anti-Collusion

ATTACHMENT 9

ANTI-COLLUSION AFFIDAVIT

**PROPOSAL TO CITY OF PALO ALTO FOR SOLID WASTE, RECYCLABLE
MATERIALS, AND ORGANIC MATERIALS SERVICES**

STATE OF CALIFORNIA }

COUNTY OF _____ }

_____, being first duly sworn, deposes and says that he or she is

(sole owner, partner, president, secretary, etc.)

of _____

the party making the foregoing proposal; that the proposer has not directly or indirectly induced, solicited, colluded with, or agreed with any other person to refrain from submitting a proposal, to control the price of a proposal; to limit the scope of a proposal; that all statements contained in the proposal are true to the best of their knowledge and believe after due inquiry; that the proposer has not disclosed the price or terms of this proposal to any person other than owners, officers, employees, and agents of the proposer.

(Signature)

Name: _____

Title: _____

Subscribed and sworn to before me,

A Notary Public in and for the

State of California, County of

this day of _____, 2008

Signature of Notary Public

My commission expires _____, 2008