

Agenda Report

May 16, 2016

TO: Honorable Mayor and City Council

FROM: Department of Public Works

SUBJECT: CONTRACT AWARD TO SLOAN VAZQUEZ MCAFEE FOR FINANCIAL AUDITS OF FRANCHISE COMMERCIAL WASTE HAULERS FOR AN AMOUNT NOT TO EXCEED \$97,200

RECOMMENDATION:

It is recommended that the City Council:

1. Find the project herein to be categorically exempt under California Environmental Quality Act (CEQA) Guidelines in accordance with Section 15061 (b) (3); and
2. Authorize the Interim City Manager to enter into a contract, without competitive bidding pursuant to City Charter Section 1002(F), contracts for professional or unique services, with Sloan Vazquez McAfee to perform Financial Audits of Franchise Commercial Waste Haulers for an amount not to exceed \$97,200.

BACKGROUND:

On November 3, 1992, the City Council adopted the Solid Waste Collection Franchise System as reflected in Chapter 8.61 of the Pasadena Municipal Code (PMC). The purpose of the ordinance is to provide standards and procedures for granting non-exclusive franchises for solid waste collection of commercial, industrial and multi-family residential accounts and to generate revenue for municipal purposes including but not limited to the preparation and implementation of an Integrated Waste Management Plan and maintenance of public streets which are impacted by heavy vehicles used in the solid waste collection business.

The non-exclusive franchise system allows permitted haulers to collect, transport, dispose and/or recycle solid waste that is kept, accumulated, or produced in the City. The terms and conditions include payment of a franchise fee based upon percentage of gross monthly receipts; security deposit; financial audit; vehicle inspections; conformance with generally accepted accounting principles for all accounts and revenue arising out of the operations; and specified reporting of collection, disposal, waste reduction, and recycling activities.

The City has been hiring consulting firms to conduct financial audits for franchise commercial haulers since 1999. These audits ensure franchise commercial haulers' compliance with the non-exclusive solid waste franchise agreement, administrative rules and regulations, and all federal, state or local laws and regulations applicable to the operation of the franchise system.

On March 9, 2016, an RFP was issued seeking consulting services to audit 13 of the City's 23 franchise commercial waste haulers with a contract period of one year, with two additional renewal terms of one year, at the sole discretion of the City Manager, for a maximum potential contract period of three years. The RFP was listed on the City's website, which generated notices to one local and 24 non-local vendors. On March 24, 2016, a mandatory pre-proposal meeting was held by the Department of Public Works to answer questions regarding the RFP. In response to the RFP, three proposals were received on April 4, 2016 and bid results were prepared as follows:

Proposer	Understanding	Approach	Staffing/ Ability to Perform	Experience	Cost	Local Pasadena Business	Small Micro Business	Total Score
Sloan Vazquez McAfee	45	75	45	45	60	0	0	270
MSW Consultants and SCS Engineers	45	64	37	53	43	0	15	257
MuniServices, LLC	45	65	45	45	44	0	0	244

It is recommended that Sloan Vazquez McAfee be awarded the contract for this project as the firm received the highest overall score. The proposed contract with Sloan Vazquez McAfee fully complies with the Competitive Bidding and Living Wage Ordinances. Prior to Sloan Vazquez joining as one firm with McAfee, Sloan Vazquez provided audit services for the City of Pasadena's commercial solid waste franchise haulers for the past three years for a contract amount of \$29,750 per year.

Sloan Vazquez McAfee will perform on-site audits of 13 franchise commercial waste haulers for calendar years 2015, 2016 and 2017 to determine franchisees' compliance or non-compliance with the non-exclusive solid waste franchise agreement, administrative rules and regulations, and all federal, state or local laws and regulations applicable to the operation of the franchise system. Each franchisee shall be responsible for full payment of all additional follow-up audits required and conducted by the auditor hired by the City. Failure to comply with the requirements noted by the auditor shall result in franchise agreement not being approved for renewal or franchise termination.

COUNCIL POLICY CONSIDERATION:

This project is consistent with the City Council's goals to increase conservation and sustainability, maintain fiscal responsibility and stability, and ensure public safety.

ENVIRONMENTAL ANALYSIS:

The project has been reviewed for compliance with the California Environmental Quality Act (CEQA) and is exempt per Section 15061 (b) (3). The project is covered by the general rule that CEQA only applies to projects that have the potential for causing a significant effect on the environment.

FISCAL IMPACT:

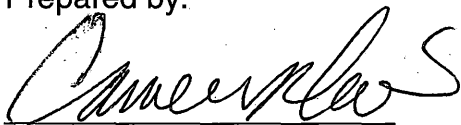
Over a three-year period, the cost of this contract is \$97,200. Funding will be addressed by the utilization of existing budgeted appropriations from the Public Works Department, Street Maintenance and Integrated Waste Management Division operating budget (account 40622018-811400). It is anticipated that the entire cost will be spent over a three-year contract period.

Respectfully submitted,



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Director of Public Works

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Approved by:



STEVE MERMELL
Interim City Manager