



Agenda Report

September 23, 2019

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 \$110,580

RECOMMENDATION:

It is recommended that the City Council:

1. Find the project herein to be categorically exempt under the California Environmental Quality Act (CEQA) Guidelines in accordance with Section 15061(b)(3); and
2. Authorize the City Manager to enter into a contract, based on a competitive selection process pursuant to Pasadena Municipal Code 4.08.047, with Sloan Vazquez McAfee to perform financial audits of franchise commercial waste haulers for a contract period of one year in the amount of \$36,860, with the option of two one-year extensions, subject to the approval of the City Manager, for a maximum potential contract period of three years and a total contract amount of \$110,580. Competitive Bidding is not required pursuant to City Charter Section 1002(F), contracts for professional or unique services.

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. 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 heavily laden vehicles.

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 June 27, 2019, a Request for Proposal (RFP) was issued seeking consulting services to audit franchise commercial waste haulers with a contract period of one year, with the option of two one-year extensions, subject to the approval of the City Manager, for a maximum potential contract period of three years. The RFP was posted on the City's website (Planet Bids), which generated notices to 23 vendors, two of which were local. In response to the RFP, four proposals were received by the deadline on July 18, 2019 and were scored based on pre-established criteria listed in the RFP by a panel of three subject matter experts, as shown in Table 1:

Table 1: RFP Scoring Criteria

Criteria	Max % Score	Sloan	Choi	Vasquez	Eadie
Proposed Solution	30%	28	15	23	19
Experience	30%	30	10	21	11
Cost Proposal	30%	13	30	1	11
Local Business	5%	0	0	0	0
Small/Micro Business	5%	0	5	5	0
Total	100%	71	60	50	41

Table 2 summarizes the average scores of the proposals by the three evaluators:

Table 2: Proposal Evaluations

RANK	PROPOSER	LOCATION	SCORE (100 max)
1.	Sloan Vazquez McAfee	Tustin, CA	71
2.	Choi Hong Lee & Kang LLP	Los Angeles, CA	60
3.	Vasquez & Company LLP	Glendale, CA	50
4.	Eadie & Payne LLP	Riverside, CA	41

Evaluated based on criteria specified in the RFP, 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. Sloan Vazquez McAfee provided audit services for the City of Pasadena's commercial solid waste franchise haulers for the past three years for a contract amount of \$97,200.

Sloan Vazquez McAfee will perform on-site audits of the franchise commercial waste haulers for calendar years 2018, 2019 and 2020 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 any additional follow-up audits required and conducted by the auditor. Failure to comply with the requirements noted by the auditor shall result in the 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 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:

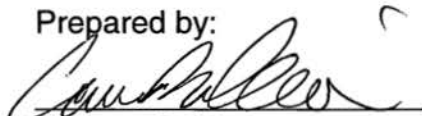
Over a three-year period, the cost of this contract is \$110,580. Funding will be addressed by the utilization of existing budgeted appropriations from the Department of Public Works, Street Maintenance and Integrated Waste Management Division operating budget (account 40622018-811400). It is anticipated that the entire cost will be spent over a three-year contract period with \$36,860 in the current fiscal year.

Respectfully submitted,



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