



September 24, 2008

Mr. Larry Patterson  
Public Works Director  
City of San Mateo  
San Mateo, CA

Dear Mr. Patterson:

Environmental Planning Consultants is pleased to submit the attached **Evaluation of the SBWMA Evaluation of Collection Proposals**.

Based on a quick review of the proposals, interviews with the members of the Evaluation Committee, and a quick review of the reports on the proposal evaluation provided to me by the SBWMA staff, it is clear to me that:

- The selection process provided multiple opportunities for each of the Proposers to provide details on their proposal.
- The Evaluation Committee members rated the proposals independently, not in a group setting.
- The Evaluation Committee did not come to agreement before the scores were tallied.
- When the scores were compared, each of the evaluators had ranked each of the Proposers in the same order.
- The Cost Proposals were fairly evaluated. The evaluation of cost not only evaluated the base fee, but also the reasonableness of the amount.
- The process for the evaluation of the proposals was fair.
- The evaluation of the proposals was fair.

I believe that the selection of Norcal is the only conclusion that can be reached based on the review of the Evaluation of the Proposals submitted to the SBWMA. I believe that the Evaluation Committee reached the appropriate conclusion as to the quality of the proposals received, and made the appropriate recommendation to the Selection Committee.

Please contact me if you have any questions about this report.

Sincerely,

**Richard Gertman**  
Principal



## **Evaluation of the SBWMA Evaluation of Collection Proposals**

This study was conducted to evaluate the process used by the SBWMA to evaluate the Collection Agreement proposals submitted by Allied Waste Services and Norcal Waste Systems.

Environmental Planning Consultants followed a three step process to produce this evaluation.

1. Proposal documents submitted by the proposers were reviewed.
2. The Evaluation Committee members were interviewed.
3. Reports prepared by the Evaluation Committee were reviewed.

A Five member Evaluation Committee reviewed and evaluated the proposals. The Evaluation Committee evaluated the proposals based on five features:

1. Proposer's Qualifications
2. The technical aspects of the proposal
3. Costs
4. Exceptions to the RFP requirements
5. Environmental enhancements

### **Results of SBWMA Evaluation**

The committee made the following findings:

1. **Qualifications:** Many of the program enhancements made over the years to develop the current programs noted by Allied Waste were actually implemented by individuals that now work for Norcal, and are listed as key personnel in the Norcal proposal; while the General Manager listed in the Allied Waste proposal has limited waste management experience.

The Evaluation Committee gave Allied Waste a lower score than other Proposers because the General Manager named in the proposal has considerably less experience than the Managers listed by other firms. The Allied Waste General Manager has not previously been involved in a new program start-up of this magnitude.

2. **Technical aspects of the proposal:** The lack of discussion of the start-up of the new services required in the RFP in the Allied Waste Proposal was a serious concern to all of the members of the Proposal Evaluation Committee. Based on the level of effort described in the Proposal documents, there was concern that the new service start-up would not go smoothly.

To maintain a high level of customer service, Norcal will use on-board computers that have already been shown to be easy to use and effective. The on-board computers that were described in their proposal by Allied did not show the same level of development, and the ease of use by the drivers is questionable.



3. Cost Proposal: Costs were evaluated as two elements: the amount to be charged by the Contractor for providing the services proposed, and the reasonableness of the costs proposed. It is important to highlight that this part of the proposal evaluation does not just rate the bottom line cost of one proposal against the bottom line cost of another proposal. The bottom line cost only reflects half of the Cost Evaluation score.

The Proposers were allowed to submit revised cost forms based on questions raised during the evaluation process. The evaluation team asked Proposers for clarification on issues that they felt were not discussed in sufficient detail. The responses to these questions were considered in the final evaluation scores.

All of the evaluators gave the maximum number of points to Allied Wastes for their low cost proposal, and fewer points to the other proposers. The most significant cause of the low scores for reasonableness of the Allied Waste proposal was the small amount budgeted for the start-up of new services. The score for reasonableness of the proposed costs rates the ability of the Contractor to fulfill the requirements of the Collection Agreement at that rate. None of the evaluators gave Allied Waste the highest score for reasonableness of the Cost Proposal. When the scores for both cost elements are totaled, Allied Waste did not receive the highest score for their Cost Proposal from any of the evaluators.

Two significant areas of concern were observed in the Allied Waste Cost Proposal:

- ✓ Fuel Cost: The cost of fuel as proposed by Allied is \$944,000 lower than that proposed by Norcal. While Allied may be planning to use fewer vehicles and truck trips based on their proposed routing, it is hard to imagine that there could be this much difference. Further, while this cost would be fixed in the contract and not directly impact the service rates, higher expenditures resulting from higher than projected fuel costs might result in other services not being provided at the required levels.
- ✓ Program Transition: Allied Waste proposed \$1,855,000 less than Norcal. While Allied Waste will have lower costs as the incumbent Contractor, it appears that Allied Waste has not budgeted sufficient funds to cover the implementation of the new service features required under this new contract. The Evaluation Committee members reported that this was the primary reason that Allied Waste was not awarded more points in the Proposal Cost Evaluation.

4. Exceptions: Both Allied Waste and Norcal took no exceptions to the RFP requirements, and so both received full point score.

5. Enhancements: Norcal offered significant program enhancements and described these in detail. Allied Waste did not offered significant program enhancements.

Norcal proposed the use of biodiesel-40 fuel for collection vehicles and hybrid trucks for supervisors to reduce emissions, and green building design in its facilities. Allied proposed the use of biodiesel-20 fuel for collection vehicles.



## **Alternate Proposal by Allied Wastes**

Allied Wastes submitted an Alternate Proposal that included some significant benefits, including an early start of the new services, a one-year extension of the Ox Mountain disposal agreement, and an extension of the composting agreement at Newby Island. However, the Alternate Proposal did not meet several requirements of the process, including that it was only valid if it included both the collection agreement and the operation of the processing facility, and if the collection contract continued to be a cost-plus agreement. These conditions were contrary to the wishes of the Authority at the time the RFP was prepared, and the Alternate Proposal was not considered to be responsive to the Request for Proposals. Additionally, the detailed cost proposal forms were not provided for this Alternative.

## **Conclusion**

Based on my review of the proposals, interviews with the members of the Evaluation Committee, and review of the reports on the proposal evaluation provided to me by the SBWMA staff, it is clear to me that:

- The selection process provided multiple opportunities for each of the Proposers to provide details on their proposal.
- The Evaluation Committee members rated the proposals independently, not in a group setting.
- The Evaluation Committee did not come to agreement before the scores were tallied.
- When the scores were compared, each of the evaluators had ranked each of the Proposers in the same order.
- The Cost Proposals were fairly evaluated.
- The process for the evaluation of the proposals was fair.
- The evaluation of the proposals was fair.

Based on the information I received I believe that the analysis of the cost proposals was correct, and not subject to bias of any kind. And, had Allied been awarded the Maximum score for their cost proposal by each of the evaluators [which is not warranted], it would have given them an additional 198 points, which would not even have brought them to the number two ranking of the proposers.

From my review of the materials provided to me, I do not believe that further review is required, and I am satisfied that additional review would not yield any different conclusion. From my interviews with the Evaluation Committee I am confident that the evaluators fairly and adequately described the process they used, and I did not find any bias in the scoring and rating of the proposals.

I believe that the selection of Norcal is the only conclusion that can be reached based on the review of the Evaluation of the Proposals submitted to the SBWMA. I believe that the Evaluation Committee reached the appropriate conclusion as to the quality of the proposals received, and made the appropriate recommendation to the Selection Committee.

