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CALIFORNIA

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ARLEEN P. TAYLOR
EXECUTIVE OFFICER

<http://www.bpw.lacity.org>

2013 OCT -2 AM 9:20
ADMINISTRATIVE OFFICER

September 27, 2013

#1 BOS/BCA

Mayor Eric Garcetti
Room No. 305
City Hall
Attn: Mandy Morales

Subject: AUTHORITY TO EXECUTE SUPPLEMENTAL AGREEMENT TO THREE PERSONAL SERVICES CONTRACT FOR MARKETING AND PROCESSING RESIDENTIAL SINGLE STREAM COMMINGLED RECYCLABLE MATERIALS FROM THE EAST VALLEY, WEST VALLEY, NORTH CENTRAL, AND HARBOR WASTESHEDS

As recommended in the accompanying report of the Directors of the Bureaus of Sanitation and Contract Administration, which this Board has adopted, the Board of Public Works requests approval and forwarding to the City Council for approval and authorization to execute three Supplemental Agreements with City Fibers, Inc. (C-112960), Bestway Recycling Company, Inc. (C-112958), and CR&R, Inc. (C-112957) for Marketing and Processing of Residential Single Stream Commingled Recyclable Materials from the East Valley, West Valley, North Central, and Harbor wastesheds, respectively.

FISCAL IMPACT

All three contracts are revenue generating contracts. The City will continue to generate revenue from the sale of the recyclable materials collected. The revenue the City receives from the contractors for the sale of these materials is allocated into the Landfill Maintenance Special Fund (Fund 558), Department 50, Department Revenue Source Code 442201, for the purposes of monitoring and maintaining the City's inactive landfills, per Los Angeles Administrative Code (LAAC), Chapter 21, Section 5.332.2. The annual ambassador contribution will be deposited into the Solid Waste Revenue Fund (Fund 508), Department 50, Department Revenue Source Code 510100 to supplement contamination reduction and the recycling program in each respective wasteshed.

Respectfully submitted,

Arleen P. Taylor, Executive Officer
Board of Public Works

APT/TS:mp

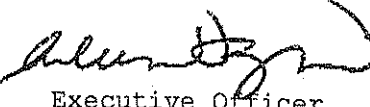


AS AMENDED**
ADOPTED BY THE BOARD
PUBLIC WORKS OF THE CITY
of Los Angeles California
AND REFERRED TO THE MAYOR
SEP 27 2013

(C-112961 WITH SUN
VALLEY PAPERSTOCK,
INC. WAS CONTINUED
UNTIL THE MEETING
OF OCTOBER 11, 2013)

DEPARTMENT OF PUBLIC WORKS

BUREAU OF SANITATION
BUREAU OF CONTRACT ADMINISTRATION
JOINT BOARD REPORT NO. 1
September 27, 2013


Executive Officer

CD: ALL

** AUTHORITY TO EXECUTE SUPPLEMENTAL AGREEMENTS TO THE FOLLOWING
PERSONAL SERVICES CONTRACTS: C-112961, C-112960, C-112958, AND C-
112957 FOR MARKETING AND PROCESSING RESIDENTIAL SINGLE STREAM
COMMINGLED RECYCLABLE MATERIALS FROM EAST VALLEY, WEST VALLEY,
NORTH CENTRAL, AND HARBOR WASTESHEDS, RESPECTIVELY

RECOMMENDATIONS

- ** 1. Approve and forward this report with transmittals to the Mayor and City Council, with the request that the Board of Public Works (Board) be authorized to execute Supplemental Agreements with Sun Valley Paper Stock, Inc. (C-112961), City Fibers, Inc. (C-112960), Bestway Recycling Company, Inc. (C-112958), and CR&R, Inc. (C-112957) for Marketing and Processing of Residential Single Stream Commingled Recyclable Materials from the East Valley, West Valley, North Central, and Harbor wastesheds, respectively.
2. Upon the Mayor's and the City Council's approval, the President or two (2) members of the Board will execute the Supplemental Agreements;
3. Return the executed Supplemental Agreements to the Bureau of Sanitation (Bureau) for further processing. Contact Nicoleta Serbanescu at (213) 485-3592 for pick-up.

TRANSMITTALS

1. Copy of the Bureau of Sanitation and Bureau of Contract Administration Joint Board Report No. 1, dated May 23, 2007, granting authority to award and execute a personal services contract with CR&R, Inc. for the Marketing and Processing Residential Single Stream Commingled Recyclable Materials from Harbor Wasteshed.
2. Copy of the Bureau of Sanitation and Bureau of Contract Administration Joint Board Report No. 1, dated October 1, 2007, granting authority to award and execute personal services contracts with Sun Valley Paper Stock, Inc., City Fibers, Inc., and Bestway Recycling Company, Inc. for Marketing and Processing Residential Single Stream Commingled Recyclable Materials from East Valley, West Valley, and North Central Wastesheds, respectively.
3. Copy of the Amendment No. 1 to C-112961 between the City of Los Angeles and Sun Valley Paper Stock, Inc. for Marketing and Processing of Residential Single Stream Commingled Recyclable Materials from the East Valley wasteshed.

4. Copy of the Amendment No. 1 to C-112960 between the City of Los Angeles and City Fibers, Inc. for Marketing and Processing of Residential Single Stream Commingled Recyclable Materials from the West Valley wasteshed.
5. Copy of the Amendment No. 1 to C-112958 between the City of Los Angeles and Bestway Recycling Company, Inc. for Marketing and Processing of Residential Single Stream Commingled Recyclable Materials from the North Central wasteshed.
6. Copy of the Amendment No. 1 to C-112957 between the City of Los Angeles and CR&R, Inc. for Marketing and Processing of Residential Single Stream Commingled Recyclable Materials from the Harbor wasteshed.
7. Copy of the Supplemental Agreement to C-112961 between the City of Los Angeles and Sun Valley Paper Stock, Inc.
8. Copy of the Supplemental Agreement to C-112960 between the City of Los Angeles and City Fibers, Inc.
9. Copy of the Supplemental Agreement to C-112958 between the City of Los Angeles and Bestway Recycling Company, Inc.
10. Copy of the Supplemental Agreement to C-112957 between the City of Los Angeles and CR&R, Inc.

BACKGROUND

The Bureau of Sanitation's curbside recycling collection program collects recyclable materials from more than 750,000 households. The curbside recycling collection program is a major contributor to the City's landfill diversion efforts as mandated by AB 939. In fiscal year (FY) 2012-13, the curbside blue-bin recycling program collected and delivered approximately 195,000 tons of recyclable materials from all six (6) collection wastesheds to Material Recovery Facilities (MRFs) through personal service agreements with the City. The City received approximately \$4.52 million in net revenue from the MRFs during FY 2012-2013. The contract term for four of the six collection wastesheds will be extended by 2 years through the execution of these supplemental agreements: East Valley, West Valley, North Central, and Harbor wastesheds.

The recyclable materials collected from the East Valley, West Valley, North Central, and Harbor wastesheds are delivered directly to the MRF within each wasteshed where the materials are processed, sorted, and shipped to foreign and domestic recyclers. The revenue the City receives from the contractor for the sales of these materials is allocated to the Landfill Maintenance Special Fund (LMSF) for the purposes of monitoring and maintaining the City's inactive landfills, per Los Angeles Administrative Code, Chapter 21, Section 5.332.2.

The primary source of revenue from the recyclables collected is cardboard, newspaper, and mixed paper, which is composed of 60% to 70% of the recyclables stream depending on the specific wasteshed.

The City's existing MRF contracts servicing the East Valley, West Valley, and North Central wastesheds will expire on November 30, 2013 and the Harbor MRF contract will expire on December 23, 2013. Services provided by the MRFs are essential to the City's effort to recycle the residential curbside blue-bin recyclable materials. Therefore, the City seeks to extend the current contracts for an additional two years or until new contracts for the same services are fully executed. The Bureau is currently in the process of advertising an RFP in order to negotiate and execute new MRF contracts for these four wastesheds.

STATUS OF CONTRACT(S)

Contracts C-112961, C-112960, and C-112958 are contracts for three years with one renewal option for an additional three years with Sun Valley Paper Stock, City Fibers, and Bestway Recycling Company, respectively. The first three year term for all three contracts ended on November 30, 2010. The City exercised the renewal option and executed Amendment No. 1 for another three years for these contracts, which will expire on November 30, 2013 (Transmittal Nos. 3, 4, and 5).

The agreement with CR&R (Contract C-112957) is for three years with one renewal option for an additional three years. The first three year term ended on December 23, 2010. The City exercised the renewal option and executed Amendment No. 1 for another three years, which will expire on December 23, 2013 (Transmittal No. 6).

Wasteshed	Contractor	Expiration Date	Supplemental Agreement Expiration Date
East Valley	Sun Valley Paper Stock	Nov. 30, 2013	Nov. 30, 2015
West Valley	City Fibers	Nov. 30, 2013	Nov. 30, 2015
North Central	Bestway Recycling Co.	Nov. 30, 2013	Nov. 30, 2015
Harbor	CR&R (Prime) subcontracted to Potential Industries	Dec. 23, 2013	Dec. 23, 2015
Western LA	CR&R (Prime) subcontracted to RockTenn	May 12, 2016	Not applicable
South LA	CR&R (Prime) subcontracted to RockTenn	Dec. 1, 2014	Not applicable

RECOMMENDATIONS

The Bureau is in the process of preparing a RFP for Processing, Marketing, and Distribution of Residential Recyclable Materials from the East Valley, West Valley, North Central, and Harbor watersheds. The Bureau is requesting the Board authorize the execution of Supplemental Agreements to extend the existing four contracts for an additional two (2) years to maintain the curbside recycling services for City residents.

The current contractors have demonstrated the necessary qualifications to perform said services specified in the original contracts and have performed the required services in a competent and satisfactory manner. In order to continue providing City residents with uninterrupted, critical and essential services, it is the City's desire to retain Sun Valley Paper Stock, City Fibers, Bestway Recycling Company, and CR&R to provide the required professional and technical services specified in the contracts.

MBE/WBE/OBE SUBCONTRACTOR OUTREACH PROGRAM

The Contracts C-112961, C-112960, C-112958, and C-112957 were exempt from the MBE/WBE/OBE Subcontractor Outreach and Enforcement requirement. The Mayor's Office of Economic Development waived the requirement on March 8, 2006 due to a perceived lack of subcontracting opportunities. However, all of the current contractors, except City Fibers Inc., have pledged to use subcontractors during the term of these Supplemental Agreements as follows:

Sun Valley Paper Stock, Inc. (Contract C-112961)

Sun Valley Paper Stock (SVPS) pledged to utilize the following subcontractors in the Amendment No. 1 but the contractor didn't submit their pledged amounts: Velasquez Trucking, Meza A. Trucking, J&E Tovar Trucking, Jason's Trucking, Centurions Solutions, Inc., A&A Trucking, JMC Transportation Services, and Source One Staffing. The contractor added two additional subcontractors, Galdamez Transport and Recycle Material Transport, during the second three year term of the contract and conducted a subcontractor outreach to select these two subcontractors. They were selected over other potential candidates because they were equipped with "clean trucks for port entries."

The achieved MBE/WBE/OBE subcontractor participation levels for Sun Valley Paper Stock from December 2007, the beginning of the contract, to March, 2013 are as shown below:

Gender/Ethnicity

AA = African American	HA = Hispanic American
APA = Asian Pacific American	SAA = Subcontinent Asian American
NA = Native American	C = Caucasian
M = Male	F = Female

SUBCONTRACTOR	MBE/WBE/O BE	Gender/ Ethnicity	% of Contract Amount (%)	Subcontract Amount Invoiced (\$)
Velazquez Trucking	MBE	M/HA	3.58	\$557,203.49
Meza A. Trucking	MBE	M/HA	3.28	\$511,071.92
J&E Tovar Trucking	MBE	M/HA	3.50	\$544,566.20
Jason's Trucking	MBE	M/HA	3.34	\$520,813.88
Centurions Solutions, Inc.	MBE	M/HA	2.81	\$437,747.08
A&A Trucking	MBE	M/HA	3.43	\$534,280.42
Galdamez Transport	MBE	M/HA	0.77	\$119,503.65
Recycle Material Transport	MBE	M/HA	0.63	\$98,019.21
JMC Transportation Services	MBE	M/HA	0.96	\$148,821.12
Source One Staffing	WBE	F/C	77.71	\$12,107,813.00
TOTAL MBE Participation			22.29	\$3,472,026.97
TOTAL WBE Participation			77.71	\$12,107,813.00
TOTAL OBE Participation			0.00	\$0.00
TOTAL MBE/WBE/OBE Participation			100.00	\$15,579,839.97
TOTAL Contract Amount				\$15,579,839.97

SVPS pledged amounts for the original contract plus the Amendment No. 1 and Supplemental Agreement, which is from December 1, 2007 to November 30, 2015, is as follows:

SUBCONTRACTOR	MBE/WBE/OBE	Gender/Ethnicity	% of Contract Amount (%)	Amount Pledged (\$)
Velazquez Trucking	MBE	M/HA	2.86	\$806,991.65
Meza A. Trucking	MBE	M/HA	2.53	\$714,759.60
J&E Tovar Trucking	MBE	M/HA	2.61	\$736,708.60
Jason's Trucking	MBE	M/HA	2.51	\$707,237.88
Centurions Solutions, Inc.	MBE	M/HA	2.24	\$631,820.04
A&A Trucking	MBE	M/HA	3.44	\$970,987.09
Galdamez Transport	MBE	M/HA	0.45	\$127,003.65
Recycle Material Transport	MBE	M/HA	3.31	\$933,112.54
JMC Transportation Services	MBE	M/HA	0.55	\$156,321.12
Source One Staffing	WBE	F/C	62.44	\$17,607,813.00
TOTAL MBE Participation			20.51	\$5,784,942.17
TOTAL WBE Participation			62.44	\$17,607,813.00
TOTAL OBE Participation			0.00	\$0.00
TOTAL MBE/WBE/OBE Participation			82.95	\$23,392,755.17
TOTAL Anticipated Contract Amount				\$28,200,000.00

City Fibers Inc. (Contract C-112960)

City Fibers did not pledge to utilize subcontractors. City Fibers will be encouraged to utilize MBE/WBE/OBE subcontractors should any subcontracting opportunities arise.

Bestway Recycling Co., Inc. (Contract C-112958)

Bestway Recycling Company pledged to utilize LA Recycling Center for a contract total of \$5.5 million in the Amendment No. 1. LA Recycling Center's certification, formerly classified as OBE, was approved as a MBE in March 2011. The achieved MBE/WBE/OBE subcontractor participation level for Bestway Recycling Company from February 1, 2008, the first month the contract began, to March, 2013, is as shown below:

SUBCONTRACTOR	MBE/WBE/OBE	Gender/Ethnicity	% of Contract Amount (\$)	Subcontract Amount Invoiced (\$)
Los Angeles Recycling Center	MBE	M/APA	39.03	\$1,890,000
Los Angeles Recycling Center	OBE		60.97	\$2,952,000
TOTAL MBE Participation				39.03
TOTAL WBE Participation				0.00
TOTAL OBE Participation				60.97
TOTAL MBE/WBE/OBE Participation				100.00
TOTAL Contract Amount				\$4,842,000

Bestway Recycling Company pledged amount for the original contract plus the Amendment No. 1 and Supplemental Agreement, which is from February 1, 2008 to November 30, 2015, is as follows:

SUBCONTRACTOR	MBE/WBE/OBE	Gender/Ethnicity	% of Contract Amount (%)	Amount Pledged (\$)
Los Angeles Recycling Center	MBE	M/APA	54.00	\$4,320,000
Los Angeles Recycling Center	OBE		36.90	\$2,952,000
TOTAL MBE Participation				54.00
TOTAL WBE Participation				0.00
TOTAL OBE Participation				36.90
TOTAL MBE/WBE/OBE Participation				90.90
TOTAL Anticipated Contract Amount				\$8,000,000.00

CR&R, Inc. (Contract C-112957)

CR&R pledged to utilize Potential Industries, Inc., an MBE, in Amendment No.1 but the contractor didn't submit a pledged amount. The achieved MBE/WBE/OBE subcontractor participation level for CR&R from December 2007, the beginning of the contract, to March 2013, is as shown below:

SUBCONTRACTOR	MBE/WBE/O BE	Gender/ Ethnicit y	% of Contract Amount (%)	Subcontract Amount Invoiced (\$)
Potential Industries Co.	MBE	M/APA	100.00	\$390,000
TOTAL MBE Participation			100.00	\$390,000
TOTAL WBE Participation			0.00	\$0.00
TOTAL OBE Participation			0.00	\$0.00
TOTAL MBE/WBE/OBE Participation			100.00	\$390,000
TOTAL Contract Amount				\$390,000

CR&R pledged amount for the original contract plus the Amendment No. 1 and Supplemental Agreement, which is from December 1, 2007 to November 30, 2015, is as follows:

SUBCONTRACTOR	MBE/WBE/O BE	Gender/ Ethnicit y	% of Contract Amount (%)	Amount Pledged (\$)
Potential Industries Co.	MBE	M/APA	28.30	\$870,000
TOTAL MBE Participation			28.30	\$870,000
TOTAL WBE Participation			0.00	\$0.00
TOTAL OBE Participation			0.00	\$0.00
TOTAL MBE/WBE/OBE Participation			28.30	\$870,000
TOTAL Anticipated Contract Amount				\$3,074,400

OTHER POLICIES AND COMPLIANCE

The existing current contractors are current with all insurance and bond requirements and have provided the following documents:

- Non-Discrimination/Equal Employment Practices/Affirmative Action Practice
- Living Wage Ordinance
- Equal Benefits Ordinance
- Business Tax Registration Certificate
- Child Support Obligation Ordinance
- Americans with Disabilities Act
- Service Contractor Worker Retention Ordinance
- Slavery Disclosure Ordinance
- Contract History
- Non-collusion Affidavit
- Los Angeles Residence Information

- Municipal Lobbying Ordinance
- Contract Bidder Campaign Contribution and Fundraising Restriction
- First Source Hiring Ordinance

TERM OF CONTRACT(S)

The term of the Supplemental Agreements with Sun Valley Paper Stock, City Fibers, and Bestway Recycling Company shall extend the contracts for an additional two years, effective December 1, 2013 to November 30, 2015. The agreement terms may be terminated by the City if new contracts for similar services are fully executed before November 30, 2015.

The term of the Supplemental Agreement with CR&R shall extend the contract for an additional two years, effective December 24, 2013 to December 23, 2015. This agreement term may be terminated by the City if a new contract for similar services is fully executed before December 23, 2015.

HEADQUARTERS AND WORKFORCE INFORMATION

Sun Valley Paper Stock, Inc. (C-112961): The headquarters of Sun Valley Paper Stock is located at 11166 Pendleton Street, Sun Valley, CA 91352. The contractor has 33 employees of which 30 reside in the City of Los Angeles.

City Fibers, Inc. (C-112960): The headquarters of City Fibers is located at 2500 Santa Fe Avenue, Los Angeles, CA 90058. The contractor has 109 employees of which 43 reside in the City of Los Angeles.

Bestway Recycling Company, Inc. (C-112958): The headquarters of Bestway Recycling Company is located at 2268 E. Firestone Boulevard, Los Angeles, CA 90002. The contractor has 44 employees of which 21 reside in the City of Los Angeles.

CR&R, Inc. (C-112957): The headquarters of CR&R is located at 11292 Western Avenue, Stanton, CA 90680. The contractor has 1,500 employees of which 27 reside in the City of Los Angeles.

CONTRACTOR RESPONSIBILITY ORDINANCE

All contractors participating in this program are subject to compliance with the requirements specified in the City of Los Angeles Contractor Responsibility Ordinance No. 173677 (Article 14, Chapter 1, Division 10, L.A.A.C.). Failure to comply with all requirements specified in the Ordinance may render this bidder's contract subject to termination pursuant to the conditions expressed therein.

Bureau of Sanitation
Bureau of Contract Administration
Joint Board Report No. 1
September 27, 2013

Page 10

CONTRACTOR PERFORMANCE EVALUATION ORDINANCE

In accordance Article 13, Chapter 1, Division 10, of the City of Los Angeles Administrative Code (L.A.A.C.), the Project Manager and the City Inspector for this construction contract shall submit Contractor Performance Evaluation Reports to the Bureau of Contract Administration upon completion of this contract.

CONTRACT ADMINISTRATION

Responsibility for administration of these contracts will be with the Solid Resources Support Services Division, Bureau of Sanitation.

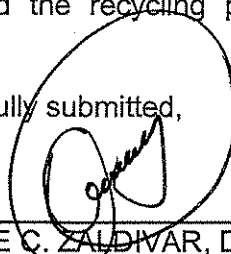
CITY ATTORNEY REVIEW

The proposed Supplemental Agreements have been approved as to form by the Office of City Attorney.

STATUS OF FINANCING

All four contracts are revenue generating contracts. The City will continue to generate revenue from the sale of the recyclable materials collected. The revenue the City receives from the contractors for the sale of these materials is allocated into the Landfill Maintenance Special Fund (Fund 558), Department 50, Department Revenue Source Code 442201, for the purposes of monitoring and maintaining the City's inactive landfills, per Los Angeles Administrative Code (LAAC), Chapter 21, Section 5.332.2. The annual ambassador contribution will be deposited into the Solid Waste Revenue Fund (Fund 508), Department 50, Department Revenue Source Code 510100 to supplement contamination reduction and the recycling program in each respective wasteshed.

Respectfully submitted,

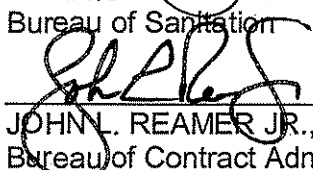


ENRIQUE C. ZALDIVAR, Director
Bureau of Sanitation

COMPLIANCE REVIEW PERFORMED
AND APPROVED BY: .



HANNAH CHOI, Program Manager
Office of Contract Compliance
Bureau of Contract Administration



JOHN L. REAMER JR., Director
Bureau of Contract Administration

Prepared by:
Michael Lee, SRSSD
(213) - 485-3094

ADOPTED BY THE BOARD OF
PUBLIC WORKS OF THE CITY
of Los Angeles, California
AND REFERRED TO THE MAYOR
MAY 23 2007

Janet J. [Signature]
Secretary

DEPARTMENT OF PUBLIC WORKS

BUREAU OF SANITATION

BUREAU OF CONTRACT ADMINISTRATION

JOINT BOARD REPORT NO. 1

MAY 23, 2007

CD: ALL

AUTHORITY TO AWARD AND EXECUTE THREE-YEAR CONTRACT FOR
MARKETING AND PROCESSING RESIDENTIAL SINGLE STREAM COMMINGLED
RECYCLABLE MATERIALS FROM THE HARBOR WASTESHED TO CR&R, INC.

RECOMMENDATIONS

1. Approve and forward this report with transmittals No. 1 thru No. 3 to the Mayor and to the City Council with the request that the Board be authorized to execute a contract with CR&R, Inc. for marketing and processing of residential single stream commingled recyclable materials from the Harbor Wasteshed. The term of the proposed agreement shall be three years from the date of execution with one, three-year, renewal option.
2. Upon the Mayor's authorization and the City Council's approval, the president or two members of the Board of Public Works will execute the contract.
3. Return the executed contract to the Bureau of Sanitation for further processing. Contact Mr. Armen Saiyan at (213) 485-3094.

FISCAL IMPACT STATEMENT

There will be a positive financial impact of approximately \$325,000 per year to the City for awarding this contract. The City will generate revenue from the sale of the recyclable materials collected. The revenue will be deposited in the Landfill Maintenance Special Trust Fund (Fund 558), Department 50, Revenue Source Code 4088.

TRANSMITTALS

1. Copy of the proposed contract with CR&R, Inc., reflecting the terms for the processing and marketing of recyclables from the Harbor Wasteshed.
2. Copy of Joint Board Report No. 1 adopted August 30, 2006, authorizing the Bureau of Sanitation to negotiate contract(s) with the best and most responsive proposer(s) for the marketing and processing of curbside recyclable materials from East Valley, West Valley, North Central, Harbor, and South Wasteshed.
3. Copy of the Resolution Authority, approved by the Board to accept and deposit funds annually into Fund 444, over the life of each contract from each contracted material recovery facility that sells the City's curbside recyclable materials to support the activities of the Ambassadors Program.

**BUREAU OF SANITATION
BUREAU OF CONTRACT ADMINISTRATION
JOINT BOARD REPORT NO. 1
MAY 23, 2007**

PAGE 2

4. MBE/WBE/OBE Subcontractor Outreach Program waiver from the Mayor's Office dated, March 8, 2006.
5. Equal Benefits Ordinance and Affirmative Action Plan, dated January 31, 2007 and January 12, 2007, respectively.

DISCUSSION

Background

The Bureau of Sanitation's curbside blue-bin recycling program collects recyclable materials in City-owned trucks from approximately 750,000 households. The curbside recycling program is a major contributor to the City's diversion effort as mandated by AB939. In fiscal year (FY) 2005-2006 the curbside blue-bin recycling program collected and delivered approximately 273,000 tons of recyclable materials to contracted Material Recovery Facilities (MRFs). The City received \$2.7 million in revenue from the MRFs for these recyclable commodities in FY 05-06.

The Bureau of Sanitation, Solid Resources Support Services Division (SRSSD) manages the curbside blue-bin recycling program, which is comprised of six collection wastesheds. The Harbor Wasteshed collects an average of 13,000 tons of recyclables per year. The collected materials are delivered to the MRF, where the recyclables are processed, sorted, and shipped to foreign and domestic end users. The MRF is located at 922 East "E" St. Currently the revenue received from the sale of these materials is approximately \$14,000 per month.

The revenue the City receives from the current contractor for the Harbor Wasteshed, CR&R Inc., for the sale of these materials is allocated to the Landfill Maintenance Special Trust Fund (Fund 588) for the purposes of monitoring and maintaining the City's inactive landfills, per Los Angeles Administrative Code (LAAC), Chapter 21, Section 5.332.2. The annual cost of maintaining the City's closed landfills is approximately \$2.9 million. This cost is expected to decrease, due to less maintenance required as the solid wastes, at the landfills, biodegrade and productions of off-gases decrease. Per LAAC, Chapter 21, Section 5.332.2, any surplus revenue from recyclables into Fund 558 may be used for other solid waste activities as authorized by Mayor/Council. In compliance to the ordinance, the Bureau will build a direct program nexus by developing recycling related activities, from the excess revenue generated from the MRFs.

SELECTION OF PROPOSAL

CR&R Inc. submitted a proposal in response to the Bureau of Sanitation's Request for Proposal (RFP) for marketing and processing residential single stream commingled recyclable materials from the East Valley, West Valley, North Central, Harbor, and South Wastesheds. A selection committee, comprised of Bureau of Sanitation staff, evaluated the proposals based on the evaluation criteria specified in the RFP. CR&R was the only proposer for the Harbor Wasteshed.

BUREAU OF SANITATION
BUREAU OF CONTRACT ADMINISTRATION
JOINT BOARD REPORT NO. 1
MAY 23, 2007

PAGE 3

Evaluation of the proposal was based on a number of criteria such as: technical requirements, facility availability, pricing requirements and processing fees, ability to effectively process, past experience in providing material recovery for recyclable materials, and facility location relative to Sanitation's collection yard in the Harbor Wasteshed. CR&R, Inc., has been providing recycling service for more than ten (10) years to the City of Los Angeles and other municipalities. CR&R, Inc., agreed to pay the City \$25.00 dollars per gross ton plus profit sharing of additional revenue where applicable. The proposal, from CR&R, Inc., met the objective of the RFP relative to content, processing and marketing, and pricing. In addition, CR&R, Inc. has agreed to compensate the City retroactively to January 1, 2007; thereby providing the City a revenue increase of approximately \$14.50 per ton over the existing contract. The City Evaluation committee recommends award of the contract to CR&R, Inc.

Through contract negotiations, CR&R has offered to work closely with the City to reduce contamination, and contribute \$1.00 per gross ton annually to support activities of the Ambassador Program (aka Contamination Reduction Program). Due to the relatively low generation of recyclables from the Harbor Wasteshed, with respect to other Wastesheds, the Bureau's evaluation committee has approved these terms. Through the Ambassador Program the Bureau wants to capture 100,000 tons of recyclable material that is currently being disposed of at landfills.

The Bureau recommends that the \$1.00 per gross ton annual contribution by CR&R be deposited into the Curbside Recycling Trust Fund (Fund 444) and be used to target contamination in the Harbor wasteshed to help increase recycling (Transmittal #3).

CONTRACTUAL AGREEMENT

Through the contract (Transmittal #1), CR&R, Inc., the selected proposer, will be required to:

- Market and process the residential single stream commingled recyclable materials from the Harbor Wasteshed, (no guaranteed minimum tonnage will apply),
- Sort recyclable materials into their respective commodity streams,
- Provide well-maintained facilities and equipment,
- Prepare and bale the commodities for shipment,
- Transport recyclable materials from the facility to an end user, processor, port, or other point of sale,
- Arrange the sale of such recyclable materials,
- Collect and account for revenue for such sales,
- Remove and dispose of contaminants and residue,
- Comply with all federal, state, county, and local rules, ordinances, laws and permit terms applicable to the facilities, services, and operations described herein,
- Make payment to the City as agreed per contract for the commingled recyclables accepted at its MRF.

BUREAU OF SANITATION
BUREAU OF CONTRACT ADMINISTRATION
JOINT BOARD REPORT NO. 1
MAY 23, 2007

PAGE 4

Estimated Annual Revenue from this Contract

The estimated annual revenue from this contract is \$325,000. This represents an approximate 100 percent annual increase in revenue from this Wasteshed with respect to the previous contract.

Notification of Intent to Contract

The required Notification of Intent to Contract was filed with the CAO Clearinghouse in July 2005.

MBE/WBE/OBE Subcontractor Outreach Program

The Mayor's Office of Economic Development waived the MBE/WBE/OBE Subcontractor Outreach and Enforcement requirement for this project on March 8, 2006 (Transmittal #4) due to a perceived lack of subcontracting opportunities. However, CR&R has pledged to use subcontractors Potential Industries, Inc., an MBE, for \$130,000. CR&R will also be encouraged to utilize MBE/WBE/OBE subcontractors should any additional subcontracting opportunities arise.

Living Wage Ordinance

The Bureau of Sanitation, the designated administration agency has determined that in accordance with LAAC 10.37.1 (j) this contract is exempt from the requirements of the Living Wage Ordinance and has notified the Bureau of Contract Administration of such; on January 29, 2006.

Other City Requirements

CR&R, Inc. has complied with all insurance requirements and has provided the following documentation required with regard to:

- + Non-Discrimination/Equal Employment Practices/Affirmative Action
- + Equal Benefits Ordinance
- + Business Tax Registration Certificate
- + Slavery Disclosure Ordinance

Contract Performance Evaluation

In accordance with Article 13, Chapter 1, Division 10 of the City of LAAC, the appropriate City personnel responsible for the quality control of this personal services contract shall submit Contractor Performance Evaluation Reports to the City Administrative Officer (CAO) upon completion of this contract.

Contractor Responsibility Ordinance

All contractors participating in this program are subject to compliance with the requirements specified in the City of Los Angeles' Contractor Responsibility Ordinance No. 173677, (Article 14, Chapter 1, Division 10, L.A.A.C.). Failure to comply with all requirements specified in the Ordinance will render the contract subject to termination pursuant to the conditions expressed therein.

BUREAU OF SANITATION
BUREAU OF CONTRACT ADMINISTRATION
JOINT BOARD REPORT NO. 1
MAY 23, 2007

PAGE 5

Headquarters Address and Employees Information

The headquarters of CR&R, Inc. is located at 11292 Western Ave., Stanton, CA 90680. Currently, CR&R, Inc. has 1,500 employees, of which 27 reside in the City of Los Angeles.

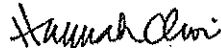
STATEMENT AS TO FUNDS

The revenue received by the City from the sale of the recyclable materials will be deposited into the Landfill Maintenance Special Trust Fund (Fund 558), Department 50, Revenue Source Code 4088. Per LAAC, Chapter 21, Section 5.332.2, any surplus revenue from recyclables in the Landfill Maintenance Special Fund may be used for other solid waste activities, such as offsetting the cost of the Ambassador Program, as authorized by Mayor/Council. The \$1.00 per ton annual contribution will be deposited into the Curbside Recycling Trust Fund (Fund 444) to supplement contamination reduction activities in the Harbor wasteshed.

(JZ JAM AEH RPT ECZ WFB)

Respectfully submitted,

COMPLIANCE REVIEW PERFORMED
AND APPROVED BY


HANNAH CHOI, Program Manager
Office of Contract Compliance
Bureau of Contract Administration


RITA L. ROBINSON, Director
Bureau of Sanitation


JOHN L. REAMER, JR. Director
Bureau of Contract Administration

Prepared by:
Armen Saiyan, SRSSD
(213) 485-3094

TRANSMITTAL 2

ADOPTED BY THE BOARD OF
PUBLIC WORKS OF THE CITY
of Los Angeles, California
AND REFERRED TO THE MAYOR
OCT - 1 2007

James H. [Signature]
Secretary

DEPARTMENT OF PUBLIC WORKS

BUREAU OF SANITATION

BUREAU OF CONTRACT ADMINISTRATION

JOINT BOARD REPORT NO. 1

OCTOBER 1, 2007

CD: ALL

AUTHORITY TO AWARD AND EXECUTE THREE-YEAR CONTRACTS FOR
MARKETING AND PROCESSING RESIDENTIAL SINGLE STREAM COMMINGLED
RECYCLABLE MATERIALS FROM THE NORTH CENTRAL, SOUTH LOS
ANGELES, EAST VALLEY, AND WEST VALLEY WASTESHEDS

RECOMMENDATIONS

1. Approve and forward this report with transmittals No. 1 thru No. 13 to the Mayor and City Council with the request that the Board be authorized to execute contracts, with:
 - a) Bestway Recycling Co., Inc., for marketing and processing residential single stream commingled recyclable materials from the North Central and South Los Angeles Wastesheds,
 - b) Sun Valley Paper Stock, Inc., for marketing and processing residential single stream commingled recyclable materials from the East Valley Wasteshed, and
 - c) City Fibers, Inc., for marketing and processing residential single stream commingled recyclable materials from the West Valley Wasteshed.
2. The term for each of the proposed agreements shall be three (3) years, starting December 1, 2007 with one (1), three-year, renewal option.
3. Upon the Mayor's authorization and the City Council's approval, the president, or two members of the Board of Public Works, will execute the contracts.
4. Return the executed contracts to the Bureau of Sanitation for further processing. Contact Mr. Armen Saiyan at (213) 485-3094.

FISCAL IMPACT STATEMENT

There will be an aggregate positive financial impact of approximately \$1,428,000 per year to the City by awarding these contracts from the sale of recyclable materials. The total annual revenue generated from these contracts is approximately \$3,140,000 (\$1,130,000 from North Central Wasteshed; \$420,000 from South Los Angeles Wasteshed; \$680,000 from East Valley Wasteshed; and \$910,000 from the West Valley Wasteshed). The revenue will be deposited in the Landfill Maintenance Special Trust Fund (Fund 558), Department 50, Revenue Source Code 4088.

BUREAU OF SANITATION
BUREAU OF CONTRACT ADMINISTRATION
JOINT BOARD REPORT NO. 1
OCTOBER 1, 2007

Page 2

TRANSMITTALS

1. Copy of the proposed contract with Bestway Recycling Co., Inc. reflecting the terms for processing and marketing recyclables from the North Central Wasteshed.
2. Copy of the proposed contract with Bestway Recycling Co., Inc. reflecting the terms for processing and marketing recyclables from the South Los Angeles Wasteshed.
3. Copy of the proposed contract with Sun Valley Paper Stock, Inc. reflecting the terms for processing and marketing recyclables from the East Valley Wasteshed.
4. Copy of the proposed contract with City Fibers, Inc. reflecting the terms for processing and marketing recyclables from the West Valley Wasteshed.
5. Copy of Joint Board Report No. 1, adopted August 30, 2006, authorizing the Bureau of Sanitation to negotiate contract(s) with the best and most responsive proposer(s) for the marketing and processing of curbside recyclable materials from East Valley, West Valley, North Central, Harbor, and South Los Angeles Wastesheds.
6. Copy of the Resolution Authority, adopted by Council on May 1, 2007, to accept and deposit funds annually into Fund 444, over the life of each contract from each contracted material recovery facility, to support the activities of the Ambassadors Program.
7. MBE/WBE/OBE waiver for the North Central Wasteshed from LA OPS, Mayor's Office of Economic Development dated, March 8, 2006.
8. MBE/WBE/OBE waiver for the South Los Angeles Wasteshed from LA OPS, Mayor's Office of Economic Development dated, March 8, 2006.
9. MBE/WBE/OBE waiver for the East Valley Wasteshed from LA OPS, Mayor's Office of Economic Development dated, March 8, 2006.
10. MBE/WBE/OBE waiver for the West Valley Wasteshed from LA OPS, Mayor's Office of Economic Development dated, March 8, 2006.
11. Equal Benefits Ordinance Compliance form and Affirmative Action Plan, dated November, 24, 2006 and March 26, 2007 respectively submitted by Bestway Recycling Co., Inc.
12. Equal Benefits Ordinance Compliance form and Affirmative Action Plan, dated November, 27, 2006 submitted by City Fibers, Inc.
13. Equal Benefits Ordinance Compliance form and Affirmative Action Plan, dated November, 27, 2006 submitted by Sun Valley Paper Stock, Inc.

BUREAU OF SANITATION
BUREAU OF CONTRACT ADMINISTRATION
JOINT BOARD REPORT NO. 1
OCTOBER 1, 2007

Page 3

DISCUSSION

Background

The Bureau of Sanitation's curbside blue-bin recycling program collects recyclable materials in City-owned trucks from approximately 750,000 households. As originally mandated by AB939, the curbside recycling program is a major contributor to the City's diversion effort. In fiscal year (FY) 2006-2007 the curbside blue-bin recycling program collected and delivered approximately 267,000 tons of recyclable materials to contracted Material Recovery Facilities (MRFs) citywide. The City received \$3.48 million in revenue from the MRFs for the sale of recyclable materials in FY 06-07.

The Bureau of Sanitation, Solid Resources Support Services Division (SRSSD) manages the curbside blue-bin recycling program citywide. The City is broken down into six collection wastesheds. The Western contract for processing and marketing residential curbside recyclables have been executed. The contract for the Harbor Wasteshed is pending execution upon CAO review and Council approval. The North Central, South Los Angeles, East Valley and West Valley Wasteshed contracts are pending and to be awarded through this report. The average tonnages of recyclables collected in the above wastesheds are summarized below:

Wasteshed	Average Annual Tonnage	Average Daily Tonnage
North Central	45,000	172
South Los Angeles	31,000	120
East Valley	61,000	234
West Valley	64,000	245
Western	53,000	203
Harbor	13,000	50
Total	267,000	1024

The collected materials are delivered to the MRF, where the recyclables are processed, sorted, and shipped to domestic and foreign end-users. Bestway Recycling Co., Inc.'s North Central Wasteshed MRF is located at 1000 N. Main Street Los Angeles CA, 90012 and their South Los Angeles Wasteshed MRF is located at 2268 East Firestone Blvd Los Angeles CA 90002. Sun Valley Paper Stock, Inc.'s East Valley Wasteshed MRF is located at 8701 San Fernando Road, Sun Valley, CA 91352, and City Fibers, Inc.'s West Valley Wasteshed MRF is located at 16714 Schoenborn Street, North Hills, California, 91343. Currently, revenue received by the City for the sale of recyclable materials from the North Central and South Los Angeles combined, East Valley, West Valley, Western and Harbor Wastesheds are as follows:

BUREAU OF SANITATION
BUREAU OF CONTRACT ADMINISTRATION
JOINT BOARD REPORT NO. 1
OCTOBER 1, 2007

Page 4

Current Contractor	Wasteshed	Approx. Monthly Revenue	Approx. Annual Revenue	Effective Rate (\$/Gross Ton)
City Fibers, Inc	North Central	\$26,000	\$312,000	\$4.25*
	South Los Angeles			
Sun Valley Paper Stock, Inc.	East Valley	\$50,000	\$600,000	\$9.25
City Fibers, Inc	West Valley	\$67,000	\$800,000	\$12.50*
Subtotal		\$143,000	\$1,712,000	\$8.35
Bestway Recycling Company, Inc	Western	\$134,000	\$1,600,000	\$31.00
CR&R, Inc.	Harbor	\$16,000	\$180,000	\$22.60
Total		\$312,000	\$3,480,000	\$13.87

*Effective rate does not include all costs of disposal incurred by the City for contamination.

Currently, the revenue received by the City for the sale of recyclable materials, is allocated to the Landfill Maintenance Special Trust Fund (Fund 558) for the purposes of monitoring and maintaining the City's inactive landfills, per Los Angeles Administrative Code (LAAC), Chapter 21, Section 5.332.2. The annual cost of maintaining the City's closed landfills is approximately \$2.9 million (FY 06-07). This cost is expected to decrease, due to less required maintenance as the solid waste encapsulated in the landfills biodegrades, and the off-gas production decreases. Per LAAC, Chapter 21, Section 5.332.2, any surplus revenue from the sale of recyclables deposited into Fund 558 may be used for other solid waste activities as authorized by Mayor/Council. In compliance with the ordinance, the Bureau will utilize any surplus MRF-generated revenues to develop future recycling-related activities.

SELECTION OF PROPOSALS

Bestway Recycling Co., Inc., Sun Valley Paper Stock and City Fibers, Inc. submitted proposals in response to the Bureau of Sanitation's Request for Proposal (RFP) for marketing and processing residential single stream commingled recyclable materials from the East Valley, West Valley, North Central, Harbor, and South Los Angeles Wastesheds. A selection committee, comprised of Bureau of Sanitation staff, evaluated each proposal based on the evaluation criteria specified in the RFP such as: technical requirements, facility availability, pricing requirements and processing fees, ability to effectively process, past experience in providing material recovery for recyclable materials, and facility location relative to Sanitation's collection yard in the proposed Wasteshed.

All proposers have provided recycling services for more than ten (10) years to the City of Los Angeles and other municipalities.

The City received proposals from Bestway Recycling Company, Inc. and City Fibers, Inc. for the North Central and South Los Angeles Wastesheds. The proposals from Bestway Recycling Co., Inc. met the technical requirements, content, processing and marketing criteria, and conformed closest to the objectives of the RFP relative to pricing. With regard to the North Central Wasteshed, Bestway Recycling Co., Inc. agreed to pay the City \$25.25 dollars

BUREAU OF SANITATION
BUREAU OF CONTRACT ADMINISTRATION
JOINT BOARD REPORT NO. 1
OCTOBER 1, 2007

Page 5

per gross ton plus profit sharing where applicable. With regard to the South Los Angeles Wasteshed, Bestway Recycling Co., Inc. agreed to pay the City \$25.00 dollars per net ton plus profit sharing where applicable. Currently, the rates of contamination in the North Central and South Los Angeles Wastesheds are approximately 25 percent and 45 percent, respectively. At these rates, the effective payment for the South Los Angeles Wasteshed shall be \$13.75 per gross ton. The proposals from City Fibers met all the criteria in the RFP, with the exception of the pricing requirement of \$25.00 per gross ton plus profit sharing where applicable. City Fibers had proposed to pay the City \$25.00 per net ton for both the North Central and South Los Angeles Wastesheds. At the current contamination rates, City Fibers, Inc., effectively offered \$14.00 per gross ton for the North Central Wasteshed and \$5.00 per gross ton for the South Los Angeles Wasteshed. City Fibers did not agree to the profit sharing criteria as delineated in the RFP and offered a monthly performance bonus, which was not the equivalent of the amount anticipated from the profit sharing. In addition, City Fibers proposed that the City pay the disposal cost of the contaminated material from the North Central and South Los Angeles Wastesheds.

The City received one proposal from Sun Valley Paper Stock, Inc. for the East Valley Wasteshed. The proposal submitted by Sun Valley Paper Stock, Inc. met all the criteria in the RFP, with the exception of the pricing requirements of \$25 per gross ton plus profit sharing where applicable. Sun Valley Paper Stock, Inc. agreed to pay the City \$34.50 per gross ton, less \$0.65 per gross percentage of contamination, plus profit sharing where applicable. At the current rate of contamination, approximately 37 percent in the East Valley Wasteshed, the effective rate of payment the City shall receive is approximately \$10.45 per gross ton. Sun Valley Paper was the sole proposer for the East Valley Wasteshed; since they were the incumbent processor, City staff negotiated with Sun Valley Paper Stock to include retroactive payments beginning July 1, 2007 pursuant to the proposed contract (Transmittal No. 3), increasing revenue by approximately \$1.25 per gross ton over the existing contract. City staff also negotiated with Sun Valley Paper Stock to adjust the profit sharing criteria, potentially providing additional revenue of \$8.00 per gross ton.

The City received one proposal from City Fibers, Inc. for the West Valley Wasteshed. The proposal from City Fibers met all the criteria in the RFP, with the exception of the pricing requirements of \$25 per gross ton plus profit sharing where applicable. City Fibers had proposed to pay the City \$25.00 per net ton for the West Valley Wasteshed. City Fibers did not agree to the profit sharing criteria as delineated in the RFP and offered a monthly performance bonus, which was not the equivalent of the amount anticipated from the profit sharing. In addition, City Fibers proposed that the City pays for the disposal cost for contamination for the West Valley Wasteshed. Since City Fibers was the incumbent processor and sole proposer, City staff negotiated with City Fibers to include retroactive payments beginning July 1, 2007 pursuant to the proposed contract (Transmittal No. 4). Additionally City Staff negotiated to adjust the performance bonus criteria. These negotiations will result in an increase in revenue by approximately \$1.75 per gross ton over the existing contract. The current rate of contamination in the West Valley Wasteshed is approximately 25 percent;

BUREAU OF SANITATION
BUREAU OF CONTRACT ADMINISTRATION
JOINT BOARD REPORT NO. 1
OCTOBER 1, 2007

Page 6

therefore, City Fibers, Inc. effectively offered \$14.25 per gross ton for the West Valley Wasteshed.

A summary of the agreed rates are as follows:

Company	Wasteshed(s)	Agreed Rate of Payment (\$/Gross Ton)	Average Rate of Contamination	Approx. Effective Rate (\$/Gross Ton)
Bestway Recycling Company, Inc.	North Central	\$25.25	25%	\$25.25
	South Los Angeles	$25 \times (100\% - \%C)$	45%	\$13.75
Sun Valley Paper Stock, Inc.	East Valley	$34.5 - (\$65 \times \%C)$	37%	\$10.45
City Fibers, Inc.	West Valley	$25 \times (100\% - \%C) - D$	25%	\$14.25
Weighted Total			32%	\$15.40

%C = Rate of Contamination (%)

D = Cost of disposal for contamination per gross ton of material (Approx. \$30 per ton)

After careful evaluation of all proposals, the Bureau of Sanitation recommends award of the North Central Wasteshed contract and the South Los Angeles Wasteshed contract to Bestway Recycling Co., Inc., the East Valley contract to Sun Valley Paper Stock, Inc., and the West Valley contract to City Fibers, Inc.

All three processors have offered to work closely with the City to reduce contamination, and contribute \$50,000 annually, per wasteshed to support activities of the Contamination Reduction Program (Ambassador Program). Through the Ambassador Program the Bureau aspires to capture approximately 100,000 tons of recyclables material currently being disposed of at landfills and reduce the amount of contamination found in the recycling stream.

The \$50,000 annual, contractual contributions will be deposited into the Curbside Recycling Trust Fund (Fund 444), and the funds will be used to reduce contamination in the North Central, South Los Angeles, East Valley, and West Valley Wastesheds to help increase recycling (See Transmittal No. 6).

CONTRACTUAL AGREEMENT

Bestway Recycling Co., Inc., Sun Valley Paper Stock, Inc., and City Fibers, Inc. as the selected proposers to provide marketing and processing services for the North Central and South Los Angeles, East Valley, and West Valley Wastesheds, respectively, (Transmittals No. 1 thru No. 4), will be required to:

- Market and process the residential single stream commingled recyclable materials from the North Central, South Los Angeles, East Valley and West Valley Wastesheds, respectively (no guaranteed minimum tonnage will apply)

BUREAU OF SANITATION
BUREAU OF CONTRACT ADMINISTRATION
JOINT BOARD REPORT NO. 1
OCTOBER 1, 2007

Page 7

- Sort recyclable materials into their respective commodity streams
- Provide well-maintained facilities and equipment
- Prepare the commodities for shipment
- Transport recyclable materials from the facility to an end user, processor, port, or other point of sale
- Arrange the sale of such recyclable materials
- Collect and account for revenue for such sales
- Remove and dispose of contaminants and residue
- Comply with all federal, state, county, and local rules, ordinances, laws and permit terms applicable to the facilities, services, and operations described herein; and
- Make payment to the City as agreed per each contract for the commingled recyclables accepted at the MRFs

Estimated Annual Revenue from this Contract

The estimated annual revenue from these contracts is:

Company	Wasteshed(s)	Estimated Annual Revenue*
Bestway Recycling Company Inc.	North Central	\$1,130,000.00
	South Los Angeles	\$420,000.00
Sun Valley Paper Stock Inc.	East Valley	\$680,000.00
City Fibers Inc.	West Valley	\$910,000.00
Total		\$3,140,000.00

* Profit sharing not included.

With respect to the previous contracts, execution of these new agreements represent an approximate 400 percent increase in the annual revenue from the North Central and South Los Angeles Wastesheds, an approximate 12 percent annual revenue increase from the East Valley Wasteshed, and an approximate 14 percent annual revenue increase from the West Valley Wasteshed. The total projected revenue for the curbside recycling program is approximately \$4.65 million (profit sharing not included) per year in FY 07-08, effectively a 33 percent increase from \$3.48 million in FY 06-07.

Terms of Contracts

The term for each of the proposed agreements shall be three (3) years, starting December 1, 2007 with one (1), three-year, renewal option.

Notification of Intent to Contract

The required Notification of Intent to Contract was filed with the CAO Clearinghouse in July 2005.

BUREAU OF SANITATION
BUREAU OF CONTRACT ADMINISTRATION
JOINT BOARD REPORT NO. 1
OCTOBER 1, 2007

Page 8

MBE/WBE/OBE Subcontractor Outreach Program

The Mayor's Office of Economic Development waived the MBE/WBE/OBE Subcontractor Outreach Program requirement for this project on March 8, 2006 (Transmittals No. 7 thru No.10) due to a perceived lack of subcontracting opportunities. However, Bestway Recycling Co., Inc. has pledged to subcontract with Western Recycling, (MBE) for \$3,000,000 for the South Los Angeles Wasteshed, and L.A. Recycling, (MBE) for \$4,000,000 for the North Central Wasteshed during the life of the contracts. Bestway Recycling Co., Inc. will also be encouraged to utilize other MBE/WBE/OBE subcontractors should any additional subcontracting opportunities arise. Sun Valley Paper Stock, Inc. has pledged to use A&A Trucking (MBE), JMC Recycling Services (MBE) Source One Staffing LLC (WBE), and Tony's & Sons Trucking (OBE) in their proposal for the East Valley Wasteshed; however, they did not list any amounts for these subcontractors. Sun Valley Paper Stock, Inc. will also be encouraged to utilize other MBE/WBE/OBE subcontractors should any additional subcontracting opportunities arise. City Fibers, Inc. did not list any subcontractors in their proposal for the West Valley Wasteshed, however they will be encouraged to utilize MBE/WBE/OBE subcontractors should any subcontracting opportunities arise.

Living Wage Ordinance

The Bureau of Sanitation, the designated administration agency has determined that in accordance with LAAC 10.37.1 (j) these contracts are exempt from the requirements of the Living Wage Ordinance and notified the Bureau of Contract Administration of such, on January 11, 2007.

Other City Requirements

Bestway Recycling Co., Inc., Sun Valley Paper Stock, Inc., and City Fibers, Inc. have complied with all insurance requirements and have also provided the following documentation required with regard to:

- Contractor Responsibility Ordinance
- Non-Discrimination/Equal Employment Practices/Affirmative Action
- Equal Benefits Ordinance
- Business Tax Registration Certificate
- Slavery Disclosure Ordinance
- Municipal Lobbying Ordinance

Contract Performance Evaluation

In accordance with Article 13, Chapter 1, Division 10 of the City of LAAC, the appropriate City personnel responsible for the quality control of these personal services contracts shall submit Contractor Performance Evaluation Reports to the City Administrative Officer (CAO) upon completion of these contracts.

Contractor Responsibility Ordinance

All contractors participating in this program are subject to compliance with the requirements specified in the City of Los Angeles' Contractor Responsibility Ordinance No. 173677, (Article

BUREAU OF SANITATION
BUREAU OF CONTRACT ADMINISTRATION
JOINT BOARD REPORT NO. 1
OCTOBER 1, 2007

Page 9

14, Chapter 1, Division 10, L.A.A.C.). Failure to comply with all requirements specified in the Ordinance will render their respective contracts subject to termination pursuant to the conditions expressed therein.

Headquarters Address and Employees' Information

The headquarters of the three proposers and Employee information is summarized in the table below:

Company	Wasteshed(s)	Headquarters Address	# of Employees	# of Employees Residing in LA
Bestway Recycling Company Inc.	North Central	2268 Firestone Blvd LA 90002	38	12
	South Los Angeles			
Sun Valley Paper Stock Inc.	East Valley	11161 Pendleton St. Sun Valley 91352	26	23
City Fibers Inc.	West Valley	2500 Santa Fe Ave. LA 90058	107	52

STATUS AS TO FUNDS

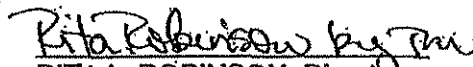
The revenue received by the City from the sale of recyclable materials will be deposited into the Landfill Maintenance Special Trust Fund (Fund 558), Department 50, Revenue Source Code 4088. Per LAAC, Chapter 21, Section 5.332.2, any surplus revenue from recyclables in the Landfill Maintenance Special Trust Fund may be used for other solid waste activities, such as offsetting the cost of the Ambassador Program, as authorized by Mayor/Council. The \$50,000, per contract, (\$200,000 in total) annual contribution will be deposited into the Curbside Recycling Trust Fund (Fund 444) to supplement contamination reduction activities in the North Central, South Los Angeles, East Valley, and West Valley Wastesheds.

(JBZ JAM AEH RPT ECZ WFB)

BUREAU OF SANITATION
BUREAU OF CONTRACT ADMINISTRATION
JOINT BOARD REPORT NO. 1
OCTOBER 1, 2007

Page 10

Respectfully submitted,


RITA L. ROBINSON, Director
Bureau of Sanitation

COMPLIANCE REVIEW PERFORMED
AND APPROVED BY


HANNAH CHOI, Program Manager
Office of Contract Compliance
Bureau of Contract Administration


JOHN L. REAMER, JR., Director
Bureau of Contract Administration

APPROVED AS TO STATUS OF FUNDS:


CRAIG V. BLOOMQUIST, Director
Office of Accounting

Date 9/20/07

Prepared by:
Armen Saiyan, SRSSD
(213) 485-3094