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**DEPARTMENT OF
PUBLIC WORKS**

OFFICE OF THE DIRECTOR

CITY OF SACRAMENTO
CALIFORNIA

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ADMINISTRATION
916-449-8747

October 16, 1990

Transportation and Community Development Committee
Sacramento, California

Honorable Members in Session:

**SUBJECT: ALTERNATIVES TO DIRECT HAUL SELECTION COMMITTEE'S REASSESSMENT OF ITS
EVALUATION CRITERIA**

SUMMARY

This report transmits a response to a Transportation and Community Development Committee request that the Alternatives to Direct Haul Selection Committee reconsider the weights it proposed for some of its proponents' evaluation criteria. After reconsideration, the Selection Committee is requesting Transportation and Community Development Committee support for retaining the original weights.

BACKGROUND

On September 4, 1990, the Transportation and Community Development Committee informed staff that they wished to have the Alternatives to Direct Haul Selection Committee reconsider the weights the Selection Committee proposed for evaluation of proposals from proponents of Alternatives to Direct Haul.

On September 17, 1990, the Selection Committee met to reconsider its original evaluation criteria and weighting. These deliberations resulted in the report attached hereto as Exhibit I.

FINANCIAL DATA

This report has no financial impact.

POLICY CONSIDERATIONS

It is recommended that the Transportation and Community Development Committee accept the Selection Committee's action as consistent with General Service Policy Directive (GSPD) 89-19.

MBE/WBE

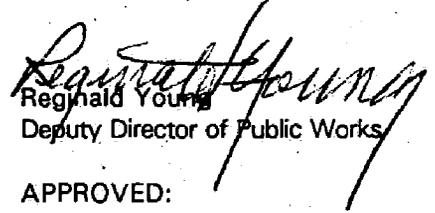
There are no MBE/WBE impacts.

October 16, 1990
Transportation and Community Development Committee

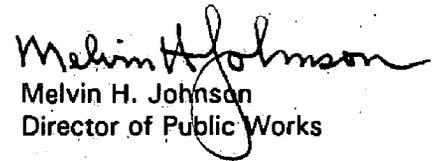
RECOMMENDATION

It is recommended that the Transportation and Community Development Committee accept the Selection Committee's proposed evaluation criteria for selection of an Alternatives to Direct Haul of Municipal Solid Waste and recommend its approval by the City Council.

Respectfully submitted,


Reginald Young
Deputy Director of Public Works

APPROVED:


Melvin H. Johnson
Director of Public Works

RECOMMENDATION APPROVED:

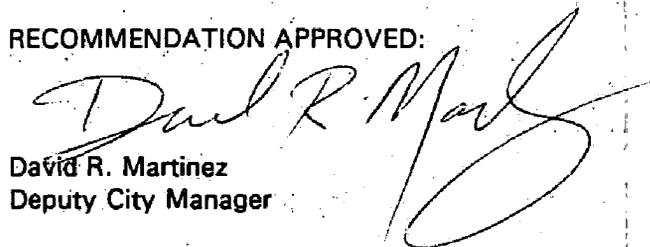

David R. Martinez
Deputy City Manager

Exhibit I: Alternatives to Direct Haul Weighting Reconsideration

Contact Person
Reginald Young, Deputy Director of Public Works
449-5283

October 16, 1990
All Districts

October 16, 1990

Transportation and Community Development Committee
Sacramento City Council
City Hall
Sacramento, California 95814

Dear Chairperson Serna:

RE: ALTERNATIVES TO DIRECT HAUL WEIGHTING RECONSIDERATION

We, the members of the Alternatives to Direct Haul Selection Committee (Committee), have been meeting since October 1989 in order to guide the selection process and evaluate proponent responses for Alternatives to Direct Haul of City-collected waste. The Committee was convened by the Director of Public Works and was formed consistent with the requirements of the consultant selection procedures of General Services Policy Directive (GSPD) 89-19 (see attachment 1). Concurrent with the activities of this Committee, the City is proceeding with two related activities. The City has engaged a consulting firm to prepare and process a Direct Haul Environmental Impact Report (EIR) in accordance with the California Environmental Quality Act (CEQA). The City Council has also directed Public Works staff to prepare independent cost estimates for a City-operated alternative system to Direct Haul.

We have reviewed our selection process in light of comments from the Transportation and Community Development Committee on September 4, 1990, and have concluded that there is strong justification to maintain the direction we are pursuing. We realize that competing firms may want to have "input" into the selection process before we have completed our tasks, but we feel it would be detrimental to the process to change our evaluation procedures or the weightings of criteria at this point.

The Committee would like to provide information about the process that we are using to select the firm most qualified to design and operate the City of Sacramento's waste recovery system. Specifically, we wish to clarify:

1. The overall selection process.
2. The selection criteria we are using.
3. The weights the Committee has decided to attribute to each criterion.

4. Consistency of the selection process with the Request for Qualifications and Request for Proposals documents.

I. THE SELECTION PROCESS

The selection process comprises four steps:

- Qualifications Review
- Proposal Review
- Interviews
- Site Visits

The qualifications review assures the City that only companies with sufficient technical know how, demonstrated track records, and financial strength are considered for project award. After responses from interested companies to the City's Request for Qualifications and Technical Information (RFQ-TI) were reviewed, firms that met the minimum requirements were scored based on their technical expertise, experience, and financial capabilities. Because this type of information is important to the proper selection of the best offerer and was requested only once, it is essential that these ratings be used in the overall evaluation. Otherwise, qualifications have little or no bearing in the overall selection. Although the Committee realizes the importance of a firm's qualifications in selecting the best offerer, we assigned only a 10% weight to this category. This information was not given greater weight because only qualified firms were allowed to compete.

The most important part of the selection process is the review of the pre-qualified firm's proposals. In a proposal, a firm sets forth its specific facility design, the level of materials recovery it plans to achieve, how it will finance the project and market the recovered materials and what the cost will be to the City. The criteria the Committee will use to evaluate proposals are described in Section 2 below and were specifically designed to respond to the motion of the Joint Committees on April 17, 1990. Because of the importance of the proposal, the Committee assigned a 70% weight to proposal review.

The third step is the interview, during which proposers presented their offers, answered prepared questions, and provided clarifications to the Committee. Each interview was scored independently by each Committee member. The Committee assigned a 10% weight to this step.

The final step is visits to representative facilities of each proposer. It is essential to verify the ability of each company to construct and operate facilities similar to that which is proposed for Sacramento. During these site visits, observations about aesthetics, housekeeping, recycled materials product quality, system reliability, dust, noise traffic, odors, and other important factors were made. The site visit scores were given a weight of 10%.

At the conclusion of the four steps, a composite score is determined for each proposer. The firm with the highest composite score is recommended to the City Council for selection.

II. SELECTION CRITERIA

Our selection process allows a systematic methodology to objectively solicit and evaluate private sector offers to site, finance, construct, and operate the City's solid waste recovery system. Unlike a traditional construction bid, where contractor's compete for a specific pre-designed project, our procedure allows prospective proposers to capitalize on their experience, innovation, and creativity to meet the City's needs and goals. Because the proposers are required to provide a combination of professional services (financing, siting, design, materials marketing, etc.) and construction and operation services, it is necessary to consider a variety of factors in selecting the best offer for the City.

Recognizing this, and the concerns of the City Council expressed (Councilmember Serna's motion of April 17, 1990), the Committee established the following criteria:

1. Performance in Materials Recovery

Contribution to AB 939 -- Extent to which the project contributes to meeting waste diversion goals mandated by AB 939.

Reduction of Landfill Requirements -- Extent to which the project reduces the amount of waste requiring landfill disposal and contributes to the City's goals stated in Resolution 89-685.

2. Cost

Tipping Fee -- Tipping fee, which the vendor proposes to charge the City, includes amortization of capital cost, annual operation and maintenance costs, and revenue share.

Capital Cost -- Detailed costs for the total facility construction, including all optional facilities.

3. Flexibility/Expansion

Ability to adapt to changes in waste stream quantities and composition caused by seasonal fluctuations, waste reduction activities, and recycling activities; level and types of contingencies built into the system; expansion capabilities; and system reliability.

4. Experience

Vendor's experience constructing and operating similar materials recovery facilities of comparable size and proven reliability.

5. Risks and Guarantees

Level of acceptance of risk allocation plan, performance guarantees, insurance provisions, and contractual items.

6. Markets

Knowledge and experience of recovered materials market.

7. Environmental Mitigation

Mitigation of odor, noise, air quality, litter, traffic, on and off-site, visual effects, dust, and vectors. Soundness of waste water and storm water management plans, utility consumption, fire control, and safety procedures.

8. Financial Strength

Proposer's fiscal capability and strength, with emphasis on the ability to obtain performance bonds for construction and operation, secure project financing, and to support guarantees.

III. WEIGHTING OF THE PROPOSAL REVIEW CRITERIA

Some of the selection criteria are more important than others. To account for this in the scoring process, the Committee assigned different weights to each criterion. Recognizing the importance of recycling and the reduction of landfill requirements, the Committee assigned the highest weighting to this category. The Committee realizes that other criteria, such as flexibility and expansion capabilities (C) and the ability to market recycled materials (F), are also part of waste diversion. Thus, this factor becomes even more important. The Committee determined that costs to the rate payer was the second most important criterion. A proposer's experience and financial strength were given relatively low weights in the proposal review scoring because unexperienced or financially weak companies were screened out in the qualifications review step. Also, as previously discussed, the scores from the qualifications step count as 10% of the final scoring. The risk and guarantee category was given only a moderate weight because the City's Request for Proposals document clearly stated limitations to the risks that the City would accept. Environmental mitigation was given an appropriately low weight because, in general, materials recovery facilities have less of an effect on the environment than other waste management options. Further, all facilities would have to comply with strict permit requirements and incorporate environmental mitigation measures determined in the CEQA process.

The criteria weights were determined by a full consensus of Committee members. The specific weight of each criterion was not published because the Committee did not want to bias the proposers' responses. Rather, we sought from the proposers their ideas about the best system for the City.

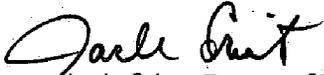
IV. CONSISTENCY OF THE SELECTION PROCESS

Our selection process was established and described in the City's first project solicitation document, the RFQ-TI. Each solicitation document, RFQ-TI, and Request for Cost Proposals listed the evaluation criteria to be used. The Committee's evaluations of proponent responses have remained consistent with the established process and the criteria indicated in the solicitation documents.

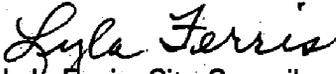
We thank you for the opportunity to clarify our procedures.

Very truly yours,

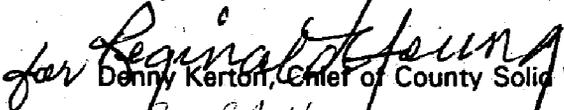
SECTION COMMITTEE FOR ALTERNATIVES TO DIRECT HAUL



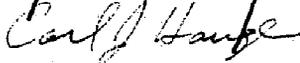
Jack Crist, Deputy City Manager



Lyla Ferris, City Councilmember



Denny Kerton, Chief of County Solid Waste



Carl Hauge, Chairperson, SWAC



David Pelsner, Solid Waste Division Manager for the City

EVALUATION CRITERIA

PROPOSERS TO ALTERNATIVE TO DIRECT HAUL

OVERALL EVALUATION

1.	RFQ Response	10%
2.	RFP Response	70%
3.	Proponents Interview	10%
4.	Site Visit	10%

RFP EVALUATION CRITERIA

70%

<u>Criteria</u>	<u>Weight</u>
1. Performance in Material Recovery	22
(a) Contribution Toward AB 939 (16 Points)	
(b) Landfill Avoidance (6 Points)	
2. Costs	20
(a) Tipping Fee (17 Points)	
(b) Capital Costs (3 Points)	
3. Flexibility/Expansion	18
4. Experience	10
5. Risks and Guarantees	10
6. Markets	8
7. Environmental Mitigation	8
8. Financial Strength	<u>4</u>
	100

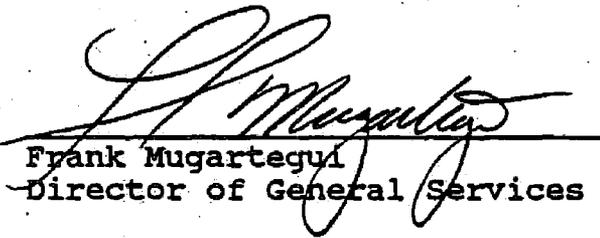
CITY OF SACRAMENTO
GENERAL SERVICES POLICY DIRECTIVE

Topic: Professional Services Selection Procedures Effective Date: 9/8/89

From: Department of General Services Supersedes: GSPD-87-19
Dtd 12/1/87

To: All Departments and Divisions Section No.: GSPD-89-19

Approved:


Frank Mugartegui
Director of General Services

SUMMARY OF CONTENTS

1. Purpose and Scope
2. Policy
3. Professional Consultant Selection Procedures
4. RFP Request and Evaluation
5. Interview/Basis of Selection
6. Consummation of Agreement

1. PURPOSE AND SCOPE

1.1 This policy is established as a guide in the selection of professional consultants (architects, engineers, planners and related professional services) wherein such services are required.

2. POLICY

2.1 The procedures listed here were formally adopted by the City Council in Resolution 80-116.

2.2 It is the policy of the City of Sacramento that selection preference will be given to Sacramento area based firms on the premise that adequate professional services generally can be obtained locally. Only fully qualified individuals or firms will be considered for each specific project. In the case of those projects that require unusual and/or highly specialized services, professional firms outside the local area will also be considered. It will further be the policy of this Council that available work will insofar as practical and consistent with the City's interest, be equitably distributed among the local qualified individuals or firms.

2.3 The determination of whether a firm is qualified is to a significant degree, a matter of professional judgment. There are, however, other factors that will be considered in determining qualified individuals or firms during the pre-selection process.

2.4 The City shall follow the provisions of Federal Executive Order 11246 relating to Equal Employment Opportunity. It is also the policy of the City that no consultant shall be hired if the City determines that the hiring or business practices of such consultants violates the provisions of said Executive Order 11246.

2.5 The selection of a professional consultant will be based on merit with an agreement and compensation negotiated after final selection. (One of the interviewed firms will be substituted if an agreement cannot be successfully negotiated with the first selected.) Specific services, time constraints and consultants required for each project will be a part of the negotiation process.

- 2.5.1 When professional consultant compensation is less than \$25,000, the selection procedure will be utilized with the respective department head (Agency Director, General Services Director, Public Works Director, and/or Planning and Development Director) and the concurrence of the City Manager for the selection and direct retention of the professional consultant or firm by a formal agreement or with a letter of authorization.
- 2.5.2 When professional consultant compensation is more than \$25,000, the selection procedure will be utilized with the specific consultant or firm being recommended by the respective department head (Agency Director, General Services Director, Public Works Director, and/or Planning and Development Director) with the approval by the City Manager. The selection recommendation will be forwarded for Council action, i.e., approval of the selection and authorization for the City Manager to enter into an agreement for the specific project.
- 2.5.3 When engineering work for the development of a specific subdivision of a parcel is required, the Public Works Director will retain the developer's selected engineering firm or individual and coordinate the required design work as a part of the City's engineering function. The retention will become the professional judgment of the Public Works Director with concurrence by the City Manager and exempt from the selection process.
- 2.5.4 Operational services will be exempt from the selection process. These would be services such as:

Engineering

- a. Aerials
- b. Drafting
- c. Surveys
- d. Topography

Testing

- a. Soils
- b. Water
- c. Air
- d. Materials

Inspection

- a. Welding
- b. Concrete
- c. Soils
- d. Miscellaneous

Others

- a. Reports
- b. Investigations
- c. Photography
- d. Data Processing

3. PROFESSIONAL CONSULTANT SELECTION PROCEDURES

3.1 Selection Committee

The Selection Committee shall be as small as possible; however, it should be tailored to the specific project needs. Therefore, the actual development of a committee composition will depend on whether: The project involves more than one public agency, is considered a minor or major project and whether it is a special project with extreme public interest. In all cases, the committees are to participate in the selection process, i.e., from pre-selection to selection. The Selection Committee shall familiarize itself with the project and with the work of the consultant being considered. The committee's unity and guidance will be the duty of the project administrator. Committees are to be composed from the following:

- a. User department director/administrator
- b. A member from Council's selection panel
- c. The City or Agency's project administrator

- d. A Council recommended member for special interest projects
 - e. Others when applicable
 - 1) A member of the Project Area Committee (PAC)
 - 2) A member from the public agency jointly developing or funding the project
 - 3) A member or members of a specifically aligned interest committee, profession or group such as art, history, etc., (particularly for special projects and studies)
- 3.2 Representatives on the Selection Committee must be duly authorized to speak for the group, department and agency they represent.
- 3.3 Architect, Engineer, Planner, etc. Apply
- 3.3.1 Departments are to maintain a file of names and brochures of professional consultants that have expressed interest in doing work for the City of Sacramento. The files are to be divided into local and out of town firms and are to be updated annually.
 - 3.3.2 For unusual and/or highly specialized services, additional firms will be solicited via a communique to professional associations and organizations in California asking each to communicate with its membership that the City intends to utilize private professionals for a select project.
 - 3.3.3 The consultant or firm must be qualified with professional registration in the State of California except in the case of out of State registered consultants or firms for specialized services.

3.3.4 A pre-selection list shall be developed from the files for each project, utilizing some of the following considerations: The nature of the specific project under consideration, together with the qualifications and experience of the firm in having similar projects; the past general history of a firm, both in years experience, type of projects and adequacy of work successfully completed; the past relationship of the City of Sacramento with the individual or firm under consideration.

3.3.5 Some pre-selection considerations are:

- a. Include firms who have not previously been awarded City work
- b. Include firms of appropriate relative size for the specific project involved
- c. Include firms that have specifically inquired for the subject project

3.3.6 The pre-selection list should be screened to a manageable number of individuals or firms. The list size would be dependent on the discipline being sought and the services available.

4. RFP REQUEST AND EVALUATION

4.1 Subject to the pre-selection process, individuals or firms are sent a Request for Proposal (RFP). The request states, "The selection process will be determined by analyzing the qualification and proposal submission and interview presentation."

4.2 As a guide in the development of an (RFP) request questionnaire, some of the following types of concerns should be outlined in order to allow the consultant or firm being considered an opportunity to respond, addressing the items of insight on the specific project:

- a. The outline of the project considerations and/or problem statement
 - b. Project time frame program through construction
 - c. Program presentation to public and citizen groups
 - d. Management and personnel structure (Project assignments), i.e., specific project experience and/or research
 - e. Capacity and availability to deliver services (list the subject project time frame)
 - f. Include references of other similar projects
 - g. A list of contractual obligations
- 4.3 The individuals or firms RFP responses are screened by the Selection Committee and are reduced to a few firms, typically 3 to 5. To assist in rating responses, a criteria guide, as follows, may be utilized:
- a. Relative subject experience and references
 - b. Specialized knowledge of the subject
 - c. Ability to accomplish services in a target time frame
 - d. Evaluate appropriate relative size for the subject services
 - e. Evaluate present firm size and work load

5. INTERVIEW/BASIS OF SELECTION

- 5.1 The individuals or firms chosen by the RFP evaluation process are interviewed after submission and screening of their proposals by the Selection Committee. A review of the RFP submittals, together with their interview presentations will be utilized in the evaluation and selection of one professional consultant or firm. A guide evaluation sheet will be utilized to assist in the final selection.

6. CONSUMMATION OF AGREEMENT

- 6.1 The selected individuals or firm is then submitted to the respective department head. Negotiation of work scope and fees will proceed. Upon successful completion of the negotiations, the selection is then forwarded to the City Manager for concurrence. Upon the endorsement of the selection, the City Manager will then directly retain the professional consultant or firm by a formal agreement or letter of authorization.
- 6.2 When the consultant's fee is anticipated to be in excess of \$25,000 the selection recommendation will be forwarded to the City Council for approval and authorization for the City Manager to enter into a formal agreement by execution of a resolution. Refer to GSPD-89-14 for a sample of the City's standardized consulting agreement.