



Date: March 22, 2016

To: Mayor and Members of the City Council

From: Patrick H. West, City Manager *PW*

Subject: **Supplemental Information Regarding City Recycling Collection Services Contract – March 22, 2016 – Agenda Item #R-20**

DISCUSSION

At the March 8, 2016 City Council meeting, the City Council deliberated on two items concerning the City's recycling collection services contract. During the discussion there were a number of questions raised, and some uncertainty as to how to move forward. The City Council took action to table the discussion until the March 22, 2016 meeting, and requested the City Manager to develop options for moving forward.

City Manager Recommendation

Staff immediately began the process of analyzing options to bring back to the City Council per their request on March 8th. On March 15th, the City Auditor issued a memorandum concerning the procurement process for the recycling collection services contract. While not implying that inappropriate activity occurred, the City Auditor stated that after listening to the issues discussed at the March 8th City Council meeting, she has concerns regarding the recycling procurement process based on the information available to her at this time.

Given this memorandum by the City Auditor, as City Manager, I recommend that we cancel this RFP process and go back into the marketplace for our recycling collection services contract. Specifically, I am recommending the City Council reject all proposals and direct the City Manager to rebid this contract.

Additionally, in the City Auditor's March 15th memorandum, the City Council is urged to seek and obtain sufficient information from City staff to ensure that the City Council has the confidence that this staff recommended award was based on a fair, objective and transparent process. In order to respond to this concern, it is my intent to immediately engage an independent financial firm to review the process we have utilized. Such a firm could be retained quickly and have this review completed within approximately 30 days. This firm would work with the City Manager, with input from the City Auditor and the City Attorney, and report back to the City Council when completed. Improvements recommended by this review would be incorporated into the rebid process.

Other Issues

Additionally, at the March 8th meeting, staff was directed to reach out to each of the four vendors to inquire as to whether they would hold their prices for a six month period. Each of the four vendors committed to the six month extension in writing. Notwithstanding the agreement to extend, given the City Auditor's memorandum, I continue to recommend beginning the rebid process now, so that we can move forward with an award as soon as possible that minimizes delay and costs.

The City of Long Beach Purchasing Bureau issues approximately 60-80 RFPs (Requests for Proposals) each year with few protests or controversy. Please know, in the Waste and Recycling industry such protests are very common throughout California. During the past two weeks, staff and the City consultant, HF&H, have been diligently responding to all the issues raised at the March 8th Council meeting and these comprehensive responses and documents would be made immediately available to the independent financial firm selected to review the most recent process, with input from City Auditor and City Attorney.

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