

BEFORE THE CONTRACT REVIEW BOARD OF THE
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF AUTHORIZING)	RESOLUTION NO. 92-1557A
ISSUANCE OF A REQUEST FOR PROPOSALS)	
FOR A STUDY OF WEIGHT-BASED)	Introduced by Rena Cusma,
COLLECTION RATES AS ECONOMIC)	Executive Officer
STIMULUS FOR RECYCLING AND)	
ENTERING INTO MULTI-YEAR)	
CONTRACTS WITH THE MOST)	
QUALIFIED PROPOSERS)	

WHEREAS, Resolution 90-1337 directed Metro staff to evaluate opportunities to increase recycling through economic measures; and

WHEREAS, Weight-based collection rates are likely to represent significant economic stimulus to reduce waste; and

WHEREAS, A regional technical evaluation is needed before implementation of weight-based rates; and

WHEREAS, Pursuant to Metro Code Section 2.04.033(a)(1) Council approval is required because the agreement commits the District to expenditures for continuation of the Project in the next fiscal year; and

WHEREAS, Pursuant to Metro Code Section 2.04.032(d) Council approval is required because the contracts are identified as "A" contracts; and

WHEREAS, The resolution was submitted to the Executive Officer for consideration and was forwarded to the Council for approval; now, therefore,

BE IT RESOLVED,

That the Council of the Metropolitan Service District approves issuance of the Request for Proposals for a Study of Weight-Based Collection Rates as Economic Stimulus For Recycling (RFP# 92R-1-SW).

ADOPTED by the Council of the Metropolitan Service District this 23rd day of April 1992.


James Gardner, Presiding Officer

REQUEST FOR PROPOSALS

Weight-Based Collection Rates As Economic Recycling Stimulus

RFP #92R-1-SW

**Metropolitan Service District
2000 S.W. First Avenue
Portland, Oregon 97201**

Metropolitan Service District

April 1992

REQUEST FOR PROPOSALS

Weight-Based Collection Rates As Economic Recycling Stimulus

The Solid Waste Department of the Metropolitan Service District is requesting proposals from waste haulers and survey contractors to participate in a study of the amount of waste produced by commercial customers. The study will provide data that will be useful in designing weight-based collection rates that would create an economic reason to reduce waste.

Proposals must be delivered by 3:00 P.M. PDT on Friday, May 1, 1992, addressed to the attention of:

**Terry Petersen
Solid Waste Department
Metropolitan Service District
2000 S.W. First Avenue
Portland, Oregon 97201-5398
(503)221-1646**

WEIGHT-BASED COLLECTION RATES AS ECONOMIC RECYCLING STIMULUS

Introduction

The Metropolitan Service District (Metro) is the government agency responsible for coordinating regional solid waste management in the Portland metropolitan area. The Metro region consists of a three-county area with a 1991 population of 1.2 million.

This RFP seeks proposals from qualified firms to cooperate with Metro and local governments in a study of the amount of waste produced by commercial generators. The objective is to collect the kind of data that will be useful in a variety of management activities including the establishment of weight-based collection rates.

In addition to helping to meet the region's waste reduction objectives, weight-based rates have other potential benefits to local governments, haulers, waste generators, and Metro. These include:

- A potentially more simple and equitable rate-setting procedure for any local government that chooses to use weight-based rates in franchised areas.
- Haulers will be certain that each customer will be charged enough to pay the tip fee at the disposal site.
- As businesses stop dumping ice, water, beverages, and other fluids into waste containers, there will be less liquid waste that causes operational problems at transfer stations and reduces the recoverability of recyclables .

This project will involve two types of contracts. One contract will be with one or more waste haulers. The haulers will install scales and weigh waste. Participation by more than one hauler will make the results more widely applicable. Therefore, depending on cost proposals, there may be a number of contracts with individual haulers for this portion of the project.

The second contract will be for data processing and research services. The contractor for this work will perform two main tasks. One task will be to enter the data provided by the hauler into electronic files (see further description of optional arrangements in the scope of work). These data will include the weight data, business name and address, account number, and service level. The other task will be to conduct the research necessary to determine the Standard Industrial Code (SIC) and the number of employees for each business in the study.

Confidentiality

Metro recognizes that haulers, particularly those in unfranchised areas, may consider the type of customer information needed in this study to be confidential. Haulers interested in responding to this RFP should be aware the Metro is only interested in the average weights for different types of businesses. The objective is not to obtain haulers' customer lists, data on specific customers, or any financial information related to operating costs or profits. The names and addresses of customers who are included in this study are only needed to obtain employee counts and type of business activity.

Project Coordination

A project team consisting of Metro staff and local government representatives will coordinate the contracts that are part of this project. It will be the team's objective to select contractors for each of the two types of contracts. Because of the contact with customers, it is particularly important that the haulers be satisfied with the selection of the survey contractor.

Background

The commercial waste stream makes up more than 50% of all waste disposed in the Metro region. About half of this commercial waste is transported in rear- or front-packer trucks that collect roll carts, dumpsters, or cans. In contrast to drop boxes, collection charges for packer waste are currently on a volume basis throughout the region. In addition to the 35% of the region's waste that is residential, this commercial packer waste represents another 25% that has collection rates based on volume.

A recent study in Seattle indicated that weight-based rates significantly improve the recycling and waste reduction behavior of households. Weight-based rates appeared to cause a 15% reduction in the amount of residential waste. Based on these result, some communities have converted from volume- to weight-based collection charges for residential waste. Previous studies with the residential waste stream have also indicated that households must be offered alternatives to disposal if economic incentives are to be effective. This has most often meant curbside collection of recyclables.

Metro is not aware of similar studies with the commercial waste stream. It is reasonable to expect, however, that businesses would respond to weight-based rates in a manner similar to what has been observed with households. For example, weight-based rates may only give the intended results if businesses are provided with cost-effective alternatives to disposal. Just as recycling varies among households with different socioeconomic characteristics, it is also reasonable to expect that the benefits of weight-based rates will vary among businesses of different types and sizes.

Weights And Measures Restrictions

The State of Oregon currently requires a Class 3 weighing device for legal trade purposes. Accuracy standards for a Class 3 scale are 0.1%. The on-board scale systems currently available for commercial packer trucks collecting roll-carts do not meet these standards. Before operational implementation of weight-based rates, manufacturers of on-board scales will need to either meet the Class 3 requirements or petition for exemption. It is Metro's belief that the best way to encourage scale manufacturers and others to develop the necessary technology is to conduct the kind of research described in this RFP.

Scope of Work

Contract #1: Weighing by Commercial Waste Hauler(s)

Task 1. Purchase and Installation of Truck Scales (if not already installed)

If needed, the hauler will purchase, install, calibrate, and maintain on-board scale systems on truck(s) collecting roll cart or can waste from commercial customers. The target date for installation and calibration is June 1, 1992. If your company already has scales and you propose to use these, describe the scales in your proposal.

Task 2. Selection of Study Routes

The hauler will work with the project team to select a route or establish a new routing schedule so that a large number of businesses of the desired sizes and types will be included in the study.

Task 3. Collection of Weight Data

The driver of the truck will weigh and record the net weight of the waste from each customer in the study. These net weights may be recorded directly in route books or on an appropriate data collection form. The weighing will begin June 1, 1992, and continue for twelve months. Haulers may propose the use of electronic data recording devices in place of having the driver manually record weights.

Task 4. Make Customer Information and Weight Data Available for Data Processing

The hauler will make available the following:

- on a weekly basis, the route book or data sheets on which the net weights were recorded with account numbers or other necessary identifiers for each business,
- names and addresses of each business in the study,
- telephone numbers if available

- information on service level (collection frequency and container types),
- recycling service provided to each business during the course of the study,
- net weights of drop box or any other waste collected from each business during the course of the study that was not weighed by the on-board scale system.

Scope of Work

Contract #2: Data Processing and Interviewing

Task 1. Processing of Weight Data (optional)

This task will involve the transfer of weight data, business name, business address, and unique identifier such as account number to an electronic file. The preferred format will be an Excel (DOS) spreadsheet. Metro has developed such a spreadsheet for an earlier weight study that will serve as a model for this project. The data may need to be transferred at the hauler's office. If so, access to a portable computer will be necessary.

Depending on the cost of proposals, Metro may decide to accomplish this task with Metro staff. If so, this task will not be included in the contract. Proposers are asked to itemize in their proposals the cost of performing this task.

Task 2. Conduct interviews.

The Contractor will interview each business. The primary objective will be to determine 4-digit SIC codes, number of employees (for single-tenant sites), and names of on-site businesses (for multi-tenant sites). For businesses doing more than one type of activity at each site, all appropriate SIC codes and the number of employees by each SIC code will be recorded.

Telephone interviews may be the best approach given that specific businesses must be surveyed and that there is relatively little information to be gathered. Proposers should describe alternative methods if they are thought to be more efficient.

Task 3. Coding of Survey Responses

The Contractor will edit and code all survey responses in a manner agreed upon with Metro. The Contractor must have procedures for ensuring data accuracy, such as double entry of 100% of all survey responses, using two different operators.

Task 4. Prepare Final Data Files and Final Report

The Contractor will provide clean data as electronic files on 5 1/4 inch IBM/AT compatible diskettes. The interview data may be delivered either as an ASCII text file or EXCEL spreadsheet. Contractor will also provide written documentation of file contents and a set of

initial tabulations of the interview data. The initial tabulations will include, at least, frequency distributions on categorical variables such as the SIC codes, and maximum, minimum, mean and mode for continuous variables such as the number of employees.

The final report will contain statistics on the number of businesses contacted, number of refusals, number of unavailables, number of completed interviews, a discussion of problems and anomalies, a statement of solutions that were employed, and a discussion on ways the survey design could be improved.

Deliverables: On a weekly basis deliver to Metro the EXCEL spreadsheet (or other agreed upon format) that contains the weight data. By July 15, 1992 deliver to Metro an initial file containing the SIC and employee data. If businesses are re-surveyed, additional files of SIC and employee numbers will be delivered.

Proposal Contents

Contract #1: Commercial Waste Hauler

Cover Letter

A brief introduction of your company and how it is qualified to respond to this RFP.

Proposal Form

Describe how you intend to accomplish the objectives of this project by completing the proposal form (Attachment A). The proposal form seeks information on the following:

- Describe existing on-board scale systems, if any, that you propose to use in this project. Include make, model, accuracy, date of installation, truck type, and general service history.
- Describe new on-board scale systems that you would need to purchase and install to participate in this study. Be sure to include purchase, installation, calibration, and maintenance costs that you are requesting Metro to pay for.
- Describe the process that your truck drivers would use to measure and record weights. In particular, describe whether weights would be recorded on route sheets or a separate data form.
- Describe the routing procedures that would be used to include the maximum number and types of businesses. Would the truck with the scale be assigned to a single existing route? Or would the truck be moved from route to route?

- For each truck that you propose to have a scale, describe the number and type of commercial accounts that could be weighed at least three times during a one-month period.
- For customers who have drop-box service in addition to roll-carts, describe your company's records of such service and how the total weight collected (drop box and roll carts) for each business will be obtained.

Cost Estimates

The budget to complete this portion of the project is expected to be about \$30,000. Proposals should include as much detail as necessary to explain the basis of cost estimates.

The contracting hauler will be responsible for providing all necessary labor, equipment, and transportation necessary to weigh and record waste at individual businesses.

Proposers should remember that cost is one of the criteria that will be used to evaluate proposals. In determining the costs to include in the proposal, haulers should recognize that the scale system will remain the hauler's property after the completion of the study.

Staffing and Project Manager

Identify specific personnel assigned to major project tasks, their roles in relation to the work required, percentage of their time on the project. Haulers must identify a single person as project manager to work with Metro.

Proposal Contents

Contract #2: Data Processing and Survey Contractor

Cover Letter

A brief introduction of your organization and how it is qualified to respond to this RFP.

Summary

A brief overview of your proposal.

Work Plan

Clearly outline how your organization intends to accomplish the objectives of this project. Elements should include time schedules, key dates, and equipment.

Research Methods

Include a description and justification of the approach proposed for the research. The following elements should be included:

- method of contact and interviewing
- consideration of noncoverage and nonresponse
- quality control procedures
- method of dealing with attrition
- method of dealing with changing business activity or size

The last two items should be addressed in detail. This study will be conducted over a twelve-month period. During this period there may be loss of sampling units due to closure or other factors. The number of employees at a business may also change during the twelve-month period.

Discuss in your proposal: (1) methods for dealing with attrition, (2) the methodology and costs of doing follow-up surveys later in the study to determine changes in business activity and size, and (3) your evaluation of whether such follow-up surveys would be necessary.

Cost Estimates

The budget to complete this portion of the project is expected to be about \$20,000. Separate cost estimates should be prepared for: (1) the interview work to obtain SIC and employee data, and (2) the processing of weight data collected by the hauler under Contract #1.

The initial bids for the interviewing should be prepared on the basis of 2,000 completed interviews. The initial bids for the processing of the hauler's weight data should be prepared on the basis of 1,500 weights (not all businesses will be weighed each week) to be entered each week during the eight-month study.

Metro will evaluate budget proposals principally on the basis of cost/performance ratios. It is anticipated that elements of the research design (e.g., sample size, sampling plan, questionnaire design) of the successful respondent may be subject to negotiated adjustment after Metro has considered all aspects of the proposal in light of research objectives. Depending on cost proposals, Metro may elect to make alternative arrangements, such as using Metro personnel for all or part of the data entry portion of this project.

The Contractor will be responsible for providing all necessary labor, equipment, and transportation. Proposals should include as much detail as necessary to explain the basis of cost estimates and its sensitivity to changes in research design (particularly sample size).

Staffing and Project Manager

Identify specific personnel assigned to major project tasks, their roles in relation to the work required, percentage of their time on the project, and special qualifications they may bring to the project. Include vitae of individuals proposed for this contract.

Metro intends to award the contract for this portion of the project to a single firm. Proposals must identify a single person as project manager to work with Metro.

General Conditions

Limitation and Award

This RFP does not commit Metro to the award of a contract, nor to pay any costs incurred in the preparation and submission of proposals in anticipation of a contract. Metro reserves the right to accept or reject any or all proposals received as the result of this request in whole or in part, to negotiate with all qualified sources, or to cancel all or part of this RFP.

Insurance Requirement

Contractor must have worker's compensation insurance as required by state law, and liability insurance in effect for claims arising out of death or bodily injury and property damage.

Contract Type

Metro intends to award personal services contracts with the selected firms for this project. A copy of the standard form contract which the successful firm will be required to execute is attached as Attachment B. The terms of the contract awarded will be subject to negotiation between Metro and the firm selected for this project.

Billing Procedures

The billing procedures of the Contractor are subject to the review and prior approval of Metro before reimbursement of services can occur.

Evaluation

Evaluation Procedure

Proposals received that conform to the proposal instructions and respond to the scope of work will be evaluated. The basis for evaluation will follow the criteria identified below. The evaluation process will result in the selection team developing a short list of firms who, in its opinion, are most qualified. Interviews with these firms may be requested prior to final selection of one firm.

Evaluation Criteria

The criteria used in evaluating each submitted proposal shall be as follows:

- Cost
- Previous Experience
- Response to items listed above in proposal instructions
- Number and Types of Commercial Customers (Contract #1)
- Geographic distribution of customers (Contract #1)

Proposals will be reviewed by a selection committee consisting of Metro and local government staff. Finalists will be selected from among the proposers, and may be contacted to schedule interviews with the selection committee. Contract negotiations will be conducted with the finalists. If these negotiations proceed satisfactorily, the final contract will be awarded. If these negotiations are unsuccessful, the next most highly rated firm will be selected for negotiations.

General Proposal Instructions

Submission of Proposal

Please submit three (3) copies of the proposal to Metro, addressed to:

Terry Petersen
Solid Waste Department
Metropolitan Service District
2000 SW First Avenue
Portland, OR 97201-5398

Proposals need to be copied double-sided on paper with post-consumer recycled content.

Deadline

Proposals will not be considered if received at Metro's business office, 2000 SW First Ave, Attention Terry Petersen, Solid Waste Department, after 3:00 p.m. Pacific Standard Time (PST) on Friday, May 1, 1992.

RFP as Basis for Proposals

This RFP represents the most definitive statement Metro will make concerning information upon which proposals are to be based. Any verbal comments or other information not contained in this RFP, or in addenda to this RFP, will not be considered by Metro in evaluating proposals.

Metro may issue addenda to clarify or add to the RFP. In such an event, additional time to respond to the RFP or to provide supplementary material may be provided as appropriate.

Subcontractors/Disadvantaged Business Program

A subcontractor is any person or firm proposed to work for the prime Contractor on this project. No subcontractor selection shall be finalized prior to contract award.

Metro has made a strong commitment to provide maximum opportunities to Disadvantaged and Women-Owned Businesses when contracting for goods or services. If subcontractors are to be used, the successful proposer agrees to reach the goal of subcontracting 7 percent of the total contract amount to Disadvantaged Business Enterprises (DBEs), and 5 percent of the total contract amount to Women-Owned Business Enterprises (WBEs) or to make good faith efforts, as defined in Metro's Disadvantaged Business Program (Section 2.04.160 of the Metro Code), to reach the goals.

DBEs and WBEs must be certified by the state of Oregon as DBEs or WBEs to be counted toward the Contract goals. The state's list of certified DBEs/WBEs may be obtained from the Office of Minority & Women & Emerging Small Business, State Executive Dept., 155 Cottage Street N.E., Salem, OR 97310, Attn.: Rick Acevedo, (503)387-5651.

The proposal documents submitted must contain a fully completed Disadvantaged Business Program Compliance form. Thereafter, within 24 hours of notice by Metro, firms will be required to submit completed DBE and WBE utilization forms which are also included in Attachment C. Metro expects to request utilization forms (which call for project costs) during the negotiation process. Proposer's special attention is directed to Section 2.04.155 (Contract Award Criteria), and Section 2.04.160 (b) (Determination of Good Faith Efforts). Proposers should note the following requirement of the latter section:

Advertisement in trade association, general circulation, minority and trade oriented, women-focus publications, if any and through a minority-oriented newspaper or minority-owned trade publication concerning the subcontracting or material supply opportunities on the project at least ten (10) days before bids or proposals are due.

The following are minority-oriented newspapers published in the Portland Metropolitan area:

The Skanner, 2337 N. William Avenue, Portland, OR 97221 (503) 287-3562.

The Portland Observer, P.O. Box 3137, Portland, OR 97208 (503) 283-2486.

The American Contractor, P.O. Box 11233, Portland, OR 97208 (503) 280-9000.

The Hispanic News, 3302 S.E. 20th Avenue, Portland, OR 97202 (503) 777-6759

Pro-Woman, P.O. Box 6957, Portland, OR 97228 (503) 452-0121.

The requirement to advertise is but one of the actions necessary to demonstrate good faith efforts under this program. **Failure to comply with all the requirements of the Disadvantaged Business Program will result in the proposal being deemed nonresponsive.** Metro reserves

the right, at all times during the period of this agreement, to monitor compliance with the terms of this paragraph and Metro's Disadvantaged Business Program. All proposers should read section 2.04.160 (b) at least 14 days prior to the proposal due date.

All questions regarding DBE/WBE requirements should be addressed to Metro's Contracts Administrator, Mr. A. M. Hazen at (503) 221-1646.

ATTACHMENT A
TO BE FILLED OUT FOR ALL CONTRACT #1 PROPOSALS

Scale Information

Is the scale(s) already installed (circle one)? Yes No

Make: _____ Model: _____

Accuracy: _____

Date of Installation (if existing): _____

Truck Type: _____

Proposed Scale Cost to be charged to Metro: \$ _____

Field Procedures

Describe how driver will collect data: _____

Describe routing procedures that could be used to get the maximum number of business per truck:

Describe company records on the weight drop box waste: _____

Labor Costs

Proposed labor cost: \$ _____

Other Costs

Please describe: _____

Total Proposal Cost: Scale cost + Labor cost + Other costs \$ _____

**ATTACHMENT A
TO BE FILLED OUT FOR ALL CONTRACT #1 PROPOSALS**

Instructions to Haulers: Metro needs a rough idea about the number and type of commercial customers that would be available for this study. For each truck that you propose to have an on-board scale system, fill in the following blanks with your "ball-park" estimates of the number of customers of each type and size that would be weighed by the truck. Fill out a separate form for each truck.

Name of Your Hauling Company: _____

This form is for truck number (please circle) : 1 2 3

Enter the number of customers each size and type that could be served by this truck:

	Size	
<u>Business Type</u> (single tenant)	<u>25 employees or less</u>	<u>More than 25 employees</u>
Restaurants	_____	_____
Groceries and food processing	_____	_____
Other Retail	_____	_____
Wholesale	_____	_____
Financial	_____	_____
Schools	_____	_____
Other Manufacturing	_____	_____
Industrial	_____	_____
	<u>10 tenants or less</u>	<u>More than 10 tenants</u>
Multi-tenant complexes billed as single accounts (shopping centers, office buildings, etc.)	_____	_____

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 92-1557A FOR THE PURPOSE OF AUTHORIZING ISSUANCE OF A REQUEST FOR PROPOSALS FOR A STUDY OF WEIGHT-BASED COLLECTION RATES AS ECONOMIC STIMULUS TO INCREASE RECYCLING (RFP #92R-1-SW) AND ENTERING INTO MULTI-YEAR CONTRACTS WITH THE MOST QUALIFIED PROPOSERS

Date: March 20, 1992

Presented by: Terry Petersen

PROPOSED ACTION

This RFP is listed as an "A" contract in the adopted budget for this fiscal year. Pursuant to Metro code, the RFP must be filed with the Clerk of the Council at least 35 days prior to the date of release for response by potential proposers.

BACKGROUND

About half of all waste is from commercial generators. Except for drop box waste, the collection rates for this waste is based on container volumes. Unless a customer can switch to the next smaller container size, there is no economic reason to reduce waste.

Charging by the pound for collection service would reward customers for all waste reduction regardless of the container size. A recent study with the residential waste stream in Seattle suggested a 15% reduction in waste disposal when collection rates were switched to a weight basis. It is reasonable to expect a similar response with commercial generators.

"Garbage by the pound" has other potential benefits besides waste reduction. It may simplify the rate-setting process for local governments. It may also reduce operational problems at transfer stations if less liquid waste is placed in containers.

There are enough unknowns about weight-based rates, however, that a regional study is needed before implementation. For example, there are no on-board scale systems that can currently meet certification standards for legal trade. An in-depth analysis of the amount of waste generated by different businesses is needed.

OTHER APPLICATIONS

Besides setting collection rates, there will be two other primary uses of this study. These are:

- Knowledge about how much waste is being generated by different kind of businesses will help Metro, local governments, and private recyclers target certain businesses for

waste reduction programs. This kind of targeting will become increasingly important as recycling programs become more and more specialized.

- The data will be used by Metro staff to predict how much waste is being generated within local areas of the region. This will be done by linking the generation rates (pounds/employee/week) estimated by this study with Metro's RLIS database on where different kinds of businesses are located. Applications include facility design, flow control, and rate setting.

STUDY DESIGN

This will be a cooperative study between Metro, local governments, and one or more of the region's haulers. The haulers will install on-board scales on trucks collecting commercial waste. A sample of customers will be selected based on size and type of business activity. Waste generated by each business will then be weighed for twelve months.

In addition to the contract(s) with haulers, Metro will also need to contract for survey and data processing services. The contract for this portion of the study will allow us to interview all businesses in the study to determine the type of activity and number of employees.

PREVIOUS COUNCIL ACTION

The RFP was first reviewed by the CSWC on January 21, 1992. Resolution 92-1557 approving release of the RFP was referred back to the committee at the request of Metro staff after they became aware that local governments wanted additional time to review the RFP before release. During February and March, Metro staff held a series of meetings with haulers, local governments, scale manufacturers, and representatives from the Oregon Measurement Standards Division. The main change in the RFP that resulted from this additional review was to delay the actual testing of weight-based rates until after the weight data that will be collected in this study becomes available.

BUDGET IMPACT

The contract is identified in the budget as "Waste Reduction Technological Assessment" in the amount of \$50,000. Because this is at least a one-year study, money will need to be budgeted in the next fiscal year. Approximately \$10,000 will be spent in the current fiscal year; the remaining \$40,000 will be spent in FY 92-93.

EXECUTIVE OFFICER RECOMMENDATION

The Executive Officer recommends approval of Resolution No. 92-1557A and release of RFP #92R-1-SW.



METRO

2000 S.W. First Avenue
Portland, OR 97201-5398
503/221-1646

Memorandum

To: Solid Waste Committee Members

From: John Houser, Council Analyst

Date: January 14, 1992

Re: Resolution No. 92-1557, For the Purpose of Authorizing Issuance of a Request for Proposals for a Study of Weight-Based Collection Rates as Economic Recycling Incentives and Entering into Multi-Year Contracts With The Most Qualified Proposers

Resolution No. 92-1557 is scheduled to be considered by the Committee at the January 21 meeting.

Background

Significant interest is developing around the country in the potential of weight-based garbage collection rates as a recycling and waste reduction incentive. Initial studies involving residential garbage collection in the Seattle area indicate that weight-based rates would encourage waste reduction and recycling. Though some communities may begin shifting to weight-based rates, currently accurate scaling equipment does not exist for this purpose.

The FY 1991-92 budget provided \$50,000 for a "Waste Reduction Technological Assessment." The resolution would authorize the issuance of an RFP for the issuance of two separate contracts. First, a contract would be awarded to a hauler to install on-board scales to weigh garbage from approximately 2,000 commercial accounts. After a baseline is established, the accounts would be divided into a "control" and a "test" group to measure whether weight-based rates would affect waste reduction and recycling. A second contract would be awarded for surveying and data processing services related to the study.

The study period will be at least ten months. The intent will be to determine if weight-based rates would cause an increase in waste reduction and recycling in the commercial sector similar to that found for residential collection in the Seattle area. In addition, if such rates are found to foster waste reduction and recycling, staff believes this would encourage scale manufacturers to develop new scaling technologies for this type of use.

Issues and Questions

The committee may wish to explore the following issues and

questions concerning the proposed resolution:

1) The study will focus on commercial accounts. Though some analysis has been completed concerning weight-based rates and residential collection, the committee may wish to ask staff if confirmation of these findings in the Metro region might be useful? In addition, is staff aware of any other similar studies being conducted elsewhere?

2) The staff report notes that some communities are shifting to a weight-based collection. Where are these communities and have they developed any statistical data concerning the effect of weight-based rates?

3) The staff report notes that there currently are no accurate scaling systems for weight-based collection. If so, than what types of equipment are the communities with weight-based collection using?

4) What is the current status of weight-based collection in Seattle?

5) The RFP notes that the available funding of \$50,000 will be split approximately equally between the hauler-related contract and the contract for survey and data processing work. On what basis was this funding split made?

6) What is the estimated completion date of the study?

SOLID WASTE COMMITTEE REPORT

CONSIDERATION OF RESOLUTION NO. 92-1557, FOR THE PURPOSE OF AUTHORIZING ISSUANCE OF A REQUEST FOR PROPOSALS FOR A STUDY OF WEIGHT-BASED COLLECTION RATES AS ECONOMIC RECYCLING INCENTIVES AND ENTERING INTO MULTI-YEAR CONTRACTS WITH THE MOST QUALIFIED PROPOSERS

Date: January 22, 1992

Presented by: Councilor Wyers

Committee Recommendation: At the January 21 meeting, the Committee voted unanimously to recommend Council adoption of Resolution No. 92-1557. Voting in favor: Councilors Buchanan, Hansen, Van Bergen and Wyers.

Committee Issues/Discussion: The purpose of the resolution is to authorize the release of an RFP to develop a pilot project to assess whether weight-based solid waste collection rates would act as a recycling or waste reduction incentive for businesses and commercial establishments.

Debbie Gorham reviewed an analysis of a recent Seattle study that determined that the use of weight-based collection rates did increase residential recycling and waste reduction efforts. She noted that the staff had been discussing the need for the proposed study with a variety of local solid waste and recycling interests and found support for the study.

Terry Peterson reviewed the scope and timeline of the study. He noted the purpose was to have at least one hauler in Clackamas, Multnomah and Washington install weighing equipment on trucks that have commercial or business routes. Accounts on these routes would be divided into "control" and "test" groups. Those in the test group would have their rates assessed based on the actual weight of their solid waste for approximately six months to determine if this would encourage a reduction in their waste stream. Approximately 2,000 businesses would participate in the study.

Councilor Hansen asked what the estimated \$50,000 cost of the study would be purchasing. Peterson explained that staff anticipates that the funding would be divided approximately equally between the haulers participating in the study and a separate contractor that would handle the data processing and survey work involving the participating businesses.

Councilor Van Bergen expressed concern about the cost of the study at a time when Metro's solid waste-related revenues are significantly declining. He asked if other jurisdictions are conducting & similar types of studies. Peterson indicated that staff was not aware of any other studies, noting that the Seattle study had focused on residential, not commercial waste generators. Van Bergen asked about the disposition of the scaling equipment

used in the study. Peterson responded that it would depend on the nature of the proposals that are received. He indicated that either Metro or the participating haulers could end up with the equipment.

Councilor Buchanan asked if there is any particular hurry in initiating the study. Peterson noted that the study is not time-sensitive and could be initiated at any time. Gorham commented that there is very strong support for the study in the solid waste and recycling communities. Bob Martin that the results of the study could have long-term importance to the waste disposal system. He added that deferring the study would help with the current revenue shortfall.



METRO

2000 S.W. First Avenue
Portland, OR 97201-5398
503/221-1646

Memorandum

To: Solid Waste Committee Members

From: John Houser, Council Analyst

Date: April 1, 1992

Re: Resolution No. 92-1557A, For the Purpose of Authorizing Issuance of a Request for Proposals for a Study of Weight-Based Collection Rates as Economic Stimulus for Recycling and Entering into Multi-Year Contracts With The Most Qualified Proposers

Resolution No. 92-1557A was considered and adopted by the Committee at the January 21 meeting. Prior to consideration by the full Council, staff requested that the resolution be returned to the committee because concerns had been expressed by several local governments and others. The staff has worked with these individuals and made changes in the proposed RFP to accomodate their concerns.

Background

Significant interest is developing around the country in the potential of weight-based garbage collection rates as a recycling and waste reduction incentive. Initial studies involving residential garbage collection in the Seattle area indicate that weight-based rates would encourage waste reduction and recycling. Though some communities may begin shifting to weight-based rates, currently accurate scaling equipment does not exist for this purpose.

The FY 1991-92 budget provided \$50,000 for a "Waste Reduction Technological Assessment." The resolution would authorize the issuance of an RFP for the issuance of two separate contracts. First, a contract would be awarded to a hauler to install on-board scales to weigh garbage from approximately 2,000 commercial accounts. After a baseline is established, the accounts would be divided into a "control" and a "test" group to measure whether weight-based rates would affect waste reduction and recycling. A second contract would be awarded for surveying and data processing services related to the study.

The study period will be at least ten months. The intent will be to determine if weight-based rates would cause an increase in waste reduction and recycling in the commercial sector similiar to that found for residential collection in the Seattle area. In addition, if such rates are found to foster waste reduction and recycling, staff believes this would encourage scale manufacturers to develop

new scaling technologies for this type of use.

Issues and Questions

The committee may wish to explore the following issues and questions concerning the revised resolution:

- 1) A review of the changes that have been made and why they were considered appropriate.
- 2) The study will focus on commercial accounts. Though some analysis has been completed concerning weight-based rates and residential collection, the committee may wish to ask staff if confirmation of these findings in the Metro region might be useful? In addition, is staff aware of any other similar studies being conducted elsewhere?
- 3) The staff report notes that some communities are shifting to a weight-based collection. Where are these communities and have they developed any statistical data concerning the effect of weight-based rates?
- 4) The staff report notes that there currently are no accurate scaling systems for weight-based collection. If so, than what types of equipment are the communities with weight-based collection using?
- 5) What is the current status of weight-based collection in Seattle?
- 6) The RFP notes that the available funding of \$50,000 will be split approximately equally between the hauler-related contract and the contract for survey and data processing work. On what basis was this funding split made?
- 7) What is the estimated revised completion date of the study?

SOLID WASTE COMMITTEE REPORT

CONSIDERATION OF RESOLUTION NO. 92-1557A, FOR THE PURPOSE OF AUTHORIZING ISSUANCE OF A REQUEST FOR PROPOSALS FOR A STUDY OF WEIGHT-BASED COLLECTIONS RATES AS ECONOMIC STIMULUS FOR RECYCLING AND ENTERING INTO MULTI-YEAR CONTRACTS WITH THE MOST QUALIFIED PROPOSERS

Date: April 16, 1992

Presented by: Councilor Hansen

Committee Recommendation: At the April 7 meeting, the Committee voted unanimously to recommend Council adoption of Resolution No. 92-1557A. Voting in favor: Councilors Buchanan, Hansen, McFarland, Van Bergen and Wyers.

Committee Issues/Discussion: Terry Peterson, Solid Waste Reduction Staff, noted that the resolution had previously been considered and adopted by the committee at its January 21 meeting. But, prior to consideration by the full Council, the resolution was returned to the committee for additional work at the request of department staff. Peterson indicated that the request was based on staff's determination that certain concerns of local governments and haulers needed to be addressed.

As originally proposed, the study proposed in resolution was in two parts. First, data would be collected on the weight of the solid waste disposed of by about 2,000 businesses. Second, these businesses would be divided into "control" and "test" groups to determine if a "weight-based" collection rate would act as an incentive for additional recycling or waste reduction by the affected businesses.

Peterson noted that local governments and haulers expressed concern that Metro was moving too quickly toward the implementation of a "weight-based" collection rate system. They noted local responsibility for the collection and franchise system. They recommended that data be collected concerning the weight of commercially generated waste, but that any comparative study of the effect of weight-based rates should be delayed until this collected data is reviewed and analyzed. Peterson noted that the revised resolution includes only the data collection element of the original study.

Councilor Wyers questioned why the second element of the study should be delayed, noting that only useful comparative data would be collected concerning the impact of weight-based rates. Councilor Van Bergen asked about the impetus of the local government concerns. Debbie Gorham noted the some local governments believe that Metro is moving too quickly. In addition, she explained that there is concern that a weight based rate will benefit some while hurting others. Local governments may be heavily lobbied by those who would benefit and be placed in a very

difficult position.

Councilors Wyers asked what was wrong with the original proposal, noting that it does not enforce or mandate any particular type of action by local governments and will provide additional needed information that may assist local governments in evaluating weight-based rates. Councilor Hansen encouraged staff to promote commercial recycling education programs. Bob Martin cautioned that there is a need to be sensitive to the concerns of local governments, particularly since they are responsible for the management of the collection system.

Councilor McFarland indicated that she would support the revised proposal, but that she was concerned about the "piecemeal" approach that was to be used. Councilor Van Bergen indicated that he understand local government's concerns, noting that franchise and collection regulatory requirements vary in each jurisdiction. He noted that some cities could conceivably lose under a weight-based rate system. He expressed his desire that everything would work out.

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 92-1557 FOR THE PURPOSE OF AUTHORIZING ISSUANCE OF A REQUEST FOR PROPOSALS FOR A STUDY OF WEIGHT-BASED COLLECTION RATES AS ECONOMIC RECYCLING INCENTIVES (RFP #92R-1-SW) AND ENTERING INTO MULTI-YEAR CONTRACTS WITH THE MOST QUALIFIED PROPOSERS

Date: January 14, 1992

Presented by: Terry Petersen

PROPOSED ACTION

This RFP is listed as an "A" contract in the adopted budget for this fiscal year. Pursuant to Metro code, the RFP must be filed with the Clerk of the Council at least 35 days prior to the date of release for response by potential proposers.

BACKGROUND

About half of all waste is from commercial generators. Except for drop box waste, the collection rates for commercial waste are based on container volumes. Unless a customer can switch to the next smaller container size, there is no economic incentive to reduce waste.

Charging by the pound would reward customers for all waste reduction regardless of the container size. A recent study with the residential waste stream in Seattle suggested a 15% reduction in waste disposal when collection rates were switched to a weight basis. It is reasonable to expect a similar response with commercial generators.

"Garbage by the pound" has other potential benefits besides waste reduction. It may simplify the rate-setting process for local governments. It may also reduce operational problems at transfer stations if less liquid waste is placed in containers.

There are enough unknowns about weight-based rates that a regional study is needed before implementation. For example, there are no on-board scale systems that can currently meet certification standards for legal trade. An in-depth analysis of weight based rates is needed to encourage manufacturers to develop the necessary scale technology.

STUDY DESIGN

This would be a cooperative study between Metro and one or more of the region's haulers. The haulers would install on-board scales on trucks collecting commercial waste. A sample of customers would be selected based on size and type of business activity. Waste would be weighed for two months to establish a baseline for each business. The businesses would then be divided into "test" and "control" groups.

The "test" group would be told that the disposal portion of their collection charge will be passed on to them on the basis of weight rather than volume. Metro staff will work with the hauler to design flyers and bill inserts that will explain the program and present recycling and waste reduction options. The key will be to present weight-based rates as an opportunity to save money by reducing waste. Waste will continue to be weighed for six months after the weight-based rates are offered to the test group. Metro staff will analyze the data and write reports.

In addition to the contract(s) with haulers, Metro will also need to contract for survey and data processing services. The contract for this portion of the study will allow us to interview all businesses in the study to determine the type of activity and number of employees.

BUDGET IMPACT

The contract is identified in the budget as "Waste Reduction Technological Assessment" in the amount of \$50,000. Because this is at least a ten month study, money will need to be carried over into next fiscal year. Approximately \$35,000 will be spent in the current fiscal year.

EXECUTIVE OFFICER RECOMMENDATION

The Executive Officer recommends adoption of Resolution No. 92-1557.



METRO

2000 S.W. First Avenue
Portland, OR 97201-5398
503/221-1646

Memorandum

DATE: January 8, 1992

TO: Rena Cusma, Executive Officer

FROM: *BM* Bob Martin, Solid Waste Director

RE: RFP #92R-1-SW

The attached RFP is listed as an "A" contract in the amount of \$50,000 that needs to be filed with the Clerk of the Council before release for response by potential proposers.

The contract was identified in the budget as "Waste Reduction Technological Assessment." The technology being assessed is using weight-based collection rates as an economic recycling incentive for the commercial wastestream.

Based on results from other areas, "garbage by the pound" is likely to be a significant economic incentive for businesses to reduce waste and help meet the region's recycling goals. The technical work described in the RFP is needed before implementation.

BM:TP:jc



METRO

2000 S.W. First Avenue
Portland, OR 97201-5398
503/221-1646

Memorandum

DATE: January 6, 1992

TO: Paulette Allen, Council Clerk
John Houser, Council Analyst

FROM: Debbie Gorham, ^{DG} Waste Reduction Manager

RE: RFP #92R-1-SW

The attached RFP is listed as an "A" contract in the amount of \$50,000 on Page 92 of the contracts list appendix to the adopted budget for this fiscal year. Pursuant to Code Section 2.04.032(d) {p2.04-11}, the RFP needs to be filed with the Clerk of the Council before release for response by potential proposers.

The contract was identified in the budget as "Waste Reduction Technological Assessment". The technology being assessed is using weight-based collection rates as an economic recycling incentive for the commercial wastestream.

Based on results from other areas, "garbage by the pound" is likely to be a significant economic incentive for businesses to reduce waste and help meet the region's recycling goals. However, the technical work described in the RFP is needed before implementation. Because of our regional perspective, Metro is uniquely qualified to coordinate such work and distribute the results to local governments for implementation.

If you decide to place this matter on the Council Solid Waste Committee agenda, please do so for the January 21, 1992 meeting, if at all possible. Thank you for your help.

DG:TP:jc

cc: Bob Martin, Solid Waste Director
Terry Petersen, Sr. Solid Waste Planner

BEFORE THE CONTRACT REVIEW BOARD OF THE
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF AUTHORIZING)	RESOLUTION NO. 92-1557
ISSUANCE OF A REQUEST FOR PROPOSALS)	
FOR A STUDY OF WEIGHT-BASED)	Introduced by Rena Cusma,
COLLECTION RATES AS ECONOMIC)	Executive Officer
RECYCLING INCENTIVES AND ENTERING)	
INTO MULTI-YEAR CONTRACTS WITH)	
THE MOST QUALIFIED PROPOSERS)	

WHEREAS, Resolution 90-1337 directed Metro staff to evaluate opportunities for economic recycling incentives; and

WHEREAS, Weight-based collection rates are likely to be significant economic incentives to reduce waste; and

WHEREAS, A regional technical evaluation is needed before implementation of weight-based rates; and

WHEREAS, Pursuant to Metro Code Section 2.04.033(a)(1) Council approval is required because the agreement commits the District to expenditures for continuation of the Project in the next fiscal year; and

WHEREAS, Pursuant to Metro Code Section 2.04.032(d) Council approval is required because the contracts are identified as "A" contracts; and

WHEREAS, The resolution was submitted to the Executive Officer for consideration and was forwarded to the Council for approval; now, therefore,

BE IT RESOLVED,

That the Council of the Metropolitan Service District approves issuance of the Request for Proposals for a Study of Weight-Based Collection Rates as Economic Recycling Incentives (RFP# 92R-1-SW).

ADOPTED by the Council of the Metropolitan Service District this _____ day of January, 1992.

James Gardner, Presiding Officer

ATTACHMENT A
TO BE FILLED OUT FOR ALL CONTRACT #1 PROPOSALS

Instructions to Haulers: Metro needs a rough idea about the number and type of commercial customers that would be available for this study. For each truck that you propose to have an on-board scale system, fill in the following blanks with your "ball-park" estimates of the number of customers of each type and size that would be weighed by the truck. Copy and fill out a separate form for each of your trucks that would participate.

Name of Your Hauling Company: _____

This form is for truck number (please circle) : 1 2 3 4 5

Enter the number of customers each size and type that could be served by this truck:

	Size	
<u>Business Type (single tenant)</u>	<u>25 employees or less</u>	<u>More than 25 employees</u>
Restaurants	_____	_____
Food Manufacturing	_____	_____
Other Retail	_____	_____
Wholesale	_____	_____
Financial	_____	_____
Educational Facilities	_____	_____
Medical Services	_____	_____
Electronics	_____	_____
Wood Products	_____	_____
	<u>4 units or less</u>	<u>More than 4 units</u>
Apartments	_____	_____
	<u>10 tenants or less</u>	<u>More than 10 tenants</u>
Multi-tenant complexes billed as Single accounts (shopping centers, office buildings, etc.)	_____	_____

TP:ay
WTSTUDY\WTSTUDY.RFP
January 14, 1992

ATTACHMENT B

Contract No.

PERSONAL SERVICES AGREEMENT

THIS AGREEMENT dated this ____ day of _____ 19__, is between the METROPOLITAN SERVICE DISTRICT, a municipal corporation, hereinafter referred to as "METRO", whose address is 2000 S.W. First Avenue, Portland, OR 97201-5398, and _____, hereinafter referred to as "CONTRACTOR," whose address is _____, for the period of _____, 19__, through _____, 19__, and for any extensions thereafter pursuant to written agreement of both parties.

W I T N E S S E T H :

WHEREAS, This Agreement is exclusively for Personal Services;
NOW, THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:

CONTRACTOR AGREES:

1. To perform the services and deliver to METRO the materials described in the Scope of Work attached hereto;
2. To provide all services and materials in a competent and professional manner in accordance with the Scope of Work;
3. All applicable provisions of ORS chapters 187 and 279, and all other terms and conditions necessary to be inserted into public contracts in the State of Oregon, are hereby incorporated as if such provision were a part

of this Agreement, including but not limited to ORS 279.310 to 279.320. ORS Chapter 279 states, in part, that the Contractor, its subcontractors, if any, and all employers working under this agreement are subject employers under the Oregon Workers' Compensation Law and shall comply with ORS 656.017, which requires them to provide workers' compensation coverage for all their subject workers.

Specifically, it is a condition of this contract that Contractor and all employers working under this Agreement are subject employers that will comply with ORS 656.017 as required by 1989 Oregon Laws Chapter 684.

4. To maintain records relating to the Scope of work on a generally recognized accounting basis and to make said records available to METRO at mutually convenient times;
5. To indemnify and hold METRO, its agents and employees harmless from any and all claims, demands, damages, actions, losses and expenses, including attorney's fees, arising out of or in any way connected with its performance of this Agreement, with any patent infringement arising out of the use of CONTRACTOR'S designs or other materials by METRO and for any claims or disputes involving subcontractors;
6. To comply with any other "Contract Provisions" attached hereto as so labeled; and

7. CONTRACTOR shall be an independent contractor for all purposes, shall be entitled to no compensation other than the compensation provided for in the Agreement.

CONTRACTOR hereby certifies that it is the direct responsibility employer as provided in ORS 656.407 or a contributing employer as provided in ORS 656.411.

In the event CONTRACTOR is to perform the services described in this Agreement without the assistance of others, CONTRACTOR hereby agrees to file a joint declaration with METRO to the effect that CONTRACTOR services are those of an independent contractor as provided under Chapter 864 Oregon Laws, 1979.

METRO AGREES:

1. To pay CONTRACTOR for services performed and materials delivered in the maximum sum of _____ AND ____/100THS (\$_____) DOLLARS and in the manner and at the time designated in the Scope of Work; and
2. To provide full information regarding its requirements for the Scope of Work.

BOTH PARTIES AGREE:

1. That METRO may terminate this Agreement upon giving

CONTRACTOR five (5) days written notice without waiving any claims or remedies it may have against CONTRACTOR;

2. That, in the event of termination, METRO shall pay CONTRACTOR for services performed and materials delivered prior to the date of termination; but shall not be liable for indirect or consequential damages;
3. That, in the event of any litigation concerning this Agreement, the prevailing party shall be entitled to reasonable attorney's fees and court costs, including fees and costs on appeal to an appellate court;
4. That this Agreement is binding on each party, its successors, assigns, and legal representatives and may not, under any condition, be assigned or transferred by either party; and
5. That this Agreement may be amended only by the written agreement of both parties.

CONTRACTOR NAME

METROPOLITAN SERVICE DISTRICT

By: _____

By:

Title: _____

Title:

Date: _____

Date:

REQUEST FOR PROPOSALS

**Weight-Based Collection Rates As Economic Recycling Incentives:
An Experiment With The Commercial Waste Stream**

RFP #92R-1-SW

**Metropolitan Service District
2000 S.W. First Avenue
Portland, Oregon 97201**

January 1992

REQUEST FOR PROPOSALS

Weight-Based Collection Rates As Economic Recycling Incentives: An Experiment With The Commercial Waste Stream

The Solid Waste Department of the Metropolitan Service District is requesting proposals from waste haulers and survey contractors to participate in a study of weight-based waste collection rates. The study will test whether a change from volume- to weight-based collection rates significantly increases recycling and waste reduction by commercial waste generators.

Proposals must be delivered by 3:00 P.M. PDT on Monday, February 10, 1992, addressed to the attention of:

Terry Petersen
Solid Waste Department
Metropolitan Service District
2000 S.W. First Avenue
Portland, Oregon 97201-5398
(503)221-1646

WEIGHT-BASED COLLECTION RATES AS ECONOMIC RECYCLING INCENTIVES: AN EXPERIMENT WITH THE COMMERCIAL WASTE STREAM

Introduction

The Metropolitan Service District (Metro) is the government agency responsible for coordinating regional solid waste management in the Portland metropolitan area. The Metro region consists of a three county area with a 1991 population of 1.2 million.

This RFP seeks proposals from qualified firms to cooperate with Metro in a study of weight-based waste collection rates. The objective is to determine whether charging commercial customers by the pound will be an effective economic incentive to reduce waste.

In addition to helping to meet the region's waste reduction objectives, weight-based rates have other potential benefits to local governments, haulers, waste generators, and Metro. These include:

- A potentially more simple and equitable procedure for local governments that choose to use weight-based rates in rate setting process.
- Haulers will be certain that each customer will be charged enough to pay the tip fee at the disposal site.
- As businesses stop dumping ice, water, beverages, and other fluids into waste containers, there will be less liquid waste that causes operational problems at transfer stations and reduces the recoverability of recyclables.

The study will be designed as an experiment in which businesses in a "test" group are offered weight-based rates while those in a "control" group continue with the status quo volume-based rates. We expect to find that weight-based rates cause significant improvements in the recycling and disposal behavior of commercial generators.

The project will probably involve at least two contracts. One will be with a waste hauler or group of haulers. The hauler will install scales, weigh waste, provide recycling services, and offer weight-based rates to a sample of commercial customers. Participation by more than one hauler will make the results more widely applicable. Therefore, depending on cost proposals, there may be a number of contracts with individual haulers for this portion of the project.

The second contract will be for data processing and research services. The contractor for this work will perform two main tasks. One will be to enter the data provided by the hauler into electronic files. These data will include the weights, business name and address, account number, and service level. The other will be to conduct research necessary to determine the Standard Industrial Code (SIC) and the number of employees for each business in the study.

Confidentiality

Metro recognizes that haulers, particularly those in unfranchised areas, may consider the type of customer information needed in this study to be confidential. Haulers interested in responding to this RFP should be aware the Metro is only interested in the "average" response of different types of businesses. The objective is not to obtain haulers' customer lists, data on specific customers, or any financial information related to operating costs or profits. The names and addresses of customers who are included in this study are only needed to obtain employee counts and type of business activity.

Project Coordination

Metro staff will coordinate the contracts that are part of this project. It is Metro's objective to select team members that are mutually acceptable to all who are involved in the project. Because the survey contractor will be contacting the hauler's customers, it is particularly important that the hauler be satisfied with the survey contractor.

Local governments are responsible for waste collection in the Metro region and any implementation of the results will be done by them. Metro will seek the advice and assistance of local governments during all stages of this project.

Background

The commercial waste stream makes up more than 50% of all waste disposed in the Metro region. About half of this commercial waste is transported in rear- or front-packer trucks that collect roll carts, dumpsters, or cans. In contrast to drop boxes, collection charges for packer waste are currently on a volume basis throughout the region. In addition to the 35% of the region's waste that is residential, this packer waste represents another 25% that has collection rates based on volume.

A recent study in Seattle indicated that weight-based rates significantly improve the recycling and waste reduction behavior of households. Weight-based rates appeared to cause a 15% reduction in the amount of residential waste. Based on these result, some communities have converted from volume- to weight-based collection charges for residential waste.

Previous studies with the residential waste stream have also indicated that households must be offered alternatives to disposal if economic incentives are to be effective. This has most often meant curbside collection of recyclables.

Metro is not aware of similar studies with the commercial waste stream. It is reasonable to expect, however, that businesses would respond to weight-based rates in a manner similar to what has been observed with households.

For example, weight-based rates may only give the intended results if businesses are provided with cost-effective alternatives to disposal. A key component of this study will be to provide the best available recycling service to each business in the study. Metro staff will work with the hauler to provide each customer with information on recycling and waste reduction options.

Just as recycling varies among households with different socioeconomic characteristics, it is also reasonable to expect that the benefits of weight-based rates will vary among businesses of different types and sizes. Another objective of this study will be to determine whether this is the case. This information should be useful in rate setting if the results of this study are implemented in the future.

Study Outline

This study will be designed as follows:

- The hauler will use existing scales, or install new ones if needed, on trucks collecting waste from a wide variety of commercial customers.
- The survey contractor will determine the business activity and number of employees for each business in the study.
- Waste from each business will be weighed for two months prior to switching to weight-based rates in order to establish a baseline for the amount of waste each business generates.
- Based on the size and type of activity, the businesses will be assigned to either a "control" or "test" group.
- At the end of the first two months of weighing, the "test" group will be charged on the basis of weight for collection services. The details of how this weight-based rate will be structured will be worked out with haulers prior to presenting it to customers. One structure could be to pass on the tip fee at the current per pound rate charged at disposal facilities. The customer will be told of the potential cost savings with waste reduction and be provided with all reasonable recycling opportunities. Special billings will be developed for the "test" group to demonstrate the potential savings with waste reduction.
- The hauler will continue to weigh waste and monitor recycling levels after the weight-based rates are implemented.
- Metro staff will conduct the statistical analysis to determine whether there is a significant difference between the "test" and "control" groups.

Experimental Design

Rather than randomly assign businesses to the "control" and "test" group, they will first be grouped into classes based on size and type of business activity. Within each class, businesses will be randomly assigned to either the "control" or "test" group. A potential classification of businesses might include two sizes (e.g., 25 employees or less and more than 25 employees)

and 10 business activity types (e.g., restaurants, food manufacturing or processing, retail, wholesale, financial services and government, educational facilities, health and medical services, electronics, communications and public utilities, wood products,). With a total number of 20 classes (2 sizes and 10 types) and a sample size of 100 businesses per class (50 "control" and 50 "test"), the total number of businesses in this study would need to be 2,000 (not counting rejects because of attrition or other factors).

To get a sample size this large, haulers might need to rotate trucks among several different routes. Haulers who respond to this RFP should describe how the maximum number of customers can be included.

Weights And Measures Restrictions

The State of Oregon currently requires a Class 3 weighing device for legal trade purposes. Accuracy standards for a Class 3 scale are 0.1%. The on-board scale systems currently available for commercial packer trucks collecting roll-carts do not meet these standards.

However, the Measurement Standards Division of the Oregon Department of Agriculture has informed Metro that the test project as described in this RFP would be acceptable. The key provisions are: (1) the hauler who participates in the study is willing to bill on a weight basis and is allowed to do so by local franchise or other governmental regulations, and (2) the customers being charged on a weight basis are billed for no more than they would have been if the rates had continued to be on a volume basis. Both conditions will be met by this project.

The results of this study may indicate significant advantages in terms of reducing the region's waste. Before operational implementation, however, manufacturers of on-board scales will need to either meet the Class 3 requirements or petition for exemption. It is Metro's belief that the best way to encourage scale manufacturers and others to develop the necessary technology is to conduct the kind of research described in this RFP.

Scope of Work

Contract #1: Weighing by Commercial Waste Hauler(s)

Task 1. Purchase and Installation of Truck Scales (if not already installed)

If needed, the hauler will purchase, install, calibrate, and maintain on-board scale systems on truck(s) collecting roll cart or can waste from commercial customers. Installation and calibration must be completed by March 1, 1992. If your company already has scales and you propose to use these, describe the scales in your proposal.

Task 2. Selection of Study Routes

The hauler will work with Metro staff to select a route or new routing schedule so that a large number of businesses of the desired sizes and types will be included in the study.

Task 3. Collection of Baseline Data

The driver of the truck will weigh and record the net weight of the waste from each customer in the study. These net weights may be recorded directly in route books or on an appropriate data collection form. The initial weighing to collect baseline data will begin March 1, 1992, and continue for two months. Haulers may propose the use of electronic data recording devices in place of having the driver manually record weights. However, Metro will not pay for the computer programming necessary to make such a system operational.

Task 4. Assignment of Customers to Study Groups

The hauler will work with Metro staff to assign businesses to either a "control" or "test" group. This assignment will be based on business type and size (see section describing the experimental design).

Task 5. Inform Customers of New Weight-Based Rates

Beginning May 1, 1992, at the end of the first two months of weighing, the hauler will contact all businesses in the "test" group and inform them that they will be billed on the basis of weight. This will be presented as a new service that the hauler is providing to give customers the maximum opportunity to save money by reducing waste. Any customers who object will be excluded from the study.

Metro will assist the hauler in designing flyers explaining the program. Included in the flyer will be a billing schedule that is customized to each business. This billing schedule will show the amount of waste generated over the previous two months, how previous volume-based rates were calculated, how the weight-based rates will be calculated, and how much the cost-savings would be if the customer reduced waste by different amounts. Metro's staff will be available to assist in the design of these special billings.

Task 6. Inform Customers of Waste Reduction Opportunities

Also beginning May 1, 1992, the hauler will contact all businesses in both the "control" and "test" groups to make recycling options available. Metro staff will work with the hauler to design flyers to provide information on recycling or waste reduction options.

Task 7. Provide Recycling Containers

The hauler will promptly provide containers or other recycling equipment as requested by customers in both groups.

Task 8. Collect Weight Data

The driver will continue to weigh and record net weights at all businesses in both the "test" and "control" groups for six months after the weight-based rate is implemented. The weighing as part of this study will be completed by November 1, 1992.

Task 9. Make Customer Information and Weight Data Available for Data Processing

The hauler will make available the following:

- on a weekly basis, the route book or data sheets on which the net weights were recorded with account numbers or other necessary identifiers for each business,
- names and addresses of each business in the study,
- information on service level (collection frequency and container types),
- recycling service provided to each business during the course of the study,
- net weights of drop box or other waste collected from each business during the course of the study that was not weighed by the on-board scale system.

Scope of Work

Contract #2: Data Processing and Interviewing

Task 1. Processing of Weight Data

The Contractor will transfer the weight data, business name, business address, and unique identifier such as account number to an electronic file. The preferred format will be an Excel (DOS) spreadsheet. Metro has developed such a spreadsheet for an earlier weight study that will serve as a model for this project. The data may need to be transferred at the hauler's office. If so, the Contractor will need to have access to a portable computer.

Task 2. Conduct interviews.

The Contractor will interview each business. The primary objective will be to determine 4-digit SIC codes, number of employees (for single-tenant sites), names of on-site businesses (for multi-tenant sites), and number of dwelling units for apartment buildings. For businesses doing more than one type of activity at each site, all appropriate SIC codes and the number of employees by each SIC code will be recorded.

Telephone interviews may be the best approach given that specific businesses must be surveyed and that there is relatively little information to be gathered. Proposers should describe alternative methods if they are thought to be more efficient.

Task 3. Coding of Survey Responses

The Contractor will edit and code all survey responses in a manner agreed upon with Metro. The Contractor must have procedures for ensuring data accuracy, such as double entry of 100% of all survey responses, using two different operators.

Task 4. Prepare Final Data Files and Final Report

The Contractor will provide clean data as electronic files on 5 1/4 inch IBM/AT compatible diskettes. The weight data will be entered in an EXCEL (DOS) spreadsheet. The interview data may be delivered either as an ASCII text file or EXCEL spreadsheet. Contractor will also provide written documentation of file contents and a set of initial tabulations of the interview data. The initial tabulations will include, at least, frequency distributions on categorical variables such as the SIC codes, and maximum, minimum, mean and mode for continuous variables such as the number of employees.

The final report will contain statistics on the number of businesses contacted, number of refusals, number of unavailables, number of completed interviews, a discussion of problems and anomalies, a statement of solutions that were employed, and a discussion on ways the survey design could be improved.

Deliverables: On a weekly basis deliver to Metro the EXCEL spreadsheet containing the weight data. By April 15, 1992 deliver to Metro the file containing the SIC and employee data.

Proposal Contents

Contract #1: Commercial Waste Hauler

Cover Letter

A brief introduction of your organization and how it is qualified to respond to this RFP.

Summary

A brief overview of your proposal.

Work Plan

Clearly outline how your organization intends to accomplish the objectives of this project. In particular include a response to the following items in your proposal:

- Describe existing on-board scale systems, if any, that you propose to use in this project. Include make, model, accuracy, date of installation, truck type, and general service history.
- Describe new on-board scale systems that you would need to purchase and install to participate in this equipment. Be sure to include purchase, installation, and calibration costs.

- Describe the process that your truck drivers would use to measure and record container weights. In particular, describe whether weights would be recorded on route sheets or a separate data form.
- Describe the routing procedures that would be used to include the maximum number and types of businesses. Would the truck with the scale be assigned to a single existing route? Or would the truck be moved from route to route?
- For each truck that you propose to have a scale, describe the number and type of commercial accounts that could be weighed at least three times during a one-month period. **Complete Attachment A as part of this description.**
- Describe the recycling/waste reduction services that your company could offer the customers that participate in this study. Would your company be able to provide recycling containers to all businesses that requested them during this study?
- For customers who have drop-box service in addition to roll-carts, describe your company's records of such service and how the total weight collected (drop box and roll carts) for each business will be obtained.
- Describe any local government regulations concerning collection rates that need to be considered. This is particularly important for haulers who are collecting commercial waste under a franchise agreement.

Cost Estimates

The budget to complete this portion of the project is expected to be about \$25,000. Proposals should include as much detail as necessary to explain the basis of cost estimates.

The contracting hauler will be responsible for providing all necessary labor, equipment, and transportation necessary to weigh and record waste at individual businesses.

Staffing and Project Manager

Identify specific personnel assigned to major project tasks, their roles in relation to the work required, percentage of their time on the project. Proposals must identify a single person as project manager to work with Metro.

Proposal Contents

Contract #2: Data Processing and Survey Contractor

Cover Letter

A brief introduction of your organization and how it is qualified to respond to this RFP.

Summary

A brief overview of your proposal.

Work Plan

Clearly outline how your organization intends to accomplish the objectives of this project. Elements should include time schedules, key dates, and equipment.

Research Methods

Include a description and justification of the approach proposed for the research. The following elements should be included:

- method of contact and interviewing
- consideration of noncoverage and nonresponse
- quality control procedures
- method of dealing with attrition
- method of dealing with changing business activity or size

The last two items should be addressed in detail. This study will be conducted over a ten month period. During this period there may be loss of sampling units due to closure or other factors. The number of employees at a business may also change during the ten-month period. One survey must be completed at the beginning of the study in order to use the information in assigning businesses to either the "control" or "test" groups.

Discuss in your proposal: (1) methods for dealing with attrition, (2) the methodology and costs of doing follow-up surveys later in the study to determine changes in business activity and size, and (3) your evaluation of whether such follow-up surveys would be necessary.

Cost Estimates

The budget to complete this portion of the project is expected to be about \$25,000. Separate cost estimates should be prepared for the interview work to get employee data and the processing of weight data collected by the hauler under Contract #1.

The initial bids for the interviewing should be prepared on the basis of 2,000 completed interviews.

The initial bids for the processing of the hauler's weight data should be prepared on the basis of 1,500 weights (not all businesses will be weighed each week) to be entered each week during the eight-month study.

Metro will evaluate budget proposals principally on the basis of cost/performance ratios. It is anticipated that elements of the research design (e.g., sample size, sampling plan, questionnaire design) of the successful respondent may be subject to negotiated adjustment after Metro has considered all aspects of the proposal in light of research objectives. Depending on cost

proposals, Metro may elect to make alternative arrangements, such as using Metro personnel for part of the data entry portion of this project.

The Contractor will be responsible for providing all necessary labor, equipment, and transportation. Proposals should include as much detail as necessary to explain the basis of cost estimates and its sensitivity to changes in research design (particularly sample size).

Staffing and Project Manager

Identify specific personnel assigned to major project tasks, their roles in relation to the work required, percentage of their time on the project, and special qualifications they may bring to the project. Include vitae of individuals proposed for this contract.

Metro intends to award the contract for this portion of the project to a single firm. Proposals must identify a single person as project manager to work with Metro.

General Conditions

Limitation and Award

This RFP does not commit Metro to the award of a contract, nor to pay any costs incurred in the preparation and submission of proposals in anticipation of a contract. Metro reserves the right to accept or reject any or all proposals received as the result of this request in whole or in part, to negotiate with all qualified sources, or to cancel all or part of this RFP.

Insurance Requirement

Contractor must have worker's compensation insurance as required by state law, and liability insurance in effect for claims arising out of death or bodily injury and property damage.

Contract Type

Metro intends to award personal services contracts with the selected firms for this project. A copy of the standard form contract which the successful firm will be required to execute is attached as Attachment B. The terms of the contract awarded will be subject to negotiation between Metro and the firm selected for this project.

Billing Procedures

The billing procedures of the Contractor are subject to the review and prior approval of Metro before reimbursement of services can occur.

Evaluation

Evaluation Procedure

Proposals received that conform to the proposal instructions and respond to the scope of work will be evaluated. The basis for evaluation will follow the criteria identified below. The evaluation process will result in Metro developing a short list of firms who, in its opinion, are most qualified. Interviews with these firms will be requested prior to final selection of one firm.

Evaluation Criteria

The criteria used in evaluating each submitted proposal shall be as follows:

- Cost/Performance Ratio
- Previous Experience
- Response to items listed above in proposal instructions
- Number and Types of Commercial Customers (Contract #1)
- Geographic distribution of customers (Contract #1)

Proposals will be reviewed by a selection committee. Finalists will be selected from among the proposers, and will be contacted to schedule interviews with the selection committee. One candidate will be selected from the finalists, and contract negotiations will be conducted. If these negotiations proceed satisfactorily, this candidate will be given final contract award. If these negotiations are unsuccessful, the next most highly rated firm will be selected for negotiations.

General Proposal Instructions

Submission of Proposal

Please submit 3 copies of the proposal to Metro, addressed to:

Terry Petersen
Solid Waste Department
Metropolitan Service District
2000 SW First Avenue
Portland, OR 97201-5398

Proposals need to be copied double-sided on paper with post-consumer recycled content.

Deadline

Proposals will not be considered if received at Metro's business office, 2000 SW First Ave, Attention Terry Petersen, Solid Waste Department, after 3:00 p.m. Pacific Standard Time (PST) on Monday, February 10, 1992.

RFP as Basis for Proposals

This RFP represents the most definitive statement Metro will make concerning information upon which proposals are to be based. Any verbal comments or other information not contained in this RFP, or in addenda to this RFP, will not be considered by Metro in evaluating proposals.

Metro may issue addenda to clarify or add to the RFP. In such an event, additional time to respond to the RFP or to provide supplementary material may be provided as appropriate.

Subcontractors/Disadvantaged Business Program

A subcontractor is any person or firm proposed to work for the prime Contractor on this project. No subcontractor selection shall be finalized prior to contract award.

Metro has made a strong commitment to provide maximum opportunities to Disadvantaged and Women-Owned Businesses when contracting for goods or services. If subcontractors are to be used, the successful proposer agrees to reach the goal of subcontracting 7 percent of the total contract amount to Disadvantaged Business Enterprises (DBEs), and 5 percent of the total contract amount to Women-Owned Business Enterprises (WBEs) or to make good faith efforts, as defined in Metro's Disadvantaged Business Program (Section 2.04.160 of the Metro Code), to reach the goals.

DBEs and WBEs must be certified by the state of Oregon as DBEs or WBEs to be counted toward the Contract goals. The state's list of certified DBEs/WBEs may be obtained from the Office of Minority & Women & Emerging Small Business, State Executive Dept., 155 Cottage Street N.E., Salem, OR 97310, Attn.: Rick Acevedo, (503)387-5651.

The proposal documents submitted must contain a fully completed Disadvantaged Business Program Compliance form. Thereafter, within 24 hours of notice by Metro, firms will be required to submit completed DBE and WBE utilization forms which are also included in Attachment C. Metro expects to request utilization forms (which call for project costs) during the negotiation process. Proposer's special attention is directed to Section 2.04.155 (Contract Award Criteria), and Section 2.04.160 (b) (Determination of Good Faith Efforts). Proposers should note the following requirement of the latter section:

Advertisement in trade association, general circulation, minority and trade oriented, women-focus publications, if any and through a minority-oriented newspaper or minority-owned trade publication concerning the subcontracting or material supply opportunities on the project at least ten (10) days before bids or proposals are due.

The following are minority-oriented newspapers published in the Portland Metropolitan area:

The Skanner, 2337 N. William Avenue, Portland, OR 97221 (503) 287-3562.

The Portland Observer, P.O. Box 3137, Portland, OR 97208 (503) 283-2486.

The American Contractor, P.O. Box 11233, Portland, OR 97208 (503) 280-9000.

The Hispanic News, 3302 S.E. 20th Avenue, Portland, OR 97202 (503) 777-6759

Pro-Woman, P.O. Box 6957, Portland, OR 97228 (503) 452-0121.

The requirement to advertise is but one of the actions necessary to demonstrate good faith efforts under this program. **Failure to comply with all the requirements of the Disadvantaged Business Program will result in the proposal being deemed nonresponsive.** Metro reserves the right, at all times during the period of this agreement, to monitor compliance with the terms of this paragraph and Metro's Disadvantaged Business Program. All proposers should read section 2.04.160 (b) at least 14 days prior to the proposal due date.

All questions regarding DBE/WBE requirements should be addressed to Metro's Contracts Administrator, Mr. A. M. Hazen at (503) 221-1646.