



EXECUTIVE SUMMARY

MEETING DATE: April 25, 2025

HCR25-031

SUBJECT: Award of a Contract with Ware Disposal, Inc., for Trash, Recycling and Organics Collections Services

COUNCIL DISTRICT: Citywide

ORIGINATING DEPARTMENT: Real Estate

CONTACT/PHONE NUMBER: Emmanuel Arellano (619) 578-7586

REQUESTED ACTION:

Approve a contract with Ware Disposal, Inc. for trash, recycling and organics collection services at properties in the City of San Diego that are owned and/or managed by the San Diego Housing Commission. The total contract cost for a one-year term with four one-year renewal options, if exercised, is \$6,251,605.12, which includes an annual 20 percent contingency.

EXECUTIVE SUMMARY OF KEY FACTORS:

- The San Diego Housing Commission (SDHC) has an ongoing need for trash, recycling and organics collection services throughout its property portfolio, which includes affordable rental housing, limited liability company sites, public housing and permanent supportive housing.
- This contract will service 99 separate properties.
- Trash, recycling and organics collection services include routine collection and proper disposal of waste, including organic waste, and recyclables accumulated at the various bins stationed throughout SDHC's real estate portfolio.
- On November 18, 2024, SDHC issued a Request for Proposals (RFP) for Trash, Recycling and Organics Collections Services, seeking contractors to serve SDHC properties on a routine maintenance schedule.
- At the RFP closing date, January 8, 2025, proposals were submitted by Ware Disposal, Inc. and Republic Services of San Diego. Republic Services of San Diego is the incumbent service provider.
- An evaluation committee evaluated, scored and ranked the proposals submitted based on the following criteria: Qualifications & Experience, Technical, Proposed Approach, Cost and Non-Discrimination.
- After review, Ware Disposal, Inc. received the highest ranking out of all the proposals.
- SDHC staff negotiated pricing with Ware Disposal, Inc., that has resulted in cost savings of \$73,299.63 per year.
- Ware Disposal is a family-owned and operated, Orange County-based refuse and recycling company established in 1968. It is a certified woman-owned business enterprise.
- Ware Disposal currently operates in dozens of communities within five counties in Southern California, including the counties of San Bernardino, San Diego, Los Angeles, Riverside, and Orange.
- The funding sources and uses proposed for approval by this action were approved in the Fiscal Year (FY) 2025 SDHC budget. With an expected effective date of June 1, 2025, this new trash and recycling agreement will impact one month of FY 2025 (June 2025).
- Approval of sources and uses of funds for the proposed contract for future fiscal years will occur in accordance with SDHC's annual budget process.



REPORT

DATE ISSUED: April 17, 2025

REPORT NO: HCR25-031

ATTENTION: Chair and Members of the San Diego Housing Commission Board of Commissioners
For the Agenda of April 25, 2025

SUBJECT: Award of a Contract with Ware Disposal, Inc., for Trash, Recycling and Organics
Collection Services

COUNCIL DISTRICT: Citywide

Advance notice of San Diego Housing Commission (Housing Commission) hearing of the following matter has been provided to the Housing Authority Members pursuant to the provisions of San Diego Municipal Code Section 98.0301(e)(4)(A)-(B).

REQUESTED ACTION

Approve a contract with Ware Disposal, Inc. for trash, recycling and organics collection services at properties in the City of San Diego that are owned and/or managed by the San Diego Housing Commission. The total contract cost for a one-year term with four one-year renewal options, if exercised, is \$6,251,605.12, which includes an annual 20 percent contingency.

Contract Term	Funding Amount*
Year 1 (June 1, 2025 – May 31, 2026)	\$1,182,176.21
1 st Option (June 1, 2026 – May 31, 2027)	\$1,211,730.61
2 nd Option (June 1, 2027 – May 31, 2028)	\$1,248,082.53
3 rd Option (June 1, 2028 – May 31, 2029)	\$1,285,525.01
4 th Option (June 1, 2029 – May 31, 2030)	\$1,324,090.76
Total Contract Cost	\$6,251,605.12

*Anticipated increases subject to Consumer Price Index (CPI) adjustments

STAFF RECOMMENDATION

That the San Diego Housing Commission (SDHC) Board of Commissioners (Board) take the following actions:

- 1) Authorize SDHC to enter into a contract with Ware Disposal, Inc., for trash, recycling and organics collection services for an initial term of June 1, 2025, through May 31, 2026, in the amount of \$1,182,176.21 with four one-year options to renew based on SDHC's needs. The dollar amounts for the first year and each renewal option, if SDHC exercises the option, include an annual 20 percent contingency and anticipated Consumer Price Index (CPI) increases. The contingency is subject to SDHC's written approval and execution through a contract amendment, if needed. Spending against the contract will not exceed the approved total budget in each fiscal year.
- 2) Authorize the President and Chief Executive Officer (President and CEO), or designee, to substitute the funding sources with other available funding sources, provided the total

program/project budget amount after substitution does not exceed the approved total budget, should the operational need arise or should such actions benefit SDHC and its mission.

- 3) Authorize the President and CEO, or designee, to execute all documents and instruments that are necessary and/or appropriate to implement these approvals, in a form approved by General Counsel, and take such actions as are necessary and/or appropriate to implement these approvals, provided that a copy of the documents, signed as to form by General Counsel, is submitted to each Housing Commissioner.

SUMMARY

SDHC has an ongoing need for trash, recycling and organics collection services throughout its property portfolio, which includes affordable rental housing, limited liability company sites, public housing and permanent supportive housing. This contract will service 99 separate properties. Trash, recycling and organics collection services include routine collection and proper disposal of waste, including organic waste, and recyclables accumulated at the various bins stationed throughout SDHC’s real estate portfolio. To maintain maximum efficiency in providing these services and to ensure seamless collection of trash and recyclables, the proposed vendor shall submit a routine maintenance agenda that will monitor services and ensure performance is rendered weekly.

A needs assessment and review of service levels at all SDHC housing sites was completed on September 9, 2024, in anticipation of the expiration of the current contract with a different service provider.

On November 18, 2024, SDHC issued a Request for Proposals (RFP) for Trash, Recycling and Organics Collections Services, seeking contractors to serve SDHC properties on a routine maintenance schedule. The RFP was posted and made available for download on SDHC’s PlanetBids site and the City of San Diego’s PlanetBids site. A total of 563 vendors were notified through SDHC’s PlanetBids systems.

At the RFP closing date, January 8, 2025, two proposals were received. Proposals were submitted by Ware Disposal, Inc. and Republic Services of San Diego. Republic Services of San Diego is the incumbent service provider. Subsequent to RFP closing, a responsible and responsiveness review was conducted on all proposals received. Of the proposals received, Ware Disposal, Inc. and Republic Services of San Diego, both passed this review.

An evaluation committee evaluated, scored and ranked the proposals submitted based on the following criteria: Qualifications & Experience, Technical, Proposed Approach, Cost and Non-Discrimination. After review, Ware Disposal, Inc. received the highest ranking out of all the proposals. SDHC staff negotiated pricing with Ware Disposal, Inc., that has resulted in cost savings of \$73,299.63 per year. A copy of the Evaluation Scoring form is included as Attachment 1. Below is a summary of the proposal rankings:

	Ware Disposal, Inc.	Republic Services of San Diego
Final Ranking	1	2

After thorough review, the evaluation committee recommends the award of this contract for trash, recycling and organics collections services to Ware Disposal, Inc.

Ware Disposal is a family-owned and operated, Orange County-based refuse and recycling company established in 1968. A certified woman-owned business enterprise, the company's annual gross revenues have grown from \$6.4 million in 2000 to \$60 million in 2023, making Ware Disposal one of the top 50 firms in waste and recycling in the United States by revenue. Ware Disposal operates its own 950-tons-per-day transfer station/materials recovery facility in Santa Ana, California; has its own compressed natural gas (CNG) fueling station; and operates three other facilities in Fullerton, Los Angeles and San Diego.

Ware Disposal currently operates in dozens of communities within five counties in Southern California, including the counties of San Bernardino, San Diego, Los Angeles, Riverside, and Orange. Ware Disposal is the exclusive franchisee in five communities, a nonexclusive franchisee in many others, and contracts on an exclusive basis with 27 school districts and colleges.

Ware Disposal has provided commercial bin and roll-off service to over 10,000 customers across Southern California in both exclusive and nonexclusive environments, along with more than 20,000 residential customers. Ware Disposal has the required expertise to maximize the recoverability of the many materials comprising urban wastes and prevent wastes from being landfilled. In fact, an evaluation of cost effectiveness performed by a third-party consultant on all service providers in Orange County's unincorporated areas in May 2021 showed that Ware Disposal was the most efficient and effective in terms of cost per diverted ton.

FISCAL CONSIDERATIONS

The funding sources and uses proposed for approval by this action were approved in the Fiscal Year (FY) 2025 SDHC budget. With an expected effective date of June 1, 2025, this new trash and recycling agreement will impact one month of FY 2025 (June 2025). Approval of sources and uses of funds for the proposed contract for future fiscal years will occur in accordance with SDHC's annual budget process.

The incumbent contract and respective amendments cross fiscal years. The budget for trash collection services in Fiscal Year 2025 was \$612,900. Recycling and organics collections services expenses for Fiscal Year 2026 will be included through SDHC's budget process.

SDHC STRATEGIC PLAN

This item relates to the Core Value "Believe in transparency and being good financial stewards" in SDHC's Strategic Plan for Fiscal Year (FY) 2022-2024. . SDHC is in the process of developing a new Strategic Plan.

NONDISCRIMINATION ASSURANCE

At SDHC, we're about people. We are committed to ensuring a compassionate, person-centered approach to SDHC's programs, policies, projects and activities and to serving our community impartially, fairly and without bias. We are also committed to ensuring compliance with all applicable federal, state and local laws and protections to the extent that they affect this action relative to nondiscrimination.

Ware Disposal, Inc., with headquarters in Orange County, California, is a Women's Business Enterprise (WBE), and submitted the required Equal Opportunity and Compliance forms and Workforce Report with its original proposal.

KEY STAKEHOLDERS and PROJECTED IMPACTS

Stakeholders include residents at SDHC-owned properties and SDHC.

ENVIRONMENTAL REVIEW

California Environmental Quality Act

Trash and recycling services are categorically exempt from the requirements of the California Environmental Quality Act (CEQA), pursuant to Section 15301 (Existing Facilities), which allows the operation, repair, maintenance permitting, leasing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use.

National Environmental Policy Act

The parties agree that the provision of any federal funds as the result of this action is conditioned on the City of San Diego's final National Environmental Policy Act review and approval.

Respectfully submitted,

Approved by,



Emmanuel Arellano
Vice President, Asset Management
Real Estate Division

Jeff Davis
Deputy Chief Executive Officer
San Diego Housing Commission

Attachment: 1) Evaluation Criteria

A printed copy is available for review during business hours at the information desk in the main lobby of SDHC's offices at 1122 Broadway, San Diego, CA 92101. Docket materials are also available in the "Governance & Legislative Affairs" section of SDHC's website at www.sdhc.org.

Evaluation Criteria	Points Available
<p>1. Qualification & Experience</p> <p>Provide narrative detailing relevant experience to include but not limited to:</p> <ul style="list-style-type: none"> • Describe your firm's background, services, size, and history as these factors are relevant to trash, recycling and organics collection services. Include the scope and structure of your service network nationally. • Describe your proposed team's experience with work on similar scopes of services with both private entities and public housing authority entities and/or cities, counties, other public entities. • Include all applicable resumes and work experiences of key personnel assigned. • Describe your experience providing trash, recycling and organics collection services. • Provide at least three client references from whom your firm has performed trash, recycling and organics collection services. For each client, describe the project, services performed, and provide the name, address, and telephone number for a person at client's firm familiar with such work. • Demonstrate your firm's ability to meet the evolving needs of public sector customers of varying sizes and locations. • Any exceptions made to the RFP and/or Sampe Contract terms, conditions, provisions, etc. will be considered during the proposal evaluation process. 	15 points
<p>2. Technical</p> <p>Provide detailed information regarding your firm's technical capabilities to include but not limited to:</p> <ul style="list-style-type: none"> • Provide a statement of your firm's understanding of the work to be performed. • Describe your firm's ability to carry out the specified scope of services. • Describe and, if applicable, include examples of, typical relevant trash, recycling and organics collection services materials made available by your firm. • Provide record of completing work on schedule within the past year. 	15 points
<p>3. Proposed Approach</p> <p>Provide narrative detailing the proposed approach to include but not limited to:</p> <ul style="list-style-type: none"> • Describe your prescribed general approach and methodology for providing trash, recycling and organics collection services. • Describe your general approach and methodology for completion of "Go-Back" work assignments. "Go-Back" work assignments are defined as services not completed as scheduled for unforeseen or unexpected reasons. • Detail any value-added services and programs that may complement the comprehensive trash, recycling and organics collections services offerings. Such offerings may include (but are not necessarily limited to): <ul style="list-style-type: none"> • Online account management • Availability of mobile websites and/or mobile apps • Online order tracking and order history • Ability to accept pCards, etc. • Small business partnership programs, such as local service partners • Training & Education 	30 points

<ul style="list-style-type: none"> • Consulting services • Green / Sustainability programs • Customer support services • Rebate/incentive programs • Other services • Include details as to how these proposed services/programs would be rolled out to the Commission and other participating agencies through the Axia Cooperative purchasing program. <ul style="list-style-type: none"> • Describe your ability to collect and dispose of hazardous waste. Please include pricing methodology for these services as part of your cost proposal. • Detail your ability to rent containers and equipment, including (but not limited to) dumpsters, roll-offs, compactors, etc. Please include pricing methodology for these as part of your cost proposal. • Who are your national/corporate points of contact for sales, marketing, contract administration and monthly sales reporting? • Demonstrate your commitment to leverage the Axia Cooperative purchasing program to make the resulting contract available to public agencies across the country. Include details about your firm's ability to: <ul style="list-style-type: none"> • Market the agreement to public agencies nationally • Educate your firm's sales staff about the cooperative purchasing program • Connect with customer decision makers • Partner with the Axia Cooperative team for business development • Track sales and report back to Axia Cooperative • Describe all methods of accepting orders (online, apps, phone, email, in-person, etc.). • Describe your available invoicing processes. • Describe your customer dispute resolution process. Include details of various problems that may arise, such as invoicing disputes and missed locations during a designated service day. Also detail customer service escalation procedures. • Describe performance measures for successful collections. • Complete and sign the Federal Funds Certification included in RFP Attachment 4, Exhibit C. • If your business intends to conduct business in the State of New Jersey, download, complete and sign the forms found in the "Vendor Forms Required For All Proposal Submissions" at https://www.nj.gov/treasury/purchase/forms.shtml#eo134. 	<p>Proposed Approach Continues</p>
<p>4. Cost Proposal</p> <p>Provide narrative detailing the proposed cost for services and completed SDHC Cost Proposal Template and narrative detailing the proposed National Pricing for services :</p> <p>SDHC Cost Proposal:</p> <ul style="list-style-type: none"> • Describe and provide an itemized budget and a detailed explanation for all costs in relation to the performance of the scope of services. • Describe and include cost proposal and include costs for additional services. <p>National Pricing:</p> <ul style="list-style-type: none"> • Describe how and how often the pricing documents are updated. Detail service rates and/categories that may be updated more often than others. • Describe if and how volume discounts may be applied for certain orders and/or types of participating agencies. 	<p>30 points</p> <p>Cost Proposal Continues</p>

<ul style="list-style-type: none"> • Describe and include cost structure for services to be made available to public agencies nationally through the Axia Cooperative purchasing program. • Describe your pricing model. How will pricing vary by geography, if at all? • Detail how market conditions impact pricing and propose how you plan to account for such changes. Can pricing adjustments be audited and tracked with an index or other calculation? • Describe any regional and/or individual custom pricing structures that may be available to participating agencies of the Axia Cooperative purchasing program. Detail how this kind of program can be extended to one or more participating public agencies, the number of services that can be made available through such a program, how and how often the list is updated, limitations based on the type and size of the participating agency, etc. 	
<p>5. Non-Discrimination</p> <p>Contractor shall demonstrate its compliance with federal and state (as applicable) non-discrimination regulations and policies. Provide a narrative detailing the Contractor's knowledge, experience and demonstrated commitment to refrain from unfair treatment and proactive inclusion of all protected classes as outlined in federal regulations both from an employment and subcontracting perspective.</p> <p>Also, include specific examples of proactive activities and initiatives which may include but are not limited to:</p> <ul style="list-style-type: none"> • Knowledge in the principles and practices of non-discrimination regulation requirements; • Staff trainings regarding unlawful discrimination; • Recruitment/workplace practices and outreach efforts to ensure contractor is not unlawfully discriminating in its recruitment, promotion and other related Human Resource (HR) activities; • Outreach and engagement efforts to ensure Contractor is not unlawfully discriminating in its subcontracting opportunities. 	<p>10 points</p>
<p>Total Possible Points</p>	<p>100 points</p>