



CITY OF HOUSTON

Office of Business Opportunity

Interoffice Memorandum

To: Marsha E. Murray, OBO Deputy Director
From: Barbara Fisher, Procurement Specialist
Date: December 7, 2017
Subject: Pre-Award Good Faith Effort (Q Environmental – 3rd^d Attempt)
FIN/SPD – Used Oil, Oily Water, Used Oil Filters, Absorbents and Antifreeze
Disposal Service for FMD (Fleet Management Department)

The Pre-Award Good Faith Effort Request submitted by Q Environmental (3rd attempt) for the above referenced project has been reviewed and evaluated. This solicitation is for the used oil, oily water, used oil filters, absorbents and antifreeze disposal service for Fleet Management Department.

FMD Department provided the following information:

FMD provided a Good Faith Effort Request for evaluation by OBO from Q Environmental.

Project Details:

- Project Advertised Date: June 17, 2016
- Pre-Bid Meeting Date: June 28, 2016
- Bid Due Date: July 14, 2016
- Bidder's Bid Amount: \$\$1,434,100.30

This Invitation to Bid includes that the contractor provided all necessary labor, supervision, equipment and supplies for the removal and disposal of used oil, oil filters, antifreeze and absorbents generated by various City departments. The contractor should comply with all applicable Federal, State and local regulations regarding the collection, transportation and disposal, recycling or resale of used oil produced and stored at City facilities.

Contract Requirements:

- Supplies & Equipment
 - The contractor shall provide the City, at no additional costs, collection containers to store the used oil filters, used antifreeze and absorbents in until they are picked up. All containers must have D.O.T. and EPA approved screw lids, be water tight, free of rust, holes, numbered and labeled of the contents.
- Transportation & Collection
 - Collection of oil, oily water, oil filters, water with hydrocarbons, hydraulic fluid, antifreeze and absorbents by the contractor within 24 hours of notification.

FMD furnished the Proposer's Good Faith Effort, which consists of the following:

- Proposer's explanation of Good Faith Effort – Letter from Q Environmentals' Legal representation, Klosowsky Law Offices, letter dated December 22, 2010.

Q Environmental, a certified MBE, was selected to perform the disposal services of Used Oil, Oily Water, Used Oil Filters, Absorbents and Antifreeze. However, Q Environmental was unable to meet the advertised 11.00% MWBE Contract Goal and submitted a third Good Faith Effort Request for review.

- A letter was submitted by Q Environmental legal representation, Klosowsky Law Offices dated December 22, 2010, outlining the explanation about not being able to engage in a subcontracting capacity with a certified firm who was deemed as being to perform a working element of the solicitation.

OBO - Department Services (DS) Recommendations:

Upon the evaluation above, it is the recommendation to **APPROVE** Q Environmentals' Good Faith Effort request for the waiver of the 11.00% MWBE Contract Goal. At the suggestion of Department Services, Q Environmental was directed research certified MWBE firms that could perform the services of picking up and disposal of hazardous materials as specified in the solicitation.

FMD (Fleet Management Department)

Used Oil, Oily Water, Used Oil Filters, Absorbents and Antifreeze Disposal Service for FMD (Fleet Management Department)

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Department Services, in the course of researching the City's Online Certified MWBE directory, found Holcomb Environmental Oil Services LLC, NAICS Code 562998, All Other Mics, Waste Management Services. Department Services contacted Holcomb and confirmed that they do perform the services of picking up and disposal of antifreeze, oil, filter etc., and they adhere to all the federal, state and local guideline for this type of services required. FMD was made aware of Holcomb being able to perform the services required and FMD, in turn, informed Q Environmental.

Five (5) other certified MWBE's were located in the directory with the NAICS Code 562998. Department Services contacted two (2) of the firms and confirmed with the firms that they do not perform this type of services. One (1) certified firm states in B2G that they only perform tank cleanings. And the remaining two (2) certified firms were not able to be contacted due to a non-working telephone number and the other firm was non-responsive.

Q Environmental's previous City contract for Oil, Oily Water, Oil Filters, Antifreeze and Absorbents Disposal Services for Various Department, Contract #4600009735, did include Holcomb Environmental Oil Services as an MBE subcontractor. According to B2G, Holcomb was subcontracted for 5.00%, however, it appears that Holcomb was not used for goal credit on this contract. Per the letter from Q's legal representation, Klosowsky Law Offices, dated December 22, 2010, states that Holcomb had breached their contract with Q Environment, and all contracts and agreements with between Holcomb and Q Environmental were terminated. Therefore, Q Environmental does not want to partner with Holcomb again in a subcontracting capacity.

Department Services has determined that Q Environment made sufficient good faith efforts in contacting eight (8) certified MWBE firms using the suggested NAICS code to possibly provide subcontracting opportunities for MWBE participation and conducting a thorough search on the City Online directory. While Q Environmental was made aware that Holcomb was a possible viable MBE subcontractor, Q provided documentation from their legal representative that they had problems with Holcomb that included breach of their contract, which included unauthorized collected of used oil at City facilities posing as Q Environmental, thereby, leading to the termination of contract/agreement between Q and Holcomb.

Department Services has determined that Q Environmental has examined the appropriate NAICS Codes with the coinciding work elements of the solicitation, has researched the City Online Directory locate certified MWBE Firms, therefore, demonstrating good faith efforts.

In summary, it is the recommendation to **APPROVE** the Pre-Award Good Faith Efforts submitted by Q Environmental.

Reviewed and Accepted

Date

12/12/17

Marsha E. Murray
OBO Deputy Director