



APPROVED  
BY THE CITY COUNCIL

MAR 9 1999

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OFFICE OF THE  
CITY CLERK

DEPARTMENT OF  
PUBLIC WORKS

SOLID WASTE DIVISION

CITY OF SACRAMENTO  
CALIFORNIA

AG99-037

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February 18, 1999

City Council  
Sacramento, California

Honorable Members in Session:

**SUBJECT:** AWARD OF SERVICES AGREEMENT TO GROVER LANDSCAPE SERVICES,  
INC. IN AN AMOUNT NOT TO EXCEED \$850,000

**LOCATION AND COUNCIL DISTRICT:** Citywide, All Districts

**RECOMMENDATION:**

This report recommends that the City Council adopt the attached resolution which authorizes the City Manager to execute a service agreement for green waste diversion with Grover Landscape Services, Inc. in an amount not to exceed \$850,000.

**CONTACT PERSON:** Reina J. Schwartz, Solid Waste Manager, 264-7043

**FOR COUNCIL MEETING OF:** March 9, 1999

**SUMMARY:**

City Council adoption of the attached resolution will result in executing a contract with Grover Landscape Services, Inc. for diversion and processing of approximately 40 percent of the City's green waste through June 30, 2000. The contract is for an amount not to exceed \$850,000.

**COMMITTEE/COMMISSION ACTION:** None.

**BACKGROUND INFORMATION:**

The City has historically processed and diverted its green waste among three separate facilities. In December, 1998, one of our contractors ceased to accept our green waste, advising us that they did not wish to renew their contract under current terms and conditions.

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The City has an existing contract with Waste Management Collection and Recycling, Inc. through June 30, 1999. If mutually agreeable to both parties, this contract is still renewable. The third facility utilized by the City for processing green waste is the City Compost Facility at 28<sup>th</sup> Street.

On December 23, 1998, the City Council approved the distribution of a Request for Bid Proposal for Green Waste Processing. The City Council also suspended competitive bidding in order to include evaluation of such considerations as the experience of the processor, the adequacy of proposed facilities and the history of regulatory compliance in determining whether or not a vendor is truly qualified.

A selection committee of five persons including a City appointee to the Solid Waste Advisory Committee evaluated the proposals received to determine if they were qualified. It was the decision of the selection committee to disqualify the proposal by Waste Management Collection and Recycling, Inc.(WMI). This decision was based on a proposed deviation to the agreement in which WMI proposed that they retain the right to utilize biomass fuel markets for up to 50 percent of the green waste delivered to their facility. The Request for Bid Proposal clearly required proposers to guarantee that less than 10 percent of the green waste delivered to their facility will be incinerated in compliance with City Council adopted policy.

The City's selection committee was also forced to not consider the proposal submitted on behalf of the Elder Creek Recovery and Transfer Station. This proposal contained in error in the bid amount and was subsequently withdrawn from consideration by the proposer.

The table below identifies the bid amounts for green waste processing:

PROPOSER	BID AMOUNT
Elder Creek Recovery and Transfer Station	Withdrawn
Waste Management	Disqualified
Lionudakis Wood & Green Waste Recycling	\$18.75/ton
Grover Landscape Services, Inc.	\$17/ton

A calculation of the transportation cost differences between the two facilities is not necessary. The Lionukakis location is a greater distance from the City transportation centroid relative to the location for off-loading green waste for Grover Landscape Services. Therefore, analysis of this additional cost under the terms of the Request for Bid would not change the rank order of the proposals. The lowest qualified bidder is Grover Landscape Services, Inc.

**FINANCIAL CONSIDERATIONS:**

Sufficient funds exist to cover the agreement in the approved solid waste fund budget for the current year. During the rate review for the 1999-2000 budget, the need for any long-term adjustments will be brought to the City Council.

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**ENVIRONMENTAL CONSIDERATIONS:**

Grover Landscape Services proposes to use the facility owned by Atlas Disposal Industries Material Recovery Facility located at 3000 Power Inn Road for the off-loading and transfer point for the City's green waste. The material will then be transferred to a fully permitted composting facility in the Modesto area. Use of the site on Power Inn Road is in full compliance with §34 of the City's Zoning Ordinance for the proposed activities at this location.

**POLICY CONSIDERATIONS:**

Maintaining redundant facilities with processing capacity to divert the City's green waste is vital to the City's ability to maintain a system for composting or otherwise diverting more than 80,000 tons of green waste on an annual basis. Our continued compliance with AB 939 waste diversion mandates rests on our ability to continue diverting our green waste from landfilling.

Award of this agreement will maintain the current configuration of two private and one public facility for processing the City's green waste. This configuration of facilities provides the City with great flexibility in responding to processing problems common to our industry.

City staff continue to search for new green waste end-markets to alleviate the region's over-supply of green waste feedstock. Such efforts include attempts to develop new markets for our green waste with agribusiness including proposals to Sutter Home Winery and to the United States Environmental Protection Agency (which is searching for a means to modify manure handling practices among dairy, poultry and pig farmers). The development of new markets for soil amendment products is the key to holding down future costs for the processing and diversion of the City's green waste.

The City Council has already acted to suspend competitive bidding for the award of this agreement. City Code, §57.04.401 (c) authorizes suspension of competitive bidding when the City Council determines, upon a 2/3 vote that is in the best interest of the City. The suspension of competitive bidding in this instance was found to be in the best interest of the City in order to include evaluation of such considerations as the experience of the processor, the adequacy of proposed facilities, and their history of regulatory compliance in determining whether or not a vendor is truly qualified.

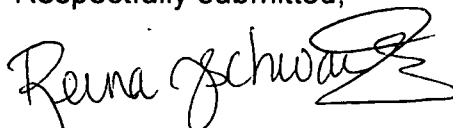
**MBE/WBE:**

Department of Public Works staff coordinated the design of our City Council approved Request for Bid Proposal with the Office of Minority, Women and Small Business to include provisions that were more conducive to the participation of minority and women-owned enterprises. To facilitate the receipt of proposals that meet the City's M/WBE goals, the

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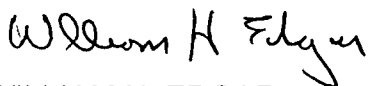
participation goals for the project were modified to a combined participation goal of 25 percent. In the final analysis, none of the proposers met the City's participation goals for subcontractors.

Respectfully submitted,



Reina J. Schwartz  
Solid Waste Manager

RECOMMENDATION APPROVED:



WILLIAM H. EDGAR  
City Manager

Approved:



Michael Kashiwagi  
Director of Public Works

APPROVED  
BY THE CITY COUNCIL

MAR 9 1999

RESOLUTION NO. 99-102

OFFICE OF THE  
CITY CLERK

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF \_\_\_\_\_

**RESOLUTION AUTHORIZING THE CITY MANAGER  
TO EXECUTE AN AGREEMENT  
WITH GROVER LANDSCAPE SERVICES, INC.  
IN AN AMOUNT NOT TO EXCEED \$850,000**

**WHEREAS**, all cities and counties are mandated to divert 50 percent of their waste stream from landfilling by 2000; and,

**WHEREAS**, the City of Sacramento seeks to divert from landfilling all green waste that is separately collected; and,

**WHEREAS**, the award of this agreement will maintain the current configuration of three separate processing facilities for the diversion of the City's green waste which provides the City with the greatest possible flexibility;

**THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF  
SACRAMENTO THAT:**

The City Manager is authorized to execute an agreement with Grover Landscape Services, Inc. in an amount not to exceed \$850,000 for green waste processing services.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

**FOR CITY CLERK USE ONLY**

RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_