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APPROVED  
BY THE CITY COUNCIL

APR 15 1997

OFFICE OF THE  
CITY CLERK

*as amended*

DEPARTMENT OF  
PUBLIC WORKS

SOLID WASTE DIVISION

CITY OF SACRAMENTO  
CALIFORNIA

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SACRAMENTO, CA  
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April 28 1997

City Council  
Sacramento, California

Honorable Members in Session:

**SUBJECT: UPDATE APPROVAL OF PROCESS FOR NEGOTIATING WITH  
SELECTED PROPOSERS FOR SOLID WASTE TRANSFER AND  
DISPOSAL SERVICES INCLUDING PUBLIC OUTREACH**

**LOCATION and COUNCIL DISTRICT: City**

**RECOMMENDATION:**

This report requests that City Council update their approval of the process for negotiating with selected proposers for solid waste transfer, processing and disposal including public outreach.

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

**FOR COUNCIL MEETING OF:** May 13, 1997

**SUMMARY:**

Following the evaluation of nine proposals for the transfer, processing, hauling and disposal of City-collected solid waste, this report recommends that the City Council approve an updated recommendation on the process outlined for receiving best and final offers on the requested solid waste services.

City Council  
 UPDATE ON PROCESS FOR NEGOTIATING WITH SELECTED PROPOSERS FOR SOLID WASTE  
 TRANSFER AND DISPOSAL SERVICES INCLUDING PUBLIC OUTREACH  
 May 13, 1997

**COMMITTEE/COMMISSION ACTION:**

None required.

**BACKGROUND INFORMATION:**

At the Council meeting on April 10, 1997 the City Council approved a process for negotiating with the three top ranked transfer providers in order to reach a final project recommendation for solid waste transfer and disposal. After having met with representatives of each of the three top-ranked firms, City staff have refined the process. The current proposed process is shown below and is also included in graphic form as Attachment A.

| Task                                                                                                                                                                        | Estimated Timeframe |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| City Council directs staff to prepare draft contract and perform independent landfill assessment of the proposed landfills.                                                 | April 10, 1997      |
| City staff holds stakeholder meeting with three top-ranked transfer firms.                                                                                                  | April 22, 1997      |
| City staff select independent landfill consultant.                                                                                                                          | April 28, 1997      |
| City Council meeting to clarify and approve process for selecting final proposer and for completing community outreach regarding potential sites.                           | May 13, 1997        |
| Proposers identify sites to be considered. Begin public outreach regarding those sites.                                                                                     | May 19, 1997        |
| City Council meeting to approve short-list of landfills based on independent evaluation. Proposers may then use any of the short-listed landfills in their final proposals. | June 17, 1997       |
| City Council meeting for approval of: draft contract, evaluation criteria and potential transfer sites (based on public outreach process).                                  | July 22, 1997       |

City Council  
 UPDATE ON PROCESS FOR NEGOTIATING WITH SELECTED PROPOSERS FOR SOLID WASTE  
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| Task                                                                                                                                                                                             | Estimated<br>Timeframe |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|
| Meet with three top-ranked firms to answer any questions regarding the contract.                                                                                                                 | By July 29, 1997       |
| Three top-ranked firms return contracts to the City with exceptions noted and a best and final offer for price.                                                                                  | August 25, 1997        |
| City negotiating team evaluates proposals, based on agreed-to evaluation criteria and makes recommendation to City Council. Once a single proposer is chosen, begin final CEQA on proposed site. | Fall 1997              |

The significant clarification in this table is how the public outreach process will proceed. As shown in the table, by May 19, 1997 the three proposers will identify sites they wish to consider as part of their final offers. After that time, a series of community meetings will be held with participation from Darrell Steinberg's office and from the Neighborhood Services Department through Max Fernandez, Area Manager for Area 3.

These community meetings will be used to gather feedback on which sites are generally acceptable and what sorts of issues and mitigation might be necessary. This feedback will be brought back to the City Council as part of the report on July 22, 1997 so that the final offers that come back to the City reflect sites that are generally seen as acceptable by the community. Once the sites are accepted by Council, proposers will be allowed to propose on any of the sites their firm identified, but not on approved sites proposed by other firms.

**FINANCIAL CONSIDERATIONS:**

The process for negotiating a solid waste transfer and disposal contract identified above will result in the best overall proposal for the City's needs, including considerations of cost, performance, liability etc. While the best proposal for the City may not be the least expensive of the final three, this process will result in annual savings of at least \$1 million to City residents over the term of the contract, based on the initial proposals submitted and compared to our current practice of hauling to the County's Kiefer Landfill.

**ENVIRONMENTAL CONSIDERATIONS:**

Compliance with CEQA shall occur prior to execution of a final agreement with a project developer. Once the City has chosen to proceed with a single firm, approval of a final site and contract will be contingent on successful completion of CEQA. If a particular site becomes infeasible as a result of CEQA issues, the City will continue to work with the single firm selected to determine an alternate site.

**POLICY CONSIDERATIONS:**

The process described above is consistent with the provisions included in the original RFP for this project. This process will result in the best possible project for the City including considerations of cost, liability protection, financial strength etc. The proposed process also allows the City Council to receive feedback from the community on acceptable sites prior to receiving best and final offers from each of the three firms.

**MBE/WBE:**

All of the top proposers indicated significant MBE/WBE participation in the project based on the goals established in the initial RFP. The final level of MBE/WBE participation will be part of the contract negotiations and will depend on the outcome of legal challenges to Proposition 209.

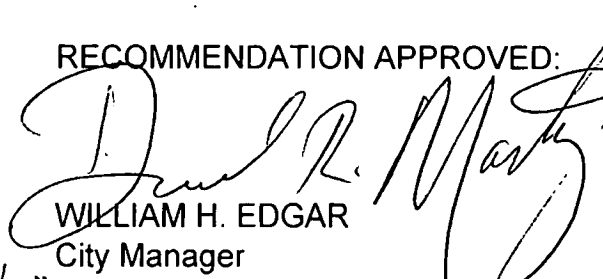
Respectfully submitted,



Reina J. Schwartz  
Manager, Solid Waste

RECOMMENDATION APPROVED:

Approved:



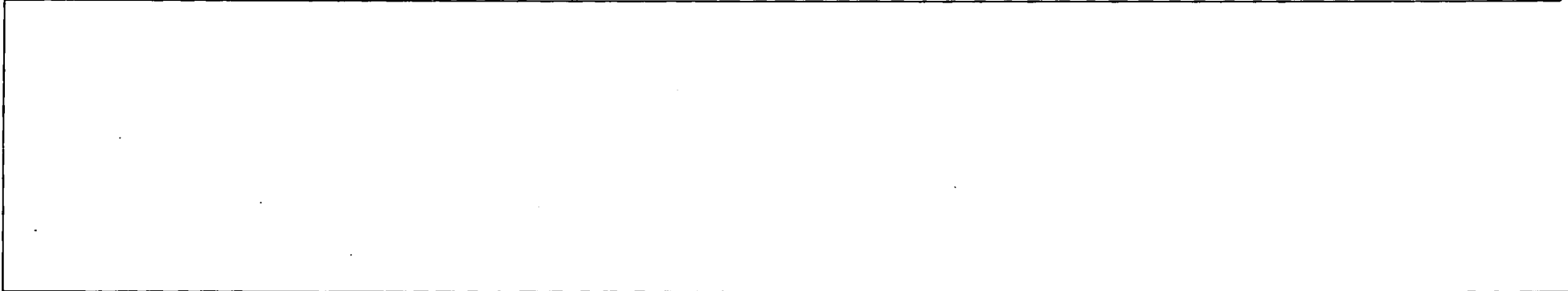
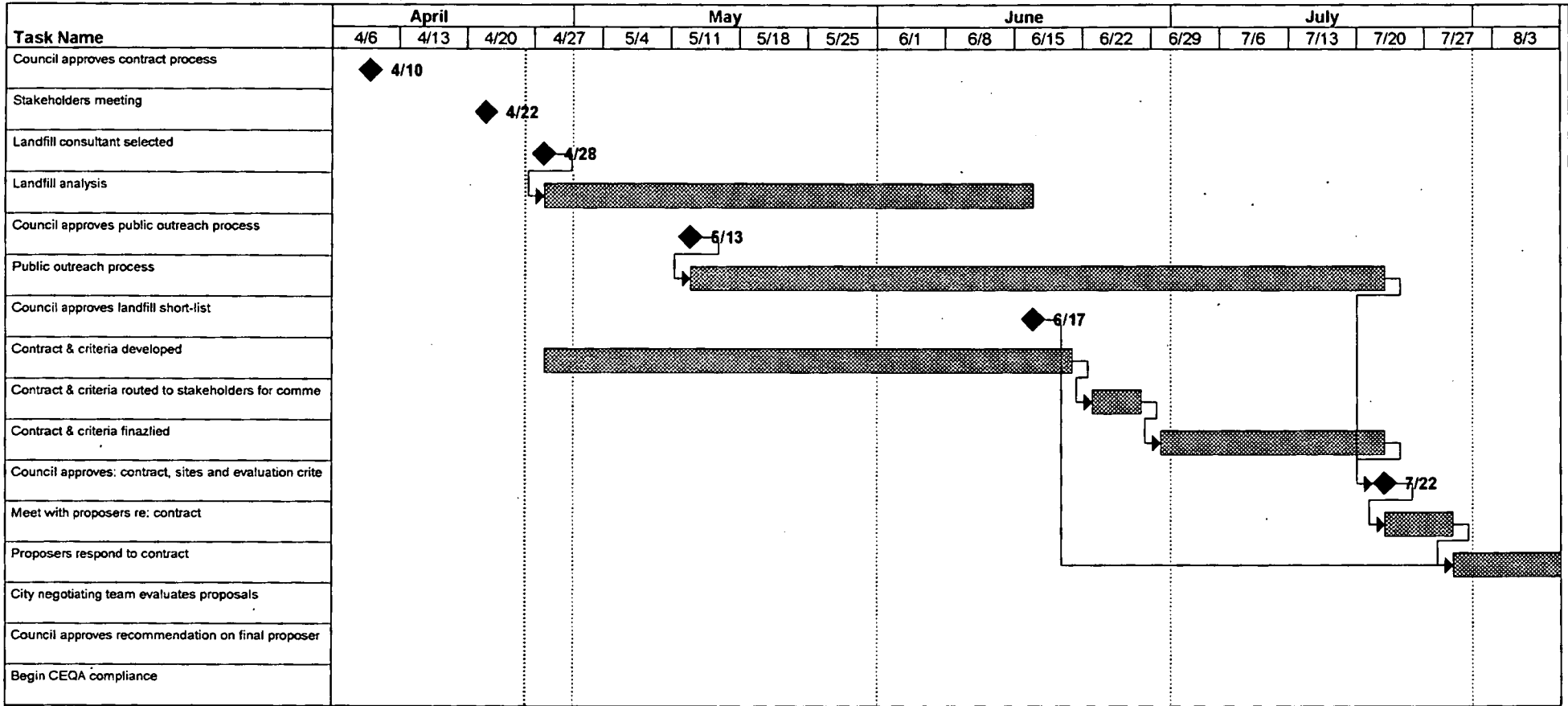
WILLIAM H. EDGAR  
City Manager



Michael Kashiwagi  
Director of Public Works

Attachment:

Attachment A

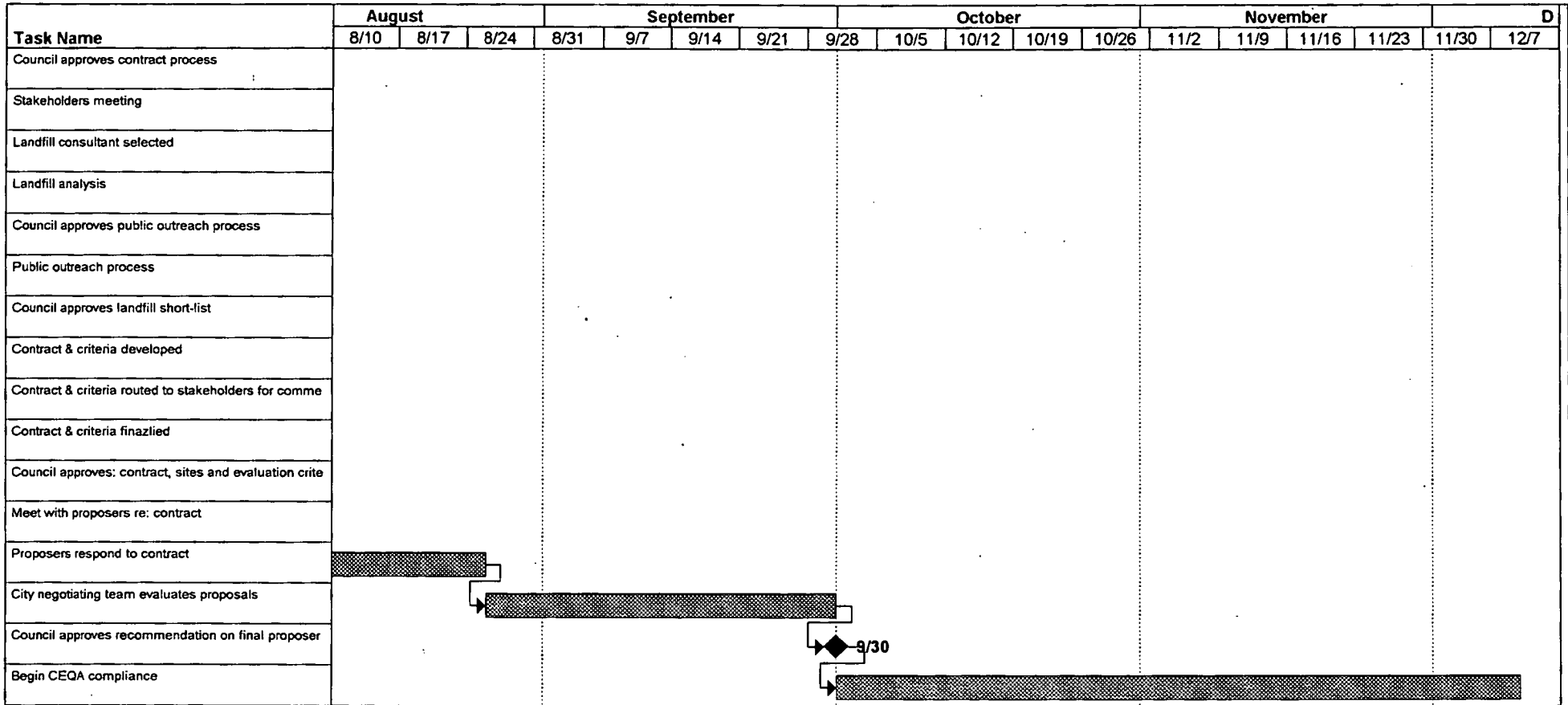


Project: SW RFP  
Date: Sat 4/26/97

|           |   |                     |   |                    |  |
|-----------|---|---------------------|---|--------------------|--|
| Task      |   | Summary             |   | Rolled Up Progress |  |
| Progress  |   | Rolled Up Task      |   |                    |  |
| Milestone | ◆ | Rolled Up Milestone | ◇ |                    |  |

ATTACHMENT A

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|                                      |           |  |                     |  |                    |  |
|--------------------------------------|-----------|--|---------------------|--|--------------------|--|
| Project: SW RFP<br>Date: Sat 4/26/97 | Task      |  | Summary             |  | Rolled Up Progress |  |
|                                      | Progress  |  | Rolled Up Task      |  |                    |  |
|                                      | Milestone |  | Rolled Up Milestone |  |                    |  |

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DON NOTTOLI  
SUPERVISOR, FIFTH DISTRICT  
(916) 440-5465  
FAX (916) 440-7593

**CHAIRMAN  
BOARD OF SUPERVISORS  
COUNTY OF SACRAMENTO**

700 H STREET, SUITE 2450 • SACRAMENTO, CA 95814

May 13, 1997

The Honorable Joe Serna, Jr.  
Mayor, City of Sacramento &  
Members, City Council  
915 I Street, Room 205  
Sacramento, CA 95814

Dear Mayor Serna & City Councilmembers:

Subject: Request to Consider County of Sacramento as  
Service Provider for City Solid Waste Transfer and  
Disposal Services

At today's Board of Supervisors meeting, the Board approved forwarding a letter to you and the Sacramento City Council requesting consideration be given to the County of Sacramento as the long-term service provider to the City for their solid waste transfer and disposal services.

County staff was aware of the City's plan to issue a Request for Proposal (RFP) to provide transfer and disposal services for City solid waste, however, it was County staff's understanding this was being done to compare costs for these services with County costs, allowing the City to determine if it was in their interest to remain with the County under some form of contractual arrangement or to establish a contract with a private firm.

The County had expressed a willingness to continue providing services and had discussed the framework for such an agreement with the City (see attached). It was not understood by County staff that by failing to submit a formal proposal the County would be prevented from being considered as a service provider.

County staff is of the opinion there is sufficient time within the existing City schedule to prepare a contract for City services or to submit a formal proposal prior to the City receiving final contract offers on August 25, 1997.

Mayor Serna & City Councilmembers  
May 13, 1997  
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In summary, the County is interested in continuing to provide long-term transfer and disposal services to the City of Sacramento and respectfully asks your consideration of this request. Upon receipt of your approval of this request, Mr. Warren Harada, Sacramento County Public Works Agency Administrator, has been directed to call a meeting of the Solid Waste Authority Technical Advisory Committee to discuss how the County can meet the City's criteria, including the most cost-effective approach for the transfer and disposal of City solid waste.

Sincerely,



Don Nottoli, Chairman  
Board of Supervisors

DN:smf

Attachment

cc: Members, Board of Supervisors



**COUNTY OF SACRAMENTO  
COUNTY SOLID WASTE FACILITIES**

**PRINCIPLES OF USE OFFERED  
TO CITY OF SACRAMENTO  
IN 1996**

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The following business principles were discussed with the City as a basis for their long-term use of the Kiefer Landfill and County transfer stations:

- ◆ The City would be guaranteed capacity and use of transfer and disposal facilities through a long-term contractual arrangement. This would be similar to a contractual arrangement the City would make with the County for potable water supply following completion of the Forum's process.
- ◆ Both agencies will achieve certainty for facility/rate planning.
- ◆ Once the principles were developed they would be submitted to Council/Board for approval and subsequently into binding agreements.
- ◆ The long-term rates at transfer stations and landfill would be guaranteed to be ...
  1. Equal rates for City and County collection vehicles
  2. Maximum rate "Cap" or City may leave ("harmless" out clause)
- ◆ County agreed to design and construct transfer stations to meet City fleet requirements as well as disposal capacity in exchange for a 15 year commitment.