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**DEPARTMENT OF
PUBLIC WORKS**

OFFICE OF THE DIRECTOR

**CITY OF SACRAMENTO
CALIFORNIA**

CITY HALL
ROOM 207
915 I STREET
SACRAMENTO, CA
95814-2673

916-449-5283

ADMINISTRATION
916-449-8747

April 30, 1991

Budget and Finance Committee/Transportation
and Community Development Committee
Sacramento, California

Honorable Members in Session:

SUBJECT: APPROVAL OF SUPPLEMENTAL AGREEMENT NO. 2 FOR CONSULTANT SERVICES WITH BROWN, VENCE & ASSOCIATES FOR THE NEGOTIATION OF A CONTRACT WITH AN ALTERNATIVE TO DIRECT HAUL OF MUNICIPAL SOLID WASTE VENDOR(S) (COUNCIL AGREEMENT NO. 89015) AND APPROPRIATION OF FUNDS

SUMMARY

It is recommended that the Joint Committee recommend to the City Council that the City Manager execute a supplemental agreement with Brown, Vence & Associates to perform consulting services in support of negotiating a contract for a materials recovery processing and solid waste transfer facility and a composting site.

BACKGROUND

Since July 25, 1989, City staff has evaluated alternatives to the Direct Haul of municipal solid waste to a landfill. The evaluation has been performed by a Selection Committee comprised of Lyla Ferris, City Councilmember; Jack Crist, Deputy City Manager; Carl Hauge, City Solid Waste Advisory Committee (SWAC) Chairperson; H. D. Kerton, Chief of County Solid Waste Management; and David Pelser, Solid Waste Division Manager for the City of Sacramento.

The Selection Committee has been assisted by the City Attorney's Office, Public Works Administration, and the consultant firm of Brown, Vence & Associates. The Selection Committee, with City Council approval, has identified three firms as finalists in the selection process. These firms are Browning-Ferris Industries (BFI), Norcal, and Waste Management Incorporated (WMI).

Originally, it was the City's intent to select a single vendor based on its qualifications, interview, site visit, and proposal. During the process, however, it became clear that the specific responsibilities and risks that each vendor is willing to assume and the costs that they would charge could not be fully known until the specific contract language was agreed upon.

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The City Attorney's Office, in responding to a request from the Selection Committee, has recommended that the most expeditious method of resolving proposal cost data inconsistencies is to develop the same model contract for all proposers. Thus, the same contract would be presented to all three proposers and their exception to the contract would be used as an aid in selecting the recommended contractor. We are confident that this clarification step assures the acquisition of vendor commitments, which will be most effective in meeting the Council's waste diversion and transfer needs. This amended clarification will not significantly change the anticipated start-of-use date of the Materials Recovery Facility (MRF). The steps added to the contractor selection clarification will save time in the final contract negotiation.

In preparation for the negotiation of an Alternative to Direct Haul contract with one or more of the three finalists, the Director of Public Works has solicited the assistance of a City staff negotiating team. This team consists of Tom Friery, City Treasurer; Bill Carnazzo, Senior Deputy City Attorney; Jack Crist, Deputy City Manager; Betty Masuoka, Director of Finance; David Pelsler, Solid Waste Division Manager; and Reginald Young, Deputy Director of Public Works.

The staff negotiating team, with aid of a consultant will develop and propose City policy recommendations requisite to MRF contract negotiation. The basic steps of negotiation policies determination, contract drafting, and negotiations would have had to be done whether or not the clarification step is implemented. Thus, the Public Works Department desires to continue the consultant services of Brown, Vence & Associates into the negotiation phase of the contract process prior to selecting a single finalist.

FINANCIAL

Amendment No. 2 to the agreement with Brown, Vence & Associates totals \$170,000, bringing the total not to exceed amount to \$310,000. The Capital Improvement budget must be amended to appropriate \$170,000 from the Solid Waste Contingency Reserve Fund (415-710-7012-4999) to the Direct Haul EIR/Transfer Station Construction CIP. As of the mid year review, the Solid Waste Contingency Reserve had a balance of \$1,633,000.

MBE/WBE

This is a modification to an existing contract.

POLICY CONSIDERATIONS

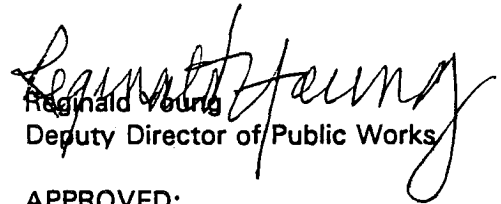
City legal staff and the staff negotiating team for the MRF has implemented a clarification step in the contractor selection process. This policy will delay the recommendation of a single contractor, but expedite the ultimate start-of-use date for materials processing and waste transfer. The proposed action is consistent with Sacramento Municipal Code Section 58.6 concerning change order and supplemental agreements.

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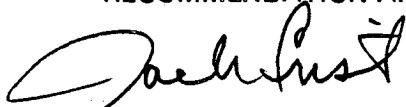
RECOMMENDATION

It is recommended that the Joint Committee approve and recommend adoption by the City Council of the attached proposed resolution, which authorizes the City Manager and City Clerk to execute a supplemental Agreement No. 2 with Brown, Vence & Associates in an amount not to exceed \$170,000.

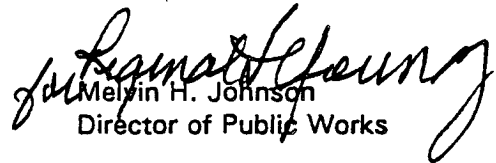
Respectfully submitted,


Reginald Young
Deputy Director of Public Works

RECOMMENDATION APPROVED:


Jack Crist
Deputy City Manager

APPROVED:


Melvin H. Johnson
Director of Public Works

Contact Person:
Reginald Young, Deputy Director of Public Works
449-5283

April 30, 1991
All Districts

RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

**RESOLUTION AUTHORIZING CITY MANAGER AND CITY CLERK
TO EXECUTE SUPPLEMENTAL AGREEMENT NO. 2 WITH
BROWN, VENCE & ASSOCIATES (COUNCIL AGREEMENT NO. 89015)
IN THE AMOUNT OF \$170,000 AND APPROPRIATION OF FUNDS.**

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SACRAMENTO THAT:

1. That the City Manager is hereby authorized to execute Supplemental Agreement No. 2 with Brown, Vence & Associates in the amount of \$170,000 for additional consultant services.
2. That the Capital Improvement budget be amended by appropriating \$170,000 from the Solid Waste Contingency Reserve Fund (415-710-7012-4999) to the Direct Haul EIR/Transfer Station Construction CIP as follows:

415-500-YA11-4802

\$170,000

MAYOR

ATTEST :

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

Department: Public Works
Division: Administration
Location: City of Sacramento

PN/JN NO.: YA11
Proj. Name: Alternatives to Direct Haul

Amendment No. 2

To Consultant Services Agreement between City of Sacramento and Brown, Vence & Associates approved by City Council by resolution dated July 25, 1989.

CITY AGREEMENT NO. 89015

EXHIBIT A

CONSULTANT AND PROFESSIONAL SERVICES AGREEMENT

REPRESENTATIVES AND SERVICES TO BE PROVIDED

1. Representatives:

The City Representative for this Agreement is:

Reginald Young Deputy Director of Public Works (916) 449-5283
(Name) (Title) (Telephone)

All consultant questions pertaining to this Agreement will be referred to the above named person, the representative's designee.

The Consultant Representative for this Agreement is:

Michael D. Brown President (415) 434-0900
(Name) (Title) (Telephone)

All City questions pertaining to this Agreement will be referred to the above named person. All correspondence to the City will be addressed to:

City of Sacramento
Department of Public Works
915 I Street, Room 207
Sacramento, CA 95814

Attn: Reginald Young

Exhibit A of the agreement was amended on April 23, 1991, by adding the following:

2. Services To Be Provided Are Specified Below:

Add the following statement:

Additional services to be provided shall be as follows:

Task 1 -- Prepare Letter to Vendors -- Brown, Vence & Associates will attend a scoping meeting with the Staff Management Negotiating Committee (MC) to outline procedures and finalize the schedule for negotiating a contract for a MRF and composting program. Brown, Vence & Associates will prepare a letter to vendors soliciting input and contractual background information that the vendors may wish to provide.

Output -- Letter to vendors.

Task 1 -- Prepare Contract Outline -- Brown, Vence & Associates will assemble, for use by the City and its contract attorney, examples of other similar contracts. They will review relevant contracts, including those provided by vendors. We will meet with City staff and the attorney (four meetings assumed) to jointly develop an outline of key contractual issues and recommended City positions.

Output -- Written list of contract key issues and recommended City positions.

Task 3 -- Review Outline with Staff Management Committee -- Brown, Vence & Associates will lead meetings of the MC to review and finalize the outline of key contract provisions. This proposal envisions up to two meetings for the finalization of the contract outline.

Output -- Two MC meetings resulting in finalization of the key contract provisions.

Task 4 -- Draft Model Contract -- Based on the finalized key provisions, the contract will be drafted by the attorney. Brown, Vence & Associates will consult with the attorney and City staff (one meeting assumed) during contract drafting, review, and comment on drafts.

Output -- Up to 522 hours technical assistance for the drafting of the model vendor contract.

Task 5 -- Finalize Model Contract -- Based on comments received, Brown, Vence & Associates will assist the attorney to finalize the model contract (one meeting assumed).

Output -- Up to 20 hours technical assistance in finalizing the model contract.

Task 6 -- Submit Contract to Vendors -- Brown, Vence & Associates will assist the City in submission of the model contract to the vendors and clarifying its intent.

Output -- Up to ten hours of technical assistance, as needed.

Task 7 -- Review Vendors' Comments and Present to Staff -- Brown, Vence & Associates will provide a technical review of each vendor's comments. We will highlight major exceptions for use in subsequent discussions with the vendors. The attorney will be responsible for evaluating legal issues raised by vendors. Exceptions and suggested City position will be developed in a workshop with MC and the attorney -- up to three meetings are included in this task.

Output -- Concise memorandum highlighting contract exceptions and recommended positions.

Task 8 -- Vendors' Clarification Meetings -- Brown, Vence & Associates, the attorney, and City staff will meet with each vendor to clarify positions and try to reach acceptable compromise language during the sessions. We also anticipate an exchange of correspondence, conference calls, and the drafting and review of proposed contract language during this period.

Output -- Up to three meetings with each vendor resulting in clarification of noted contract exceptions.

Task 9 -- Staff Management Committee Review -- At the end of each round of vendor meetings with the management, Brown, Vence & Associates will review with the MC the exceptions noted by vendors recommended City positions, and progress made.

Output -- Up to three MC meetings reviewing City position and progress on vendor's noted exceptions.

Task 10 -- Prepare Recommendations for City Council -- Brown, Vence & Associates will present the results of the vendors' meetings to the Selection Committee. We will assist the committee to reach a conclusion and prepare a recommendation to the City Council.

Output -- Up to three Selection Committee meetings resulting in recommendation to the City Council.

Task 11 -- Present Recommendations -- Brown, Vence & Associates will assist in presenting the Selection Committee's vendor selection recommendation to the Joint Committee and the City Council.

Output -- Presentation to Joint Committee (one) and City Council (one).

Exhibit B of the agreement was also amended on April 23, 1991, to increase the payment amount.

EXHIBIT B OF THE AGREEMENT SHALL THEREFORE BE AMENDED AS FOLLOWS:

EXHIBIT B

FEE SCHEDULE / MANNER OF PAYMENT

Original Contract Amount	\$100,000
Net Change by Previous Supplemental Changes	40,000
Contract Sum Will be Increased By This Supplement	170,000
New Contract Sum Including All Supplements	310,000

The fee for services on this agreement shall not exceed \$170,000.

Request for payment shall be sent to:

City of Sacramento
Department of Public Works
915 I Street, Room 207
Sacramento, CA 95814
Attn: Jerry Klagge

Ref: PN/JN: YA11

CITY OF SACRAMENTO
A Municipal Corporation

CONSULTANT: BROWN, VENCE & ASSOCIATES

CITY:

City Manager

President

City Clerk

120 Montgomery Street, Suite 680
San Francisco, CA 94104

Director of Public Works