



11.2

FROM CONTINUED
TO 12.2.97
12.9.97

DEPARTMENT OF
PUBLIC WORKS

SOLID WASTE DIVISION

CITY OF SACRAMENTO
CALIFORNIA

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November 17, 1997

City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: WORKSHOP ON RECOMMENDATION FOR PROCURING A SOLID WASTE TRANSFER, TRANSPORT, DISPOSAL, PROCESSING AND RECOVERED MATERIALS DIVERSION SERVICE AGREEMENT

LOCATION and COUNCIL DISTRICT: City-wide

RECOMMENDATION: This report is for Council information and discussion. Action on the attached resolution is scheduled for December 9, 1997.

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

FOR COUNCIL MEETING OF: December 2, 1997

SUMMARY:

This report recommends that the City Council hear and discuss an information report on the City's procurement process for a solid waste transfer, transport, disposal, processing and recovered materials diversion service agreement. At the evening meeting of December 9, 1997, the Council will be asked to approve a resolution which:

- ❖ Selects BLT Enterprises as the sole potential vendor for the City's solid waste transfer, transport, disposal, processing and recovered materials diversion service agreement; and
- ❖ Authorizes staff to complete negotiations with BLT Enterprises on final terms and conditions of the agreement; and
- ❖ Authorizes staff to prepare the necessary documentation, including environmental review, to allow the City Council to consider the final award of the agreement to BLT Enterprises.

COMMITTEE/COMMISSION ACTION:

None.

COUNCIL AGENDA MATERIAL
MTG. DATE 12/2/99 ITEM NO. 11.2
FROM CITY CLERK'S OFFICE

Solid Waste Transfer and Disposal Service Agreement

Department of
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COUNCIL AGENDA MATERIAL

MTG DATE _____ ITEM NO. _____
FROM CITY CLERK'S OFFICE



Requested Action: December 9

- **Select BLT Enterprises as the sole potential vendor for the service agreement;**
- **Authorize City staff to complete negotiations with BLT on final terms and conditions of agreement; and**
- **Authorize staff to prepare documentation, including environmental review, to allow Council to consider final award of agreement to BLT.**



BLT's Best and Final Offer

- **Highly competitive**
- **10 percent less than BLT's first round proposal**
- **Less than any of the first round proposals with comparable components**

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Staff Recommendation: Preferred Site

- **BLT 4 (corner of Fruitridge and Florin-Perkins Roads) recommended as preferred site**
- **Council cannot take final action on site until CEQA review completed**



Why BLT 4?

- **Cost -- a site in the northern cluster saves \$8 million over 20-year period.**
- **Environmental Impact -- BLT 4 has the least potential environmental impacts of sites in the northern cluster based on URS Greiner report.**



\$1 Million-Plus Savings to City Each Year

Depending on the ultimate project components chosen, the agreement could result in savings of \$240 per household over a 20-year period or \$1 million-plus per year.

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City Treasurer's Review

- **Financial net worth of BLT Enterprises and affiliate companies is substantial.**
- **BLT management staff has in-depth experience in this arena.**
- **BLT's proposal is competitive and in the City's best financial interest.**



City Treasurer's Review (cont.)

Potential financial risks to City:

- **“Put or pay” agreement**
- **Other contracts BLT enters into**
- **Time risk**



City Treasurer's Review (cont.)

The Bottom Line:

- **City Treasurer believes risks appear as normal business risks.**
- **City Treasurer's believes project has above-average financial prospects and should produce long-term savings for City residents.**

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Policy Issues

- **Transfer station's capacity.**
- **Negotiation of agreement (timing of development and construction milestones, waste flow commitments, and terms of project financing).**
- **City staff believes all issues can be successfully resolved.**



Conclusion

- **Goal is to procure an agreement to secure long-term, environmentally sound, cost-effective strategy for managing the City's solid waste.**
- **We're on track toward achieving that goal.**
- **Council action next week will move us even closer.**