



1.12

DEPARTMENT OF  
PUBLIC WORKS

SOLID WASTE DIVISION

CITY OF SACRAMENTO  
CALIFORNIA

921 TENTH STREET  
SUITE 500  
SACRAMENTO, CA  
95814-2715

ADMINISTRATION  
PHONE 916-264-7043  
FAX 916-264-7771

CUSTOMER SERVICE  
PHONE 916-264-5757



May 5, 2000

City Council  
Sacramento, California

Honorable Members in Session:

**SUBJECT:** AWARD OF SERVICES AGREEMENT TO WASTE MANAGEMENT  
COLLECTION AND RECYCLING, INC. IN AN ANNUAL AMOUNT NOT  
TO EXCEED \$550,000 FOR GREEN WASTE DIVERSION

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

**RECOMMENDATION:**

This report recommends that City Council adopt the attached resolution that authorizes the City Manager to execute a service agreement for green waste diversion with Waste Management Collection and Recycling, Inc. in an annual amount not to exceed \$550,000.

**CONTACT PERSON:** Gary Van Dorst, SW Planning Superintendent, 264-7043

**FOR COUNCIL MEETING OF:** May 23, 2000

**SUMMARY:**

City Council adoption of the attached resolution will result in executing a contract with Waste Management Collection and Recycling for diversion and processing of approximately 40 percent of the City's green waste through June 30, 2001. The contract is for an amount not to exceed \$550,000 with the option to renew on an annual basis for up to five years.

**COMMITTEE/COMMISSION ACTION:** None.

City Council

Award of Services Agreement to Waste Management Collection and Recycling Inc. in an Amount not to Exceed \$550,000 for Green Waste Diversion  
 May 5, 2000

**BACKGROUND INFORMATION:**

The City has historically processed and diverted its green waste among three separate facilities. The City has an existing contract with Grover Landscape Services that will expire June 30, 2000. If mutually agreeable to both parties, this contract is renewable. Our second contract for the acceptance of green waste is with Waste Management Collection and Recycling. This five-year contract expires May 2000. The third facility utilized by the City for processing green waste is the City Compost Facility at 28<sup>th</sup> Street.

On February 2, 2000, the City Council approved 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, adequacy of proposed facilities and history of regulatory compliance to determine whether or not a vendor is truly qualified.

A selection committee evaluated the proposals to determine qualifications. All of the proposers were qualified. The comparison table below identifies the bid amounts, including calculations for time and distance as applicable.

Processor	Centroid Mileage (\$2.50/mile x 8660 trips)	Travel Time (\$24/hr. x 8660)	Meadowvie w Mileage (\$2.50/mile x 4400 trips)	Travel Time (\$24/hr. x 4400 trips)	Tipping Fee/Ton	Total Cost for 1 year (32,500 tons)
Waste Mgmt.	\$99,590 (@ 4.6 miles)	\$24,040 (@ 6.94 mins.)	\$96,800 (@8.8 miles)	\$30,184 (@ 17.15 mins.)	\$490,750 (@ \$15.10/ton)	\$741,364
Lionudakis	\$205,675 (@ 9.5 miles)	\$52,306 (@15.1 mins.)	\$120,230 (@ 10.93 miles)	\$32,612 (@ 18.53 mins.)	\$422,500 (@13/ton)	\$833,323
B&J Dropbox	Not Calculated	Not Calculated	Not Calculated	Not Calculated	\$700,375 (@ 21.55/ton)	
Grover Landscape Services	Not Calculated	Not Calculated	Not Calculated	Not Calculated	\$617,500 (@ \$19/ton)	
Zanker Road	Not Calculated	Not Calculated	Not Calculated	Not Calculated	\$1,348,750 (@ \$41.50/ton)	

City Council

Award of Services Agreement to Waste Management Collection and Recycling Inc. in an Amount not to Exceed \$550,000 for Green Waste Diversion  
May 5, 2000

The transportation cost differences for B&J Dropbox, Grover Landscape Services and Zanker Road were not calculated due to non-competitive pricing and transportation costs. Considerations included are:

- Grover Landscape's transportation costs would be greater than Waste Management with a tipping fee of \$3.90 more per ton.
- B & J Dropbox did not provide for a local receiving station requiring the City to haul a distance in excess of 40 miles. The cost makes this proposal non-competitive.
- The tipping fee quoted for Zanker Road exceeds the cost of local facilities without calculating the cost of transportation to the proposed West Sacramento receiving station.

**FINANCIAL CONSIDERATIONS:**

Award of the agreement to Waste Management Collection and Recycling represents the lowest cost of the five proposals received. Sufficient funds exist to fund the agreement in the approved Solid Waste Fund Budget for the current year. City Council adoption of the attached resolution authorizes staff to renew the agreement up to five years at an annual cost of \$550,000, subject to the availability of funds in the Solid Waste Fund Budget approved in future years.

**ENVIRONMENTAL CONSIDERATIONS:**

The Waste Management Collection and Recycling Facility is in full compliance with all zoning regulations. The City's action to contract with Waste Management Collection and Recycling would involve activities within the scope of approved land use conditions and permits to operate. The Environmental Services Division has determined that no environmental review is required.

**POLICY CONSIDERATIONS:**

Maintaining redundant facilities with processing capacity to divert the City's green waste is vital to the City's ability to sustain 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 Council

Award of Services Agreement to Waste Management Collection and Recycling Inc. in an Amount not to Exceed \$550,000 for Green Waste Diversion  
May 5, 2000

City staff continues 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, it 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 allow the evaluation of such considerations as experience of the processor, adequacy of proposed facilities, and the history of regulatory compliance, in addition to bid price, in determining the most qualified vendor.

**ESBD CONSIDERATIONS:**

None of the proposers were certified Emerging or Small Business Enterprises.

Respectfully submitted,



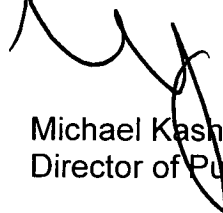
Gary Van Dorst  
Solid Waste Planning Superintendent

RECOMMENDATION APPROVED:



ROBERT P. THOMAS  
City Manager

Approved:



Michael Kashiwagi  
Director of Public Works

**RESOLUTION NO. 2000-263**

ADOPTED BY THE SACRAMENTO CITY COUNCIL

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



**RESOLUTION AUTHORIZING THE CITY MANAGER  
TO EXECUTE AN AGREEMENT WITH WASTE MANAGEMENT  
COLLECTION & RECYCLING INC. IN AN AMOUNT NOT TO  
EXCEED \$550,000 FOR GREEN WASTE DIVERSION**

**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:**

1. The City Manager is authorized to execute an agreement with Waste Management Collection and Recycling Inc. in an annual amount not to exceed \$550,000 for green waste processing services; and,
2. Subject to the availability of funds in the approved Solid Waste Fund Budget, the City Manager may renew the agreement under the same terms and conditions on an annual basis, in an amount not to exceed \$550,000, provided that the term of the agreement, including such annual renewals, shall not extend more than five (5) years after the date of this Resolution.

\_\_\_\_\_  
MAYOR

ATTEST:

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

\_\_\_\_\_  
FOR CITY CLERK USE ONLY

RESOLUTION NO.: \_\_\_\_\_  
DATE ADOPTED: \_\_\_\_\_