

CITY OF LOS ANGELES

CALIFORNIA



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When making inquiries relative to
this matter, please refer to the
Council File No.

October 31, 2014

To All Interested Parties:

The City Council adopted the action(s), as attached, under Council File No. 13-0673, at its meeting held October 29, 2014.

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ENERGY AND ENVIRONMENT COMMITTEE REPORT relative to proposed First Amendments to Contract No. C-111835 with NASA Services, Inc. (NASA) and Contract No. 111836 with Universal Waste Systems, Inc. (Universal Waste) for collection and processing of recyclable materials from multi-family residences.

Recommendation for Council action:

AUTHORIZE the Board of Public Works, on behalf of the Bureau of Sanitation (BOS), to execute the First Amendment to Contract No. 111835 with NASA and Contract No. 111836 with Universal Waste to authorize the second two-year renewal option, increase the cost ceiling by \$19 million and \$16 million, respectively, and add a third two-year renewal option on a month-to-month basis for the collection and processing of recyclable materials from multi-family residences.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports there is no General Fund impact as funding for the proposed First Amendments is included in the 2014-15 Adopted Budget for the Citywide Recycling Trust Fund. Future year funds will be provided from the same funding source and appropriated through the City's budget development process, which is subject to Mayor and Council approval. The recommendation in the September 29, 2014 CAO report, attached to the Council file, complies with the City's Financial Policies as sufficient revenues are available to support proposed expenditures.

Community Impact Statement: None submitted.

TIME LIMIT FILE - DECEMBER 7, 2014

(LAST DAY FOR COUNCIL ACTION - DECEMBER 5, 2014)

Summary:

On October 15, 2014, your Committee considered a September 29, 2014 CAO report relative to proposed First Amendments to Contract No. C-111835 with NASA, and Contract No. 111836 with Universal Waste for collection and processing of recyclable materials from multi-family residences. According to the CAO, on June 22, 2007, Council (Council File No. 07-1876) authorized the Bureau to execute five-year agreements with two two-year renewal options (for a total term of nine years), with Full Circle Recycling Company (Full Circle), NASA, and UWS to collect and process recyclable materials from multi-family residences at a cost not to exceed \$4.2 million, \$20 million, and \$20 million, respectively. These three contractors serviced five of the City's six Wastesheds.

On March 5, 2008, Council (Council File No. 08-0279) authorized the BOS to execute a similar nine-year agreement with USA Waste of California, Inc. (USA Waste) to service the sixth Wasteshed (Harbor) and act as a backup contractor for any of the remaining Wastesheds at a cost not to exceed \$17 million. On December 22, 2010, the Board terminated the agreement with Full Circle for a material breach of the contract and USA Waste assumed the services of this contract. The five-year term for the NASA and UWS contracts expired on July 2, 2012 and on August 1, 2013, Supplemental Agreements (Council File No. 13-0673) to both contracts were approved to authorize the first two-year renewal option and to increase the cost ceiling for each contract by \$11 million, from \$20 million to \$31 million. These Supplemental Agreements expired on July 3, 2014 and the proposed First Amendment is required to authorize the second two-year renewal option and increase the cost

ceiling by \$19 million for NASA and \$16 million for USW.

In November 2012, Council (Council File No. 10-1797) approved an Exclusive Franchise System for solid waste collection for commercial and multi-family residences. This Franchise System will be implemented in 2016-17 and at that time, the private waste haulers will be responsible for providing recycling services and the BOS will terminate these contracts. For this reason, the First Amendments add a third two-year term that will extend the contracts from July 3, 2016 through July 2, 2018 on a month-to-month basis or until the new Franchise agreements are in place. At this time, the BOS is only requesting authority to extend the term and increase the cost ceilings for the NASA and UWS contracts. The contract with USA Waste was executed at a later date and has yet to expire. In addition, the BOS reports that there is sufficient capacity under this contract's existing cost ceiling.

After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the First Amendments to Contract No. C-111835 with NASA and Contract No. C-111836 with Universal Waste. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

ENERGY AND ENVIRONMENT COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
FUENTES:	YES
BLUMENFIELD:	YES
LABONGE:	ABSENT
HUIZAR:	ABSENT
KORETZ:	YES
ARL	
10/15/14	

ADOPTED

OCT 29 2014

LOS ANGELES CITY COUNCIL

-NOT OFFICIAL UNTIL COUNCIL ACTS-