

ENERGY AND ENVIRONMENT COMMITTEE REPORT relative to proposed contract with USA Waste of California, Inc., dba Waste Management El Sobrante Landfill, for landfill disposal services for residual municipal solid waste.

Recommendation for Council action:

AUTHORIZE the Board of Public Works, on behalf of the Bureau of Sanitation, to execute the proposed Personal Services Contract with USA Waste of California, Inc. dba Waste Management El Sobrante Landfill, to provide landfill disposal services of residual municipal solid waste for a period of 15.5 years, effective upon the date of execution, subject to City Attorney approval as to form.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that there is no General Fund impact as \$4,835,586 is available from the Solid Waste Resources Revenue Fund to support the 2013-14 costs of the contract and subsequent year funding will be allocated through the City's annual budget process, which is subject to Mayor and Council approval. The contract includes a Financial Liability Clause which limits the City's annual financial obligation to the amount approved in the corresponding year's annual budget. The recommendation in the January 3, 2014 CAO report, attached to the file, complies with the City's Financial Policies as ongoing revenue will support ongoing expenditures.

Community Impact Statement: None submitted.

TIME LIMIT FILE - MARCH 9, 2014

(LAST DAY FOR COUNCIL ACTION - MARCH 7, 2014)

Summary:

On February 19, 2014, your Committee considered a January 3, 2014 CAO report relative to a proposed contract with USA Waste of California, Inc. (USA Waste), dba Waste Management El Sobrante Landfill, for landfill disposal services for residual municipal solid waste. According to the CAO, in accordance with Executive Directive No.3, the Board of Public Works (Board), on behalf of the Bureau of Sanitation (BOS), is requesting authority to execute the proposed Personal Services Contract with USA Waste to provide landfill disposal services of residual municipal solid waste. The term of the proposed contract is five years with two options to extend for an additional five years each and a third option to extend for an additional six months on a month-to-month basis for a total potential term of 15.5 years. The contract does not contain a cost ceiling but includes a Financial Liability Clause which limits the City's annual financial obligation to the amount appropriated in the corresponding year's budget.

The BOS estimates \$2.5 million in remaining costs in 2013-14 and \$25.5 million in total costs for the first five years. In accordance with Los Angeles Administrative Code Section 10.5 (a), the execution of the proposed contract requires Council approval as the term of the contract will exceed three years. The City collects approximately 3,600 tons per day (tpd) of residual municipal solid waste (or Black Bin material) from its six wastesheds. About 1,300 tpd is collected from the East and West Valley Wastesheds and directly hauled to Republic Service's Sunshine Canyon Landfill (SCL) in Sylmar. Another 200 tpd is collected from the Harbor Wasteshed where 100 tpd is sent for energy recovery and 100 tpd is transloaded at the Falcon Transfer Station for landfill disposal at SCL. The

remaining 2,100 tpd is collected from the South Los Angeles, North Central, and West Los Angeles Wastesheds where 1,870 tpd is delivered to the City's Central Los Angeles Recycling and Transfer Station (CLARTS) and 230 tpd is sent to the Southern California Disposal facility for transfer to SCL. Of the 1,870.tpd delivered to CLARTS, 1,270 tpd is delivered to SCL and 600 tpd is delivered to El Sobrante landfill in Corona, California in accordance with Council policy (Council File No. 05-1364).

After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the contract with USA Waste, effective upon the execution of the contract. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

ENERGY AND ENVIRONMENT COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
FUENTES:	YES
BLUMNFELD:	YES
LABONGE:	ABSENT
HUIZAR:	ABSENT
KORETZ:	YES

ARL
2/19/14

-NOT OFFICIAL UNTIL COUNCIL ACTS-