

DEPARTMENT OF PUBLIC WORKS

BUREAU OF SANITATION  
BUREAU OF CONTRACT ADMINISTRATION  
JOINT BOARD REPORT NO. 1  
JUNE 7, 2006

ADOPTED BY THE BOARD OF  
PUBLIC WORKS OF THE CITY  
of Los Angeles, California  
AND REFERRED TO THE MAYOR  
JUN 7 - 2006

*James H. [Signature]*  
Secretary

CD: ALL

AUTHORITY TO EXECUTE A PERSONAL SERVICES CONTRACT WITH SOLID SOLUTIONS, LLC. FOR THE BENEFICIAL USE OF CITY OF LOS ANGELES' BIOSOLIDS (W.O. SGH0000)

RECOMMENDATIONS

1. Approve and forward this report with transmittals to the Mayor with the request that the Board of Public Works be authorized to execute a three-year contract with Solid Solutions, LLC. (Solid Solutions) for the beneficial use of City of Los Angeles' (CITY) biosolids;
2. Authorize the President or two members of the Board to execute the contract upon authorization from the Mayor; and
3. Return the executed contract agreement to the Bureau of Sanitation for further processing.

TRANSMITTALS

1. Copy of the Board Report adopted on November 28, 2005, authorizing the negotiation of personal services contracts with Solid Solutions and Synagro Composting Company of California, Inc. (Synagro) for the beneficial use of CITY biosolids.
2. Copy of the proposed contract with Solid Solutions for the beneficial use of CITY biosolids. Originals will be delivered to the Board Office when the Board Report Section (5-4232) is notified that the contract is ready for execution.
3. Copy of the letter from Solid Solutions dated February 2006.

DISCUSSION

**BACKGROUND**

On November 28, 2005, the Board approved a board report that authorized the Director of the Bureau of Sanitation to negotiate personal services contracts with Solid Solutions and Synagro for the beneficial use of CITY's biosolids.

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On November 30, 2005, the Bureau staff began contract negotiations with Solid Solutions and Synagro. The initial prices offered by Solid Solutions and Synagro were comparable at \$41.40/wet ton for a minimum daily average of 51 wet tons and \$41.25/wet ton for a minimum daily average of 75 wet tons respectively.

However, on January 11, 2006, Solid Solutions notified the City Staff that their price per wet ton of biosolids went up to reflect the changes in the Consumer Price Index (CPI) and the increase in fuel cost. The new price as stated in their letter dated, February 2006 was \$43.45/wet ton for an average of more than 51 wet tons per day (wtpd) of CITY biosolids hauled to their permitted land application and/or composting sites in Yuma County and La Paz County, Nevada and/or Merced County, California. In addition, Solid Solutions further agreed that in case of emergency, they would provide available equipment to transport biosolids to their sites or other sites approved by the CITY with 12 hours advance notice. Furthermore, Solid Solutions agreed to beneficially use greater than 100 wtpd at their sites within 60 days after receiving a written notice from the CITY.

Solid Solutions has excellent expertise and resources that could be utilized to best serve the CITY's needs. They have current contracts with other Publicly Owned Treatment Works in California. Their biosolids management operations have been inspected and audited according to the National Biosolids Partnership's Environmental Management System (EMS). The CITY is an EMS certified agency. Solid Solutions' sites were used before by the CITY through Responsible Biosolids Management and the sites were inspected by CITY employees.

After your Board's approval to negotiate with the second contractor, Synagro, they informed the CITY that capacity at their composting facility in Corona, California was full. Instead of their original price of \$41.25/wet tons, Synagro's alternative option was to process CITY biosolids at their Vicksburg facility at a price of \$53.75/wet ton. This would result in a 30% price increase. It is for this reason that the Bureau of Sanitation Management has decided not to pursue a contract with Synagro at this time.

**Contract Terms**

The term of this contract with Solid Solutions will be for three years, commencing on the date the first load of biosolids is hauled.

**MBE/WBE/OBE Subcontractor Outreach Program**

At the time of distribution of the RFP for this contract, the City had established an MBE/WBE/OBE Subcontractor Outreach Program for this project with anticipated MBE and WBE participation levels of 18 and 4 percent respectively. Solid Solutions, LLC pledged participation levels are 0 percent MBE, 0 percent WBE, and 76.13 percent OBE.

**Gender/Ethnicity Codes:**

AA = African American	HA = Hispanic American
SAA = Subcontinent Asian American	APA = Asian Pacific American
C = Caucasian	NA = Native American
M = Male	F = Female

The MBE/WBE/OBE subconsultant participation for Solid Solutions, LLC. is as follows:

Subconsultants	Gender Ethnic	MBE/WBE/OBE	% of Contract	Sub-contract Amount
Black Custom Spreading		OBE	7.95%	\$175,000
Fleet Transportation		OBE	68.18%	\$1,500,000
Total MBE Pledged participation			0.00%	0
Total WBE Pledged participation			0.00%	0
Total OBE Pledged Participation			76.13%	\$1,675,000
Total Contract				\$2,200,000

**Other Policies and Compliance**

Contractor has complied with the Equal Benefits Ordinance, Slavery Disclosure Ordinance, and Affirmative Action Plan requirements of the bid.

**Contractor Responsibility Ordinance**

Contractor participating in this program is subject to compliance with the requirements specified in the City of Los Angeles' Contractor Responsibility Ordinance #173677, [Article 14, Chapter 1, Division 10, L.A.C.C.]. Failure to comply with requirements specified in this ordinance will render the bidder's contract subject to termination pursuant to the conditions expressed therein.

The Contract will be issued in compliance with the Rules and Regulations implementing Ordinance 173677, Section 10.40.7. Therefore, pursuant to Section B, Paragraph 1 of the Rules and Regulations implementing this Ordinance, "language informing

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potential bidders of the Ordinance (above paragraph), and the Questionnaire to be submitted in compliance with the Ordinance, will be included in these contract.

**Contractor Performance Evaluation**

In accordance with Article 13, Chapter 1, Division 10 of the City of Los Angeles Administrative Code, the appropriate City Personnel responsible for the quality control of these Personal Services Contract shall submit Contract Performance Evaluation Report to the City Administrative Officer (CAO) upon completion of these contract.

**Charter 1022**

Charter 1022 was filed with the Personnel Department on March 18, 2003 and has determined that it is more cost effective to contract out this work. The union has also been consulted on this proposed contract and has no objection.

**Contract Administration**

Responsibility for administration of this contract will be with the Hyperion Treatment Division, Bureau of Sanitation.

**Headquarters Information**

The headquarters address of Solid Solutions, LLC. is in 12340 Seal Beach Boulevard #B-383, Seal Beach, California 90740. Their office is located at 19700 Fairchild Drive, Suite 290, Irvine, California 92612. The contractor has a staff of 10 employees assigned to this contract, none of whom reside in the City of Los Angeles.

**STATUS OF FINANCING**

The estimated costs break down for these services are:

<b>Fiscal Year</b>	<b>Estimated Costs</b>
05-06	\$ 73,150
06-07	\$881,450
07-08	\$925,520
08-09	\$887,120

Funds in the amount of \$73,150 are available in the Sewer Operations & Maintenance Fund 760, Account Y282, Object 304, Contractual Services. The remaining fund requirements of \$2,694,090 will be budgeted in the subsequent fiscal years in the Sewer Operations & Maintenance Fund 760.


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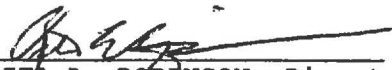
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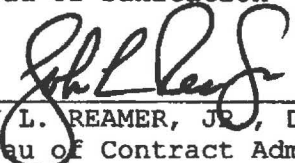
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Respectfully submitted,

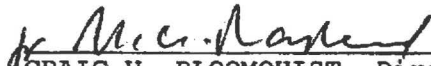
COMPLIANCE REVIEW PERFORMED  
AND APPROVED BY:

  
\_\_\_\_\_  
HANNAH CHOI, Program Manager  
Office of Contract Compliance  
Bureau of Contract Administration

  
\_\_\_\_\_  
RITA L. ROBINSON, Director  
Bureau of Sanitation

  
\_\_\_\_\_  
JOHN L. REAMER, JR., Director  
Bureau of Contract Administration

APPROVED AS TO FUNDS:

  
\_\_\_\_\_  
CRAIG V. BLOOMQUIST, Director  
Office of Accounting

Date 5/30/06

Prepared by:  
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