

ADOPTED BY THE BOARD  
PUBLIC WORKS OF THE CITY  
of Los Angeles California

SEP 29 2010

For the meeting of September 29, 2010

CD: All

  
Executive Officer

## MOTION

On June 7, 2006, the Board of Public Works (Board) authorized the Bureau of Sanitation (Bureau) to execute a Personal Services Contract C-110634 with Solid Solutions for the loading, transporting, and beneficial use of City biosolids. The contract term was for 3 years and the City started utilizing Solid Solutions' services on October 4, 2007.

On March 12, 2008, Solid Solutions was acquired by Terra Renewal. Terra Renewal has provided satisfactory services to the City thus far, and has proven that they are a reliable contractor. Terra Renewal has also offered to the City various beneficial reuse sites that could be used in the City's Biosolids Diversification Program and as alternatives to the Green Acres Farm should the City fail to win the current litigation against Kern County.

On July 15, 2009, a motion was adopted by the Board to increase the estimated cost from \$2,925,841 to \$4,013,960 to cover the cost of additional hauling of biosolids due to the Freeway 5 closures during the winter months of 2007 and the cost of fuel increase (during the summer months of 2008), as allowed in Article 10.5 of contract agreement.

The Bureau is preparing Amendment No. 1 to Contract C-110634, to retain Terra Renewal to continue to provide the required services for the City's biosolids beneficial uses. The Amendment No. 1 will extend the current contract by two (2) years with a two (2) year option to renew. This time period is similar to other biosolids contracts that are being amended to provide uninterrupted services during and resulting from Kern County Measure "E" litigation. However, in order to continue uninterrupted services, the City needs to extend the current Contract C-110634 with Terra Renewal on a month-to-month basis for a period not to exceed six (6) months (from October 04, 2010 to April 03, 2011) and increase the estimated amount from \$4,013,960 to \$5,513,960 until the Amendment No. 1 is authorized, signed and executed.

The reasons for requesting an increase to the ceiling cost are as follows: 1) the original ceiling cost was an estimate based on the lower fee at Synagro Composting Facility in Corona, which was closed on October 2008. Since that time, the City has been using composting sites in Arizona and South Kern, California, which have higher costs for composting; 2) The City has recently been using Terra Renewal services for hauling biosolids from Hyperion Treatment Plant (HTP) to Terminal Island Water Reclamation Plant (TIWRP) for the Terminal Island Renewable Energy (TIRE) project. This extra service (#2) was not included in the original estimated cost. The requested amount of \$1,500,000 will cover all unpaid invoices (for work completed June 30, 2010), the estimated cost from July 01, 2010 to October 03, 2010, and an additional six (6) months until the Amendment No. 1 is fully executed. The additional cost for Terra Renewal to haul HTP biosolids to the TIWRP TIRE site will be partially off-set in reduced costs that will not be incurred from hauling this same tonnage biosolids by Responsible Biosolids Management (RBM) to Green Acres Farm in Kern County.

Funding for Contract C-110634 extension in the amount of \$1,500,000 for Fiscal Year 2010-2011 is identified in Account # G282, Dept 50 and Object 304., Line #52 HTP Biosolids & Ash Reuse. Extending this contract will have no impact on the General Fund. Funds are currently budgeted in the 2010-2011 budget Sewer Construction and Maintenance Operation fund.

IT IS THEREFORE MOVED that the Board of Public Works approve the extension of the existing contract with Terra Renewal (C-110634) on a month-to-month basis for a period not to exceed six (6) months (from October 04, 2010 to April 03, 2011) until the Amendment No. 1 to agreement C-110634 is fully executed, and approve the increase to the estimated amount from \$4,013,960 to \$5,513,960.

Respectfully Submitted,

  
ENRIQUE C. ZALDIVAR, Director  
Bureau of Sanitation

Statement as to Funds Approved by:

  
VICTORIA A. SANTIAGO, Director

Office of Accounting

Date: 9/23/10

Author: Alan Tran  
310-648-5995

For the meeting of March 23, 2011

ADOPTED BY THE BOARD  
PUBLIC WORKS OF THE CITY  
of Los Angeles California

MAR 23 2011

CD: All

**MOTION**



Executive Officer

On June 7, 2006, the Board of Public Works (Board) authorized the Bureau of Sanitation (Bureau) to execute a Personal Services Contract C-110634 with Solid Solutions (Terra Renewal) for the loading, transporting, and beneficial use of City biosolids. The contract term was for three (3) years and the City started utilizing Solid Solutions' services on October 4, 2007, the date the first load of biosolids was hauled.

On September 29, 2010, a motion was adopted by the Board to extend the current Contract C-110634 with Terra Renewal on a month-to-month basis for a period not to exceed six (6) months (from October 4, 2010 to April 3, 2011) and increase the estimated amount from \$4,013,960 to \$5,513,960 until Amendment No. 1 is authorized, signed and executed.

On February 9, 2011, the Board approved Joint Board Report No. 1 for the authority to execute Amendment No. 1 to the current Contract C-110634 with Terra Renewal for the beneficial use of City biosolids for an additional two (2) years with a one (1) two-year renewal option. In addition, the Board amended the report to include extending the current Contract C-110634, which expires on April 3, 2011, on a month-to-month basis until Amendment No. 1 is executed. The Board report and contract are currently under review by the Office of the City Administrative Officer (CAO).

Currently, there are insufficient funds to cover the cost of services until July 2011 (which is the estimated date by which Amendment No. 1 should be executed). Therefore, an increase of \$620,500 is being requested to fund the services from January 2011 to July 2011. The new total cost estimate for this contract agreement is now projected to be \$6,134,460. The details of this calculation are provided as follows:

	<b>Period Covered</b>	<b>Cost (\$)</b>
<b>Approved Estimated Cost</b>		<b>\$5,513,960</b>
Remaining Balance of Estimated Cost	Up to 04/2011	\$763,479
Outstanding Invoices	Up to 01/2011	\$159,477
Projected Expenditures	02/2011 to 07/2011	\$1,224,502
<b>Requested Amount needed until 07/2011</b>		<b>\$620,500</b>
<b>New Estimated Cost for Contract</b>		<b>\$6,134,460</b>

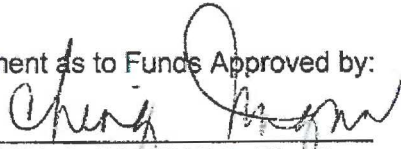
The portion of the funding for Contract C-110634 extension in the amount of \$620,500 for Fiscal Year 2010-2011 is identified in Fund 760, Account # G282, Dept 50, Object 304, Line #52 HTP Biosolids & Ash Reuse. Extending this contract will have no impact on the General Fund. Funds are currently budgeted in the 2010-2011 budget Sewer Construction and Maintenance Operation fund. The remaining fund requirements will be budgeted in the subsequent fiscal years in the Sewer Construction and Maintenance Operation Fund 760.

IT IS THEREFORE MOVED that the Board approves the increase in estimated cost of Contract C-110634 with Terra Renewal for the beneficial use of City biosolids from \$5,513,960 to \$6,134,460.

Respectfully Submitted,

  
ENRIQUE C. ZALDIVAR, Director  
Bureau of Sanitation

Statement as to Funds Approved by:

*for*   
VICTORIA A. SANTIAGO, Director  
Office of Accounting  
Date 3/17/11

Author: Alan Tran  
(310) 648-5995