

ENERGY AND ENVIRONMENT COMMITTEE REPORT relative to proposed Amendment No. 2 to Contract No. C-110634 with Terra Renewal, LLC (Terra Renewal) for the beneficial use of City biosolids.

Recommendations for Council action:

1. AUTHORIZE the Board of Public Works (BPW) to execute Amendment No. 2 to Contract No. C-110634 with Terra Renewal for the beneficial use of City biosolids to increase the contract cost ceiling from \$19.20 million to \$28.99 million (special funding available from the Sewer Construction Maintenance and Operation [SCMO] fund) and to extend the contract term for an additional three years with one two-year renewal option.
2. AUTHORIZE the President or two members of the BPW to execute Amendment No. 2 to Contract No. C-110634.

Fiscal Impact Statement: The BPW reports that financing for Amendment No. 2 to Contract No. C-110634 will be requested through the Hyperion Treatment Plant budget. There will be no impact to the General Fund as a result of the proposed Amendment No. 2. This Amendment will be funded by the SCMO Fund.

Community Impact Statement: None submitted.

**TIME LIMIT FILE - MARCH 23, 2015**

**(LAST DAY FOR COUNCIL ACTION - MARCH 20, 2015)**

Summary:

On February 4, 2015, your Committee considered a January 21, 2015 BPW report relative to proposed Amendment No. 2 to Contract No. C-110634 with Terra Renewal for the beneficial use of City biosolids. Amendment No. 2 will increase the contract cost ceiling from \$19.20 million to \$28.99 million and to extend the contract term for an additional three years with one two-year renewal option. Special funding is available from the SCMO fund. According to the BPW currently, the Hyperion Treatment Plant and Terminal Island Water Reclamation Plant produce Class "A" Exceptional Quality biosolids. The Bureau of Sanitation (BOS) has adopted a diversified approach to managing its biosolids, which at present includes land application, composting, and deep well injection. Terra Renewal has assumed responsibility for the loading, transporting, and beneficial use of City of Los Angeles (City) biosolids at City approved sites.

On June 7, 2006, the Board authorized the Bureau to execute a Personal Services Contract C-110634 with Terra Renewal (formally Solid Solutions, LLC) for the loading, transporting, and beneficial use of the City's biosolids. The City started utilizing Terra Renewal's services on October 4, 2007 with the contract term of three years with an expiration date of October 3, 2010. On September 29, 2010 and March 23, 2011, two motions were adopted by the BPW to extend the contract with Terra Renewal on month-to-month basis, and to increase the estimated amount from \$4.01 million to \$6.13 million until Amendment No. 1 was authorized, signed and executed.

On February 9, 2011, the BPW initially approved the execution of Amendment No. 1 to Contract C-

110634 with Terra Renewal (Council File No. 11-1184). Amendment No. 1, was finally executed on August 12, 2011, for a two-year term and contains the option to extend the term for an additional 2 years. The additional 2 year extension on the current amendment is due to expire on August 11, 2015.

A Request for Proposals (RFP) for the management of the City's biosolids is currently in development. During this process, the City desires to amend the current contract with Terra Renewal, which will provide time for the City to issue an RFP and negotiate a contract with the selected Proposer. In addition, Terra Renewal has offered to the City various beneficial reuse sites that could be used in the City's Biosolids Diversification Program and as an alternative to Green Acres Farm should the City not prevail in the current litigation against Kern County.

After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the proposed amendment as detailed in the above recommendations. 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  
2/4/15

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**