

ENERGY AND ENVIRONMENT COMMITTEE REPORT relative to proposed contract with B.J. Used Tire and Rubber Recycling, Inc. (B.J. Used Tire and Rubber Recycling) for the collection, transportation, and processing of used/waste tires for beneficial reuse.

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 B.J. Used Tire and Rubber Recycling for the collection, transportation, and processing of used/waste tires for beneficial reuse for a five year period with one renewal option for an additional five years and a second renewal option for an additional six months on a month-to-month basis at a cost not to exceed \$4.0 million.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that funding for the proposed contract is provided by CalRecycle grants, General City Purposes, and various Council District funds and no additional General Fund appropriation is required. Sufficient funds are available to support the first year costs of the contract and future year funding will be provided through the City's annual budget process, which is subject to Mayor and Council approval. Additionally, the contract contains a Financial Liability Clause, which limits the City's annual financial obligation to the amount approved in the budget. Therefore, the recommendation contained in the May 28, 2015 CAO report complies with the City's Financial Policies as sufficient funds are available to support proposed expenditures.

Community Impact Statement: None submitted.

**TIME LIMIT FILE - JULY 30, 2015**

**(LAST DAY FOR COUNCIL ACTION - JULY 29, 2015)**

Summary:

On June 17, 2015, your Committee considered a May 28, 2015 CAO report relative to proposed contract with B.J. Used Tire and Rubber Recycling for the collection, transportation, and processing of used/waste tires for beneficial reuse for a term of five years with one five-year renewal option for a cost not exceed \$400,000 per year. According to the CAO, the Board of Public Works (Board), on behalf of the Bureau of Sanitation (BOS), is requesting authority to execute a Personal Services Agreement with B.J. Used Tire and Rubber Recycling for the collection, transportation, and processing of used/waste tires for beneficial reuse for a five year period with one renewal option for an additional five years and a second renewal option for an additional six months on a month-to-month basis for a total potential term of 10.5 years at a cost not to exceed \$4.0 million (or \$400,000 per year). In accordance with Los Angeles Administrative Code Section 10.5 (a), Council approval is required to execute the proposed contract as the term of the contract exceeds three years.

The California Tire Recycling Act of 1989 (Assembly Bill 1843) created the Tire Recycling Program to reduce landfill disposal of used tires, increase recycling of tires into secondary uses, and promote secondary markets for used tire byproducts, tire shredding, and energy recovery. The Act also established the California Tire Fee, a \$1.75 fee assessed on the sale of new tires, and created the California Tire Recycling Management Fund for the deposit of such revenues, The California Department of Resources Recycling and Recovery (CalRecycle) administers this Fund and awards grants to local governments to support activities that reduce the number of used or waste tires going

to landfills.

To support this legislation, the City implemented the Waste Tire Recycling Program, which provides the following services:

- a. Collection of abandoned used/waste tires in residential areas and along public right-of-ways.
- b. Six amnesty events per year where City residents may drop off up to nine used/waste tires per trip (pursuant to California Public Resources Code Section No. 42954) at no cost.
- c. City residents may drop off up to four used/waste passenger tires at any of the Bureau's six district yards per calendar year.
- d. South Los Angeles Alley Cleanup Program, which addresses the most blighted alleyways in Council Districts 8, 9, 10, and 15.
- e. Council District 1 Keep It Clean Campaign, which addresses abandoned waste in alleyways, streets, and vacant lots in Council District 1.
- f. Clean Streets Program (Council File No. 13-0852-S1) which provides additional alleyway and abandoned waste cleanups on a citywide level.

Through these services, the BOS annually collects approximately 26,000 used/waste tires (or 325 tons). The BOS stores these tires at its six district yards and requires a private hauler to collect them from its facilities and transport them to CalRecycle certified waste tire processing facilities for recycling and beneficial reuse. Used/waste tires can be re-treaded for reuse or resale or recycled into new rubber products such as artificial turf, ground cover for playgrounds, running tracks, athletic fields, or slurry seal for repaving City streets. Since the implementation of this program and as the program has expanded over the years, different contractors have provided this service. Currently, the services are being performed through a Letter of Agreement with the B.J. Used Tire and Rubber Recycling that expires on June 30, 2015.

After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the proposed 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
BLUMENFIELD:	YES

LABONGE: ABSENT  
HUIZAR: ABSENT  
KORETZ: YES

ARL  
6/17/15

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**