



Office of the City Manager

CONSENT CALENDAR
March 22, 2022

To: Honorable Mayor and Members of the City Council

From: Dee Williams-Ridley, City Manager

Submitted by: Liam Garland, Director, Public Works

Subject: Contract No. 090342-1 Amendment: Waste Management of Alameda County for Landfill Disposal Services

RECOMMENDATION

Adopt a Resolution authorizing the City Manager to amend the City's existing Contract No. 090342-1 with Waste Management, Inc. of Alameda County for Landfill Disposal Services through December 31, 2026 by increasing the Not to Exceed amount from \$32,740,168 to \$45,545,780.

FISCAL IMPACTS OF RECOMMENDATION

FY 2022 funding is available in the Zero Waste Fund; account code 601-54-627-734-3023-000-472-612990. FY 2023-FY 2026 funding is subject to annual appropriation.

CURRENT SITUATION AND ITS EFFECTS

This contract for landfill services is a Strategic Plan Priority Project, advancing the City's goals to provide state-of-the-art, well-maintained infrastructure, amenities, and facilities, and provide an efficient and financially healthy City government.

The City has a current contract with Waste Management, Inc. of Alameda County (WMI) for this landfill services at their Altamont Landfill located in Livermore. This contract provides for disposal of non-recyclable materials collected by the City's Zero Waste Division or delivered to the Transfer Station by third parties. The initial contract term was March 1, 2012 through December 31, 2016 and included two five-year extensions.

On December 23, 2020, the City exercised the second five-year extension, thus extending the contract until December 31, 2026. However, the original 2011 contract included a not-to-exceed (NTE) amount that had not accounted for cost of living escalators included in the existing contract and had underestimated future landfilled tons. Without correcting the NTE, this contract would run out of funds sometime between September 2022 and February 2023.

This action increases the NTE from the 2011 contract, and ensures the City funds landfill services through December 31, 2026, increasing the NTE amount from \$32,740,168 to \$45,545,780.

BACKGROUND

The City released a Landfill Disposal Services RFP (Specification No. 11-105867-C) on June 6, 2011. The City received three proposals for these services, and based on an assessment of the proposals, the City's evaluation panel recommended an award of the landfill disposal contract to WMI.

City Council's last approved five-year Zero Waste rate schedule was effective from July 1, 2014 through June 30, 2019. From July 1, 2019 through today, Zero Waste rates have stayed flat with no annual escalation. On December 7, 2021, staff and City Council discussed a new proposed five-year rate schedule. Staff are considering whether 2023 is better timing to initiate these five-year rate setting procedures, given the impact of inflation on the City's customers and to coordinate with other revenue measure possibilities.

ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS

The continuation of this contract with WMI provides for the environmentally sound disposition of materials in a Federal and State regulatory-compliant landfill. Altamont Landfill has installed modern and updated technology that captures GHGs, specifically methane, and leachate created by the decomposition of these materials, which supports the City's 2009 Climate Action Plan Goals.

RATIONALE FOR RECOMMENDATION

The City's Zero Waste Division provides curbside collection service to 23,000+ residents who live in up to five dwelling units, 5,000+ residents who live in multi-family buildings of 6 or more units, and commercial customers. The division also operates a Transfer Station that provides disposal services to 420+ drive-in customers daily. The extension of the current WMI contract provides the City's continued access to WMI's Altamont Landfill, which meets both Federal and State requirements.

ALTERNATIVE ACTIONS CONSIDERED

None. Without the NTE being corrected, the City will run out of authority for the current contract, which could result in hundreds of tons of material collecting at the Transfer Station with costlier options for landfill services.

CONTACT PERSON

Greg Apa, Solid Waste & Recycling Manager, Zero Waste Division - Public Works, (510) 981-6359

RESOLUTION NO. ##,###-N.S.

CONTRACT NO. 090342-1 AMENDMENT: WASTE MANAGEMENT OF ALAMEDA COUNTY FOR LANDFILL DISPOSAL SERVICES

WHEREAS, this landfill service is a Strategic Plan Priority Project, advancing the City's goals to provide state-of-the-art, well-maintained infrastructure, amenities, and facilities, and provide an efficient and financially-health City government;

WHEREAS, the City Council authorized the contract award with the initial term of March 1, 2012 through December 31, 2016 and provided for two five-year extensions, ending December 31, 2026;

WHEREAS, the City's Zero Waste Division provides curbside collection service to 23,000+ residents, which includes multi-family units of up to 5, and 5,000+ commercial customers, which includes multi-family units of 6 or more. The Division also operates the City's Transfer Station that provides disposal services to 420+ drive-in customers daily;

WHEREAS, the existing contract provides sufficient disposal capacity of non-recyclable materials collected by the City's Zero Waste Division or delivered to the Transfer Station by third party; and

WHEREAS: on December 23, 2020, the City exercised, at its sole option, the second five-year extension, thus extending the contract until December 31, 2026. The extension of the current WMI contract provides the City's continued access to WMI's Altamont Landfill, which meets both Federal and State requirements.

WHEREAS, funding is available in the FY2022 Zero Waste Fund budget: 671-54-626-723-0000-000-473-664120.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager is authorized to increase the Not to Exceed amount from \$32,740,168 to \$45,545,780 of the City's existing Contract No. 090342-1 with Waste Management, Inc. of Alameda County through December 31, 2026 for these state and city mandated landfill disposal services to ensure and protect the health and welfare of Berkeley's community members and businesses.

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