



Office of the City Manager

CONSENT CALENDAR
January 31, 2017

To: Honorable Mayor and Members of the City Council

From: *DWR* Dee Williams-Ridley, City Manager

Submitted by: Phillip Harrington, Director, Department of Public Works

Subject: Contract: Recology Blossom Valley Organics - North for Hauling and Processing of Compostable Materials

RECOMMENDATION

Adopt a Resolution authorizing the City Manager to execute a contract with Recology Blossom Valley Organics – North for hauling and processing compostable materials, in an amount not to exceed \$13,061,930 for the five-year period March 1, 2016 to March 1, 2021.

FISCAL IMPACTS OF RECOMMENDATION

\$1,129,200 is available in FY 2017 Zero Waste Funds 820-5604-432-3038 (\$65,618), 820-5614-432-3038 (\$542,154), and 820-5615-432-3038 (\$521,428). An additional \$1,569,788 in Zero Waste Funds will be appropriated for FY 2017 as part of the Second Amendment to the FY 2017 Annual Appropriation Ordinance. Funding for this contract in future fiscal years FY 2018 – FY 2021 is subject to approval of an annual appropriation in those respective budgets.

This contract has been assigned CMS number FEYSV.

CURRENT SITUATION AND ITS EFFECTS

The City currently contracts with Recology Blossom Valley Organics - North (Recology) for services on a month-to-month basis expiring January 31, 2017. In June, 2016 the City released a Request for Proposals (RFP) for hauling and processing compostable materials. Of the three responses received, those proposals from EBMUD and Napa Recycling were deemed non-responsive as their facilities would not become operational by the contract start date of January 31, 2017. Recology was deemed the most responsive and responsible bidder, and at the conclusion of the RFP process, the City entered into negotiations with Recology.

The company has proposed a five-year contract with a mutual option for a five year extension that reflects the new per ton rate of \$49.62 for processing the City's green waste material, and \$15.81 per ton transportation fee from the Berkeley Transfer Station to their processing facility. The new contract also includes a negotiated settlement for compostable service provided by Recology commencing March 1, 2016 through

November 30, 2016 at the new per ton rates. The contract also assumes a non-fuel cost annual increase keyed to the San Francisco Bay Area All Consumer Price Index (CPI), and a fuel cost escalator based on the Energy Information Administration Oil Price Information Service index.¹ Recology will deliver 15% of the finished compost product to the City for landscaping, community gardens, and distribution to the public.

BACKGROUND

Initially, the City collected and hauled green waste for composting to the parcel adjacent to the Solid Waste Management Center and Transfer Station. That University of California at Berkeley-owned site closed in 1994, whereupon the City subsequently contracted with Gilton Resource Recovery to haul and compost green waste materials. In June 2000, Council approved a contract with Grover Landscaping for two years with two four-year extensions, which contract expired July 31, 2010.

In January 2010, Department of Public Works released a RFP for processing compostable materials with a hauling option that required the vendor to deliver five percent of the finished product to the City for use by Berkeley residents. In May 2010, Council approved contract 8389 with Recology Grover Environmental Products, for a three-year term ending July 31, 2013. That contract included two one-year extensions requiring mutual consent of the parties that expired July 31, 2015. The contract with Recology was further amended by letter and extended through January 31, 2017.

ENVIRONMENTAL SUSTAINABILITY

Redirecting Berkeley's compostable waste away from landfills is an essential part of fulfilling the City's Zero Waste Goal enumerated in the 2009 Climate Action Plan. The City has seen a 24% increase in diversion of organic materials since the initial Grover-Recology contract began on August 1, 2010.

RATIONALE FOR RECOMMENDATION

Recology was the most responsive, qualified bidder to the 2016 RFP, has a history of providing quality reliable service to the City, and a reputation for delivering a high quality compost product. Diversion of compostable materials plays a significant role in meeting the City's Climate Change and waste diversion goals.

ALTERNATIVE ACTIONS CONSIDERED

None.

CONTACT PERSON

Greg Apa, Solid Waste & Recycling Manager, (510) 981-6359
Sean O'Shea, Administrative and Fiscal Services Manager, (510) 981-6306

Attachments:

¹ Fuel cost escalator will be applied when diesel prices rise above a base per gallon dollar amount.

Contract: Recology Blossom Valley Organics - North
for Hauling and Processing of Compostable Materials

CONSENT CALENDAR
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1: Resolution

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

CONTRACT: RECOLOGY BLOSSOM VALLEY ORGANICS - NORTH FOR HAULING
AND PROCESSING OF COMPOSTABLE MATERIALS

WHEREAS, the City collects approximately 33,000 tons of compostable material per year;
and

WHEREAS, the City conducted a competitive bid process for composting and
transportation services; and

WHEREAS, Recology Blossom Valley Organics – North, Inc. was deemed the most
responsive, qualified bidder, and meets all other contract requirements; and

WHEREAS, diverting compostable material from Berkeley's landfilled waste is an
essential component of meeting the City's waste reduction and greenhouse gas reduction
goals; and

WHEREAS, funding for this contract in the amount of \$1,129,200 is available in the FY
2017 Zero Waste Fund 820, and an additional \$1,569,788 in Zero Waste Funds will be
appropriated for FY 2017 as part of the Second Amendment to the FY 2017 Annual
Appropriation Ordinance. Funding for this contract in FY 2018 – FY 2021 is subject to
approval of an annual appropriation in those respective budgets. This contract has been
assigned CMS No. FEYSV.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the
City Manager is authorized to execute a contract with Recology Blossom Valley Organics
– North for transportation and processing of the City's compostable materials, at a cost
not to exceed \$13,061,930 for the period March 1, 2016 to March 1, 2021, with an option
to extend the contract five years.