



Office of the City Manager

CONSENT CALENDAR  
July 10, 2018

To: Honorable Mayor and Members of the City Council  
From: Dee Williams-Ridley, City Manager  
Submitted by: Phillip L. Harrington, Director, Department of Public Works  
Subject: Contract No. R8781D Amendment: Community Conservation Centers, Inc. for Recyclables Processing

RECOMMENDATION

Adopt a Resolution authorizing the City Manager to amend Contract R8781D with Community Conservation Centers, Inc. for recyclables processing to increase the contract amount \$699,815 for an amended total amount not to exceed \$1,754,414 for the term ending December 31, 2018.

FISCAL IMPACTS OF RECOMMENDATION

Funding for this contract amendment is in the FY 2019 Zero Waste Fund budget (820).

Original contract not-to-exceed (NTE) amount .....	554,599
FY 2016 (final mixed plastics payment) .....	50,000
FY 2017 .....	225,000
FY 2018 .....	225,000
This Amendment .....	699,815
TOTAL NTE .....	\$1,754,414

This contract amendment has been assigned Contract Management System (CMS) and assigned CMS No. BCR78.

CURRENT SITUATION AND ITS EFFECTS

The City entered into this contract with Community Conservation Centers, Inc. (CCC) on August 1, 2011 for recyclable materials processing, and that contract was extended from June 30, 2018 to December 31, 2018. CCC is the only materials recovery facility (MRF) within the city limits that provides essential materials recycling services to residents of Berkeley, to surrounding communities, and to the City’s commercial and residential curbside collection programs.

Contract negotiations between the City and CCC have been underway for more than two years, but key funding issues of importance to the City have not been resolved to date. The City has contracted with an independent third-party negotiator to support a

mutually agreeable resolution to the contract negotiations to be completed prior to September 30, 2018.

CCC has requested emergency funding for capital and processing costs due to a sharp downturn in commodity prices and urgent equipment repairs. Commodity prices have dropped to early 1990's pricing due to China's recent Blue Sky Initiative and National Sword import restrictions. This international market crisis has led to a loss of revenue from sales of scrap materials that previously funded a significant portion of CCC's operation. In addition to historically low commodity prices, mechanical repairs to CCC's baler totaling \$100,000 have led to CCC's need for funding support from the City to be able to continue operating the MRF and Buy Back Center.

#### BACKGROUND

CCC is the City's long-term, non-profit recycling processor. CCC manages a beverage container Buy Back Center and MRF. The MRF processes all residential and commercial recyclables collected in the City's dual-stream curbside collection program. CCC processes approximately 15,000 tons of recyclables per year through both the Buy Back and MRF operations.

On July 12, 2011 by Resolution No. 65,390-N.S., City Council authorized Contract No. R8781 with CCC for recyclables processing services from August 11, 2011 to June 30, 2015, with the option of two one-year extensions which have both been exercised. At the City's request, on January 27, 2015, Council authorized an amendment to add processing of non-bottle rigid plastics to the original contract scope of services, and the City has provided payment for capital and processing costs incurred in the mixed rigid plastics recycling program in FY 2014, FY 2015, FY 2016, FY 2017, and FY 2018 through the contract amendments noted above.

The proposed \$699,815 amendment will allow CCC to continue provision of recyclables processing services (including mixed plastics) to the community by extending the contract, and authorizing appropriate payment to CCC for FY 2018 and the first quarter of FY 2019.

#### ENVIRONMENTAL SUSTAINABILITY

The services provided by CCC are consistent with the City of Berkeley's 2009 Climate Action Plan, 2005 Zero Waste Goal, and long-standing commitment to protect the environment. In support of these goals, CCC's operation supports highest and best use of recyclable material and minimizes the volume of discarded materials sent to landfills.

#### RATIONALE FOR RECOMMENDATION

The contract extension and funding request is essential to continue the materials recovery and recycling processing services currently provided by CCC.

ALTERNATIVE ACTIONS CONSIDERED

If the amendment is not approved, CCC projects that it will run out of funds by July 11, 2018, and will be forced to close the Buy Back and MRF operation. It is possible recycling processing services will be discontinued in Berkeley and recyclable materials may be transported to another processor. Alternatively, if no other MRF is identified, those recyclable materials may be added to the waste sent to landfill.

CONTACT PERSON

Heidi Obermeit, Recycling Program Manager, Zero Waste Division, Public Works (510) 981-6357

Attachments:

1: Resolution

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

CONTRACT NO. R8781D AMENDMENT – COMMUNITY CONSERVATION  
CENTERS, INC. FOR RECYCLABLES PROCESSING

WHEREAS, On July 12, 2011 by Resolution No. 65,390-N.S. City Council authorized Contract No. R8781 with Community Conservation Centers, Inc. (CCC) for recyclables processing services from August 11, 2011 to June 30, 2015, with the option of two one-year extensions; and

WHEREAS, on January 27, 2015 the City Council authorized an amendment to Contract No. R8781 to add processing of non-bottle rigid plastics to the Scope of Services and to provide a one-time payment of \$212,380 for capital and processing costs incurred in Fiscal Year (FY) 2014; and

WHEREAS, on June 28, 2016, by Resolution No. 67,602 -N.S., the Berkeley City Council authorized an amendment to Contract No. R8781A to provide a one-time payment of \$181,719 for processing costs incurred in the rigid mixed plastics recycling program in FY 2015; and

WHEREAS, on July 29, 2016, by Resolution No. 67,500 -N.S., the Berkeley City Council authorized an amendment to Contract No. R8781B to provide a one-time payment of \$160,500 for processing costs incurred in the rigid mixed plastics recycling program FY 2016; and

WHEREAS, on May 30, 2017, by Resolution No. 67,506 -N.S., the Berkeley City Council authorized an amendment to Contract No. R8781C to provide a one-time payment of \$500,000 to CCC for recyclables processing services including rigid mixed plastics for FY 2017 and FY 2018; and

WHEREAS, the City agrees to amend Contract No. R8781D to provide a one-time payment of \$699,815 to CCC for recyclables processing services including rigid mixed plastics for FY 2018 and the first quarter of FY 2019; and

WHEREAS, funds in the amount of \$699,815 are subject to appropriation in Zero Waste Fund 820 Budget via the first amendment to the Annual Appropriation Ordinance.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager is authorized to execute an amendment to Contract No. R8781D with Community Conservation Center, Inc. to provide payment of \$699,815 for FY 2018 and the first quarter of FY 2019 for recyclables processing services including rigid mixed plastics. A record signature copy of said amendment to be on file in the Office of the City Clerk.