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City Clerk

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Executive Officer

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05-1179

# CITY OF LOS ANGELES

CALIFORNIA



ANTONIO R. VILLARAIGOSA  
MAYOR

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HELEN GINSBURG  
Chief, Council and Public Services Division

July 6, 2005

Councilmember Padilla  
Councilmember Smith  
Councilmember Zine  
Councilmember Greuel  
Councilmember Perry  
Councilmember LaBonge

Board of Public Works  
Bureau of Sanitation  
City Attorney  
City Administrative Officer  
Chief Legislative Analyst

RE: AMENDMENT NO. 2 TO CONTRACT WITH BROWNING-FERRIS INDUSTRIES OF CALIFORNIA, INC. (BFI), FOR CONTINUED DISPOSAL SERVICES AT BFI SUNSHINE CANYON LANDFILL FOR AN ADDITIONAL FIVE-YEAR TERM STARTING JULY 1, 2006 AND ENDING JUNE 30, 2011

At the meeting of the Council held JUNE 28, 2005, the following action was taken:

Attached amending motion (Padilla - Smith - Zine - Greuel)	adopted	<u>X</u>
Attached reports adopted as amended .....		<u>06/29/05</u>
Attached motion (Perry - LaBonge) adopted as amended .....		<u>06/29/05</u>
Attached motion (Smith - Padilla) adopted .....		<u>06/29/05</u>
FORTHWITH.....		<u>X</u>
Ordinance adopted.....		_____
Ordinance number.....		_____
Publication date.....		_____
Effective date.....		_____
Mayor approved.....		_____

City Clerk  
vdw



#18

TO THE COUNCIL OF THE CITY OF LOS ANGELES

Your BUDGET AND FINANCE Committee

reports as follows:

Public Comments: Yes No X

BUDGET AND FINANCE COMMITTEE REPORT relative to Amendment No. 2 to contract with Browning-Ferris Industries of California, Inc. (BFI), for continued disposal services at BFI Sunshine Canyon Landfill for an additional five-year term starting July 1, 2006 and ending June 30, 2011.

Recommendations for Council action:

- 1. AUTHORIZE the Bureau of Sanitation to exercise a five-year renewal option to Contract Agreement No. C-93688, between the City and BFI, for disposal services for city solid waste, for an additional five year term starting July 1, 2006 and ending June 30, 2011.
2. INSTRUCT the Bureau of Sanitation, working with the City Attorney, to bring forward a policy recommendation for the Council to adopt, that the City, working within the confines of the BFI contract, desires to divert from landfills as much solid waste as possible, to be used for alternative uses, i.e., green power, recycling, and reuse.
3. REQUEST the City Attorney to report back to the Budget and Finance Committee relative to recommendations on legal options the City may pursue during the five-year BFI contract extension and while abiding by the BFI contract, that will enable the City to develop more recyclables and to achieve greater diversion of solid waste from landfills to alternative uses.
4. INSTRUCT the Bureau of Sanitation to report back to the Budget and Finance Committee every six months relative to the status of the development of options to divert more solid waste from landfills, goals for achieving greater diversion, new Request for Proposals, etc.

Fiscal Impact Statement: The Board of Public Works reports that funds currently budgeted for Fiscal Year (FY) 2004-05 and FY 2005-06 under Fund 100 (General Fund), Department 82, Account 6020 (Operating Supplies and Expense), for disposal fees will be utilized to pay for the continuation of disposal services at BFI Sunshine Canyon Landfill. The estimated monthly expenditure for disposal services at BFI Sunshine Canyon Landfill is approximately \$1.9 million per month for FY 2004-05. The tip fee for refuse disposal is \$24.08 per ton for refuse collection vehicles and \$23.56 per ton for transfer trailers.

TIME LIMIT FILE - AUGUST 9, 2005 (LAST DAY FOR COUNCIL ACTION - JUNE 30, 2005)

SUMMARY

At its meeting of June 21, 2005, the Budget and Finance Committee considered a report from the Board of Public Works (Board) relative to Amendment No. 2 to contract with Browning-Ferris Industries of California, Inc. (BFI), for continued disposal services at BFI Sunshine Canyon Landfill for an additional five-year term starting July 1, 2006 and ending June 30, 2011. The Board of Public Works, at its meeting of June 1, 2005, adopted a motion to request Council approval to transmit to the BFI, a notification of the City's intent to exercise a second five-year renewal option to Contract No. C-93688 for disposal services at the BFI Sunshine Canyon Landfill for an additional five-year term starting July 1, 2006 and ending June 20, 2011.

\*ADOPTED AS AMENDED by Council action of 6-29-05. W. Cantor

In May 2004, the Bureau of Sanitation (BOS) released a Request for Proposals (RFP), soliciting proposals for a disposal system for BOS-collected refuse at alternative landfills outside of the City. The underlying premise of the RFP was to present viable options to the Board, Mayor and the Council, for a disposal system for city-collected solid waste outside of the City. Of the five proposals submitted, only Waste Management, Inc. (WM) provided the viable and responsive level of services for disposal required by the City. However, on May 23, 2005, the Bureau received correspondence from WM officially withdrawing their proposal from further consideration by the City. By current agreement, the City must inform BFI, Inc./Sunshine Canyon Landfill, of its decision on whether or not to exercise the second five-year renewal option of the current disposal contract, by June 30, 2005. On June 1, 2005, the Board adopted, and transmitted for Council consideration, the Bureau's motion to authorize the Bureau to transmit to BFI a notification of the City's intent to exercise a second five-year renewal option to the agreement between the City and BFI for disposal services for city waste for an additional five year term starting July 1, 2006 and ending June 30, 2011.

During the Committee's discussion and public comment period, members of the public as well as Councilmember Smith disagreed with the extension of the BFI contract. Councilmember Smith expressed his belief that the original contract as worded is flawed and does not provide the City with the lowest disposal costs. Mr. Smith additionally stated that the requirement in the RFP that responders be connected with a disposal site unnecessarily limited the City's options and, consequently, companies with cheaper costs to the City, were found to be non-responsive. Mr. Smith recommended that the contract renewal not be forwarded to the Council and that a new RFP be issued during the last year of the existing contract.

The Budget and Finance Committee agreed in a vote of three to one, in favor of authorizing the renewal option with BFI inasmuch as this was the recommendation of the Bureau and the recommendation that was adopted by the Board of Public Works. The Committee, however, additionally instructed the Bureau to explore during the five-year renewal period, while abiding by the requirements of the BFI contract, other options for handling the City's solid waste. The Committee instructed the Bureau to bring forward a policy statement for the Council to adopt, that the City desires to divert from landfills as much solid waste as possible, to be used for alternative uses such as green power, recycling and reuse. The Committee additionally requested the City Attorney to report back to the Committee with recommendations on legal options the City may pursue during the five-year renewal period that will enable the City to develop more recyclables and to achieve greater diversion of solid waste from landfills to alternative uses. The Board was instructed to report back to the Committee every six months relative to the status of options to divert more solid waste from landfills, goals for achieving greater diversion, new RFPs, etc. This matter is now forwarded to the Council for its consideration.

Respectfully submitted,

BUDGET AND FINANCE COMMITTEE

*Sumner C. Parker*  
*City Member*  
*E. G. ...*

<u>MEMBER</u>	<u>VOTE</u>
PARKS:	YES
MISCIKOWSKI:	YES
CARDENAS:	ABSENT
SMITH:	NO
GARCETTI:	YES

JUN 28 2005 - CONTINUED TO JUNE 29, 2005

*Rpt*  
**ADOPTED**

JUN 29 2005

*#1A Amended*  
**LOS ANGELES CITY COUNCIL**      **FORTHWITH**  
*See Attendance 2*

*To be scheduled prior to July 27, 2005*

LB  
 #051179  
 6/22/05

6/28/05

TO THE COUNCIL OF THE  
CITY OF LOS ANGELES

Your  
**ENVIRONMENTAL QUALITY AND WASTE MANAGEMENT COMMITTEE**

report as follows:

	<u>Yes</u>	<u>No</u>
Public Comments	<u>XX</u>	—

ENVIRONMENTAL QUALITY AND WASTE MANAGEMENT COMMITTEE REPORT relative to Amendment No. 2 to contract with Browning-Ferris Industries of California, Inc. (BFI), for continued disposal services at BFI Sunshine Canyon Landfill for an additional five-year term starting July 1, 2006 and ending June 30, 2011.

SUBMITS WITHOUT RECOMMENDATION the recommendations of the Bureau of Sanitation (BOS):

1. AUTHORIZE the BOS to exercise a second five-year renewal option to agreement No. C-93688 between the City and Browning-Ferris Industries of California, Inc. (BFI) for disposal services for city waste.
2. AUTHORIZE the BOS to execute Amendment No. 2 of said agreement to extend the contract term from July 1, 2006 and ending June 30, 2011.

Fiscal Impact Statement: The Board of Public Works reports that funds currently budgeted for Fiscal Years 2004-05 and 2005-06 under Fund No. 100/82, Account No. 6020, Operating Supplies and Expense, for disposal fees will be utilized to pay for the continuation of disposal services at BFI Sunshine Canyon Landfill. The estimated monthly expenditure for disposal services at BFI Sunshine Canyon Landfill is approximately \$1.9 million per month for Fiscal Year 2004-05. The tip fee for refuse disposal is \$24.08 per ton for refuse collection vehicles and \$23.56 per ton for transfer trailers.

**TIME LIMIT FILE - AUGUST 9, 2005**  
**(LAST DAY FOR COUNCIL ACTION - JUNE 30, 2005)**

**SUMMARY**

The Board of Public Works (Board), at its meeting of June 1, 2005, adopted a motion to request Council approval to transmit to the BFI, a notification of the City's intent to exercise a second five-year renewal option to Contract No. C-93688 for disposal services at the BFI Sunshine Canyon Landfill for an additional five-year term starting July 1, 2006 and ending June 20, 2011.

In May 2004, the BOS released a Request for Proposals (RFP), soliciting proposals for a disposal system for BOS-collected refuse at alternative landfills outside of the City. The underlying premise of the RFP was to present viable options to the Board, Mayor and the Council, for a disposal system for city-collected solid waste outside of the City. Of the five proposals submitted, only Waste Management, Inc. (WM) provided the viable and responsive level of services for disposal required

withdrawing their proposal from further consideration by the City. By current agreement, the City must inform BFI, Inc./Sunshine Canyon Landfill, of its decision on whether or not to exercise the second five-year renewal option of the current disposal contract, by June 30, 2005. On June 1, 2005, the Board adopted, and transmitted for Council consideration, the Bureau's motion to authorize the Bureau to transmit to BFI a notification of the City's intent to exercise a second five-year renewal option to the agreement between the City and BFI for disposal services for city waste for an additional five year term starting July 1, 2006 and ending June 30, 2011.

On June 21, 2005, the Budget and Finance Committee considered said contract amendment. During the Committee's discussion and public comment period, members of the public as well as Councilmember Smith disagreed with the extension of the BFI contract. Councilmember Smith expressed his belief that the original contract as worded is flawed and does not provide the City with the lowest disposal costs. Mr. Smith additionally stated that the requirement in the RFP that responders be connected with a disposal site unnecessarily limited the City's options and, consequently, companies with cheaper costs to the City, were found to be non-responsive. Mr. Smith recommended that the contract renewal not be forwarded to the Council and that a new RFP be issued during the last year of the existing contract.

The Budget and Finance Committee agreed in a vote of three to one, in favor of authorizing the renewal option with BFI inasmuch as this was the recommendation of the Bureau and the recommendation that was adopted by the Board of Public Works. The Committee, however, additionally instructed the Bureau to explore during the five-year renewal period, while abiding by the requirements of the BFI contract, other options for handling the City's solid waste. The Committee instructed the Bureau to bring forward a policy statement for the Council to adopt, that the City desires to divert from landfills as much solid waste as possible, to be used for alternative uses such as green power, recycling and reuse. The Committee additionally requested the City Attorney to report back to the Committee with recommendations on legal options the City may pursue during the five-year renewal period that will enable the City to develop more recyclables and to achieve greater diversion of solid waste from landfills to alternative uses. The Board was instructed to report back to the Committee every six months relative to the status of options to divert more solid waste from landfills, goals for achieving greater diversion, new RFPs, etc.

At its special meeting of June 22, 2005, the Environmental Quality and Waste Management Committee considered said Board report. The BOS gave the Committee background information on the proposed BFI contract amendment. The Committee asked the Director of the BOS to elaborate on the Bureau's efforts to investigate disposal options beside using landfills. The Bureau informed the Committee that while it is actively reviewing other disposal options, thorough research will take time. The BOS noted that the extension of the BFI contract will provide the City with the means to dispose of its refuse while other disposal options are explored.

During the public comment session, a constituent voiced his opposition to the continued use of the Sunshine Canyon Landfill. The constituent stated that the landfill has a negative impact on the quality of life of residents in the neighboring communities and asked the Committee to not approve said contract amendment. At the end of the discussion, the Committee Chair reiterated the importance of achieving greater diversion of solid waste from landfills to alternative uses. The Committee then moved to submit the recommendations of the BOS without recommendation. This matter is now forwarded to the Council for its consideration.

Respectfully submitted,

ENVIRONMENTAL QUALITY AND WASTE MANAGEMENT COMMITTEE



JUN 28 2005 - CONTINUED TO JUNE 29, 2005

MEMBER  
PERRY:  
GARCETTI:  
PADILLA:

VOTE  
YES  
YES  
ABSENT

SG  
6/23/05  
#051179a.wpd

**ADOPTED**

JUN 29 2005

\* *As Amended*  
**LOS ANGELES CITY COUNCIL**

*See Attached Motions*  
*To be scheduled prior to July 22, 2005*

**FORTHWITH**

VERBAL MOTION

I HEREBY MOVE that Council ADOPT the following recommendations of the Bureau of Sanitation (Item No. 59, CF 05-1179) relative to Amendment No. 2 to contract with Browning-Ferris Industries of California, Inc. (BFI) for continued disposal services at BFI Sunshine Canyon Landfill for an additional five-year term starting July 1, 2006 and ending June 30, 2011:

1. AUTHORIZE the BOS to exercise a second five-year renewal option to agreement No. C-93688 between the City and Browning-Ferris Industries of California, Inc. for disposal services for city waste.
2. AUTHORIZE the BOS to execute Amendment No. 2 of said agreement to extend the contract term from July 1, 2006 and ending June 30, 2011.

Fiscal Impact Statement: The Board of Public Works reports that funds currently budgeted for Fiscal Years 2004-05 and 2005-06 under Fund No. 100/82, Account No. 6020, Operating Supplies and Expense, for disposal fees will be utilized to pay for the continuation of disposal services at BFI Sunshine Canyon Landfill. The estimated monthly expenditure for disposal services at BFI Sunshine Canyon Landfill is approximately \$1.9 million per month for Fiscal Year 2004-05. The tip fee for refuse disposal is \$24.08 per ton for refuse collection vehicles and \$23.56 per ton for transfer trailers.

TIME LIMIT FILE - AUGUST 9, 2005

(LAST DAY FOR COUNCIL ACTION - JUNE 30, 2005)

PRESENTED BY \_\_\_\_\_  
JAN PERRY  
Councilmember, 9th District

SECONDED BY \_\_\_\_\_  
TOM LABONGE  
Councilmember, 4th District

June 29, 2005

CF 05-1179

*Motion*  
**ADOPTED**

JUN 29 2005

**LOS ANGELES CITY COUNCIL**


*\* As Amended  
See Attached Motion*

**FORTHWITH**

**MOTION**

I MOVE that the Budget and Finance and Environmental Quality and Waste Management Committees' reports relative to Amendment No. 2 to contract with Browning-Ferris Industries of California, Inc., for continued disposal services, Item 59 on today's Council Agenda (CF 05-1179) BE AMENDED to authorize and instruct the Bureau of Sanitation with the assistance of the City Attorney to execute the necessary agreement between the City and BFI to extend from June 30, 2005 to July 22, 2005 the period by which the City must decide to exercise its second five-year renewal option of the current disposal contract (C-93688).

PRESENTED BY:

  
GREIG SMITH  
Councilmember, 12<sup>th</sup> District

SECONDED BY:



AP

June 29, 2005

*Motion*  
**ADOPTED**

JUN 29 2005

**LOS ANGELES CITY COUNCIL**

**FORTHWITH**

**MOTION**

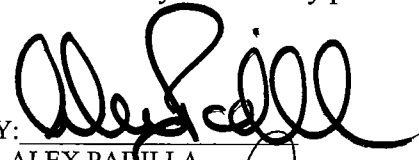
The City of Los Angeles currently uses Sunshine Canyon Landfill in the North San Fernando Valley to dispose of all of its household refuse from the West, West Valley, East Valley, North Central and South Central wastesheds.

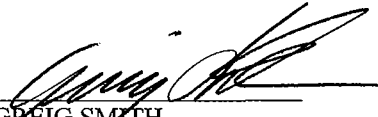
The contract with BFI contains several 5-year options for renewal. According to the contract, the City must notify BFI of its intention to continue dumping at Sunshine Canyon, one year prior to the expiration of the existing option period.


It is our duty to examine this and every contract to make sure it is in the best interest of the City of Los Angeles and its residents. It is generally accepted principal that when contracts come up for renewal that they be scrutinized and renegotiated to update and enhance the tenets of the contract for both parties.

**I THEREFORE MOVE** to instruct the City Attorney to renegotiate the following three points in the City's contract with BFI for disposal at Sunshine Canyon Landfill:

- 1) Remove the requirement for disposal of 100% of the City's Household Refuse in the West, West Valley, East Valley, North Central and South Central wastesheds including any provision which penalizes the City of Los Angeles for falling below a specified tonnage for any length of time, including requirements for replacing aggregate tonnage.
- 2) Remove any prohibition on the City's ability to negotiate and contract with other vendors for handling the City's household refuse.
- 3) Remove any language that restricts the City's "most favored nations" status to lower than third-party customers tipping at least 1,000 tons per day under contract for at least one year. The City should receive the lowest price offered to any third-party customer dumping any amount at Sunshine Canyon over any period of time.

PRESENTED BY:   
ALEX PADILLA  
COUNCIL PRESIDENT

CO-PRESENTED BY:   
GREIG SMITH  
COUNCILMAN, 12<sup>TH</sup> DISTRICT

SECONDED BY:   
DENNIS ZINE  
COUNCILMAN, 3<sup>RD</sup> DISTRICT

SECONDED BY:   
WENDY GREUEL  
COUNCILWOMAN, 2<sup>ND</sup> DISTRICT

AP

AMENDING  
NOTION  
**ADOPTED**

JUN 28 2005

JUN 28 2005

LOS ANGELES CITY COUNCIL