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June 1, 2005

MOTION

City Council
Rm. 395
City Hall

Subject: AMENDMENT NO. 2 TO CONTRACT NO. C-93688 WITH BROWNING-FERRIS INDUSTRIES OF CALIFORNIA, INC. FOR CONTINUED DISPOSAL SERVICES AT BFI SUNSHINE CANYON LANDFILL

As recommended in the accompanying motion, proposed by the Director of the Bureau of Sanitation, and adopted by the Board of Public Works at its meeting of June 1, 2005, the Board of Public Works requests approval and authorization for the Bureau of Sanitation to transmit to Browning-Ferris Industries of California, Inc. (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 30, 2011.

FISCAL IMPACT

Funds currently budgeted for FY 2004-05 and FY 2005-06 under Fund 100 (General Fund), Dept. 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 \$1.9M 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.

Respectfully submitted,

James A. Gibson, Executive Officer
Board of Public Works

JAG:mp

For the Board Meeting of June 1, 2005

JUN 1 - 2005

CD: ALL

MOTION


Secretary

City residents, businesses and government generate an average of 9.4 million tons of solid waste each year. The Bureau of Sanitation provides collection service to an estimated 740,000 residential customers, of which 520,000 are single-family dwellings and 220,000 are multifamily dwellings. The Bureau also provides solid waste management services to some City Departments. BOS collects approximately 940,000 tons/year of residual solid waste. Nearly all City-collected waste (except waste from the Harbor watershed) is disposed at Sunshine Canyon Landfill under a contract agreement C-93688, which is due to expire on June 30, 2006 if the City does not exercise the five (5) year renewal option. Roughly 40% (376,000 tons/year) of the waste is transferred through transfer stations, primarily through the Central Los Angeles Recycling and Transfer Station (CLARTS) recently acquired by the City in April, 2004. The remaining waste (564,000 tons/year) is directly hauled to Sunshine Canyon Landfill.

In May 2004, the Bureau released a Request for Proposals (RFPII) soliciting proposals for a disposal system for BOS-collected refuse at alternative landfills outside of the city. On November 17, 2004, the Bureau presented Board Report No. 1 wherein the analysis of the proposals submitted to RFPII was discussed. Upon review and discussion of Report No. 1, the Board instructed the Bureaus of Sanitation and Contract Administration to complete all of the contract requirements provisions contained in RFPII, including the MBE/WBE/OBE Good Faith process. Additionally, the Board instructed the Bureau to finalize all negotiation points and ask the qualified and responsive companies to submit Best and Final offers. Best and Final offers were submitted by Waste Management, Inc. and Community Recycling and Resource Recovery, Inc., and received by the Board on January 28, 2005. The underlying premise of the RFP was to present viable options to the Board, Mayor and City Council, for a disposal system for city-collected solid waste outside of the City of Los Angeles.

By current agreement, the City must inform BFI, Inc./Sunshine Canyon Landfill, of its decision on whether or not to exercise the second 5-year renewal option of the current disposal contract, by June 30, 2005. The Bureau has presented for consideration Revised Board Report No.1 dated May 25, 2005, with two disposal system options: one remaining with BFI and the other offered by Waste Management, Inc. (WM). On May 23, 2005 the Bureau received correspondence from Waste Management officially withdrawing their proposal from further consideration by the City. Of the five proposals submitted only WM provided the viable and responsive level of services for disposal required by the City. The Bureau must move forward with its only option of exercising its contractual option for a five (5) year extension to the agreement with BFI (C-93688) for continued disposal service at BFI Sunshine Canyon Landfill.

I THEREFORE MOVE, that the Board of Public Works approve and forward this motion to the Mayor and City Council with the request that the Board authorize the Bureau of Sanitation to transmit to BFI a notification of the City's intent to exercise a second five-year renewal option to the agreement (C-93688) between the City of Los Angeles and Browning-Ferris Industries of California, Inc. for disposal services for city waste for an additional five (5) year term starting July 1, 2006 and ending June 30, 2011.

I FURTHER MOVE, that the Board of Public Works request authorization from the Mayor and City Council to execute Amendment No. 2 (C-93688) extending the contract term through June 30, 2011.


RITA L. ROBINSON, Director
Bureau of Sanitation

Prepared By:
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