



City of Culver City

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Staff Report Details (With Text)

File #: 19-475 **Version:** 1 **Name:**
Type: Minute Order **Status:** Consent Agenda
File created: 10/16/2018 **In control:** City Council Meeting Agenda
On agenda: 12/10/2018 **Final action:**
Title: CC - Approval of a Five-Year Agreement with Waste Management Inc., for Processing of Construction and Demolition Material and Disposal of Municipal Solid Waste with Two Additional Two-Year Options.
Sponsors:
Indexes:
Code sections:
Attachments:

Date	Ver.	Action By	Action	Result
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CC - Approval of a Five-Year Agreement with Waste Management Inc., for Processing of Construction and Demolition Material and Disposal of Municipal Solid Waste with Two Additional Two-Year Options.

Meeting Date: December 10, 2018

Contact Person/Dept: Kim Braun/Public Works

Phone Number:

Fiscal Impact: Yes ☒ No ☐ **General Fund:** Yes ☐ No ☒

Public Hearing: ☐ **Action Item:** ☐ **Attachments:** ☐

Commission Action Required: Yes ☐ No ☒ **Date:**

Public Notification: (E-Mail) Meetings and Agendas - City Council (12/05/18);

Department Approval: Charles D. Herbertson, Public Works Director/City Engineer (11/27/18)

RECOMMENDATION

Staff recommends the City Council approve a five-year agreement with Waste Management Inc., for processing of Construction and Demolition Material and disposal of Municipal Solid Waste with options for two additional two-year extensions.

BACKGROUND/DISCUSSION

The City is a municipal exclusive franchise collecting all waste, commingled recyclables, organics and construction and demolition materials in-house for all commercial and residential customers within the city limits. The City owns and operates a Solid Waste and Recycling Transfer Station Facility located at 9255 Jefferson Boulevard operating six (6) days a week between the hours of 4:30 am to 4:00 pm M-F and 4:30 am - 1:00 pm Saturday. The facility operates with an average daily throughput of 500 tons per day with between 40 and 50 percent of this inflow comprised of municipal solid waste (MSW) and most of the remaining throughput made up of organic waste, inert materials, commingled recyclables and construction and demolition waste. During Calendar Year 2017 approximately 64,500 tons of materials were transported from the transfer station to various processing sites including Waste Management's Simi Valley and El Sobrante Landfills, Waste Connections Chiquita Canyon Landfill, Republic's Sunshine Canyon Landfill and Waste Management's Downtown Diversion Construction & Demolition Processing Facility.

Prior to October 2013, the City disposed of most of its solid waste and green waste at Puente Hills Landfill owned by Los Angeles County Sanitation District. The landfill maximized its space capacity and closed in November 2013. As a result, the City entered into an agreement with Waste Management, Inc. to dispose of materials at Simi Valley Landfill, El Sobrante Landfill and Downtown Diversion Facility for processing of construction and demolition materials. This agreement will expire at the end of December 2018.

Waste Management, Inc., in addition to providing solid waste disposal services, also provides construction & demolition materials processing services in which seventy percent of all materials delivered to the facility are recycled. Waste Management Inc., provides the City assurance of available capacity at competitive rates to receive, recycle, reuse or dispose of acceptable municipal solid waste and for construction & demolition materials. The City wants to continue to have the assurance of available capacity and competitive rates for current and future waste disposal as well as construction and demolition materials processing for recycling and reuse.

Waste Management, Inc. has proposed a three percent (3%) increase in the current per ton rate of \$ 30.50 for refuse disposal for Calendar Year (CY) 2019 which equates to \$31.42 per ton as compared to \$35 per ton at Chiquita Canyon Landfill and a (7%) increase in the current per ton rate of \$ 57.41 for processing construction and demolition debris increasing to \$61.43 in January 2019. Interior Removal Specialists, another Construction & Demolition Processing facility which recycles more than seventy percent (70%) of the materials received, has proposed a rate of \$80 per ton to process construction and demolition materials.

Culver City Municipal Code Section 3.07.065.A exempts general services from the formal competitive bid procedures; provided, the contract is based upon competitive quotations, whenever practical, as determined by the City Manager. Staff obtained a quote from another facility that was significantly higher than Waste Management, Inc.

Waste Management Inc.'s rates for processing and disposal of refuse will increase annually by 3% or CPI whichever is greater for CY 2020 -2023 and rates for Construction & Demolition Debris will be negotiated and mutually agreed upon each calendar year with not-to-exceed 20% annual increases through CY 2023. The proposed agreement does not require the City to use Waste Management disposal sites and the City has the option to use other sites or means of disposal that are available to it.

Calendar Year	Refuse Disposal Per Ton Rate (3% increase)	C&D Processing Per Ton Rates (7% up to 20% Max)
2019	\$31,42	\$ 61.43 @ 7% increase
2020	\$ 32.36	\$ 73.71 @ 20% MAX
2021	\$ 33.33	\$ 88.46 @ 20% MAX
2022	\$ 34.33	\$ 106.15 @ 20% MAX
2023	\$ 35.36	\$ 127.38 @ 20% MAX

FISCAL ANALYSIS

Funding for these services is included in FY 18/19 budget. Funding for future fiscal years is contingent upon budget approval.

ATTACHMENTS

None

MOTION

That the City Council:

1. Approve a five-year agreement with Waste Management, Inc., for processing of Construction and Demolition Materials and disposal of Municipal Solid Waste with two additional two-year options;
2. Authorize the Public Works Director/City Engineer to exercise each of the two additional two-year optional renewals for CY 2024 through CY 2025 and CY 2026 through CY2027.
3. Authorize the City Attorney to review/prepare the necessary documents; and,
4. Authorize the City Manager to execute such documents on behalf of the City.