



REPORT TO COUNCIL City of Sacramento

915 I Street, Sacramento, CA 95814-2604

[www. CityofSacramento.org](http://www.CityofSacramento.org)

CONSENT

August 26, 2008

Honorable Mayor and
Members of the City Council

Title: Authorize Payment of \$76,661.50 to the County of Sacramento for Disposal of Municipal Solid Waste (MSW) and Green Waste at North Area Recovery Station (NARS)

Location/Council District: County of Sacramento, North Area Recovery Station
Council District 2

Recommendation: Approve the Resolution authorizing the payment of \$76,661.50 to the County of Sacramento for use of the North Area Recovery Station (NARS) for the disposal of Municipal Solid Waste (MSW) and Green Waste storage and transfer.

Contact: Edison Hicks, Integrated Waste General Manager 808-4949
Marty Strauss, Integrated Waste Planning Superintendent, 808-4934

Presenters: NA

Department: Utilities

Division: Solid Waste

Organization No: 3361

Description/Analysis

Issue: The Department of Utilities, Solid Waste uses NARS for both MSW and Green Waste. The MSW is transferred for disposal to Kiefer Landfill. The Green Waste is reloaded and processed into compost.

From January 1, 2007 through July 16, 2007, the City was utilizing NARS for the processing of green waste as the City and County were finalizing the new green waste agreement. When the new agreement was completed the County found the City owed \$274,334.00 in green waste tipping and transfer fees. The payment was authorized by Council in November 2007 (Reso No. 2007-794). When reviewing their accounts the County found the actual total amount owed was \$334,995.83, a difference of \$60,661.83.

In August 2005, City Council approved Resolution 2005-585, authorizing a purchase order in the amount of \$1,120,000.00 to dispose of 25,000 tons of

MSW per year at NARS (Reso No. 2005-585). The contract period was August 2, 2006 through August 1, 2007. When reviewing their records, the County found that the actual total amount owed for MSW disposed at NARS during this time period was \$1,135,999.67, a difference of \$15,999.67.

The total amount owed to the County for both Green Waste and MSW disposed of at NARS is \$1,470,995.50, of which \$76,661.50 is still owed for both green waste and MSW.

Table 1, below summarizes the payments and amount owed to the County of Sacramento for both MSW and green waste.

TABLE 1

MSW PROCESSING COST AT NARS FROM AUGUST 2, 2006 through AUGUST 1, 2007

and

GREEN WASTE PROCESSING COST AT NARS FROM JANUARY 1, 2007 THROUGH JULY 16, 2007

WASTE TYPE	AMOUNT OWED TO COUNTY	AMOUNT AUTHORIZED	DIFFERENCE	AUTHORIZATION REQUEST
MSW	\$1,135,999.67	\$1,120,000.00	\$15,999.67	\$15,999.67
GREEN WASTE	\$334,995.83	\$274,334.00	\$60,661.83	\$60,661.83
TOTAL	\$1,470,995.50	\$1,394,334.00	\$76,661.50	\$76,661.50

Policy Considerations:

Disposal of green waste and MSW at NARS results in a cost savings in fuel and labor, which contributes to stabilizing solid waste rates charged customers in their utility bills.

Environmental Considerations:

California Environmental Quality Act (CEQA):

Authorization for payment to Sacramento County will not have any significant effect on the environment, and is exempt from CEQA review under Section 15061(b)(3) of the CEQA Guidelines.

Sustainability Considerations:

The savings in fuel cost reduces green house gas emissions.

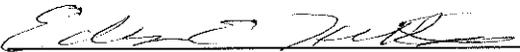
Other:

Commission/Committee Action: None

Rationale for Recommendation: Approval of the resolution will authorize the payment for MSW disposal services rendered by the County from August 2, 2006 through August 1, 2007 that exceeded the Council authorization amount of \$1,120,000.00 by \$15,999.67 and the payment for green waste services from January 1, 2007 through July 16, 2007 that exceeded Council authorization by the amount of \$60,661.83 for a total amount of \$76,661.50 due to the County.

Financial Considerations: The difference between the actual expenditures incurred for the disposal of municipal solid waste and green waste services of \$1,470,995.50 provided by the County and authorized expenditures for these services of \$1,394,334.00 is \$76,661.50. This amount will be paid out of the current year operating budget for the Solid Waste Division and there is sufficient funding as the costs will be offset from cost savings by directing the green waste to different vendors at a lower rate.

Emerging Small Business Development (ESBD): This does not apply.

Respectfully Submitted by: 
Edison Hicks
Integrated Waste General Manager

Approved by: 
Marty Hanneman
Acting Utilities Director

Recommendation Approved:

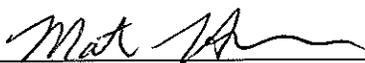

Ray Kerridge
City Manager

Table of Contents:

Report	pg. 3
Attachments	
1 Background	pg. 5
2 Resolution	pg. 6

BACK GROUND

On November 6, 2007 City Council authorized the payment of \$274,334.00 owed to the County for use of NARS for green waste storage and reload area from January 1, 2007 through July 16, 2007 (Reso 2007-794). After the City made the payment, the County found an accounting error resulting in the City owing an additional \$60,661.83 for green waste storage and transfer. The Department of Utilities, Business Services Unit and Solid Waste staff met with the County to review the records and concluded their finding was correct.

From August 2, 2006 through August 1, 2007, the City used NARS for MSW transfer and disposal at Kiefer Landfill. On August 2, 2005 City Council authorized a purchase order in the amount of \$1,120,000.00 to cover the cost of 25,000 tons of MSW (Reso 2005-585). In reviewing their accounting records, the County found that during this period the City incurred MSW cost of \$1,135,999.67. This equals a difference of \$15,999.67 over the approved amount. The Department of Utilities has reviewed the disposal records and finds this to be correct, and therefore the additional cost is owed to the County.

Approval of the resolution will authorize the payment for MSW disposal services rendered by the County from August 2, 2006 through August 1, 2007 that exceeded the contract amount of \$1,120,000 by \$15,999.67 and the payment for green waste services rendered from January 1, 2007 through July 16, 2007 that exceeded Council authorization by \$60,661.83 for a total amount of \$76,661.50 due to the County.

RESOLUTION NO.

Adopted by the Sacramento City Council

Authorize Payment of \$76,661.50 to the County of Sacramento for Disposal of Municipal Solid Waste (MSW) and Green Waste at North Area Recovery Station (NARS)

BACKGROUND

- A. The City's Agreement to tip green waste at NARS lapsed on December 31, 2006 and was not re-entered into until July 17, 2007.
- B. On November 6, 2007 City Council authorized payment of \$274,334.00 for green waste tipped and reloaded at NARS.
- C. A review of the accounting records by the County of Sacramento showed an error of \$60,661.83 in green waste storage and reload cost still owed by the City.
- D. The City disposes of MSW at NARS. On August 2, 2005 City Council authorized a purchase order in the amount of \$1,120,000.00 to utilize NARS to dispose of 25,000 tons per year of MSW. When reviewing their records, the County found that the actual charges for MSW disposed at NARS during this time period was \$1,135,999.67, a difference of \$15,999.67.
- E. The additional expenditures for the disposal of MSW of \$15,999.67 and for the green waste of \$60,661.83 total \$76,661.50
- F. The Department of Utilities staff reviewed the County's accounting records and concluded the finding is correct.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. Solid Waste Services is authorized to pay \$76,661.50 to the County of Sacramento for the disposal of municipal solid waste from August 2, 2006 through August 1, 2007 and for green waste disposal from January 1, 2007 through July 16, 2007 incurred at the NARS.

