



REPORT TO COUNCIL City of Sacramento

915 I Street, Sacramento, CA 95814-2604
www. CityofSacramento.org

Consent
December 9, 2008

Honorable Mayor and
Members of the City Council

Title: Suspension of Competitive Bidding for Green Waste Processing Bid, to
Allow for the Award of Multiple Contracts.

Location/Council District: All

Recommendation: Staff recommends that the City Council adopt the attached resolution suspending competitive bidding, to allow staff to issue an invitation for bids to provide green waste processing services with the potential to award contracts to multiple bidders.

Contact: Marty Strauss, Integrated Waste Planning Superintendent (916) 808-4934
Edison Hicks, Integrated Waste General Manager, (916) 808-4949

Presenters: NA

Department: Utilities

Division: Solid Waste

Organization No: 14001761

Description/Analysis

Issue:

In the past, the City has awarded contracts for processing green waste collected by the City to two contractors. However, due to the large volume of green waste collected by the City during the fall and spring, two contractors often do not have sufficient capacity to receive and process the daily volume collected by the City. This causes delays in the City's ability to pick up the green waste put out by residents, and often is the cause of odors due to the anaerobic break down of green waste either still on the street or stored at the facility waiting to be processed.

To address this problem, Solid Waste Services proposes to issue a request for bids that will allow the City to award contracts to three or more bidders. Having multiple contractors available to receive and process green waste will reduce delays and minimize problems associated with untimely processing. Because the City's standard bid process requires award of a contract to a single low

bidder, it is necessary for the City Council to suspend competitive bidding to allow staff to issue a request for bids with the potential for multiple contract awards. Staff will return to Council for the contract award(s).

Policy Considerations:

City Code section 3.56.230 allows the City Council to suspend competitive bidding for nonprofessional services, upon determining by a 2/3 vote that it is in the City's best interests to do so. Staff believes that suspending competitive bidding, to allow staff to issue a request for bids with the potential for multiple contract awards, is in the City's best interests because awarding multiple contracts for green waste processing will reduce delays in collecting and processing green waste, and will contribute to the City's ability to meet the State's mandate to divert a minimum of 50% of the total waste generated in the City away from landfills.

Environmental Considerations:

This action is not a project subject to environmental review under the California Environmental Quality Act (CEQA), pursuant to section 15378(b)(2) of the CEQA Guidelines (continuing administrative activities).

Sustainability Considerations:

The proper and timely processing of green waste will prevent the creation of methane gas and therefore contribute to lowering the amount of green house gas generated by the City of Sacramento.

Commission/Committee Action:

None.

Rationale for Recommendation:

Awarding multiple contracts for green waste processing will ensure that there is a facility to receive and process the green waste collected by the City of Sacramento during peak seasons.

Financial Considerations: The award of multiple bids will contribute to stabilizing solid waste rates by providing for a more competitive environment for bids from green waste processors.

Emerging Small Business Development (ESBD): NA

Suspension of Competitive Bidding for Green Waste Processing Bid, to Allow for the Award of Multiple Contracts.
December 9, 2008

Respectfully Submitted by: Edison E. Hicks
Edison Hicks
Integrated Waste General Manager

Approved by: Marty Hanneman
Marty Hanneman
Assistant City Manager
Utilities Interim Director

Recommendation Approved:

Ray Kerridge
Ray Kerridge,
City Manager

Table of Contents:

Report	pg. 3
Attachments	
1 Background	pg. 4
2 Resolution	pg. 5

Background

The City of Sacramento generates approximately 90,000 tons of green waste per year. The daily average tonnage is 300 tons, with peaks of 500 to 700 tons per day during the fall and spring.

In previous years Solid Waste Services has found it difficult to find processors that are able to receive and process the amount of green waste collected during the peak times of the year. The facilities' permits define the number of vehicles that can enter the facility and the total daily tonnage. Once either of these two criteria is reached, the facility cannot receive any more green waste without violating its permit. This results in the City's inability to deliver green waste collected that day to a facility.

When green waste is stock piled waiting for processing anaerobic digestion will start, causing odors that can be detected for over a one-mile radius.

Awarding multiple contracts for green waste processing services will help address the above issues and encourage a more competitive environment for pricing of green waste processing. In the last ten years green waste processing cost has increased from \$15 per ton to almost \$40 per ton. Much of this has been due to the lack of permitted facilities. A survey of interested facilities shows new green waste facilities have been permitted since the last green waste bid was issued in 2005. Therefore, Solid Waste Services anticipates a more competitive environment for bids to process the City's green waste.

RESOLUTION NO.

Adopted by the Sacramento City Council

SUSPENSION OF COMPETITIVE BIDDING FOR GREEN WASTE PROCESSING BID, TO ALLOW FOR THE AWARD OF MULTIPLE CONTRACTS

BACKGROUND

- A. The City of Sacramento, Solid Waste Services collects approximately 90,000 tons of green waste per year. The average daily tonnage of green waste collected is 300 tons per day.
- B. In the fall (leaf season) and spring (pruning season) the volume of green waste collected peaks from 300 tons per day to 500 to 700 tons per day.
- C. The City of Sacramento, Solid Waste Services contracts with green waste processors to accept and process the green waste collected by the City. In the past, the City has awarded contracts for processing green waste collected by the City to two contractors.
- D. Due to the large volume of green waste collected by the City during the fall and spring, two contractors often do not have sufficient capacity to receive and process the daily volume collected by the City. This causes delays in the City's ability to pick up the green waste put out by residents, and often is the cause of odors due to the anaerobic break down of green waste either still on the street or stored at the facility waiting to be processed.
- E. To address this problem, Solid Waste Services intends to issue a request for bids that will allow the City to award contracts to three or more bidders. Having multiple contractors available to receive and process green waste will reduce delays and minimize problems associated with untimely processing. Because the City's standard bid process requires award of a contract to a single low bidder, it is necessary for the City Council to suspend competitive bidding to allow staff to issue a request for bids with the potential for multiple contract awards. Staff will return to the City Council for the contract awards.
- F. It is in the City's best interests to suspend competitive bidding for green waste processing services to allow staff to issue a request for bids with the potential for multiple contract awards, because having multiple green waste processing contractors will reduce delays in collecting and processing green waste, will reduce the occurrence of odors resulting from such delays, and will contribute to

Suspension of Competitive Bidding for Green Waste Processing Bid, to Allow for the Award of Multiple Contracts.

December 9, 2008

the City's ability to meet the State's mandate to divert a minimum of 50% of City waste away from landfills.

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

Section 1. In the best interests of the City, competitive bidding is suspended for the procurement of green waste processing services, so that City staff may issue a request for bids that allows for the award of multiple contracts.