



# REPORT TO COUNCIL

## City of Sacramento

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

Continued to 11-27-07

**Consent**  
**October 30, 2007**

**Honorable Mayor and  
Members of the City Council**

**Title:** Agreement between the City of Sacramento and BLT Enterprises of Sacramento, Inc. to Process Recyclables Materials

**Location/Council District:** City Wide

**Recommendation:** Adopt a Resolution approving and authorizing the City Manager to execute an Agreement with BLT Enterprises of Sacramento, Inc. for acceptance of City recyclables and payment to the City for the recyclables for one year with annual extensions at the discretion of the City Council up to a total term of five years.

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

**Presenters:** NA

**Department:** Utilities

**Division:** Solid Waste Services

**Organization No:** 3361

### **Description/Analysis**

**Issue:** In October 1996, the City entered into an agreement with Smurfit Stone Container Corporation ("Smurfit") for transfer of the City's separated curbside recyclable materials and payment to the City for the separated curbside recyclable materials ("Agreement"). Subsequently, in October 2000, the City and Smurfit executed Supplemental Agreement No. 1 extending the term of the Agreement and additionally providing for transfer and payment for the City's commingled recyclable materials. In January 2006, the City Council adopted a resolution authorizing the assignment of Smurfit's interest in the Agreement to BLT Enterprises of Sacramento, Inc. ("BLT"). The Agreement will expire in February 2008.

The City's Department of Utilities is currently negotiating with both the County and BLT for a new North Area Transfer Station; either utilization of an existing transfer station owned and operated by the County or the construction of a new transfer station to be operated by BLT. Included in the negotiations is the disposition of the curbside recyclable materials picked up by the City.



Because disposition of the curbside recyclable materials is part of the business decision to determine where the City's new North Area Transfer Station will be located and who will operate the facility; it is not feasible to issue a competitive bid package for a long term agreement for the curbside recyclable materials. At this time, the City anticipates negotiations will be concluded in late 2007. Therefore, the Department of Utilities recommends that the City Council approve an agreement with BLT to process curbside recyclable materials collected by the City at BLT/Sacramento Recycling Transfer Station located at 8491 Fruitridge Road, Sacramento, CA. for a period of one-year with the option for the City Council to renew by resolution in one-year increments, not to exceed a total of five-years.

**Policy Considerations:** The processing of curbside recyclable materials contributes to the City's sustainability goals.

**Environmental Considerations:** The agreement for acceptance of City recyclables and payment to the City is categorically exempt from CEQA pursuant to CEQA Guidelines Section 15301.

**Commission/Committee Action:** No commission or committee actions were taken.

**Rationale for Recommendation:** Entering into an Agreement for acceptance of City recyclables and payment to the City for the recyclables will provide for the needed processing of curbside recyclable materials collected by the City while the North Area Transfer Station negotiations are concluded.

**Financial Considerations:** Approval of the agreement will have no net financial impact on the City. BLT will continue to pay the City for the recyclable materials delivered to BLT/Sacramento Recycling and Transfer Station in the same manner as provided for in the prior agreement.

**Emerging Small Business Development (ESBD):** The City's Emerging Small Business Development policy does not apply to this recommendation to approve the agreement for acceptance of City recyclables and payment to the City for the recyclables.

Respectfully Submitted by: Willway Owen FOR EDISON HICKS  
Edison Hicks  
Integrated Waste General Manager

Approved by: [Signature]  
Gary A. Reents  
Director, Dept. of Utilities

Recommendation Approved:

[Signature]  
Ray Kerridge  
City Manager

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## **RESOLUTION NO.**

Adopted by the Sacramento City Council

### **RESOLUTION APPROVING AGREEMENT BETWEEN THE CITY AND BLT ENTERPRISES FOR PURCHASE OF RECYCLABLES**

#### **BACKGROUND**

- A. City Agreement No. 96-132 provided that Smurfit Stone Container Corporation ("Smurfit") would accept City separated recyclables and pay the City for the recyclables.
- B. In December 2000, the City and Smurfit executed Supplemental Agreement No. 1 which provided that Smurfit would accept City commingled recyclables as well as separated recyclable materials and effectively extended term of agreement to February, 2008.
- C. On January 24, 2006, the City Council adopted a resolution authorizing the assignment of City Agreement No. 96-132 from Smurfit to BLT Enterprises of Sacramento, Inc.
- D. The Department of Utilities is negotiating to locate and operate a new north area transfer station that may include curbside recyclable materials collected by the City.
- E. Because curbside recyclable materials are part of the north area transfer station negotiations, until such negotiations are concluded, it is not feasible to release a competitive bid package for a long term agreement to process curbside recyclable materials.
- F. Completion of the negotiations for the north area transfer station is not anticipated to be completed until late 2007.

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

- Section 1. The Agreement with BLT Enterprises of Sacramento, Inc. for acceptance of City recyclables and payment to the City for the recyclables for one year with annual extensions at the discretion of the City Council up to a total term of five years is approved and the City Manager is authorized to execute such Agreement.

