



REPORT TO COUNCIL

City of Sacramento

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915 I Street, Sacramento, CA 95814-2671
www. CityofSacramento.org

CONSENT
January 24, 2006

Honorable Mayor and
Members of the City Council

Subject: Reassignment of Agreement 96-132 with Smurfit Recycling Company (SRC) and the City of Sacramento to BLT Enterprises of Sacramento, Inc. (Sacramento Recycling and Transfer Station)

Location/Council District: Citywide.

Recommendation:

Staff recommends the Mayor and City Council take the following action:

1. Approve the attached resolution authorizing the reassignment of Agreement 96-132 with Smurfit Recycling Company (SRC) to BLT Enterprises of Sacramento, Inc. (BLT) to receive and process all single stream recyclables collected through the residential curbside program.

Contact: Harold Duffey, Integrated Waste General Manager, 808-4932
Marty Strauss, Integrated Waste Planning Superintendent, 808-4934

Presenters: Harold Duffey, Integrated Waste General Manager
Marty Strauss, Integrated Waste Planning Superintendent

Department: Utilities

Division: Solid Waste

Organization No: 3361

Summary:

In 1996, the City of Sacramento entered into a non-professional services agreement with SRC to direct recyclable materials collected by the City of Sacramento Solid Waste Division to SRC for processing. On December 7, 2000, the agreement was amended to allow SRC to sub-contract with BLT to process all co-mingled recyclable materials collected by the City. Sub-Section 2.V of the amendment permits BLT to assume all duties and obligations of the agreement, if the City agrees through written consent.

BLT has reached an agreement with SRC to assume all of the duties and obligations assigned to SRC through a Supplemental Agreement dated December 7, 2000. BLT requests the City authorize assumption of Agreement 96-132. The current agreement, 96-132, terminates December 11, 2007.

Committee/Commission Action: None.

Background Information:

The City's Solid Waste Division currently delivers approximately 300 tons per day of single stream recyclables to the BLT facility (Sacramento Recycling and Transfer Station-SRTS) located at 8491 Fruitridge Road. Through the sub-contract agreement between BLT and SRC, the co-mingled recyclable materials are sorted at the SRTS. If this resolution is approved and agreement 96-132 is reassigned to BLT, there will be no change in operations effecting the sorting and processing of recyclable materials delivered by the City.

Financial Considerations:

Approval of the attached resolution reassigning Agreement 96-132 to BLT will have no immediate impact on the price paid to the City for recyclables delivered to the facility. The immediate action will be the transfer and assumption of the duties and assignments described in the agreement to BLT. However, approval of the resolution allowing reassignment of the agreement to BLT will, in the future, allow the City to directly negotiate with BLT the price to be paid for recyclables.

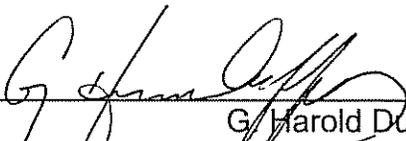
Environmental Considerations:

The reassignment of Agreement 96-132 will have no impact on the current sorting and processing of single stream recyclables delivered to SRTS. There will be no increase in truck traffic or volume of material sorted as result of the approval of the reassignment of Agreement 96-132. Additionally, there will be no expansion of the facility. Approval of this resolution reassigning Agreement 96-132 is exempt from CEQA under Section 15301, Categorical Exemption for Existing Facilities.

Policy Considerations:

Approval of the attached resolution and Amendment No. 1 to the BLT Agreement supports the City policy of achieving sustainable and livable communities.

Emerging Small Business Development (ESBD): Not Applicable.

Respectfully Submitted by: 
G. Harold Duffey

Approved by: 
Gary A. Reents
Director of Utilities

Recommendation Approved:


RAY KERRIDGE
Interim City Manager

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ASSIGNMENT AND ASSUMPTION AGREEMENT dated September _____, 2005 between Smurfit Recycling Company ("SRC") and BLT Enterprises of Sacramento, Inc. d/b/a Sacramento Recycling and Transfer Station ("BLT").

WHEREAS, SRC and the City of Sacramento are parties to that certain Nonprofessional Services Agreement designated as City Agreement Number 96-132; and

WHEREAS, the City Agreement was amended by Supplemental Agreement No. 1 dated as of December 7, 2000, wherein the City of Sacramento consented to SRC sub-contracting to BLT all of its duties and obligations with respect to co-mingled material (the agreement, as modified and extended by the Supplemental Agreement No. 1 herein referred to as the "City Agreement"); and

WHEREAS, the parties hereto entered into a Subcontract Agreement dated as of the 12th day of October 2000 (the "Subcontract"), pursuant to which SRC subcontracted to BLT all of its obligations under the City Agreement; and

WHEREAS, SRC desires to assign to BLT all of its duties and obligations under the City Agreement, and BLT desires to assume all of SRC's duties and obligations under the City Agreement; and

WHEREAS, Subsection 2.V. of Supplemental Agreement No. 1 provides that SRC shall not assign the City Agreement without the City's written consent; and

WHEREAS, the City of Sacramento is willing to consent to the assignment by SRC to BLT of all of SRC's rights, duties and obligations under the City Agreement.

NOW, THEREFORE, for and in consideration of the covenants

herein and other good and valuable consideration, and intending to be legally bound, the parties hereto agree as follows.

1. SRC hereby assigns to BLT all of its right, title and interest in and to the City Agreement.

2. BLT hereby accepts and assumes, and agrees to discharge all of the duties and obligations of SRC pursuant to the City Agreement.

3. BLT agrees to defend, indemnify, and hold SRC harmless against any and all (i) losses or damages arising out of or in connection with BLT's performance of the City Agreement from and after the date hereof including, but not limited to, losses or damages resulting from injuries to persons or damages to property arising from, growing out of, or connected with the performance of the City Agreement, and losses or damages arising out of any act or omission of BLT, its employees, or agents in the performance of or failure to perform under the City Agreement.

4. The Subcontract, including Addendum A and Addendum B to the BLT/SMURFIT Purchase Agreement No. 246-082100A, is hereby terminated by mutual agreement of the parties.

5. This Assignment and Assumption Agreement shall be effective only when signed by all of the parties hereto, including the City of Sacramento, whose execution hereof is for the sole purpose of providing the consent required by Subsection 2.V. of the Supplemental Agreement No. 1.

6. This Assignment and Assumption Agreement shall be governed by and construed in accordance with the laws of the State of California as an agreement made and to be performed entirely

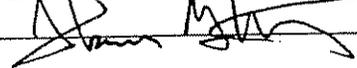
within such state.

IN WITNESS WHEREOF, the parties hereto have signed this Assignment and Assumption Agreement on the day and year first above written.

SMURFIT RECYCLING COMPANY

By: 

BLT ENTERPRISES OF SACRAMENTO, INC.

By: 

Pursuant to Subsection 2.V of the Supplemental Agreement No. 1 (Project Title/Number; Recyclables Processing (CA # 96-132), the City of Sacramento hereby consents to the assignment as hereinabove described.

City of Sacramento
Date: _____

APPROVED AS TO FORM:

City Attorney

RESOLUTION NO. 2006-XXXX

Adopted by the Sacramento City Council

January 24, 2006

APPROVING ASSIGNMENT AND ASSUMPTION OF NONPROFESSIONAL SERVICES AGREEMENT 96-132 BETWEEN SMURFIT RECYCLING COMPANY AND THE CITY OF SACRAMENTO TO BLT ENTERPRISES OF SACRAMENTO

BACKGROUND

- A) The City of Sacramento approved Nonprofessional Services Agreement No. 96-132 with Smurfit Recycling Company (SRC) to accept and process recyclable materials collected by the City of Sacramento.
- B) Nonprofessional Services Agreement (Supplemental Agreement No. 1) was amended in December 7, 2000 to allow SRC to subcontract with BLT Enterprises of Sacramento (BLT) to accept and process co-mingled recyclable materials.
- C) SRC desires to assign all duties and obligations of Nonprofessional Services Agreement No. 96-132 to BLT.
- D) Subsection 2.V of the Supplemental Agreement No. 1 requires the City to consent such assignment in writing.

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

- Section 1. The City Council approves reassignment of Nonprofessional Services Agreement No. 96-132 from Smurfit Recycling Company to BLT Enterprises of Sacramento.