


Office of the City Manager

CONSENT CALENDAR

April 26, 2005

To: Honorable Mayor and
Members of the City Council
From:  Phil Kamlarz, City Manager
Subject: Contract Extension: Urban Ore

RECOMMENDATION

Adopt a Resolution authorizing the City Manager to extend the Urban Ore contract for one year, from July 1, 2005 through June 30, 2006 for a total amount not to exceed \$28,750.

FISCAL IMPACTS OF RECOMMENDATION

Funds are currently budgeted for this ongoing expense in the Refuse Fund (Budget Code #820-5607-432.30-38). Current annual expenses for the Urban Ore contract are approximately \$22,500. This rate was set in 2000 and the current rate reflects a cost-of-living adjustment of roughly 2.9% (average Consumer Price Index from 2000 to 2004).

CURRENT SITUATION AND ITS EFFECTS

The City operates a Solid Waste Transfer Station at 1201 Second Street, where urban discards are received and loaded into trailers for hauling to the Vasco Road Landfill in Livermore, California. Organics are hauled away for composting and recyclables are diverted to the Recycling Facility.

Urban Ore is a long-time Berkeley non-profit working with the Public Works Department that provides a salvage and diversion program for reusable goods. Various items are salvaged by Urban Ore staff from the Transfer Station's Tipping Floor and thus diverted from landfill.

In the industry, recycling services contracts are generally written for extended periods (eight to twenty-year contracts are common in this discipline) to allow for effective equipment cost amortization and program planning, implementation and active monitoring. The City has maintained an agreement for salvage and diversion of reusable goods with Urban Ore since 2000. Urban Ore maintains 2.2 acres of salvaged and diverted items. The current license expires July 1, 2005.

In calendar year 2005 Urban Ore anticipates spending \$1,155,000 on personnel (including wages, benefits, payroll taxes, and Worker's Compensation insurance). Fleet include two box trucks and two forklifts, and Urban Ore spent \$22,000 on maintenance and repair in 2004. In 2004 Urban Ore salvaged 6.63 tons directly from the Transfer Station Tipping Floor (it is estimated that 15% of their materials come from this source).

Urban Ore is a valuable part of the Solid Waste Management Division's operations because they salvage an estimated 15% of materials from the dump, they pick up an estimated 10%, and the community brings in another 75% that is diverted from the landfill.

The Solid Waste Management Division is updating the Solid Waste Master Plan (SWMP). It is scheduled for review by the Solid Waste Management Commission this spring and completion this fall. In light of Alameda County's mandate that recycling be increased to 75% by 2010, it is very likely that SWMP recommendations may greatly impact the strategy used for recycling services. In the interim period, it is most prudent to maintain the existing license

agreement until SWMP recommendations are available, and base competitive bidding strategies on new opportunities. A one-year extension may give staff and the Solid Waste Management Commission an opportunity to analyze SWMP recommendations, provide an analysis of recycling options to maximize services in a cost-effective manner, present these to Council for policy direction, and proceed with an implementation process to ensure the best result.

RATIONALE FOR RECOMMENDATION

Allowing results of the SWMP to shape recycling contracting opportunities is more prudent than competitive bidding at this time. Permitting the results of the SWMP to provide a clear basis for restructuring future contract agreements will allow the City to more effectively identify and meet its current and future needs. The Solid Waste Commission was advised of this contract extension and agrees that this is the most feasible approach.

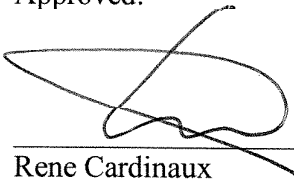
ALTERNATIVE ACTIONS CONSIDERED

Effectively restructuring a competitive bid solicitation for the salvage and diversion of reusable goods program without the benefit of SWMP recommendations is a time-consuming alternative that may not make the best use of the City of Berkeley's financial or human resources.

CONTACT PERSON

Rene Cardinaux, Director of Public Works.....981-6300
Tom Farrell, Solid Waste and Recycling Manager.....981-6359

Approved:



Rene Cardinaux
Director of Public Works

RESOLUTION NO.

-N.S.

AUTHORIZING THE CITY MANAGER TO EXTEND THE URBAN ORE CONTRACT FOR ONE YEAR, FROM JULY 1, 2005 THROUGH JUNE 30, 2006 FOR A TOTAL AMOUNT NOT TO EXCEED \$28,750

WHEREAS, funds are currently budgeted for this ongoing expense in the Refuse Fund; and

WHEREAS, Urban Ore is a long-time Berkeley non-profit working with the Public Works Department that provides a salvage and diversion program for reusable goods; and

WHEREAS, the Solid Waste Management Division is updating the City's Solid Waste Master Plan (SWMP) that is scheduled for review by the Solid Waste Management Commission this spring and completion this fall; and

WHEREAS, it is very likely that SWMP recommendations may greatly impact the strategy used for recycling services, so in the interim, it is most prudent to maintain the existing contract with Urban Ore until SWMP revisions are complete.

BE IT FURTHER RESOLVED that the Council of the City of Berkeley authorizes the City Manager to execute a one-year contract extension with Urban Ore in an amount not to exceed \$28,750 (Budget Code #820-5607-432.30-38). A record signature copy of said agreement to be on file in the Office of the City Clerk.

PROPOSED 2006 URBAN ORE BUDGET

Attachment B

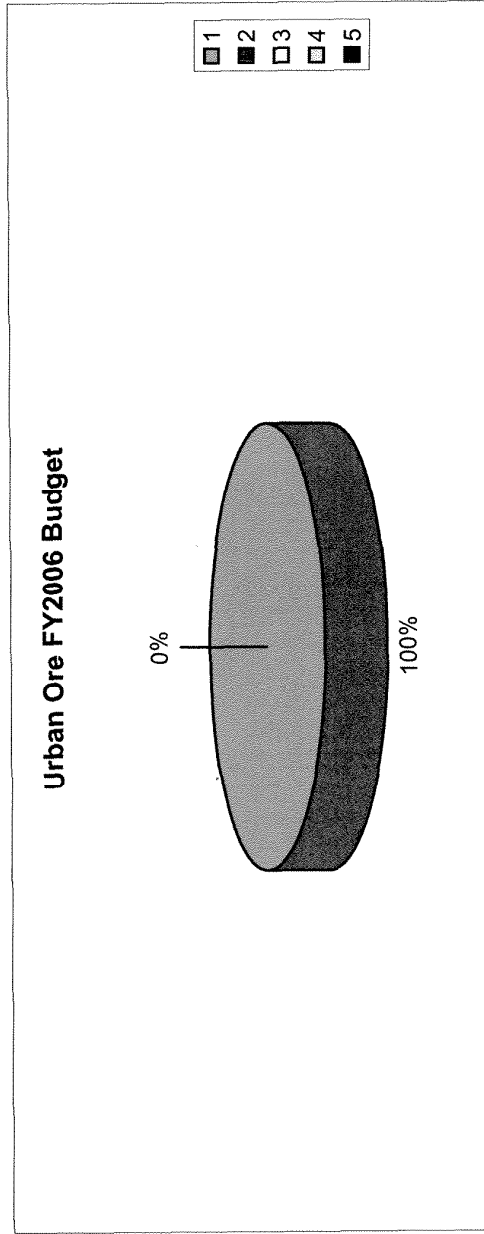
FY 2006

28,750

Salvage and Diversion Program Expenses

28,750

TOTAL



City of Berkeley pays Urban Ore to operate a salvage and diversion program for reusable goods.