



Office of the City Manager

CONSENT CALENDAR

July 10, 2007

To: Honorable Mayor and
Members of the City Council

From: *PK* Phil Kamlarz, City Manager

Submitted by: Claudette Ford, Director, Department of Public Works

Subject: Contract No. 2146D: Curbside Recycling Services

RECOMMENDATION

Adopt a Resolution amending Contract No. 2146D with the Berkeley Ecology Center increasing the contract by \$2,076,222 in FY 2008 and extending the contract term to June 30, 2008, for a total contract amount not to exceed \$5,186,166 for Fiscal Years 2006 thru 2008.

FISCAL IMPACTS OF RECOMMENDATION

The FY 2008 budget includes \$1,728,722 for curbside recycling in 820-5608-432-3038 (Refuse Fund). The contract increase of \$347,500 will be appropriated in the FY 2008 budget when the City completes the first amendment to the annual appropriations limit. Funding for the contract results from FY 2007 budgeted funds that were not fully expended by the end of the fiscal year. The CMS number for the contract amendment is G5C1N.

CURRENT SITUATION AND ITS EFFECTS

The Ecology Center's recycling contract was to expire on June 30, 2007, and a new contract prepared. The new contract was delayed because the City Attorney determined that the City must ensure that its refuse rate structure is reasonable, and meets the evolving standards of applicable law, before it enacts new recycling contracts or new rates to fund such contracts. This amendment will allow the Ecology Center to continue to provide necessary recycling services until any rate structure issues are resolved.

The consultant hired by the City is now analyzing the rate structure, and the recommended rates will be submitted to City Council for adoption in mid FY 2008. Staff will prepare a new recycling contract based on the available funding approved at that time.

Anticipated costs for FY 2008 are higher due to the Ecology Center replacing their aged fleet with more efficient vehicles, and the not-to-exceed amount is increased accordingly.

BACKGROUND

On June 6, 1992, by Resolution 56,543-N.S., Council authorized contract 2146 with the Berkeley Ecology Center to collect recyclables at curbside from Berkeley residents. On March 16, 1999 by Resolution 59,929-N.S. Council extended this contract through June 30, 2005. On May 10, 2005

by Resolution 62,902-N.S. Council approved contract 2146-D for fiscal years 2006 and 2007, for an amount not to exceed \$1,728,722 per year. The purpose of this extension was to allow the City time to complete a new Solid Waste Plan and resultant program changes before negotiating or bidding a new contract. A new contract is expected to include an improved and more convenient collection system, replacing obsolete trucks, and streamlining the way the City pays for the service.

The Ecology Center provides excellent recycling collection service to residents, and a recycling information line. They are currently implementing a grant-funded education campaign to encourage residents to recycle more of their paper. The curbside program is an essential part of the City's effort to achieve 75% waste reduction.

RATIONALE FOR RECOMMENDATION

This amendment provides continuity of curbside recycling services to City residents until a new contract can be enacted. Increasing the authorized annual expenditure will allow necessary purchase of vehicles.

ALTERNATIVE ACTIONS CONSIDERED

Extend contract at the current not to exceed amount: This was rejected because expenses have increased, and unspent FY 2007 funds are available to cover the cost of the contract increase.

CONTACT PERSON

Peter Holtzclaw, Manager, Division of Solid Waste and Recycling, 981-6359

Attachments:

1: Resolution

RESOLUTION NO. ##,###-N.S.

CONTRACT NO. 2146D AMENDMENT: CURBSIDE RECYCLING SERVICES

WHEREAS, on June 6, 1992 the City Council authorized a contract with the Berkeley Ecology Center to provide curbside recycling services to Berkeley residents, which contract expires on June 30, 2007; and

WHEREAS, on May 10, 2005 by Resolution 62,902-N.S. Council approved contract extension 2146-D for FY 2006 and FY 2007, for an amount not to exceed \$1,728,722 per year; and

WHEREAS, the City attorney has advised that the City should not enter into new recycling contracts until the refuse rate structure is confirmed to be in compliance with Proposition 218; and

WHEREAS, the City of Berkeley has adopted a goal of diverting 75% of waste by 2010, of which curbside recycling is a critical component; and

WHEREAS, the Ecology Center provides excellent service and is in compliance with all contract requirements; and

WHEREAS, the FY 2008 proposed budget includes \$1,728,722 for curbside recycling in 820 5608 432 3038 (Refuse Fund); the remaining \$347,500 of the contract increase to be appropriated in the FY 2008 budget which will result from FY 2007 budgeted funds that were not fully expended by the end of the fiscal year; and

WHEREAS, the contract amendment has been assigned CMS number G5C1N.

NOW THEREFORE BE IT RESOLVED by the Council of the City of Berkeley that the City Manager is authorized to execute an amendment to Contract No. 2146D with the Berkeley Ecology Center increasing the contract by \$2,076,222 in FY 2008 and extending the contract term to June 30, 2008, for a total contract amount not to exceed \$5,186,166 for Fiscal Years 2006 through 2008.