




Office of the City Manager

CONSENT CALENDAR
November 6, 2007

To:  Honorable Mayor and Members of the City Council

From:  Phil Kamlarz, City Manager

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

Subject: Contract: East Stockton Transfer Recycle for Construction and Demolition Waste Processing

RECOMMENDATION

Adopt a Resolution authorizing the City Manager to enter into a contract with East Stockton Transfer Recycle to sort construction and demolition waste for an annual amount not to exceed \$1,382,500 in FY 2008 and a total contract amount not to exceed \$5,727,500 for FY 2008, FY 2009 and FY 2010, for the period November 12, 2007 to June 30, 2010.

FISCAL IMPACTS OF RECOMMENDATION

The FY 2008 budget includes \$3,222,410 for refuse disposal in account 820- 5607-432-30-38. The price quoted by East Stockton Transfer Recycle (East Stockton) for sorting and disposing demolition waste is \$39.50 per ton. The projected tonnage for FY 2008 is 35,000 and is based on the remaining seven months of the fiscal year as the contract will not begin until November 2007. The contract amount based on this tonnage totals \$1,382,500. The tonnage for FY 2009 and FY 2010 is estimated to be 55,000 per year, resulting in estimated contract costs totaling \$2,172,500 per year or \$4,345,000. The CMS number is LXHXX.

CURRENT SITUATION AND ITS EFFECTS

The City's transfer station at 1201 - 2nd Street accepts approximately 100,000 tons per year of refuse. A significant portion, approximately 50,000 tons per year, is classified as rubbish, or dry non-putrescent discards. It consists of many of the same materials that are classified as the "construction and demolition" or "C&D" waste stream. This includes drywall, dirt, brick, rock and various aggregate; various forms of wood waste such as roofing, siding, posts and dimensional lumber; various types of garden waste, like shrubbery and tree trimmings; and metals, cardboard, and some concrete and cement. This waste stream is currently sent to the landfill for disposal.

In order to reach the City's mandated 75% diversion goal, this material is a prime target for diversion, since many of the waste stream's components are marketable once they are separated from each other. The City advertised an RFP in September 2007 to the six facilities in the greater Bay Area that can sort this type of material. Only East

Stockton responded to the RFP. The remaining vendors declared that their facilities were either not ready to accept material or were already at full capacity. Although East Stockton was the only responder, its pricing is very favorable. East Stockton's \$39.50 per ton rate is far less than the rates of Bay Area C&D material recovery facilities, which range between \$50 and \$100 per ton.

BACKGROUND

Berkeley's immediate recycling goal is to achieve a 75% diversion rate by 2010. The last reporting year on file with the State's Integrated Waste Management Board shows Berkeley at a 57% diversion rate. If Berkeley had sent 50,000 tons of dry refuse then to a C&D material recovery facility, and if that material recovery facility diverted 50% of those tons, Berkeley's diversion rate would have been 67%. If the material recovery facility diverted 75%, the City's overall rate would have been 72%. Simply, diversion from the C&D waste stream offers Berkeley the cheapest and easiest path towards reaching the City's recycling goals.

RATIONALE FOR RECOMMENDATION

The proposed contractor responded to the City's RFP with the lowest price and the best overall recycling/marketing system. East Stockton Transfer Recycle estimates in can recover 50% of Berkeley's dry rubbish waste stream. It has previously demonstrated an ability to recover upwards of 70% of this type of waste stream. Moreover, it does not market any of its material as Alternative Daily Cover or as Direct Land Application. City staff believes both of these processes do not constitute true recycling. Alternative Daily Cover consists of using wood chips, shredded green waste, or other fine material to cover garbage at a landfill; Direct Land Application has been utilized by firms that, rather than clean and market its organic material for recycling, it plows it back into large tracts of its facility's property.

ALTERNATIVE ACTIONS CONSIDERED

None.

CONTACT PERSON

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

Attachments:

1: Resolution

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

CONTRACT: EAST STOCKTON TRANSFER RECYCLE FOR CONSTRUCTION
AND DEMOLITION WASTE PROCESSING

WHEREAS, the City of Berkeley is committed to a 75% diversion rate by 2010 and to Zero Waste by 2020; and

WHEREAS, the City issued a request for proposals (RFP) for construction and demolition sorting, considering that diverting this waste stream from the landfill can increase the City's diversion rate substantially; and

WHEREAS, a 50% diversion rate of the City's C&D waste stream will increase the overall diversion rate to nearly 70%; and

WHEREAS, East Stockton Transfer Recycle was the only vendor responding to the RFP out of the six Bay Area vendors providing such services; and

WHEREAS, East Stockton Transfer Recycle submitted a competitive proposal that maximizes the amounts diverted to solid recycling markets; and

WHEREAS, the price for sorting and disposing demolition waste is \$39.50 per ton and the projected tonnage for FY 2008 is 35,000 based on the contract starting November 2007; the contract amount based on this tonnage totaling \$1,382,500; and

WHEREAS, the tonnage for FY 2009 and FY 2010 is estimated to be 55,000 per year, resulting in estimated contract costs totaling \$2,172,500 per year or \$4,345,000; and

WHEREAS, the funding for the FY 2008 not to exceed contract amount of \$1,382,500 is available in Fund 820 (820-5607-432-3038); CMS number LXHXX.

NOW THEREFORE BE IT RESOLVED by the Council of the City of Berkeley that the City Manager is authorized to execute a contract and any amendments with East Stockton Transfer Recycle to sort construction and demolition waste for an annual amount not to exceed \$1,382,500 in FY 2008 for a total contract amount not to exceed \$5,727,500 for FY 2008, FY 2009 and FY 2010, for the period November 12, 2007 to June 30, 2010.

