



City of Sunnyvale

Agenda Item-No Attachments (PDF)

File #: 15-0744, Version: 1

REPORT TO COUNCIL

SUBJECT

Modify an Existing Contract for Services Related to the Food Scrap Collection Program (F16-04)

REPORT IN BRIEF

Approval is requested to modify an existing contract with Browning Ferris Industries of CA Inc., dba Newby Island Recyclery, to extend the contract period through December 31, 2015. Approval is also requested to increase the contract amount by \$79,000, from \$80,000 to \$159,000.

EXISTING POLICY

Council approval is required to amend existing contracts that will exceed \$100,000 absent delegated authority to the City Manager to make such modification.

ENVIRONMENTAL REVIEW

N/A

BACKGROUND AND DISCUSSION

In December 2008 City Council approved a Zero Waste Policy (RTC No. 08-358, Policy 3.2.4) which, among other things, adopted goals to reach a 75 percent waste diversion rate by 2020 and 90 percent by 2030. In an effort to better understand the contents of the City's waste stream, staff conducted a waste characterization study in 2010. The Study identified that the City's waste stream still contains a significant amount of recoverable materials, confirming that there are opportunities to pursue zero waste through additional recycling, education and, most significantly, organics recovery. The term "organics" in this context refers to compostable materials, especially food and food-soiled paper products. The same material is referred to in this document as "compost."

Because organics make up such a significant portion of the commercial waste stream (35 percent, according to the waste characterization study), staff implemented a pilot organic collection program for large commercial accounts in May 2011. The program has grown steadily since its inception with significant interest amongst the business community to implement programs. Currently nine of Sunnyvale's top 20 employers participate in the program, and demand for organics service continues to be robust. Additionally, new regulations (AB 1826) were enacted last year that require both businesses and jurisdictions to implement organics programs starting in January of 2016.

At present, Newby Island is accepting more organics than the City had anticipated delivering. Monthly tonnages have steadily increased and will continue to do so as the program expands. This has the potential to result in Newby Island reaching capacity for Sunnyvale's organics. Staff has been evaluating alternatives and is considering using several processing approaches to handle the increased tonnage.

A Request for Qualifications (RFQ) process will be conducted to evaluate available options, including

potentially issuing multiple processing contracts, similar to how the City handles asphaltic materials. In the meantime, the Newby Island contract must be extended and increased so that the collection program can continue. The current contract was established at \$80,000 and expires on September 5, 2015. In order to have time to adequately complete an RFQ to identify one or several processors that can meet the demand for increased tonnage, staff is recommending an extension to the existing contract through December 31, 2015, and a \$79,000 increase to the contract to a new total of \$159,000.

FISCAL IMPACT

Budgeted funds are available in Project 830910, Zero Waste Strategic Plan. In addition, diversion of organics under the current pricing arrangements is more cost effective than landfilling the material.

Funding Source(s)

Project 830910 is funded by the Solid Waste Management Fund.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

RECOMMENDATION

Approve modification of an existing contract with Browning Ferris Industries of CA Inc. to extend the contract period through December 31, 2015, and increase the not-to-exceed value to \$159,000.

Prepared by: Pete Gonda, Purchasing Officer

Reviewed by: Grace K. Leung, Director, Department of Finance

Reviewed by: John Stufflebean, Director, Department of Environmental Services

Reviewed by: Jane Chambers, Interim Assistant City Manager

Approved by: Deanna J. Santana, City Manager

ATTACHMENT

1. Draft Amendment to Services Agreement