

April 6, 2005

**Honorable Mayor and Members
of the Hermosa Beach City Council**

**Regular Meeting of
April 12, 2005**

SUBJECT: FY 04-05 CONTRACT AMENDMENT FOR CONSOLIDATED DISPOSAL SERVICES

Recommendation:

That the City Council approve a contract amendment for FY 04-05 for Consolidated Disposal Services (CDS).

Background:

For several years, the City has been working with Eugene Tseng & Associates (ETA) on measures to achieve compliance with the mandatory 50% waste diversion rate under AB939. Despite implementing many programs, the City's diversion rate had fallen from its previous high of 47% to 32% and the City was issued a compliance order by the California Integrated Waste Management Board in November 2004. On October 12, 2004 the City Council reviewed and approved several implementation programs to help the City achieve its diversion goals. Since that time, ETA and CDS have been assisting the City in the preparation of a work plan, meeting with Board staff and assisting with the implementation programs as reported to City Council on March 8, 2005. The work plan was approved by the Board in January 2005.

Analysis:

Consolidated Disposal Service has been working with the City on new commercial recycling programs previously approved by City Council. These programs include a new commercial recycling toter program and a trash to transformation facility program.¹ CDS indicates that implementing the commercial recycling toter program will divert an estimated 900 tons of waste and increase commercial collection rates by 6.7%. This includes the cost of the 64 gallon toters distributed to commercial users and additional hauling of recycled materials. Implementation of a new commercial trash to transformation program will result in an additional average rate increase of 5.1% which equates to \$30.00 per ton. Therefore the total rate increase for commercial accounts is 11.8%. The programs were outlined to the City Council in October and are described in the attached CDS correspondence. The proposed contract amendment involves a revision to Exhibit B, incorporating the additional commercial recycling programs approved by the State as part of the compliance order.

Fiscal Impact:

If the Consolidated Waste Management contract amendment is approved it will result in a total 11.8% rate increase for disposal services for commercial accounts.

Sol Blumenfeld, Director
Community Development

Noted for Fiscal Impact:

Viki Copeland, Director
Finance Department

Concur:

Stephen R. Burrell,
City Manager

Attachments:

1. CDS Amended Contract Exhibit B
2. CDS Correspondence.

Notes

1. Automated Recycle Toters for Commercial Businesses

The Automated Recycle Toters for Commercial Business program provides on average two 64-gallon recycle toters for each commercial account. Businesses will source separate paper, cans, bottles, and flattened cardboard and place these materials into the toters for collection by the hauler. An estimated 900 tons will be diverted each year. The estimated cost increase to the commercial customers' rate is approximately 6.7%. The additional diversion tonnage costs are approximately \$76 per ton diverted.

Commercial Trash to Transformation Facility

Under the Commercial Trash to Transformation Facility program, approximately 1,719 tons per year of commercial trash will be sent to the Long Beach Waste-to-Energy Facility (SERRF) for incineration. This will result in all 100% of the 1,719 tons being credited as diversion to the City of Hermosa Beach., and represents approximately another 5% additional increase in the City's overall diversion rate. The estimated cost increase to the commercial customers' rate is approximately 5.1%. The additional diversion tonnage from this program costs are approximately \$30 per ton diverted.

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