



*City of Arts & Innovation*

# City Council Memorandum

**TO: HONORABLE MAYOR AND CITY COUNCIL      DATE: JUNE 21, 2022**

**FROM: PUBLIC WORKS DEPARTMENT      WARDS: ALL**

**SUBJECT: TENTH AMENDMENT TO AGREEMENT WITH AGUA MANSA MRF, LLC, FOR  
TRANSFER SERVICES TO ADD THE PROCESSING FEE OF COMMINGLED  
RESIDENTIAL GREEN WASTE AND FOOD WASTE**

## **ISSUE:**

Approve the Tenth Amendment to agreement with Agua Mansa MRF, LLC, for transfer services to add the processing fee of commingled residential green waste and food waste using section 702(h) of Purchasing Resolution 23812.

## **RECOMMENDATIONS:**

That the City Council:

1. Approve the Tenth Amendment to the agreement with Agua Mansa MRF, LLC, for transfer services to add the new processing fee of \$98.20 per ton for commingled residential green waste and food waste.
2. Authorize the City Manager, or his designee, to execute the Tenth Amendment, including making minor and non-substantive changes.

## **BACKGROUND:**

SB1383 Lara, Chapter 395, Statutes of 2016 is a statewide effort to reduce emissions of short-lived climate pollutants (SLCP). Beginning on January 1, 2022, the City of Riverside (City) was required to provide organic waste collection services to all residents and businesses for organic recycling. The City has an agreement with Burrtec Waste Industries, Inc. to operate the Agua Mansa Material Recovery Facility Transfer Station (also known as a "MRF" or "Transfer Station"). This contract expires on March 30, 2029.

On June 16, 2020, the City Council approved the Ninth Amendment with Agua Mansa MRF, LLC. for transfer services to add organic waste processing and recycling processing.

## **DISCUSSION:**

In response to a mandate imposed by the State of California, a Food Waste Diversion Program was adopted within the existing residential refuse collection program. As a result, residents will be required to separate their food waste and place in their green waste cart for collection beginning July 1, 2022.

The cost of processing the commingled green waste includes the separation of food waste along with other contamination. The food waste is then transported to another facility for further processing. Providing these additional services required Burrtec to modify their facility, equipment, and operations. Processing food waste and green waste collected in one bin has resulted in a new rate; commingled green rate at \$98.20 per ton.

Pursuant to Purchasing Resolution No. 23812, Section 702(h) which states, "Competitive Procurement through the Informal Procurement and Formal Procurement process shall not be required in any of the following circumstances:...(h) When Services, except Professional Services, can be Procured from a Contractor who offers the same or better price, terms and conditions as the Contractor previously offered as the Lowest Responsive Bidder under Competitive Procurement or negotiations conducted by the City or another public agency, provided that, in the opinion of the Manager, it is in the best interests of the City to do so".

The Purchasing Manager concurs that the recommendation to approve the amendment is in compliance with Purchasing Resolution No. 23812, Section 702(h).

### **STRATEGIC PLAN ALIGNMENT:**

The Agua Mansa MRF, LLC. Agreement aligns with **Strategic Priority 4 – Environmental Stewardship**, and **Goal 4.4:** Implement measures and educate the community to responsibly manage goods, products, and services throughout their life cycle to achieve waste reduction outcomes.

This agreement aligns with the cross-cutting threads as follows:

1. **Community Trust** – This agreement enables the City to participate in recycling efforts. City programs such as the Food Waste Diversion Program improve the greater public good by minimizing landfill waste and reducing harmful methane gas.
2. **Equity** – The City ensures that all residents have equal access to refuse services and programs.
3. **Fiscal Responsibility** – The current agreement doesn't expire until March 30, 2029. Until we can send this out to bid, the agreement is neutral towards this cross-cutting thread.
4. **Innovation** – The City has an anaerobic digester capable of processing food waste from the Food Waste Program included in the Tenth Agreement. This capability will decrease landfill waste, reduce harmful methane gas, and create energy that can be used to power the City of Riverside Water Quality Control Plant.
5. **Sustainability & Resiliency** – The City's curbside collection of trash, green waste, and recycled materials are critical in efforts to divert materials from the natural lands and landfills into recycling opportunities. Recycling efforts help our current demands while preserving open spaces for future generations.

**FISCAL IMPACT:**

The total fiscal impact of the Tenth Amendment to the Agua Mansa MRF, LLC Agreement in Fiscal Year 2022/23 is approximately \$8,770,707. Funds in the amount of \$7,538,719 are budgeted in the upcoming FY 2022-2024 budget that will be presented to City Council in June for adoption, in the Refuse Fund, Refuse Disposal Fee account number 4130100-422700. Commingled green waste rates were not available from the Agua Mansa MRF until April 18, 2022. As such, the upcoming FY 2022-2024 budget does not include an additional \$1,231,988 estimated impact resulting from the new commingled green rate. After the first quarter of FY 2022/23, Public Works will submit a supplemental appropriation for any additional funding required as a result of the increased fees for disposing of food waste. Appropriations for future fiscal years will be included in the Department's Budget submissions for those fiscal years to be presented to the City Council for approval.

Prepared by: Gilbert Hernandez, Public Works Director  
Certified as to  
availability of funds: Edward Enriquez, Interim Assistant City Manager/CFO/City Treasurer  
Approved by: Kris Martinez, Assistant City Manager  
Approved as to form: Phaedra A. Norton, City Attorney

**Attachments:**

1. Tenth Amendment to the Agua Mansa MRF, LLC. Agreement
2. Agua Mansa MRF, LLC. Tip Fee Rate Adjustment