



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: OCTOBER 20, 2015

FROM: PUBLIC WORKS DEPARTMENT WARDS: ALL

SUBJECT: APPROVE THE FIRST AMENDMENT TO THE AGREEMENT FOR BIOSOLIDS HAULING AND DISPOSAL SERVICES FOR THE REGIONAL WATER QUALITY CONTROL PLANT IN THE AMOUNT OF \$1,000,000

ISSUE:

The issue for consideration by the City Council is to award the First Amendment to the Agreement for biosolids hauling and disposal services for the Regional Water Quality Control Plant (RWQCP). The proposed amendment will allow a six (6) month extension for services to continue while the Public Works Department solicits and obtains competitive contractor proposals for a new agreement.

RECOMMENDATION:

That the City Council award the First Amendment to the Agreement for biosolids hauling and disposal service to Denali Water Solutions, LLC (formerly Terra Renewal West, LLC) of Garden Grove, California, in an amount not to exceed \$1,000,000 for the period of October 25, 2015 to April 25, 2016.

BACKGROUND:

On June 8, 2012, the Public Works Department received six (6) contractor responses to Request for Proposal 1329 to provide biosolids hauling and disposal services. The City Council awarded Terra Renewal West, LLC an agreement on October 23, 2012 in the amount of \$5,500,000. The three-year agreement term ends October 25, 2015 and includes a provision for the City to extend the term for up to 3 years. Denali Water Solutions, LLC. (formerly Terra Renewal West, LLC.) has agreed to the 6-month extension with no increase in the cost of services. The firm's performance under the current agreement has been satisfactory.

The Public Works Department is requesting a first amendment to the agreement to provide for an additional six months of service with Denali Water Solutions, LLC that will allow biosolids hauling and disposal services to continue while staff solicits and obtains competitive contractor proposals for a new agreement. The first amendment will be for an amount not to exceed \$1,000,000 for services from October 25, 2015, until April 25, 2016. City staff will return to City Council with a recommendation for a new agreement when this process is complete.

The Purchasing Services Manager concurs with the recommendation above.

FISCAL IMPACT:

There is no impact to the General Fund. The total contract amount shall not exceed \$6,500,000, which includes \$1,000,000 for the period October 25, 2015 to April 25, 2016. Sufficient funds are available in the Public Works Department budget Account No. 4125200-422700 to cover this cost.

Prepared by: Kris Martinez, Interim Public Works Director

Certified as to

availability of funds: Brent A. Mason, Finance Director/Treasurer

Approved by: Al Zelinka, FAICP, Assistant City Manager

Approved as to form: Gary G. Geuss, City Attorney

Attachment: First Amendment to the Agreement - Denali Water Solutions, LLC.