



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Public Works
Department No.: 054
For Agenda Of: June 23, 2015
Placement: Administrative
Estimated Time:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Scott D. McGolpin, P.E. Director, ext. 3010
Director(s)
Contact Info: Mark Schleich, P.E. Deputy Director, ext. 3605

SUBJECT: **Third Amendment to Hazardous Waste Contract with Clean Harbors
Environmental Services, Inc.
All Supervisorial Districts**

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- A. Approve and execute the attached Third Amendment to the Agreement with Clean Harbors Environmental Services, Inc. for the transportation, management, recycling and disposal of hazardous waste collected through County solid waste collection programs. The Amendment increases the contract amount by \$1,164,036 and extends the contract for an additional two (2) years for a total of a five (5) year agreement in a not-to-exceed amount of \$2,709,154; and
- B. Find that the proposed Amendment to the contract does not constitute a "Project" within the meaning of CEQA, pursuant to 14 CCR 15378 (b) (5) (administrative activity of government).

Summary Text:

In June 2012, after conducting a competitive procurement process, the Board approved a three-year contract with Clean Harbors Environmental Services, Inc., ("Clean Harbors") for a total cost not-to-exceed \$1,393,118. This contract covered transportation, management, recycling and disposal services for the hazardous materials collected at the Community Hazardous Waste Collection Center ("CHWCC") and the one-day collection events held in Santa Ynez and New Cuyama. In March 2015, the Board approved increasing the contract by an additional \$152,000 through the end of FY 14/15, for a

new total not-to-exceed amount of \$1,545,118. This was necessary due to an overall increase in material collected at the CHWCC and longer than anticipated contract negotiations with the paint stewardship organization PaintCare, which stalled cost savings that the County could achieve for covered paint products.

This proposed Board Letter is an additional amendment to extend the transportation, management, recycling and disposal services provided to the County for an additional two years in the amount of \$1,164,036 (FY 15/16: \$557,636; FY 16/17: \$606,400). The program is funded by a program fee added to the residential and commercial bills for the Cities of Santa Barbara and Goleta, and the unincorporated area of Santa Barbara County.

In the Spring of 2017, staff will issue a Request for Proposals for a new contract to begin July 1, 2017. At that time, staff plans to include the collection of sharps and pharmaceuticals in the contract.

Background:

The County provides a variety of opportunities for the community to appropriately dispose of hazardous waste, including a permanent collection center located at UCSB; a more limited collection facility located at the Santa Ynez Valley Recycling & Transfer Station for the recycling of antifreeze, batteries, oil, and latex paint (“ABOP”); and three one-day hazardous waste collection events held in Santa Ynez and New Cuyama. The Cities of Lompoc and Santa Maria provide hazardous waste collection in the Lompoc and Santa Maria areas, which is funded through landfill tipping fees.

The greatest quantity of hazardous material is collected at the permanent collection center located at the University of California, Santa Barbara (“UCSB”) which is open to residents every Saturday and Sunday, and to small businesses every Friday by appointment; and the three one-day collection events in Santa Ynez and New Cuyama. This Board Letter relates to increasing the contract amount between the hazardous waste management company and the County to service these programs.

The original contract was for a not-to-exceed amount of \$1,393,118 based on actual costs incurred through the above-mentioned programs in prior years. In Year 2, a decrease was anticipated due to a new statewide paint stewardship program that would have covered the cost for managing paint collected by our programs, thereby reducing our overall cost. However, challenges in the contract negotiations with PaintCare delayed implementation of this cost coverage until March 2014, and this delay, along with an increase in material received at the permanent collection center located at UCSB, resulted in a need to increase the contract amount by \$152,000 for the final six months of the contract (up to June 30, 2015) for a total not-to-exceed contract amount of \$1,545,118. The proposed Amendment in this Board Letter would extend the contract for an additional two years in a not-to-exceed amount of \$1,164,036 for a total five-year contract amount not-to-exceed \$2,709,154.

During the initial three years of the contract, Clean Harbors did not increase its rates. This year, Clean Harbors applied a 9.5% increase across the board on all incineration waste streams, but they did not pass this rate increase on to the County. However, for the next two years, Clean Harbors is proposing a smaller rate increase of 5% due to an increase in insurance rates and utility charges; regulatory agency fees; a higher cost of materials; and an increase in personnel costs. To date, staff has been very pleased

with the services provided and feels that the rates continue to be competitive. At this point, staff is recommending that the contract be increased in the amount of \$1,164,036 to cover the programs listed above until June 30, 2017. This would increase the contract amount to a not-to-exceed amount of \$2,709,154 for the five-year agreement.

Performance Measure:

There is a performance measure for operating the CHWCC housed at UCSB at a rate of \$1.65 per pound. There are three financial aspects to the program: 1) County administration of the program, 2) a contract with UCSB for use of the facility, as well as employees that work at the CHWCC, and 3) a contract with a hazardous waste management company that collects the material received and packaged at the facility, and transports it to an appropriate treatment or disposal facility. The Amendment proposed here is the third component of the program and its costs are included in the performance measure.

Fiscal and Facilities Impacts:

Budgeted: Yes.

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized On-going</u>	<u>Total One-Time Project Cost</u>
General Fund			
State			
Federal			
Fees			
Original Contract - Enterprise Fund		\$ 1,393,118.00	\$ 1,393,118.00
Amendment No. 2 - Enterprise Fund		\$ 152,000.00	\$ 152,000.00
Amendment No. 3 - Enterprise Fund		\$ 1,164,036.00	\$ 1,164,036.00
Total		\$ 2,709,154.00	\$ 2,709,154.00

There are sufficient funds budgeted in the Professional Services line item in the Resource Recovery & Waste Management (RR&WM) Division Enterprise Fund budget for FY 15/16 to accommodate the increase in contract amount.

Key Contract Risks:

This Amendment is for an increase to the original contract amount in order to continue funding the transportation, management, recycling and disposal of hazardous waste collected through County solid waste collection programs. Payments will be made after services are rendered and appropriate reporting documentation for household hazardous waste managed has been received by the County.

Clean Harbors is a company that provides household hazardous waste services nationwide. To date, they have fulfilled all service obligations for the County and this proposed Amendment to the contract

should pose a low risk to the County. The program is funded by a program fee added to residential and commercial trash bills in participating jurisdictions.

It is not anticipated that there will be any operational or facility impacts.

Staffing Impacts:

Legal Positions:

0

FTEs:

0

Special Instructions:

Please provide the minute order and a signed copy of the Contract Amendment to Jody Rundle in the Resource Recovery & Waste Management Division of Public Works.

Attachments:

Original Agreement and Exhibit C
Second Amendment to Agreement
Third Amendment to Agreement
Exhibit A to Third Amendment to Agreement
Exhibit B to Third Amendment to Agreement
Attachment A1 to Third Amendment to Agreement

Authored by:

Jody Rundle, Resource Recovery & Waste Management Division, ext. 3602