



**NAPA-VALLEJO WASTE  
MANAGEMENT AUTHORITY**

Agenda Date: 9/14/2006

Agenda Placement: 6A

## Napa-Vallejo Waste Management Authority **Board Agenda Letter**

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**TO:** Board of Directors  
**FROM:** Trent Cave - Manager  
Napa-Vallejo Waste Management Authority  
**REPORT BY:** Trent Cave, Manager, 253-4471  
**SUBJECT:** Manager and Ad Hoc Committee Report on new Franchisee

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### **RECOMMENDATION**

#### **MANAGER AND AD HOC COMMITTEE REPORT ON NEW FRANCHISEE**

**DISCUSSION AND POSSIBLE ACTION:** Discussion and possible action relative to future transfer station operators and disposal sites:

1. Report from the Manager and Ad Hoc Advisory Committee on negotiations and status of Request for Proposals (RFP's) relating to Transfer Station Operations and Landfill Disposal.
2. Authorization for the Authority Manager to release the above-mentioned RFP's.

### **EXECUTIVE SUMMARY**

The Ad Hoc committee recommends including a solicitation for disposal capacity in the RFP to procure an operator for the DRTS. Companies would be allowed to propose on either or both of the two service packages: 1) operation of the DRTS with delivery to the selected landfill(s) and 2) landfill disposal.

### **FISCAL IMPACT**

Is there a Fiscal Impact?                      No

### **ENVIRONMENTAL IMPACT**

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

### **BACKGROUND AND DISCUSSION**

The Napa-Vallejo Waste Management Authority's (Authority) contract with Allied Waste Industries, Inc. (Allied) for operation of the Devlin Road Transfer Station (DRTS), transportation of the residual waste to landfill and landfill disposal terminates on June 30, 2007. HDR/Brown, Vence and Associates, Inc. (HDR/BVA) was retained by the Authority to assist in negotiations and procurement for provision of these services when the contract terminates.

HDR/BVA in consultation with the Authority Manager, Counsel, and a committee comprised of Authority staff and member agency representatives decided to divide the new contract into two separate contracts; one for operations of the DRTS and transportation of residual waste to landfill and the second for landfill disposal capacity. HDR/BVA believes it is in the best interest of the Authority to separate the contracts to increase the incentive for landfill diversion in the DRTS operations contract. The contract division concept was presented to the Board Ad Hoc Committee and agreed upon. Two draft generic contracts (one for each service area) were then developed by HDR/BVA in consultation with the Authority Manager and Counsel.

HDR/BVA initiated the process by conducting discussions and negotiations with the Authority's existing contractor, Allied. HDR/BVA along with the Authority Manager and Counsel met with Allied representatives several times to negotiate contractual terms and pricing for the services required. HDR/BVA used contractual terms and pricing from other similar local transfer station projects to compare Allied's offer for operations of the DRTS and transport of residual waste. From these comparisons and subsequent discussions with Allied, it was determined that the Authority might be able to obtain more favorable terms through open solicitation. HDR/BVA along with the Authority Manager discussed the risks and opportunities of the option to prepare a competitive solicitation or Request for Proposals (RFP) to procure an operator for the DRTS with the Ad Hoc Committee. Based on the discussion, the Ad Hoc Committee preferred to move ahead with development of an RFP for procurement of the DRTS operator and residual waste transport to landfill.

Concurrently with preparation of the DRTS Operations RFP, HDR/BVA continued discussions and negotiations for Allied's provision of disposal capacity. HDR/BVA along with the Authority Manager and Counsel met with Allied several additional times to discuss contractual terms and pricing. During this same period HDR/BVA and the Authority Manager started conducting informal meetings with other disposal site operators to obtain information on available capacity in the region and associated pricing. These discussions revealed that the Authority might have the opportunity for more favorable terms from other disposal site operators, than was offered by Allied for continued use of Keller Canyon Landfill. Based on the information provided, the Ad Hoc committee expressed its preference for including a solicitation for disposal capacity in the RFP to procure an operator for the DRTS. Companies would be allowed to propose on either or both of the two service packages: 1) operation of the DRTS with delivery to the selected landfill(s) and 2) landfill disposal.

### **SUPPORTING DOCUMENTS**

None

Manager: Approve

Reviewed By: Belinda Yamate