



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: October 20, 2009

TO: Mayor and Councilmembers

FROM: Environmental Services Division, Finance Department

SUBJECT: Release Of Conversion Technology RFP And Project Cost-Sharing With The County Of Santa Barbara

RECOMMENDATION: That Council:

- A. Receive a report on the release and subsequent schedule of events related to the Request for Proposals (RFP) for the Conversion Technology (CT) project at the Tajiguas Landfill;
- B. Authorize the Finance Director to enter into a cost-sharing agreement with the County of Santa Barbara in an amount not to exceed \$66,650 for a new contract with Alternative Resources, Incorporated (ARI) for the evaluation of proposals and the selection of a CT vendor; and
- C. Increase Fiscal Year 2010 Solid Waste Fund appropriations by \$46,650 for the unbudgeted amount needed to fully reimburse the County for the City's portion of costs related to the new contract with ARI.

DISCUSSION:

Nearly three years ago, the City and County of Santa Barbara directed their respective solid waste staff to work jointly to evaluate a possible joint County/South Coast City project for siting a conversion technology (CT) facility at the County's Tajiguas Landfill that would convert South Coast jurisdictions' residual solid waste into energy or a usable fuel. This would have the primary benefit of diverting a majority of solid waste from disposal at the County-owned and -operated Tajiguas Landfill, thereby extending the Landfill's useful life.

With the approval of the County Board of Supervisors and City Council, Santa Barbara and County staff hired a consultant, Alternative Resources, Incorporated (ARI) to assist in the completion of a CT Feasibility Study (Study), develop a list of qualified vendors, and prepare a Request for Proposals (RFP). The results of the Study prepared by ARI were presented to the City Council and County Board of Supervisors in May 2008.

On August 11, 2009 the City Council approved a resolution indicating the City's conceptual support for the project and its underlying goals and the City's intent to potentially commit its residual municipal solid waste (MSW) to the CT facility if all of the CT project goals are fulfilled as determined appropriate by the City Council. The RFP was completed in September and, as of the writing of this Council Agenda Report, was scheduled for release to qualified vendors on Monday, October 19, 2009.

The next stage of the RFP process will be the evaluation of proposals and the possible selection of a CT vendor for a period of exclusive negotiations to provide the County with a feasible and affordable CT project. Proposals will be due no later than April 21, 2010. As currently envisioned by the CT project team, the evaluation of proposals is scheduled to occur between April and July, 2010 and a vendor selected by August 31, 2010. City staff has reviewed the draft RFP in order to assure ourselves that it allows the City or the County to reject any and all proposals at their discretion and makes it clear that neither the County nor the City will be liable to reimburse any Proposer for costs or expenses in making a proposal in response to the RFP.

Incurred Project Costs

Council has already authorized reimbursement to the County for the City's share of the professional services itemized below related to the CT project in an amount not to exceed \$181,758.

The table below summarizes consulting services received to date for the CT project as well as the total costs paid by participating jurisdictions and the amount paid by the City.

Incurred Project Costs			
Contractor	Services	Contract Total	City Share
ARI Consulting	CT Feasibility Study, Request for Information / short-list of qualified vendors; coordination and development of Request for Proposals	\$182,500	\$91,250
Adamski, Moroski, Madden and Green	Assistance with legal components of RFP; working draft of Joint Powers Agreement	\$75,000	\$32,250
SCS Engineering	Waste Characterization Study	\$98,842	\$58,258
	Total	\$356,342	\$181,758

The City's share of the costs for these services was 50% for the initial contract with ARI, split with the County of Santa Barbara; thereafter, when other jurisdictions were brought into the project, the City's share was reduced to 43% based on the proportionate share of waste sent to the Tajiguas Landfill by each of the five participating agencies. The City share of the Waste Characterization Study (reflected above) includes a City-specific study for which the City also reimbursed the County.

Current and Future Project Costs

The new contract with ARI Consulting will be for their assistance in the procurement process. ARI will receive, log, and answer questions from vendors, receive and coordinate the evaluation of proposals, and help the participating jurisdictions select a preferred CT vendor. This new contract is for a total amount not to exceed \$155,100. If approved by Council, the City will pay \$66,650, or 43% of the contract total based on the proportion of solid waste that the City currently disposes at the County's Tajiguas landfill on an annual basis.

If the proposals are consistent with the CT project's approved goals and objectives, and a vendor is selected for the purposes of exclusive negotiations, the next stage of the project would be the negotiation of the terms and conditions of a contract with the selected CT vendor to take the proposed CT project through the County's development review process (including the likely preparation of a full CT project EIR.) ARI has provided a preliminary estimate for their services of \$45,000. The City's share would be \$19,350 or 43% of the total contract. Additional authority to proceed with the project and to incur additional expenses will be sought from the City Council at that time.

According to ARI, the cost to construct a CT facility can vary widely, from \$50 million to \$200 million. The RFP has been prepared based on the expectation that any CT facility built at the Tajiguas Landfill will be privately owned, operated, and funded through fees paid by the MSW rate payers within participating jurisdictions.

BUDGET/FINANCIAL INFORMATION:

For the current procurement stage in the CT project (evaluation of proposals and the selection of a CT vendor), the City will pay \$66,650. The Solid Waste Fund currently has \$20,000 in existing appropriations for Conversion Technology; therefore, an additional \$46,650 is necessary to cover the City's share. This will bring authorized expenditures on this project to-date to a total of \$248,408.

SUSTAINABILITY IMPACTS:

If a vendor is selected and this project moves forward, the result would include a significant reduction in the volume of municipal solid waste buried in the Tajiguas Landfill, and the production of energy created from processing the City's residual solid waste material through a CT facility.

PREPARED BY: Stephen MacIntosh, Environmental Services Supervisor

SUBMITTED BY: Robert Samario, Interim Finance Director

APPROVED BY: City Administrator's Office