DATE: February 20, 2018

TO: City Council

THROUGH: Scott Whitney
Interim City Manager

FROM: Rosemarie Gaglione
Public Works Director

SUBJECT: Third Amendment to Agreement with Ecology Auto Parts, Inc. for Supplemental Waste Transfer Hauling Services (Agreement No. A-7766) (5/5/5)

CONTACT: Rosemarie Gaglione, Public Works Director
rosemarie.gaglione@oxnard.org, 385-8055

RECOMMENDATION:

That City Council approve and authorize the Mayor to execute the Third Amendment to the Agreement with Ecology Auto Parts, Inc. to extend the expiration from the date of February 15, 2018, to April 27, 2018, and increase the total amount by $600,000 for a total amount not to exceed $3,500,000, for a contract term total of three years and two months for supplemental waste transfer hauling services (Agreement No. A-7766).

BACKGROUND

The Environmental Resources Division of the Public Works Department utilizes contracted waste transfer haulers to supplement the City’s waste transfer hauling for the Del Norte Facility. Supplemental haulers are called upon to assist the City’s fleet in transfer of waste, recyclables and green waste to contracted facilities. The need is based upon fluctuating material volumes, permit mandates to move the material, and the availability of City transfer crews. Supplemental transfer haulers usually haul approximately 70,000 tons of material per year, but can transport up to approximately 100,000 tons per year, from the Del Norte Facility to the City’s two contracted landfills and green waste/organic processing facility.

In December 2014, the City issued a request for bids (RFB) for supplemental transfer hauling
services. This process was initiated because the existing contract with Ecology Auto Parts Inc. (Ecology) was entering its third year, and staff determined it was prudent to revisit a competitive process. Staff drafted the RFB for the purpose of contracting with multiple firms. The purpose of this method was to ensure a depth of resources if one single company was unable to keep up with demand.

Two firms—Agromin and Ecology—responded to the RFB with proposals. On May 5, 2015, the City Council approved contracts with both firms to provide supplemental transfer hauling services. Agromin opted out after one year, leaving Ecology as the only contracted supplemental hauler.

The City’s original contract with Ecology was for a one-year period through February 15, 2016, with two one-year options to extend. Each one-year term had an original maximum limit of $650,000 for a total contract value of $1,950,000. On December 15, 2015, the City Council approved a First Amendment to this agreement, simultaneously executing both options to extend the term, making the new termination date February 15, 2018. At that time, the Council added $150,000 to the first year of the contract, bringing the total agreement value to $2,100,000. On June 6, 2017, the City Council approved a Second Amendment to add $800,000 to the agreement, bringing the total agreement value to $2,900,000.

The proposed Third Amendment will add $600,000 to the Agreement for an overall maximum amount of $3,500,000 for the total contract term of three years and two months. Fluctuations in the volume of solid waste, recyclables or green waste or operational changes will continue to determine the level of supplemental transfer hauling services that the City requires. In any case, all material is, and will continue to be, tracked and documented for fiscal, contractual, and regulatory purposes. It is also important to note that the City only pays for material that is transferred. There are no “put-or-pay” provisions in our supplemental hauling contracts.

The City is in the process of issuing a new RFB to seek qualified supplemental transfer haulers for the Del Norte Facility. Staff anticipates this RFB will be completed by March of 2018, with a recommendation to the City Council to award a contract or contracts by April 27, 2018, based on responses. This proposed contract extension allows continuing supplemental transfer hauling services until then.

**STRATEGIC PRIORITIES**

This agenda item supports the Infrastructure and Natural Resources strategy. The purpose of the Infrastructure and Natural Resources strategy is to establish, preserve and improve our infrastructure and natural resources through effective planning, prioritization, and efficient use of available funding.

Goal 5. Ensure orderly development and long-range conservation and management of our natural resources and coastal assets.
FINANCIAL IMPACT

The additional $600,000 will increase the not-to-exceed amount from $2,900,000 to a three-year and two month contract total of $3,500,000. Funds are available in the Environmental Resources Enterprise Fund Account Number 631-6314-842-8281 (Waste Transfer Haul-Contractual Services-Supplemental Waste Hauling) to cover for the cost of supplemental transfer hauling by Ecology for the remaining period of Fiscal Year 2017-18. These funds were approved by Council through the Fiscal Year 2017-18 budget process.

ATTACHMENTS:

Attachment A - Third Amendment to Agreement No. A-7766
THIRD AMENDMENT TO AGREEMENT FOR TRADE SERVICES

This Third Amendment ("Third Amendment") to the Agreement for Trade Services ("Agreement") is made and entered into in the County of Ventura, State of California, this 4th day of January, 2018, by and between the City of Oxnard, a municipal corporation ("City"), and Ecology Auto Parts, Inc. ("Vendor"). This Third Amendment amends the Agreement entered into on April 28, 2015, by City and Vendor. The Agreement previously has been amended on December 15, 2015, by a First Amendment, and on June 6, 2017, by a Second Amendment.

City and Vendor agree as follows:

1. In Section 3 of the Agreement, the date "February 15, 2018," is deleted and replaced with the date "April 27, 2018."

2. In Section 4 (a) of the Agreement, the first sentence is removed and replaced with the following:

   "City shall pay Vendor for supplemental hauling services in an amount not to exceed $850,000 through February 15, 2016, in an amount not to exceed $1,050,000 through February 15, 2017, and in an amount not to exceed $1,600,000 through April 27, 2018, for a not-to-exceed total of $3,500,000."

3. As so amended, the Agreement remains in full force and effect.

[Signatures on next page]
IN WITNESS WHEREOF, the parties hereto have executed the Agreement on the date first written above.

CITY OF OXNARD

Tim Flynn, Mayor
(if agreement is $250,000.01 or more)
Greg Nyhoff, City Manager (if agreement is $25,000.01-$250,000.00)
Purchasing Agent (if agreement is up to $25,000.00)

ATTEST:

Michelle Ascencion, City Clerk
(if agreement is $250,000.01 or more)

APPROVED AS TO FORM:

Stephen M. Fischer, City Attorney
(required for any agreement amount)

APPROVED AS TO CONTENT:

Todd Vasquez-Housley, Project Manager
(required for any agreement amount)

Thien Ng
(Interim Public Works Director)
Assistant Public Works Director
Ruth Osuna, Assistant City Manager
Rosemarie Gaglione, Public Works Director

APPROVED AS TO AMOUNT:

Greg Nyhoff, City Manager
(if agreement is $250,000.01 or more)

APPROVED AS TO INSURANCE:

Mike More, Risk Manager
(required for any agreement amount)

APPROVED AS TO CONTENT

Jesus Nava, Assistant City Manager

ECOLOGY AUTO PARTS, INC.

Aaron Siroonian, Chief Operations Officer

Louis P. Pratty, Board Secretary

The City requires the following for any contract:

- For a corporation, the signatures of the Board President, CEO or Vice President and of the Board Secretary, Assistant Secretary, CFO or Assistant Treasurer;
- For an LLC, the signatures of at least two managers of the LLC;
- For a partnership, the signature of a partner. If the partnership is a limited partnership, the signer must be a general partner.

If the company has a different structure, or if the above-listed persons are not the appropriate signers, please submit to the City Attorney legally-binding documentation stating who can sign and bind your company.

PLEASE DO NOT REMOVE THIS BOX

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Date
(if agreement is $250,000.01 or more)

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ECOLOGY AUTO PARTS, INC.

Ahmad Siroonian, Chief Operations Officer
Date

Louis P. Pratt, Board Secretary
Date

ATTEST:

Michelle Ascencio, City Clerk
Date
(if agreement is $250,000.01 or more)

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