



AGENDA MEMORANDUM

Action Item for the City Council Meeting on August 13, 2019

DATE: July 26, 2019

TO: Peter Zaroni, City Manager

THRU: Mark Van Vleck, Assistant City Manager
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(361) 826-3897

FROM: David Lehfeldt, Deputy Director of Solid Waste
(361) 826-1953

<p>First Amendment of the Waste Disposal Agreement with BFI Waste Services of TX, LP</p>

CAPTION:

Motion authorizing the City Manager, or designee, to execute the First Amendment to the Waste Disposal Agreement with BFI Waste Services of TX, LP, to modify the termination date, discount and the required annual tonnage; providing revenue to the City estimated at \$267,100 per month for 17 months.

PURPOSE

The City's Landfill Services Agreement with Cefe Landfill TX, LP, is contractually bound to the Waste Disposal Agreement with BFI Waste Services of TX, LP. (Note that Cefe Landfill TX, LP and BFI Waste Services of TX, LP are business units that fall under the corporate umbrella of Republic Services.) The amendment to the Waste Disposal Agreement will help retain the landfill services currently provided by BFI for the Cefe Valenzuela Landfill, and provides the City the time needed to complete a Request for Proposal process and employ the services of a new Push and Pack contractor.

The proposed amendment will:

1. Change the termination date from May 21, 2025 to January 31, 2021
2. Reduce the tonnage in the Waste Disposal Agreement from 150,000 tons per year to 120,000 tons per year and
3. Remove the discount for increased tonnage

BACKGROUND AND FINDINGS:

The City entered into the Waste Disposal Agreement with BFI Waste Services of TX, LP on February 24, 2005. Due to the many changes in the solid waste industry, waste hauled by BFI

Waste Services of TX, LP has decreased, and the required minimum tonnage required is no longer achievable. Because of this, the current contractor has expressed an interest in exiting the contract.

ALTERNATIVES:

Alternatives considered were found to be more costly to the City.

OTHER CONSIDERATIONS:

The Landfill Services Agreement with Cefe Landfill TX, LP, is contractually bound to the Waste Disposal Agreement with BFI Waste Services of TX, LP. If one contract terminates, the other contract also terminates.

CONFORMITY TO CITY POLICY:

The proposed amendment does not conflict with City policy.

EMERGENCY / NON-EMERGENCY:

This item requires one reading.

DEPARTMENTAL CLEARANCES:

Solid Waste Services

FINANCIAL IMPACT:

☐ Operating X Revenue ☐ Capital ☐ Not applicable

Fiscal Year: 2018-2019	Current Year	Future Years	TOTALS
Line Item Budget	\$267,100	\$4,273,600	\$4,540,700
Encumbered / Expended Amount			
This item	\$267,100	\$4,273,600	\$4,540,700
BALANCE	\$0.00	\$0.00	\$0.00

Comments: The Current Year is for the one month of September 2019, and Future Years is for the remaining 16 months under the amended agreement – October 2019 to January 2021.

Funding Detail:

Fund: 1020 General Fund
Organization/Activity: 12506 Cefe Valenzuela Landfill
Mission Element: 033 Landfills
Project # (CIP Only):
Account: 309301 – Refuse Disposal Charges - BFI

RECOMMENDATION:

Staff recommends approval of the motion as presented.

LIST OF SUPPORTING DOCUMENTS:

Waste Disposal Agreement – First Amendment