



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

Second Amendment to the Landfill Services Agreement with Cefe Landfill Texas, LP

CAPTION:

Motion authorizing the City Manager, or designee, to execute the Second Amendment to the Landfill Services Agreement with Cefe Landfill Texas, LP, to increase the fee paid to the contractor, add a definition for intermediate cover, remove language limiting the distance that the contractor will haul soil, and modify the termination date; for an estimated increase of \$143,625 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 Landfill Services 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. Change the Push and Pack rate to \$13.31/ton
3. Requires BFI to haul the soil from the borrow pit to the working face.
4. Define "Intermediate Cover" as: "*Intermediate Cover* means all areas that have received waste but will be inactive for longer than 180 days must provide intermediate or final cover. This intermediate cover must include six inches of suitable earthen material that is capable of sustaining native plant growth."

Note that the fees charged to our customers will not change.

BACKGROUND AND FINDINGS:

The City entered into the current Landfill Services Agreement with Cefe Landfill TX, LP on February 24, 2005 and executed the First Amendment on July 22, 2005. Due to the many changes in the solid waste industry, operational costs for Cefe Landfill TX, LP have exceeded the CPI inflation factor included in the contract and the contract is no longer profitable. Because of this, the current contractor has expressed an interest in exiting the contract.

ALTERNATIVES:

Other alternatives were explored and found to be more costly to the City.

OTHER CONSIDERATIONS:

This amendment provides assurance that the City has time to fully explore options available and implement a replacement for services provided under the existing agreement.

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 Operations

FINANCIAL IMPACT:

X Operating ☐ Revenue ☐ Capital ☐ Not applicable

Fiscal Year: 2018-2019	Current Year	Future Years	TOTALS
Line Item Budget	\$143,625	\$2,298,000	\$2,441,625
Encumbered / Expended Amount			
This item	\$143,625	\$2,298,000	\$2,441,625
BALANCE	\$0	\$0	\$0

Funding Detail:

Fund: 1020 General Fund
Organization/Activity: 12506 Cefe Valenzuela Landfill
Mission Element: 033 Landfills
Project # (CIP Only):
Account: 530000 Professional Services

RECOMMENDATION:

Staff recommends approval of the motion as presented.

LIST OF SUPPORTING DOCUMENTS:

Landfill Service Agreement – Second Amendment