

County of Santa Clara Department of Agriculture and Environmental Management

Department of Environmental Health
Hazardous Materials Compliance Division



AEM01 062006

Prepared by: Tom Rudolph
Occupational Safety &
Compliance Manager
Rob D'Arcy
Hazardous Materials Program
Manager

DATE: June 20, 2006

TO: Board of Supervisors

FROM:

Handwritten signature of Greg Van Wassenhove in black ink.

Greg Van Wassenhove
Director of Agriculture and Environmental Management

SUBJECT: Request for Proposal (RFP) for Hazardous Waste Management Services and First Amendment to the Agreement Between the County and Philip Transportation & Remediation, Inc.

RECOMMENDED ACTION

Consider recommendations relating to Request for Proposal (RFP) for Hazardous Waste Management Services, and First Amendment to Agreement between Santa Clara County and Philip Transportation & Remediation, Inc.

Processor name Melissa Miller

Item Number 76

Possible Action:

- a. Authorize staff to issue a Request for Proposal (RFP) for hazardous waste management services for the Countywide Household and Industrial Hazardous Waste Programs.
- b. Approve First Amendment to Agreement between Santa Clara County and Philip Transportation & Remediation, Inc., relating to providing hazardous waste management services for the Occupational Safety and Environmental Compliance Program (OSEC) in an amount not to exceed \$75,000 for period July 1, 2006 through December 31, 2006.
- c. Adopt Resolution delegating authority to the Director of Agriculture and Environmental Management, to negotiate and execute an agreement for hazardous waste management services for the Countywide Household and Industrial Hazardous Waste Programs not to exceed \$2.7 million for a term of 18 months for period beginning January 1, 2007 through June 30, 2008, with a maximum of four, one-year extensions, for a combined amount not to exceed \$1.8 million per year, and to execute any necessary amendments following approval by County Counsel as to form and legality, and approval by the Office of the County Executive. Delegation of authority shall expire on June 30, 2012. (Roll Call Vote)

FISCAL IMPLICATIONS

There is no net impact on the General Fund. All costs for the Household Hazardous Waste (HHW) Program are budgeted and accounted for under the Department of Environmental Health, Budget Unit 261, Cost Center 1197, Fund 30. All costs for the Industrial Hazardous Waste Agreement, administered by OSEC, are budgeted back to the County user department.

Total costs of the HHW hazardous waste management agreements were \$1,372,371 in FY 2004 and \$1,591,168 in FY 2005. FY 2006 costs are projected at \$1,600,000. The projected cost of household hazardous waste collected for the first six months of FY 2007 is estimated at \$800,000.

The total cost of the six-month extension of the OSEC service agreement is \$75,000 (excluding emergency response services). This is consistent with costs negotiated in the original three-year agreement.

Meeting Date June 20, 2006
 Processor name Melissa Miller
 Item Number 76

CONTRACT HISTORY

Household Hazardous Waste Program

In March 1997, the HHW Program issued an RFP for transportation and disposal of hazardous waste to 16 firms. After using the selection criteria outlined in the RFP, the committee selected Philip Transportation and Remediation, Inc. (PTR) for FY 1998. This firm demonstrated an ability to meet service needs of the program, competitive pricing, and received high ratings in environmental compliance. As provided for in the original agreement, two, one-year extensions were also approved by the Board for FY 1999 and FY 2000. In March 2000, an RFP was distributed and a committee selected PTR for FY 2001. As provided for in the original agreement, two, one-year extensions were executed by the Director of Environmental Health under a delegation of authority for FY 2002 and FY 2003. Again, in FY 2004, through an RFP, PTR was selected and annual amendments were executed by the Director of Environmental Health under a delegation of authority. The current agreement expires on June 30, 2006, with delegation of authority to extend the agreement.

Occupational Safety and Environmental Compliance Program

In 1998, an RFP was submitted to eleven companies, from which three companies submitted competitive bids. On June 9, 1998, the Board of Supervisors approved the first Countywide hazardous waste management agreement with PTR. The agreement was for \$150,000 per each agreement year (excluding emergency response services), and spanned three years from the effective date of July 1, 1998, with the option for two, one-year extensions to the agreement. On October 27, 1998, the First Amendment was added to the PTR agreement which clarified that there is no agreement limit associated with emergency response service, and approved a Budget Modification in OSEC by \$200,000 to cover a one-time Rotten Robbie gasoline spill emergency response on September 19, 1998. In June of 2001, the Second Amendment was added to the PTR agreement to extend it from July 1, 2001 until June 30, 2002, for an amount not to exceed \$150,000. In June of 2002, the Third Amendment was added to the PTR agreement to extend it from July 1, 2002 until June 30, 2003, for an amount not to exceed \$150,000. In February of 2003, an RFP to supply hazardous waste management services for the County was submitted to eight companies. In April of 2003, a Review Board met to consider the two competitive RFP bids. PTR was the choice of the Review Board based on selected criteria that included a combination of the lowest prices and most experienced personnel to provide the hazardous waste services as required by the County. A three-year agreement (with the option to extend for three years) was issued by the County, which began on July 1, 2003. The current agreement expires on June 30, 2006.

Item Number 76

REASONS FOR RECOMMENDATION

In an effort to reduce costs, the Department is proposing to issue a Request for Proposal (RFP) that combines hazardous waste management services for the Countywide Household Hazardous Waste (HHW) and the Occupational Safety and Environmental Compliance Program (OSEC).

Philip Transportation & Remediation, Inc. (PTR) currently manages hazardous waste for the HHW and OSEC programs, but in separate agreements. Both agreements expire June 30, 2006, but only the HHW has delegation of authority to extend their agreement. The recommended action will allow one RFP to select a contractor for both programs; authorize new agreements to be negotiated and executed by the Director of Agriculture and Environmental Management after review and approval by County Counsel and the County Executive; and, provide for a six-month extension to the OSEC agreement, consistent with that of the HHW extension, to give staff sufficient time to identify a contractor.

HHW uses a contractor to segregate, package, profile, manifest, transport, and recycle or dispose of hazardous waste collected from households and qualified businesses at Countywide HHW drop-off collection events. OSEC uses the contractor to comply with State mandates to provide proper transportation and disposal services for hazardous wastes on county properties. Full costs of these services are paid for by the County departments that utilize the service.

BACKGROUND

HHW Program Overview and Funding

Local jurisdictions are required to plan and implement programs to properly manage HHW under the California Integrated Waste Management Act of 1989 (AB 939). In November 1991, the County of Santa Clara and 12 jurisdictions created the HHW Program, which is administered by the Department of Environmental Health. By FY 2002, all jurisdictions, with the exception of the City of Palo Alto, contracted with the County for HHW services.

Participating jurisdictions are currently: County of Santa Clara, Campbell, Cupertino, Gilroy, Los Altos, Los Altos Hills, Los Gatos, Milpitas, Monte Sereno, Morgan Hill, Mountain View, San Jose, Santa Clara, Saratoga and Sunnyvale.

Since 1992, the Countywide AB 939 Implementation Fee has been collected by the County in accordance with Public Resources Code Section 41901. Revenues to provide HHW services

Meeting Date June 20, 2006

Processor name Melissa Miller

Item Number 76

for residents of cities and the unincorporated County are currently generated by the AB 939 Implementation Fee. The AB 939 fee of \$3.72 per ton (effective July 1, 2006) is assessed on all solid waste that is disposed at a landfill. The HHW portion, \$2.22 per ton, generates approximately \$3.1 million in annual revenues and is allocated accordingly:

- \$1,300,000 is used for a agreement with Philip Transportation & Remediation, Inc. for hazardous waste management services;
- \$1,000,000 is used for HHW Program fixed costs;
- \$730,000 is distributed to the cities and the County based on their proportional share of the tonnage originating from their jurisdictions;
- \$70,000 is used for disposal of abandoned waste received at non–profit charitable re–users.

Other HHW funding sources include \$450,000 from Used Oil Block Grants received from the State and \$450,000 from participating cities, both of which are used to augment the agreement with Philip Transportation & Remediation, Inc. for hazardous waste management services. Approximately \$40,000 is also included in the total augmentation for services to unincorporated residents and is generated through the HHW Surcharge, assessed on the unincorporated area garbage service rates. All of the revenues and expenditures are reflected in the FY 2007 Recommended Budget.

OSEC Hazardous Waste Management on County Properties:

In February of 2003, a request for proposal (RFP) was prepared by OSEC and submitted to eight companies for the following hazardous waste services on county properties:

- On going (routine) packaging, removal, and disposal of various materials and wastes from approximately 35 different County sites;
- Intermittent (as needed) hazardous waste and materials packaging, removal and disposal service, provide environmental services and perform emergency response services to manage spills, leaks, and other releases of hazardous materials;
- Disposal of these wastes and materials in a professional and diligent manner and in accordance with all applicable Federal, State, and local regulations;
- A 72–hour turn around time for hazardous waste pick ups, and a one–hour turn around time for hazardous waste emergency response;

Meeting Date June 20, 2006

Processor name Melissa Miller

Item Number 76

- Quarterly and annual hazardous waste transport and disposal spreadsheet summaries in a hard copy and a Microsoft Office readable file with: date, hazardous waste code(s), waste description, volume or amount, container type, department of origin, and cost.

Two companies submitted competitive RFP bids for consideration. In April of 2003, representatives from the Roads and Airport Department, Department of Correction, Health and Hospital Systems, Occupational Safety and Environmental Compliance, and an outside technical staff member from the Santa Clara Valley Water District reviewed the proposals and selected Philip Transportation & Remediation, Inc. based on selected criteria that included the combination of the lowest prices and most experienced personnel to provide the hazardous waste management services. Additionally, Philip Transportation & Remediation, Inc. had provided exceptional service during the time period covered by the first hazardous waste management contract. A three-year contract (with the option to extend for three years) was issued by the County, which began on July 1, 2003.

CONSEQUENCES OF NEGATIVE ACTION

The Countywide Household Hazardous Waste Program would not be able to do a vendor selection process for a new agreement for household hazardous waste management starting January 1, 2007. The program for management of hazardous waste from County facilities would not have an existing agreement for services past June 30, 2006, and also would not be able to do a vendor selection process for a new agreement to start January 1, 2007. The County would not have the advantage of the combined purchasing power of the two programs in the vendor selection process.

STEPS FOLLOWING APPROVAL

Provide notification of approved Resolution, and obtain Chair's signature on the Resolution. A copy of the Resolution and Board Transmittal will be returned to Ben Gale, Director, Department of Environmental Health, 1555 Berger Drive, Suite 300, San Jose, CA.

Provide two executed originals of the Amendment and a copy of the Resolution and Board Transmittal to Tom Rudolph at the Employee Services Agency, Office of OSEC, 2310 Charcot, 2nd Floor, San Jose, CA.

Meeting Date June 20, 2006

Processor name Melissa Miller

Item Number 76

ATTACHMENTS

- First Amendment for Hazardous Waste Services
- Delegation of Authority



Meeting Date June 20, 2006

Processor name Melissa Miller

Item Number 76