

TO: James L. App, City Manager
FROM: Doug Monn, Public Works Director
SUBJECT: Wood Grinding & Hauling at the Paso Robles Landfill
DATE: July 17, 2007

NEEDS: For the City Council to consider authorizing a purchase order to Pacific Waste Services in the amount not to exceed \$22,000 for wood grinding and hauling services at the Landfill and a supplemental budget appropriation for same.

FACTS:

1. The City has previously contracted for the periodic grinding (chipping) and hauling of wood materials that are separated from other refuse at the Landfill.
2. Pacific Waste Services (PWS), contract operator for the City of Paso Robles Landfill, solicited bids to perform the work this year.
3. Two quotes were received, one from California Land Clearing and one from Vision Recycling. Based on approximately 1,200 tons to be processed and hauled away, California Land Clearing quoted \$33,100. Vision Recycling quoted approximately \$22,000.
4. PWS would execute the contract with Vision Recycling, and provide support in the form of a water truck and periodic bulldozer to push material. Grinding operations are expected to last 10 days.
5. The current budget does not contain a budget appropriation for this work. Thus, the Council should authorize a budget appropriation to cover the cost.

ANALYSIS &

CONCLUSION: The City has periodically contracted for wood grinding services in past years. Processing the accumulated pile of wood materials is a maintenance issue that has been pointed out as necessary by the State Integrated Waste Management Board and the Regional Water Quality Control Board.

POLICY

REFERENCE: City of Paso Robles Purchasing and Payment Procedures Manual

FISCAL

IMPACT: As noted above, the current base budget for the landfill operations does not contain a budget appropriation for the grinding and hauling work.

The current budget as adopted shows projected General Fund at June 30, 2008 at \$6,700. This appropriation would impact year end results by \$22,000. Thus, the projected positive year end result would become a negative \$(15,300).

- OPTIONS:**
- A. Authorize a purchase order to Pacific Waste Services in the amount not to exceed \$22,000 for wood waste grinding and hauling and approve a budget resolution providing for a one time budget appropriation of \$22,000 from General Fund to budget account #100-310-5224-167.
 - B. Amend, modify or reject the above option.

Prepared by: Katie DiSimone, Utilities Manager

Attachments: (2)

- 1) Quotation from Pacific Waste Services
- 2) Resolution

RESOLUTION NO. 07-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES
APPROPRIATING FUNDS TO THE LANDFILL BUDGET FOR WOOD GRINDING AND
HAULING SERVICES AT THE PASO ROBLES LANDFILL

WHEREAS, the City requires annual grinding and hauling of accumulated wood products at the Landfill; and

WHEREAS, a proposal for grinding and hauling services from the City's contracted Landfill operator, Pacific Waste Services, has been received; and

WHEREAS, the quote from Pacific Waste Services was in an amount not to exceed \$22,000; and

WHEREAS, it is estimated that approximately 1,200 tons will be processed; and

WHEREAS, the prompt attention to processing the accumulated pile of wood material is a mandatory requirement established by the State Integrated Waste Management Board and Regional Water Quality Control Board;

WHEREAS, there are insufficient funds available in the landfill budget to cover the cost of the necessary grinding services unless an appropriation is made from the general fund.

THEREFORE, BE IT RESOLVED AS FOLLOWS:

SECTION 1. The City Council of the City of El Paso de Robles does hereby appropriate \$22,000 from General fund to Budget Account No. 100-310-5224-167.

SECTION 2. The City Council of the City of El Paso de Robles does hereby authorize a Purchase Order for wood grinding and hauling services at the Landfill to Pacific Waste Services in an amount not to exceed \$22,000 to cover these as needed services.

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 17th day of July 2007 by the following votes:

AYES:

NOES:

ABSTAIN:

ABSENT:

Frank R. Mecham, Mayor

ATTEST:

Deborah Robinson, Deputy City Clerk

PACIFIC
WASTE
SERVICES,
INC.



12925 Alcosta Blvd. #1
San Ramon, CA 94583

925.244.0392 T Mr. Doug Monn, Director
925.244.0210 F Public Works Department
City of El Paso de Robles
1000 Spring Street
Paso Robles, CA. 93446

RECEIVED

JUL 05 2007

Public Works

June 30, 2007
Project 120-3.28

Re: Wood Waste Grinding/Beneficial Use Purchase Order,
Paso Robles Landfill

Dear Mr. Monn:

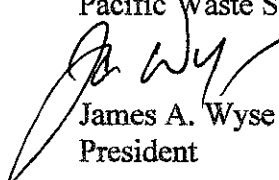
As discussed at our June 22, 2007 meeting, this letter provides our request for a Purchase Order for wood waste grinding and beneficial use for your approval.

We secured two bids. California Land Clearing offered to grind, load, truck to biomass, with PWS providing full-time dozer to push material to grinder along with a water truck for \$25 per ton plus \$2350 for mobilization (See Telephone Conversation Log). Vision Recycling is currently in the area and offered to do the work for the following prices: \$12.00 per ton for Grinding; \$2,500 mobilization fee for grinder, excavator, loader; \$50 per load of ground material to biomass; sales tax; and PWS provides water truck and periodic bulldozer push of material. A copy of Vision's agreement is attached assuming 1000 tons of material. We actually estimate there is around 1100 to 1200 tons of material to be ground, a cost of \$18,400 or \$19,800, respectively plus applicable sales tax. PWS requests compensation of \$750 to cover water truck and administration costs. We are working with our CPA and Vision to verify that sales tax is applicable to certain portions of the work. Therefore, we request a Purchase Order in the maximum amount of \$22,000.

The City will reduce their monthly fee to San Luis Obispo County Integrated Waste Management Authority by \$3 per ton recycled (approximately \$3,500 in July '07). Additionally, the City's payment for the 3rd Quarterly '07 Fee to State Board of Equalization will be reduced by \$1.40 per ton (approximately \$1,600 in October '07). There is additional financial gain to the City as a result of landfill space savings from the recycled material.

Please note work commences July 2, 2007. If you have questions, please advise.

Very truly,
Pacific Waste Services, Inc.


James A. Wyse
President

Enclosures



41900 Boscell Road
Fremont, CA 94538-3196
Cont. Lic. #672485
(510) 353-6030
Fax (510) 353-6036

This letter of agreement is between Pacific Services (*Owner*) and VISION RECYCLING (*Contractor*). Whereas owner has wood and yard waste needing to be ground into woodchips and mulch, contractor has the manpower and equipment to grind this wood. This letter represents the written agreements between the two parties.

Wood materials needing to be ground are located near the business address of P.O. Box 4510, Paso Robles, California. Material is approximately 1,000 tons wood waste.

Facilities:

Ample space will be allocated to operate grinding process, produce stockpile and accommodate export trucking if necessary.

Date:

Anticipated start date is Monday July 2nd, 2007. Project duration is approximately ten (10) days with twenty five (25) machine hours.

Transport:

A fee of \$2,500 will be charged to Owner for the transportation of the three pieces of equipment to be used.

Dust Control:

Contractor will need to comply with local Air Resource Board regulations. *Owner* will need to provide water supply to within 50' of grinding operation in an effort to control dust. Approximate water volume required is 18 gallons per minute. Contractor will need to shut down machine if dust becomes a problem.

VISION RECYCLING will provide equipment, consisting of Diamond Z wood grinder, excavator, loader and manpower to grind wood and green waste material and pay all fuel, maintenance, wages and any other costs for their operation.

Finished Processed Material:

Owner is responsible for finished material. *Contractor* has offered to haul material to biomass plants for a fee of \$50 per load. If the biomass plants reject the material for whatever reason, the *Owner* is solely responsible for the remaining material.

Feed Stock/Material to be Ground:

The material to be ground is to be relatively free from rock, dirt, metals, concrete, glass, plastic, hazardous materials, rail road ties, telephone poles, pressure treated wood or other contaminants. *VISION RECYCLING* reserves the right to determine material as un-processable and to not grind material which is classified as such. There will be an extra charge for metal materials which are in the target feed stock materials that are loaded into the grinder. The following fee chart shall apply for extra charges for metal materials.

Round objects, nails and bolts:

Smaller than 1/2" x 10" No Charge
 From 1/2" - 1" x 3" - 10" \$300.00 each
 Larger \$500.00 each

Metal Objects:

Less than 1/4" x 1 sq. ft. material No Charge
 1/4" x 2" x 2" through 1/2" x 4" x 5" \$300.00
 1/2" x 4" x 5" through 1" x 8" x 8" \$500.00
 Larger metal contaminates \$500.00 plus the cost of repairs caused by the metal up to \$2,000.00

Cost Structure

Activity	Price	Unit of measure	Estimated Cost
Grinding	\$12.00	Ton	\$12,000.00
Transportation	\$2,500.00	Total	Grinder, Excavator, Loader
Removal of Material	\$50.00	Load	\$2,500.00
Estimated Cost	\$17,000.00	Total	BEFORE TAX

Tax Considerations:

Customers are exempt from sales tax if (1) they are an agency of the federal government, (2) they present us with a valid Seller's Permit issued by the Board of Equalization, (3) specific BOE exemptions exist—i.e., Section 6358.1, or (4) they provide us with a letter of exemption from the BOE. Note: Some organizations such as non-profits and religious entities are exempt from franchise and income tax; however, they are still subject to sales/use tax unless they also meet exemption criteria as set forth by the Board of

To be reviewed by PWS

Equalization. The County in which the customer takes *legal possession* of the product is the county to be used for sales tax purposes.

Payment:

Owner will compensate *VISION RECYCLING* \$12.00 per ton rate for grinding approximately 1,000 tons of stockpiles. *Owner* is also to compensate *Contractor* for transportation of equipment and removal of material from job site.

Payment for Work Completed:

Should the project progress cease and the project was incomplete by reason of contract termination, environmental conditions, equipment failures or other impairments the work that has been accomplished shall be paid for on a pro-rated basis according to the terms of payment.

Payment Terms:

Payment for services will be due and payable within 45 days of invoice. Invoices not paid within 45 days will be considered late and subject to late fees. A ¹/₂% per month late fee will apply to late payments.

Insurance:

VISION RECYCLING will carry and maintain complete workers compensation coverage and \$1,000,000.00 general liability insurance coverage throughout the duration of this contract.

Attorney's Fees:

Should any litigation be commenced between the parties to this agreement or the parties to this agreement or the rights and obligations of any party, the party prevailing in litigation shall be entitled, in addition to such other relief as may be granted, to a reasonable sum as for his or her attorney's fees in that litigation which shall be determined by the court in the litigation or in a separate action brought for that purpose.

VISION RECYCLING

Pacific Services

Roberto Aguirre 6-26-07
Date

Jim Wyse 6/28/07
Date

PACIFIC
WASTE
SERVICES,
INC.



12925 Alameda Blvd. #1

San Ramon, CA 94583

925.244.0392 T

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TELEPHONE CONVERSATION LOG

DATE: 6/28/07

PROJECT NO. 120-328

CONVERSATION WITH: CALIFORNIA LAND CLEARING

SUBJECT: PASO ROBLES LANDFILL WOOD WASTE GRINDING + HAULING

CONVERSATION:

PRICING WAS GIVEN ASSUMING 1100 to 1200 TONS of wood waste at Paso Robles Landfill.

- Mobilization (Grinder, Loader) = \$2350

- Grinding, Load, Truck To Biomass, Keep Biomass Payment = \$25/Ton

- PWS to provide full-time Water Truck, and bulldozer to push material to grinder

PWS STAFF

SIGNED

JWY
6/28/07