TO: HONORABLE CITY COUNCIL

FROM: CITY MANAGER

DATE: NOVEMBER 15, 2004

DEPARTMENT: PUBLIC WORKS

SUBJECT: APPROVAL OF CONTRACT WITH EIP ASSOCIATES IN THE AMOUNT OF $368,257 FOR AN ENVIRONMENTAL IMPACT REPORT AND COST BENEFIT ANALYSIS FOR THE PROPOSED ENVIRONMENTAL SERVICES CENTER FACILITY OPTIONS

RECOMMENDATION
Staff recommends that Council:

1. Approve and authorize the Mayor to execute the attached agreement with EIP Associates, in an amount not to exceed $368,257, for basic services to prepare an Environmental Impact Report (EIR) and Cost Benefit Analysis for the various facility options of the proposed Environmental Services Center (ESC).

2. Authorize the City Manager or his designee to negotiate and authorize EIP Associates to perform additional services related to preparation of the EIR and Cost Benefit Analysis, the total value of which shall not exceed 20% of the basic services contract amount ($73,652).

DISCUSSION
Project Description
On August 2, 2004, Council approved the draft Scope of Services to prepare an Environmental Impact Report and cost benefit analysis for the proposed Environmental Services Center (ESC) and a range of various facility options and alternatives.

In order to provide continuity for waste diversion activities and solid waste services currently in operation under the City’s many solid waste programs, staff has proposed development of a comprehensive ESC project (CMR:176:04).

The concept of the proposed comprehensive ESC is an integrated multi-functional solid waste facility that would house a recycling center; a permanent household hazardous waste facility (only household hazardous waste from residents and small businesses, will be accepted; no hazardous waste from businesses in the category of “generators” or “large quantity generators” will be accepted); a material recovery facility/transfer station; a composting facility; an inert solids storage facility; and an area for drop box/bin storage, all within the landfill boundary immediately adjacent to the Water Quality Control Plant (WQCP). The comprehensive ESC would also house a “Sustainability Center,” similar to the visitor centers that are highlights of all major parks. This center would entail an office or group of offices at the ESC facility that could be set aside for public education purposes for solid waste and environmental concerns.
The proposed comprehensive ESC would require approximately 19 acres at the landfill. Staff believes that the comprehensive ESC facility provides many long-term benefits and is the most complete solution to the future solid waste needs of the community. The facility would allow for the seamless continuance of current programs, and also provide the necessary infrastructure and resources to develop and implement future programs. Voter approval will be required to change the land use designation of these 19 acres from dedicated parkland, if the landfill is approved as the site for the ESC.

**EIR Scope of Services**
The EIR will evaluate the environmental impacts and the policy issues of locating the comprehensive ESC and its various facility options, which includes two reduced-size options, at the closed landfill and feasible alternative sites. The EIR will evaluate potential environmental impacts of the facility options on existing physical conditions as baseline for project-induced changes and their consistency with the Comprehensive Plan. The EIR will also provide an analysis and discussion of impacts of the proposed comprehensive ESC using the future “as planned” condition as envisioned in the Baylands Master Plan.

In addition to the proposed comprehensive ESC facility project, five alternatives have been identified. At its May 19, meeting, Council directed staff to consider all feasible alternatives, including a no project alternative, in addition to those already identified in the original scope of work for the EIR. Council also directed staff to develop and investigate feasible alternatives for review as appropriate, including facility sites not in the Baylands and not on dedicated parkland. The following alternatives will be fully developed and analyzed in the EIR and Cost Benefit Analysis:

- **No Project Alternative**
  Once the landfill is closed, the landfill would be converted to a passive recreational parkland in accordance with the Baylands Master Plan. In this eventuality, recyclable materials and garbage that is collected curbside, drop-off recycling and yard waste would have to be taken to the SMaRT Station for processing. Self-haul customers would be required to take all waste to the SMaRT Station or other regional waste disposal facilities. The EIR will fully evaluate the environmental impacts of this alternative.

- **Reduced-Scale ESC Alternative**
  The reduced scale ESC would require approximately six acres of land on the landfill footprint and would include all of the components of the comprehensive ESC, except for the inert solid and composting operations. The facility components of this option are: a recycling center, a HHW facility, self-haul disposal, and a mini “chip and ship” facility for yard waste in lieu of a composting area. The recycling center would allow for curbside and drop-off processing of recyclables. A reduced-scale ESC would accommodate self-haul waste for residents, City crews, businesses, and institutions/organizations. This option would also require voter approval to undedicate six acres of parkland.

- **Recycling Center and HHW Facility Alternative**
  The Recycling Center with HHW facility would encompass approximately 3 to 3.5 acres of land that is not currently on the landfill footprint and would only include the curbside and drop-off recycling processing and HHW collection programs. All other materials and waste, including self-haul by residents and businesses, would need to be taken to the SMaRT Station...
or other regional waste disposal facilities. This alternative would not include a transfer station or composting facility. It would also require voter approval to undedicate parkland. This alternative is mentioned for future program expansion in the Byxbee Park Master Plan.

- **Location and Split-Site Alternatives**
  The Los Altos Treatment Plant (LATP) site at the east end of San Antonio Road consists of 13.26 acres that is contiguous with the Baylands. This alternative would require all waste be sent to the SMaRT Station since the site could only accommodate a 4.5-acre drop-off recycling and HHW facility. The City would also have to purchase the remaining one-half interest in the property from Los Altos. In addition to the LATP location alternative, the consultant will review other feasible split-site alternatives during the EIR process.

- **Non-Baylands/Parkland Alternatives**
  Also included in the EIR and cost benefit analysis will be a thorough review of feasible sites not in the Baylands and not on dedicated parkland as directed by Council. Any feasible sites meeting these criteria will be fully developed.

Staff also recommends including a 20% contingency, to be used for additional related services in the event another alternative(s) is identified in future Council or EIR scoping meetings. This contingency would also be used if major revisions to the administrative draft EIR are needed, for additional mitigation plans, or for responses to questions and comments if they exceed the proposal limit of 160.

### Consultant Selection

**Summary of Solicitation Process**

<table>
<thead>
<tr>
<th>Proposal Description/Number</th>
<th>EIR for Proposed Environmental Services Center RFP No. 106508</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proposed Length of Project</td>
<td>24 months</td>
</tr>
<tr>
<td>Number of Proposals Mailed</td>
<td>13</td>
</tr>
<tr>
<td>Total Days to Respond to Proposal</td>
<td>22</td>
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<tr>
<td>Pre-proposal Meeting Date</td>
<td>September 29, 2004</td>
</tr>
<tr>
<td>Number of Company Attendees at Pre-proposal Meeting</td>
<td>9</td>
</tr>
<tr>
<td>Number of Proposals Received:</td>
<td>4</td>
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<td>Company Name</td>
<td>Location (City, State)</td>
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<td>1. Company A</td>
<td>Thomas Reed Associates</td>
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<tr>
<td>2. Company B</td>
<td>RBF Consulting</td>
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<tr>
<td>3. Company C</td>
<td>EIP Associates</td>
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<tr>
<td>4. Company D</td>
<td>J. D. Powers Associates</td>
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</tbody>
</table>

Staff sent a request for proposals (RFP) to thirteen (13) consulting firms and posted the RFP at City Hall on September 14, 2004. A mandatory pre-proposal meeting was held on September 29, 2004. Firms were given twenty-two days to respond to the request. A total of four firms submitted proposals on October 5, 2004. A selection advisory committee of Public Works and Planning Department staff experienced with the CEQA process, EIR and cost benefit analysis preparation reviewed the proposals. The selection committee individually interviewed the four proposing firms on October 13-14, 2004. The committee carefully reviewed each firm’s qualifications and submittal in response to
the RFP relative to the following criteria:

- Attendance at the pre-proposal conference;
- Response to questions on proposed approach to the preparation of the ESC EIR during the interview meeting,
- Understanding of the RFP and the proposed project;
- Evaluation of experience and qualifications of the company and the proposed project team;
- Verification of client references for experience in EIR and cost benefit analysis especially as it relates to solid waste facility projects;
- Examination of each firm’s previous work on EIR and cost benefit analysis preparation; and
- Overall proposal quality and completeness.

EIP Associates was selected because of its high quality work, professional manner, impartial approach to the project, and its experience facilitating public informational and scoping meetings. In addition, staff believes that EIP’s EIR, solid waste facility, and cost benefit analysis experience, its ability to meet the criteria established in the RFP, and the reasonableness of its proposed fees relative to the services provided were superior to the three other firms proposing on the project.

**RESOURCE IMPACT**
Funds for this project are included in the FY 2004-05 Refuse Fund Budget.

**POLICY IMPLICATIONS**
The City’s Sustainability Policy and Comprehensive Plan contain many programs and policy statements that are consistent with the long-term solid waste planning goals and objectives of the ESC. A summary of the programs and policies of the Sustainability Policy and Comprehensive Plans, and local, state, and federal mandates are listed below.

The Palo Alto Sustainability Policy contains the following elements:

**Palo Alto Sustainability Policy**
The Palo Alto Sustainability Policy mission is “To meet the needs of the present without compromising the ability of future generations to meet their own needs.” The goal of the Sustainability Policy is to reduce the amount of solid waste generated and ensure that which is generated is recycled or efficiently disposed in an environmentally safe manner.

Solid and hazardous waste objectives:
- Implement source reduction, reuse, recycling and composting programs that reduce waste.
- Manage hazardous waste in a safe manner with a priority of using recycling and energy extraction methods first and landfilling methods last.
- Purchase products, if practical and feasible, which have been made with recycled content.
- Manage hazardous waste in a safe manner with a priority of using recycling and energy extraction methods first and landfilling methods last.
- Eliminate, if practical and feasible, waste generated within the community.
- Eliminate, if practical and feasible, the use of hazardous or toxic materials that, when used, generate hazardous waste.

Economic Vitality
• Work to maintain diversity in economic sectors to weather economic fluctuations and provide needed goods and services required to meet community needs.

Energy
• To maintain health and safety for residents and City staff.

Land Use
• Encourage sustainable development.
• Require sustainable development.
• A process to create sustainable development balanced with open space goals.

Transportation
• To provide accessible, attractive, and economically viable and environmentally sound transportation options that meets the needs of residents, employers, employees and visitors for safe, convenient and efficient travel by a variety of methods.
• Reduce vehicle trips.

In addition to the Sustainability Policy, the City’s Comprehensive contains the following policies:

Comprehensive Plan Policies
Natural Environment-Solid and Hazardous Waste
N-34: Reduce the amount of solid waste disposed in the City’s landfill by reducing the amount of waste generated and promoting the cost-effective reuse of materials that would otherwise be placed in a landfill.
N-37: Ensure the environmentally sound disposal of solid waste.
N-52 Improve City composting practices and continue promoting a household composting program.
N-53 Continue to develop source separation programs for recyclable solid waste materials for all waste generators.
N-54 Continue to develop long-term solid waste management programs that include safe and environmentally sound disposal methods such as the SMaRT Station.
N-55 Maintain and expand the use of the Recycling Center at the City’s refuse disposal area.
N-48 Continue sponsoring a regular household hazardous waste collection event.
N-50: Continue the program that allows small quantity generators to dispose of hazardous waste at cost.

Land Use & Community Design
L-57: Encourage salvage of discarded historic building materials.
L-74: Use the work of artists, craftsmen, architects, and landscape architects in the design and improvement of public spaces.

Transportation-Reducing Auto Use
T-3: Support the development and expansion of comprehensive, effective programs to reduce auto use at both local and regional levels.
T-40: Evaluate the feasibility of changes to Palo alto’s through truck routes and weight limits to consider such issues as relationship to neighboring jurisdictions, lower weight limits, increased number of routes, and economic and environmental impacts.

Community Services & Facilities
C-22: Design and construct new community facilities to have flexible functions to ensure adaptability
to the changing needs of the community.

C-23: Explore ways to expand the space available in the community for art exhibits, classes and other cultural activities.
C-29: Strategically locate public facilities and parks to serve all neighborhoods in the City.

The following local, state, and federal mandates that are consistent with the objectives of the ESC are listed below.

Palo Alto Municipal Code (5.20.270)
- The City will maintain within the City’s territorial limits a recycling center that accepts from residents and non-residents the delivery of recyclable materials.

ENVIRONMENTAL REVIEW
Approval of a contract to prepare an EIR and cost benefit analysis is exempt from review under CEQA as information gathering pursuant to California Code of Regulations, Title 14, Section 15306.

Planning and Community Environment Staff has developed an informational CMR that provides context for some of the land use issues surrounding the proposed comprehensive ESC. That CMR presents comparisons of the Baylands Master Plan and Comprehensive Plan Policies in a matrix table format.

ATTACHMENTS
Attachment A: Contract

PREPARED BY: ________________________________
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DEPARTMENT HEAD: ________________________________
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Director of Public Works

CITY MANAGER APPROVAL: ________________________________
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Assistant City Manager