TO:       HONORABLE CITY COUNCIL

FROM:    CITY MANAGER
        DEPARTMENT: PUBLIC WORKS

DATE:   MARCH 6, 2006

SUBJECT: SUNNYVALE MATERIALS RECOVERY AND TRANSFER STATION
        ANNUAL REPORT

This is an informational report and no Council action is required.

BACKGROUND
On October 7, 1991, Council approved a long-term refuse disposal agreement at Kirby Canyon Landfill with Waste Management, Inc. of California. At the same time, the Council also approved an MOU creating a partnership with the cities of Mountain View and Sunnyvale to construct and operate the Sunnyvale Materials Recovery and Transfer (SMART) Station, in Sunnyvale, on a ten-acre site. These two agreements assured future generations of Palo Altans solid waste capacity for 30 years (until September 30, 2021). Per this MOU, the City of Sunnyvale was and is taking the lead in the construction and operation of this station. In October 1993, the SMART station began operation on time and within budget. It was designed and is permitted to handle a maximum of 1,500 tons per day of solid waste.

DISCUSSION
The City of Palo Alto delivered approximately 47,540 tons of solid waste in FY 2004/05 to the SMART Station. This is approximately 70 percent of the total waste stream processed by the City. The Palo Alto Sanitation Company/Waste Management delivers the majority of the waste with minimal use from the Palo Alto public self-haul customers. In FY 2004/05 the SMART Station recovered approximately 8,630 tons (or 18.1 percent) of recyclables from the Palo Alto waste stream delivered.

Each year the SMART Station contract administrator prepares a report to the community about the cooperative venture at the SMART Station (attached). In FY 2004/05 the following highlights of achievements include:

- The annual diversion of recyclable materials from garbage received at the SMART Station in 2004/05 totaled 18.1%, qualifying the operator of the facility for the highest financial incentive offered in the operating contract.

- In August 2004, unresolved labor issues between GreenTeam/Zanker, the contractor operating the SMART Station, and Teamsters Local 350 resulted in a four-day strike by SMART Station workers. GreenTeam/Zanker and the affected garbage collection companies activated contingency plans so that operations continued without disruption of services.
- Work has begun to prepare a Request for Proposals for a new operating contract to commence when the current agreement expires on December 31, 2007.

- Work has begun to prepare a Request for Proposals to replace the materials recovery system at the SMaRT Station that has reached the end of its useful life. The scope of work for this project will be to provide the following:

1. Removal of the north line in its entirety and replacement with a new elevated feed conveyor with additional pre-sorting capability and enhanced screening and separating technology.

2. Removal of existing proprietary sorting equipment. (The components have not proven to be effective and are no longer supported by the manufacturer.)

3. Modifications to the south line that include a new elevated feed conveyor with additional pre-sorting capability, a series of disc screens for size separation and separation of containers.

4. The addition of a new sorting line for container separation by type.

5. The addition of a new baler and in-ground baler feed conveyor.

Construction is planned to begin in 2007. This construction will require closing down the materials recovery portion of the station for approximately 7 months. During construction Sunnyvale staff has estimated that the current recovery rate from the materials recovery system of 18 percent will drop to 4 percent. This will cause the City of Palo Alto to dispose more waste (3,955 tons), pay additional disposal fees, and potentially lose valuable diversion credits (approximately 2 percent) for calendar year 2007.

The three cities continue to create success through cooperative management that is built on a safe environmentally sound spirit and cost effective management and recycling services.

ATTACHMENT
Attachment A: “Report to the Community - The SMaRT Station Cooperative Venture 04-05”

PREPARED BY: ________________________________________________________________________________________

RUSSELL REISERER
Solid Waste Manager

DEPARTMENT HEAD: ____________________________________________________________________________________

GLENN S. ROBERTS
Director of Public Works

CITY MANAGER APPROVAL: ____________________________________________________________________________

EMILY HARRISON
Assistant City Manager