TO: HONORABLE CITY COUNCIL
FROM: CITY MANAGER DEPARTMENT: PUBLIC WORKS
DATE: OCTOBER 6, 2008 CMR:387:08
REPORT TYPE: CONSENT
SUBJECT: Approval Of Additional Funds In The Amount Of $100,000 For Blanket Order No. 4609000100 With Skylonda Equipment For Green Material Compost Grinding Services At The City’s Composting Facility

RECOMMENDATION
Staff recommends that Council approve and authorize the City Manager or his designee to increase funds for Blanket Order No. 4609000100 with Skylonda Equipment (Skylonda) for an additional compensation amount of $100,000 for additional green material grinding services for a total amount not to exceed $185,000 for Fiscal Year 2008/2009.

BACKGROUND
The City of Palo Alto owns and operates a composting facility on the landfill located at 2380 Embarcadero Road. The composting facility has been in operation since March 1977 and currently processes approximately 21,000 tons of green material annually. Green material includes grass clippings, leaves, shrubs, and tree branches that are delivered to the composting facility by City crews, the Palo Alto Sanitation Company (PASCO), gardeners, tree contractors and residents.

In 2007, in response to the continuing large amounts of incoming green material being received and the City’s grinder undergoing major repairs, the City solicited bids for grinding services under Request for Quotations (RFQ) #124988. Skylonda was awarded as the lowest of the three bidders. A blanket purchase order (P.O.) No. 4608000337 was funded for $85,000 for services rendered during the first year. A second blanket P.O. No. 4609000100 was issued in July 2008 for Skylonda to provide grinding services for the second year and was funded for $85,000.

DISCUSSION
The City is required by permit to process (grind) the incoming green material and move the ground material to composting windrows within 21 days of receipt of the green material. To meet this requirement, the City has utilized additional contractor grinding services to supplement in-house grinding due to higher quantities of green material received at the Palo Alto Composting Facility the last couple of years and during maintenance periods for the City-owned grinder.
Most of the second year’s funds in P.O. #460900010 ($85,000) have already been depleted because the City’s grinder was down for repair for two weeks in July. As a result of a composting fire that the facility experienced in July 2008, the Fire Department requested that the City grind all of the green material due to the risk of smoldering material buried within the green material pile. To expedite the processing of the green material, the City utilized additional services from Skylonda’s grinder to help with grinding the green material.

Staff requests adding funds to the existing P.O. with Skylonda for the following reasons:

- Skylonda was the lowest bidder in response to the RFQ in 2007. Skylonda’s charge rate is: $300.00 per hour. The next closest bidder was $410 per hour. The RFQ was expected to select a contractor to be used for a three year period.
- Skylonda currently is performing work at the compost facility. They are familiar with the operations and daily demands of the compost facility.
- Additional time and money would be required to go out to bid and to bring a new contractor on board. The existing budget is nearly depleted and time is of the essence. Staff estimates that $100,000 will be needed for the remainder of fiscal year (FY) 2008/09 for green materials grinding services.

**RESOURCE IMPACT**

Funding for this contract is available in the FY 2008-09 Refuse Enterprise Fund.

**ENVIRONMENTAL REVIEW**

The California Environmental Quality Act (CEQA) review for this grinding activity was performed prior to the issuance of the last solid waste facility permit. A Mitigated Negative Declaration titled, “Issuance – Revised Solid Waste Facility Permit for Palo Alto Landfill” dated March 8, 2006 is on file with the Public Works Department.

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