



**SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY
STAFF REPORT**

**Item No.
11**

Meeting Date: **APRIL 7, 2011**

Subject:

Authorize the President/CEO to execute a first amendment to the contract with Waste Management of San Diego, allowing the purchase of equipment.

Recommendation:

Adopt Resolution No. 2011-0046, authorizing the President/CEO to execute a first amendment to the contract with Waste Management of San Diego, allowing the purchase of equipment.

Background/Justification:

On September 16, 2008, the Board approved the award of a service and consulting agreement to Waste Management of San Diego for solid municipal waste, recycling waste collection and removal. The term of the agreement is for three (3) years, ending on September 22, 2011, with the option for two one-year extensions, which may be exercised at the sole discretion of the Authority's President/CEO. Total amount payable under the agreement is Two Million Seven Hundred Sixty-Three Thousand Eight Hundred Fifteen dollars (\$2,763,815).

The services provided under the agreement include: garbage collection and disposal, recycling collection and diversion services, monthly service reports, quarterly baseline measuring report, annual garbage characterization report, annual recycling diversion report, participation on the Authorities waste reduction team. To date, Waste Management has performed at an outstanding level in complying with the existing agreement requirements that include: providing equipment that is leak proof and easily accessible, containers for trash and recyclables, visual inspection of all containers or bins, clean equipment that is free of residual debris, and/or offensive odors, repair of equipment that has been damaged.

Under the agreement, Waste Management provides all containers, compactors, bins and other collections devices (equipment) necessary to perform services. All equipment is owed by Waste Management and will be returned to Waste Management at the termination of the agreement.

000074

This amendment allows the purchase of additional equipment from Waste Management through the agreement. Equipment would be purchased by Waste Management and sold to the Authority with no markup cost. The new equipment would be owned and maintained by the Authority. After the agreement expires the Authority will continue to own and use the purchased equipment for the useful life, expected to be seven (7) to ten (10) years. This amendment will allow the Authority to purchase the equipment which will support the Authority's sustainability policy.

New equipment will facilitate an increase in recyclables collected and lower the Authority's disposal fees. Increasing the amount of recyclables the Airport collects and separates from the Solid Municipal Waste (SMW) increases the Authority's diversion rate and lowers disposal cost. Special recycling containers and cardboard bailing equipment allow the opportunity to cost effectively collect, contain and dispose of recycled materials.

The budget for this agreement has sufficient remaining funds to cover these actions. No additional funds are required. The requested amendment will allow the Landside Operations Department to spend Two Hundred Thousand dollars (\$200,000) on new equipment.

During the first quarter of 2010, Waste Management procured 15 new three-cubic yard towable carts for use at the airport. The cart system was designed to create a more efficient waste and recycling transportation method for the terminal waste stream. Before the cart system was implemented terminal building waste was handled multiple times before it made it to the compactors. With the new system, carts are staged strategically on the airside apron outside of each terminal building. Waste and recyclables from the terminals is stored in the carts until the carts are filled. Carts are then taken to the central waste and recycling facility to be emptied using a new tipper compactor. The new automated tipper compactors empty the carts and help reduce labor costs and work place injuries.

The Authority is proud of the continuing efforts made in the area of waste reduction and reuse. The Authority has successfully developed a corporate culture that encourages all Airport employees to recycle and reduce waste. The Authority continues to improve the commingled recycling program that has resulted in the Authority being recognized several times as a "Recycler of the Year" by the City of San Diego.

Fiscal Impact:

The budget for this agreement has sufficient remaining funds to cover these actions. No additional funds are required. The requested amendment will allow the Landside Operations Department to spend approximately Two Hundred Thousand dollars (\$200,000) on new equipment. The budgeted agreement is in the Landside Operations Department budget.

Environmental Review:

- A. CEQA: This Board action, as an administrative action, is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

Equal Opportunity Program:

The Authority's small business program promotes the utilization of small, local, disadvantaged, and other business enterprises, on all contracts, to provide equal opportunity for qualified firms. By providing education programs, making resources available, and communicating through effective outreach, the Authority strives for diversity in all contracting opportunities.

The Authority has a Disadvantaged Business Enterprise ("DBE") Plan as required by the Department of Transportation, 49 CFR Part 26. The DBE Plan calls for the Authority to submit an annual overall goal for DBE participation on all federally funded projects.

This project does not utilize federal funds; therefore, it will not be applied toward the Authority's over-all DBE goal.

Prepared by:

ANGELA SHAFER-PAYNE
VICE PRESIDENT, PLANNING AND OPERATIONS DIVISION

RESOLUTION NO. 2011-0046

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY AUTHORIZING THE PRESIDENT/CEO TO EXECUTE A FIRST AMENDMENT TO THE CONTRACT WITH WASTE MANAGEMENT OF SAN DIEGO ALLOWING THE PURCHASE OF EQUIPMENT.

WHEREAS, the Authority has a service and consulting agreement with Waste Management of San Diego; and

WHEREAS, the term of the agreement is for three (3) years, ending on September 22, 2011, with the option for two one-year extensions, which may be exercised at the sole discretion of the Authority's President/CEO; and

WHEREAS, under the agreement Waste Management provides garbage collection and disposal and recycling collection and diversion; and

WHEREAS, under the agreement Waste Management owns all equipment necessary to perform services; and

WHEREAS, the equipment will be returned to Waste Management at the termination of the agreement; and

WHEREAS, the amendment allows the Authority to purchase equipment through the Waste Management agreement for Authority ownership; and

WHEREAS, the equipment would be purchased by Waste Management and sold to the Authority with no markup cost; and

WHEREAS, the Authority's purchase of equipment will increase the amount of recyclables the Airport collects and diverts from the landfill and lower waste disposal fees; and

NOW, THEREFORE, BE IT RESOLVED that the Board hereby authorizes the President/CEO to execute a first amendment to the agreement with Waste Management of San Diego, allowing the purchase of equipment.

000077

BE IT FURTHER RESOLVED that the Board finds that this Board action is not a "project" as defined by the California Environmental Quality Act (CEQA), Pub. Res. Code §21065, and is not a "development" as defined by the California Coastal Act, Pub. Res. Code §30106.

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 7th day of April, 2011, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

TONY R. RUSSELL
DIRECTOR, CORPORATE SERVICES/
AUTHORITY CLERK

APPROVED AS TO FORM:

BRETON K. LOBNER
GENERAL COUNSEL

000078