



Agenda Report

MEETING DATE: Tuesday, June 22, 2021

TO: City Council

FROM: PUBLIC WORKS & UTILITIES DIRECTOR PALMISANO
MIKE RIVERA, SOLID WASTE MANAGER

SUBJECT: AWARD CONTRACT TO SWT ENGINEERING, INC TO PROVIDE
CONSULTING SERVICES FOR LANDFILL CELL IV DEVELOPMENT
DESIGN, PERMITTING, CONSTRUCTION SUPPORT, AND
CONSTRUCTION QUALITY ASSURANCE (CQA) SERVICES IN THE
AMOUNT OF \$399,138.

STATEMENT OF ISSUES:

The City's municipal landfill Cell III has reached full capacity and has been closed. In order to minimize disposal costs, vehicular operating expenses, improve collection route quality, and minimize the operation's carbon footprint, a decision was reached to open Cell IV with an estimated lifecycle of approximately 25-30 years, subject to volume.

RECOMMENDED ACTION:

It is recommended that City Council award Contract to SWT Engineering, Inc. to provide consulting services for Landfill Cell IV development design, permitting, construction support, and Construction Quality Assurance (CQA) Services, in the amount of \$399,138.

DISCUSSION:

The City's landfill reached volume capacity for disposal of refuse in Cell III on September 11, 2020. The City initiated the 2-year settlement process for Cell III with the addition of soil to the top of the landfill. A final liner "Final Closure Cap" to cover the entire Cell III will be placed after the settlement period in the fall of 2023. Operations will continue to bring yard waste and wood waste to the City landfill for processing. As of September 11, 2020, the City began transporting all refuse materials to Monterey Regional Waste Management District (MRWMD) and has been disposing at said facility since 2007.

The MRWMD board suspended scheduled rate increases during the pandemic, but amended the normal price rate increase process for five years with an annual \$5.00/ton increase. Based on the annual volumes generated by the City, costs for disposal at the MRWMD are estimated accordingly:

2020	2021	2022	2023	2024	2025
\$1,686,718	\$1,861,655	\$2,305,994	\$2,592,084	\$2,890,691	\$3,203,476

From the total disposal costs, the financial impact from just the residential and commercial collection for the next 5-years is outlined below.

Residential Garbage

2020	2021	2022	2023	2024	2025
\$522,184	\$580,520	\$669,420	\$762,350	\$859,540	\$961,140

Commercial Garbage

2020	2021	2022	2023	2024	2025
\$828,177	\$920,680	\$1,061,640	\$1,209,100	\$1,363,285	\$1,524,420

The residential and commercial waste accounts for about 80% of the total MRWMD disposal cost. With this financial impact and the unknown cost increases for disposal to MRWMD after the 5-year period, the City initiated plans to design and construct Cell IV and issued an RFP for design services. To minimize construction costs for mobilization of equipment and labor, the construction of Cell IV would follow lock-step with the final closure cap placement of Cell III. The City solicited proposals for the design of Cell IV on March 17, 2021 with a submittal deadline of April 30, 2021.

These design costs include development design, engineering, permitting, and construction quality assurance of Cell IV. Once the design is approved by the regulatory agencies, the construction of Cell IV will take approximately 4-6 months to complete.

SWT was selected based on their expertise and experience with this type of project. They have a long history of working with the City's landfill on other projects. The initial design for Cell IV will give the City approximately 550,000 cubic yards of disposal capacity. When constructed, all of the City's residential trash (approximately 15,000 tons per year) will be transported to Cell IV.

Based on the waste characteristics of the City's commercial waste materials, approximately 10-20 tons per day will also be sent to Cell IV. Projecting residential and commercial volumes of 80 tons per day being transported to Cell IV, the capacity of Cell IV would be 28 years. Recycling and most commercial and food scrap materials would still be delivered to MRWMD for processing.

Based on the average residential tonnage (15,074 tons/year) and 20% of the commercial tons (4,781 tons/year) being transported to the new Cell IV for the next 5 years, the average savings per year from disposing waste at MRWMD will be \$956,000 per year. Using a 5-year average disposal cost of \$2,423,426, this represents a savings of approximately 40% with the construction of Cell IV.

STRATEGIC PLAN:

The project is consistent with the following Strategic Plan goal:
03-Infrastructure & Environment

FINANCIAL IMPACT:

Funding for this contract is contingent on approval of the CIP for FY 2021/22. This multi-year CIP is budgeted for both FY 2021/22 and 2022/23 with the initial design phase in the first year following by construction in year two. The costs associated with the opening of Cell IV (both design and capital) were taken into account in the recent utility rate increases approved by City Council on May 25, 2021.

ALTERNATIVE ACTION:

No alternative action is being recommended. Pursuing the opening of Cell IV will enable staff to minimize the number of daily trips taken to Monterey in the disposal of municipal waste, thereby lessening vehicular wear and tear and operational costs, ensuring quality control on routes, and mitigating anticipated disposal costs at Monterey Regional.

ATTACHMENTS AND/OR REFERENCES (If any):

None.