

RESOLUTION NUMBER R- **314531**

DATE OF FINAL PASSAGE **DEC 16 2022**

A RESOLUTION OF THE COUNCIL OF THE CITY OF
SAN DIEGO AUTHORIZING THE AWARD OF A DESIGN-
BUILD CONSTRUCTION AGREEMENT WITH SUKUT
CONSTRUCTION, LLC FOR AN ORGANIC WASTE
PROCESSING FACILITY AT THE MIRAMAR LANDFILL.

WHEREAS, the City of San Diego (City) owns and operates an existing compost facility known as the Miramar Greenery (Greenery) at the Miramar Landfill (Landfill) on property leased from the Department of the Navy (Navy Lease); and

WHEREAS, the Navy Lease is valid until August 16, 2045 and contains provisions for plans required by law that may extend beyond that date; and

WHEREAS, the Greenery became a fully permitted compost facility in 1999, as envisioned in the Miramar Landfill General Development Plan adopted by the City Council in 1994 (GDP; Resolution R-285063); and

WHEREAS, in 2009, the Greenery underwent an expansion which brought the facility to its present size and throughput capacity, 74-acres and 690 tons per day (tpd), respectively; and

WHEREAS, the Greenery is currently accepting approximately 100,000 tons per year (tpy) of source separated residential and commercial green and food waste; and

WHEREAS, Senate Bill 1383 (SB 1383) was adopted by California in 2016 to regulate disposal of organic waste in the state, and defines organic waste to include green waste, non-hazardous wood waste, food waste, and compostable paper; and

WHEREAS, SB 1383 targets a 75% reduction in the statewide disposal of organic waste by 2025, and therefore much higher organic waste flows will be diverted from landfill disposal than the existing Greenery can effectively process; and

WHEREAS, the Greenery is one of only a few facilities in the region permitted to accept food waste; and

WHEREAS, composting is an important component of waste diversion and recycling and supports compliance with the City's Recycling Ordinance (as updated by Ordinance No. O-21454 effective June 8, 2022), the City's Zero Waste Plan, Assembly Bills (AB) 939, AB 341, AB 1826, and SB 1383; and

WHEREAS, the City has completed pilot studies using Covered Aerated Static Pile (CASP) technology to demonstrate the efficiency and effectiveness of composting a variety of organic wastes, including up to 50% food waste, into fine compost material; and

WHEREAS, CASP technology may now be deployed at higher production capacity to meet the increasing organic waste flows to be generated by compliance with SB 1383, the Recycling Ordinance, and the Zero Waste Plan; and

WHEREAS, the Greenery is currently located over 74-acres of the active West Miramar Landfill Phase 1 waste footprint, and prevents access to valuable remaining waste disposal space; and

WHEREAS, the Greenery must also be relocated for future Landfill closure operations and application of final cover; and

WHEREAS, it is prudent at this time to provide for a new relocated and larger CASP Organics Processing Facility which will provide for the current permitted capacity of 40,000 tpy plus an additional 87,000 tpy of organic waste processing capacity; and

WHEREAS, it is further prudent to include in such a project for a new and larger Organics Processing Facility an additive alternative providing for the phasing in of an additional 124,850 tpy of processing capacity; and

WHEREAS, on February 16, 2022, the City advertised a Request for Proposals for Design-Build services for an Organics Processing Facility per Article 2, Division 33, Design-Build Contracts, of the San Diego Municipal Code; and

WHEREAS, the City received a responsive proposal from Sukut Construction, LLC (Sukut) which was determined under San Diego Municipal Code section 22.3308 (a) to be the best value proposal; and

WHEREAS, the Design-Build Agreement with Sukut Construction, LLC contains phase funding provisions committing the City only to the phase expenditures for which appropriations have been made, with later phase expenditure commitments being contingent on future fiscal year appropriations; and

WHEREAS, the City Council may in future appropriation ordinances determine to fund or refund expenditures for the Organics Processing Facility Design-Build Agreement with proceeds from debt financing; and

WHEREAS, the Office of the City Attorney has drafted this resolution based on the information provided by City staff with the understanding that this information is complete, true, and accurate; NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego, as follows:

1. That the Mayor, or his designee, is authorized to execute a phase funded Design-Build Agreement with Sukut Construction, LLC for the design-build of the Organics Processing Facility in CIP L-17000.2, Organics Processing Facility, in an amount not to exceed \$77,233,000 pursuant to the terms and conditions contained in the document on file in the Office of the City Clerk as Document No. 314531.

2. That the Chief Financial Officer is authorized to expend funds under the Design-Build Agreement in an amount not to exceed \$22,408,000 for the first three phases of the Agreement including Phase One (\$17,358,000), Phase Two (\$5,000,000), and Phase Three (\$50,000) from CIP L-17000.2, Organics Processing Facility, Fund 700040, Refuse Disposal-CIP, and Fund 700049, Recycling Fund-CIP; and

3. That the Chief Financial Officer is authorized to expend additional funds under the Design-Build Agreement in an amount not to exceed \$54,825,000 from CIP L-17000.2, Organics Processing Facility, Fund 700040, Refuse Disposal-CIP, and Fund 700049, Recycling Fund-CIP for the last two phases of the Agreement, including Phase Four (\$40,325,000) and Phase Five (\$14,500,000) contingent upon (1) the securing of debt financing, and (2) the adoption of the Annual Appropriation Ordinance appropriating funds in said amounts to those accounts for the applicable fiscal year, and (3) the Chief Financial Officer first furnishing one or more certificates certifying that the funds necessary for expenditure in Phases Four and Five are, or will be, on deposit with the City Treasurer.

4. That the Mayor and Director of the Department of Finance (Debt Management) are authorized to initiate debt financing to support expenditures necessary for Phases Four and

Five of the Organics Processing Facility Agreement, and are requested to return to City Council with necessary actions for the authorization of that debt financing.

APPROVED: MARA W. ELLIOTT, City Attorney

By /s/ Frederick M. Ortlieb
Frederick M. Ortlieb
Senior Deputy City Attorney

FMO:cw
November 17, 2022
Or.Dept: Environmental Services
CC No.: N/A
Doc. No. 3145260

I certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of DEC 13 2022

ELIZABETH S. MALAND
City Clerk

By 
Deputy City Clerk

Approved: 12/15/22
(date)


TODD GLORIA, Mayor

Vetoed: _____
(date)

TODD GLORIA, Mayor

Passed by the Council of The City of San Diego on DEC 13 2022, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Joe LaCava	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jennifer Campbell	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Stephen Whitburn	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Monica Montgomery Steppe	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marni von Wilpert	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kent Lee	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Raul A. Campillo	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Vivian Moreno	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sean Elo-Rivera	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage DEC 16 2022

(Please note: When a resolution is approved by the Mayor, the date of final passage is the date the approved resolution was returned to the Office of the City Clerk.)

AUTHENTICATED BY:

TODD GLORIA
Mayor of The City of San Diego, California.

(Seal)

ELIZABETH S. MALAND
City Clerk of The City of San Diego, California.

By Kristell Medina, Deputy

Office of the City Clerk, San Diego, California

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