

EXECUTIVE SUMMARY SHEET
CITY OF SAN DIEGO

DATE ISSUED: September 25, 2009
ATTENTION: Natural Resources & Culture Committee
Agenda of October 7, 2009
ORIGINATING DEPARTMENT: Public Utilities
SUBJECT: Second Amendment to Facility Franchise Agreement
Between the City and San Diego Landfill Systems, Inc.
COUNTIL DISTRICTS: City-wide
STAFF CONTACT: Christopher McKinney (858) 292-6447

REQUESTED ACTION:

1. Adopt an Ordinance approving the Second Amendment to the Facility Franchise Agreement between the City of San Diego and the San Diego Landfill Systems, Inc.
2. Authorize a FY 2010 expenditure of \$1,725,000 from Wastewater Fund 700001 for payment for the beneficial use and hauling of biosolids.
3. Authorize purchase authority, subject to the terms and conditions of the Second Amendment for the next five fiscal years through FY2015, provided the Comptroller certifies appropriations are available for this purpose.

STAFF RECOMMENDATION: Adopt the Ordinance.

EXECUTIVE SUMMARY:

In June 1999, the City and San Diego Landfill Systems, Inc. (SDLS) entered into a Facility Franchise Agreement for the Miramar Landfill, City Ordinance No. 00-18668. Section 4 of that agreement provided for a five-year period in which SDLS would collect, transport, and dispose of biosolids processed at the Metropolitan Biosolids Center (MBC). Prior to the end of the first five-year period in February 2005, the City and SDLS exercised their option in the Agreement and negotiated a five-year extension which will expire on February 28, 2010.

The City and SDLS have negotiated another extension to the Agreement for a second five-year term (the Second Amendment), beginning March 1, 2010, that provides for 100% beneficial use of biosolids. Presently, SDLS is beneficially using 98% of the biosolids. If the Amendment is approved, SDLS will continue to use land application and alternate daily landfill cover as its approved methods of beneficial biosolids use. If, in the future, alternative methods of beneficial use are identified, prior approval of the City shall be required before such methods or sites can be used by SDLS. The City has reserved the right to pursue its own alternatives if such alternatives afford the City additional benefits in the use of biosolids.

Along with increasing the term of the contract by another five years, it is requested that Council authorize \$1,725,000 within FY 2010 (approximately 1/3 of the annual cost of \$5,160,000, based on estimated 120,000 tons at current \$42.98/ton). The Second Amendment does not directly change the current cost of the ongoing collection, transport, and beneficial use of biosolids. However, the cost will potentially escalate in subsequent fiscal years through FY 2015 per the terms and conditions of the Franchise Agreement. The Agreement uses the U.S. Department of Labor, Bureau of Labor Statistics Consumer Price Index-All Urban Consumers for Los Angeles-

Riverside-Orange Counties. For the First Amendment in FY 2005, the price was \$37.11/ton. After five years of applying these CPI adjustments, the FY 2010 price is \$42.98 per ton. The price in FY 2010 was compared to rates paid by other regional agencies for biosolids disposal and was determined to be competitive.

EQUAL OPPORTUNITY CONTRACTING:

The Work Force Report has been submitted by San Diego Landfill Systems, Inc. Staff will monitor plan and adherence to Non Discrimination Ordinance.

FISCAL CONSIDERATIONS:

The entire expense will use current and future appropriations from the Metropolitan Wastewater Fund 700001 (the OneSD equivalent of former Fund 41508).

PREVIOUS COUNCIL/COMMITTEE ACTION: None.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

None; no change or impact anticipated to communities and the public for continuing current service level. This project was reviewed and approved by the Metro Technical Advisory Committee on September 16, 2009, and the Metro Commission on October 1, 2009.

KEY STAKEHOLDERS:

The near-daily collection, transport and beneficial use of treated biosolids are necessary for the 1.8 million customers of the Metropolitan Wastewater System. The Second Amendment allows the current franchised provider to continue uninterrupted quality services for another five years.



Ann Sasaki
Assistant Public Utilities Director



J.M. Barrett
Director of Public Utilities

**LIVING WAGE ORDINANCE
CERTIFICATION OF COMPLIANCE**



Send form to:

**CITY OF SAN DIEGO
Living Wage Program**
202 C Street, Mail Station 9A
San Diego, CA 92101
FAX 619/533-3240

COMPANY INFORMATION

Company Name: SAN DIEGO LANDFILL SYSTEMS
 Company Address: 8514 MAST BLDG. SAUTER, CA 92071
 Company Contact Name: NEIL R. MOHR Contact Phone: 619/449-9026

CONTRACT INFORMATION

Contract Number (if no number, state location): FACILITY FRANCHISE AGRE. Start Date: 3/1/10
 Contract Amount: BIO-SOLIDS - SECT. 4.2 (A) End Date: 3/1/15
 Purpose/Service Provided:

TERMS OF COMPLIANCE

A contractor or subcontractor working on or under the authority of an agreement subject to the Living Wage Ordinance (LWO) must comply with all applicable provisions of the LWO unless specifically approved for an exemption. The basic requirements of the LWO obligate contractors and subcontractors to:

- (a) Pay covered employees a wage no less than the minimum initial compensation of \$11.00 per hour (adjusted annually on July 1).
- (b) Provide covered employees a health benefit of \$2.20 per hour (adjusted annually on July 1) or, if any lesser amount is applied toward a health plan, add this difference to the hourly wage rate as cash payment.
- (c) Provide a minimum of 10 compensated days off per year for vacation, sick leave, or other personal need at the employee's request and provide 10 additional uncompensated days off for personal or family illness when accrued compensated days off have been used.
- (d) Inform all covered employees of their possible right to Federal Earned Income Tax Credit within 30 days of contract start.
- (e) Permit access for authorized City representatives to work sites and relevant records to review compliance with the LWO.
- (f) Prohibit retaliation against any employee who alleges non-compliance with the requirements of the LWO.

If a subcontractor fails to submit this completed form, the prime contractor may be found in violation of the LWO for failure to ensure its subcontractor's compliance. This may result in a withhold of payments or termination of the agreement.

CONTRACTOR CERTIFICATION

By signing, the contractor certifies under penalty of perjury under laws of the State of California to comply with the requirements of the Living Wage Ordinance.

Name of Signatory
NEIL R. MOHR
 Signature

GENERAL MGR.
 Title of Signatory
9/15/09
 Date

FOR OFFICIAL CITY USE ONLY

Date of Receipt: _____ LWO Analyst: _____ Contract Number: _____

LIVING WAGE ORDINANCE



ORDENANZA DEL SUELDO DIGNO

NOTICE TO EMPLOYEES

This employer is a contractor with the City of San Diego. This contract is subject to the Living Wage Ordinance. You must be paid "a living wage" for any hours you work on this contract.

THESE ARE YOUR RIGHTS...

MINIMUM HOURLY PAY:

- \$11.00/hour plus at least \$2.20/hour in health benefits OR
- \$13.20/hour without health benefits.
 - If health benefits cost less than \$2.20/hour, the difference is added to the hourly wage.
 - Rates are adjusted annually; current rates are effective until June 30, 2010.

MINIMUM DAYS OFF PER YEAR:

- 10 paid days for vacation, sick leave, or other personal need AND
- 10 unpaid days for personal or family illness.
 - Days off are in addition to paid holidays.
 - Days off are pro-rated based on hours worked at the living wage rate.

RETALIATION IS PROHIBITED:

- Employers may not fire, reduce pay or discriminate against a worker for filing a complaint.

FOR MORE INFORMATION

For more information or to obtain a complaint form if you believe your rights are being violated, please contact:

AVISO PARA EMPLEADOS

Este empleador es contratista de la Ciudad de San Diego. Este contrato está sujeto a la Ordenanza del Sueldo Digno. Usted debe ser pagado "un sueldo digno" por cada hora trabajada bajo este contrato.

ESTOS SON SUS DERECHOS...

COMPENSACIÓN MÍNIMA POR HORA:

- \$11.00/hora más un mínimo de \$2.20/hora de prestaciones médicas O
- \$13.20/hora sin prestaciones médicas.
 - Si las prestaciones médicas cuestan menos de \$2.20/hora, la diferencia es añadida al salario.
 - El sueldo se ajusta anualmente; el sueldo actual tiene vigencia hasta Junio 30, 2010.

DÍAS LIBRES, AL MÍNIMO, POR AÑO:

- 10 días pagados de vacaciones, enfermedad, o razones personales Y
- 10 días sin pagar por enfermedad personal o familiar.
 - Días libres son adicionales a los días festivos.
 - Días libres son ajustados por horas trabajadas al sueldo digno.

SE PROHIBE CUALQUIER TIPO DE REPRESALIA:

- Los empleadores no pueden despedir, reducir la paga, ni discriminar contra un trabajador por presentar una queja.

PARA MAS INFORMACION

Para más información o para obtener un formulario de quejas si usted considera que sus derechos han sido violados, por favor llame:

City of San Diego
LIVING WAGE PROGRAM
202 C Street, Mail Station 9A
San Diego, CA 92101
619/236-6682

07.01.09

WORK FORCE REPORT - Page 2

NAME OF FIRM: Republic Services DATE: 9/14/09

OFFICE(S) or BRANCH(ES): Otay Landfill COUNTY: San Diego

INSTRUCTIONS: For each occupational category, indicate number of males and females in every ethnic group. Total columns in row provided. Sum of all totals should be equal to your total work force. Include all those employed by your company on either a full or part-time basis. The following groups are to be included in ethnic categories listed in columns below:

- (1) Black, African-American
- (2) Hispanic, Latino, Mexican-American, Puerto Rican
- (3) Asian, Pacific Islander
- (4) American Indian, Eskimo
- (5) Filipino
- (6) White, Caucasian
- (7) Other ethnicity; not falling into other groups

ADMINISTRATION OCCUPATIONAL CATEGORY	(1) Black		(2) Hispanic		(3) Asian		(4) American Indian		(5) Filipino		(6) White		(7) Other Ethnicity	
	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)
Management & Financial			2											
Professional														
A&E, Science, Computer														
Technical														
Sales											2			
Administrative Support			2	3										
Services														
Crafts			1								1			
Operative Workers			13											
Transportation														
Laborers*			5											

*Construction laborers and other field employees are not to be included on this page

Totals Each Column			23	3							3			
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Grand Total All Employees	29
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Indicate by Gender and Ethnicity the Number of Above Employees Who Are Disabled:

Disabled														
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Non-Profit Organizations Only:

Board of Directors														
Volunteers														
Artists														

WORK FORCE REPORT – Page 2

NAME OF FIRM: Republic Services DATE: 9/14/09

OFFICE(S) or BRANCH(ES): Sycamore Landfill COUNTY: San Diego

INSTRUCTIONS: For each occupational category, indicate number of males and females in every ethnic group. Total columns in row provided. Sum of all totals should be equal to your total work force. Include all those employed by your company on either a full or part-time basis. The following groups are to be included in ethnic categories listed in columns below:

- (1) Black, African-American
- (2) Hispanic, Latino, Mexican-American, Puerto Rican
- (3) Asian, Pacific Islander
- (4) American Indian, Eskimo
- (5) Filipino
- (6) White, Caucasian
- (7) Other ethnicity; not falling into other groups

ADMINISTRATION OCCUPATIONAL CATEGORY	(1) Black		(2) Hispanic		(3) Asian		(4) American Indian		(5) Filipino		(6) White		(7) Other Ethnicity	
	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)
Management & Financial							1				3			
Professional														
A&E, Science, Computer														
Technical					1									
Sales														
Administrative Support			3		3						2			
Services														
Crafts											3			
Operative Workers	1		5								3			
Transportation														
Laborers*	1		3								2			

*Construction laborers and other field employees are not to be included on this page

Totals Each Column	2		8	3		4	2				11	2		
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Grand Total All Employees

31

Indicate by Gender and Ethnicity the Number of Above Employees Who Are Disabled:

Disabled														
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Non-Profit Organizations Only:

Board of Directors														
Volunteers														
Artists														