



THE CITY OF SAN DIEGO

MEMORANDUM

DATE: June 14, 2011

TO: Honorable Council President Tony Young and Members of the City Council

FROM: Barbara Lamb, Program Manager, Business Office  
via Wally Hill, Assistant Chief Operating Officer *Wally Hill*

SUBJECT: Response to Rules Committee Request for More Information Regarding Landfill Preliminary Statement of Work

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At the May 18, 2011 Rules Committee meeting, the Committee heard the Landfill Operations Preliminary Statement of Work (Pre-SOW). During the meeting, the following questions were raised by Committee members and are answered in this memo.

1. Provide commitment in writing from the Navy regarding the managed competition.

Answer: The City sent a letter to the Navy and Marine Corps on May 26, 2011 requesting a response to the following four items before June 22, 2011: (1) an acknowledgement that the Navy and Marine Corps are aware the City is engaged in the managed competition process for Miramar Landfill operations; (2) an acknowledgement that the Navy and Marine Corps do not object to the City proceeding with the managed competition process at this time; subject to a reservation of all rights under section 12 of the Ground Lease with respect to final approval of a proposed transaction, if any, with a third party for operations at the Miramar Landfill; (3) any reservations the Navy and Marine Corps may have about the managed competition of the Miramar Landfill operations, or any other input, which they are in a position to share with the City at this time; and (4) a general description of the anticipated process and estimated timeline for making a decision about whether to grant consent under the Ground Lease, in the event the managed competition process results in a proposed award to a private contractor.

2. Clearly identify any lease requirements related to landfill operations, e.g., longevity of service, military base security issues, methane capture and electricity generation, and bird control, especially as it relates to the adjacent air base.

Answer: The Ground Lease between the City of San Diego and the Department of the Navy includes a number of terms and conditions including the following:

- Use limits for each lease parcel (Lease §2)
- Height limits for operations (Lease § 2)
- Prior rights for utilities and access (Lease § 4, 8, 21)
- Acceptance of certain Navy waste for disposal at no charge (Lease § 5)
- No public group tours/exhibitions without consent (Lease § 8)
- Maintenance, repair, landscaping, site cleanliness (Lease § 9)
- No receipt/storage/disposal of hazardous substances/wastes without consent (Lease § 9)
- Closure and post-closure obligations (Lease § 9)
- Remediation obligations for unauthorized releases (Lease § 9)
- Risk of Loss Insurance (Lease § 14)
- Methane gas collection and disposal (Lease § 15)
- Air quality responsibilities (Lease § 17)
- Compliance with Biological Opinion (Lease § 18)
- Special Use Restrictions such as: compliance w/Bird Strike Hazard Management Plan, height limits, lighting limits, dust control, no open flaring of methane gas, maintain 25' buffer from underground fuel lines, electronic emissions/signals control. (Lease § 19)
- Environmental law compliance (Lease § 20)

Regardless of the outcome of the managed competition process, the City will remain ultimately responsible for compliance with all lease terms. However, compliance with all lease terms will be required of any potential landfill operator and each of the above requirements will be addressed in the Statement of Work, either as a flow-through contractual requirement or as an item that will be monitored under the quality framework that is described in more detail in the answer to Question #13 of this memo.

3. Provide a list of contracts associated with the landfill and whether or not they are anticipated to be a part of the Statement of Work (SOW). If the contracts are part of the SOW, who has oversight, and what are the potential liabilities for each?

Answer: Over 80 contractual agreements support the activities at both active and inactive landfill sites. The most significant contractual agreements are listed in the table below. The majority of contractual funds are expended on the Hawthorne Machinery Company contract which provides heavy duty equipment vital to the operation of the Miramar Landfill. The remaining agreements are for as-needed services (i.e., equipment parts, equipment service, and other miscellaneous active and inactive landfill supplies).

The Statement of Work team will determine the contracts that will become City furnished. In addition, to the extent that any contract is utilized for activities related to regulatory and lease requirements, the ultimate responsibility of compliance will be with the City.

#	Contract	Brief Description
1	Able Patrol and Guard Service	Gate & roving guards.
2	Alpha Project for the Homeless	Labor crew
3	Atlas Portable Services	Pump septic tanks
4	B&B Equipment Rental & Service	Machine lease & service
5	Chromascape (Amerimulch) Dye	Mulch dye
6	Hawthorne Mach. 657E rental & service	Machine lease & service
7	Hawthorne Mach. Co 14M Lease & Svc	Machine lease & service
8	Hawthorne Mach. Co 320L Lease & Svc	Machine lease & service
9	Hawthorne Mach. Co 834 Lease & Svc	Machine lease & service
10	Hawthorne Mach. Co 836G Lease & Svc	Machine lease & service
11	Hawthorne Mach. Co D6N Svc	Machine service
12	Hawthorne Mach. Co D9R (5) Lease & Svc	Machine lease & service
13	Hawthorne Mach. Co Water Tanker (627E)	Machine lease & service
14	Hawthorne Mach. Co. C32 Engine Svc	Machine engine service
15	Hawthorne Power Systems: 3412 Engine Svc	Machine engine service
16	NMS Janitorial Services	Janitor services
17	Richard J. Donovan Correctional Facility	Labor crew
18	Rule Steel (Parts), Diamond Z Mfg	Diamond Z tubgrinder parts
19	San Diego County Probation Dept	Labor crew
20	SCS Field Services - Greenhouse gas monitoring	Gas monitoring
21	Tarpomatic, Inc.	Tarpomatic machine parts
22	Unifirst Corp.	Uniform service
23	EnviroMatrix Analytical Svc	Water testing
24	Geologic Associates (Professional Svcs)	Regulatory compliance
25	Geosyntec Consultants Inc. (Professional Svcs)	VOC migration mitigation
26	MWH Americas (Professional Svcs)	Ground water testing
27	QED Environmental Systems	Pumps
28	SCS Field Services - LFG system repair/maintenance (Professional Svcs)	Gas monitoring

4. Provide a list of the regulatory agencies involved in all landfill operations included in the Pre-SOW and whether agency interaction will be with the City or the contractor. Additionally, provide analysis of the risks of having a contractor perform landfill operations as they relate to the requirements of each agency.

Answer: Regulatory mandates established by federal, State, and local agencies including the following:

- United States Environmental Protection Agency (USEPA)
- United States Fish and Wildlife Service (Department of Interior)
- United States Army Corps of Engineers (Department of Defense)
- United States Department of the Navy and Marine Corps (Department of Defense)
- Naval Facilities Engineering Command (NFEC) (within the Department of the Navy)
- Marine Corps Air Station (MCAS) Miramar (within the Department of the Navy)

- Federal Aviation Authority (FAA)
- California Department of Resources, Recycling and Recovery(CalRecycle)
- California Department of Fish and Game
- California Air Resources Board (CARB)
- Department of Toxic Substance Control
- Office of Environmental Health Hazard Assessment
- California Department of Conservation
- California Department of Water Resources
- County of San Diego Air Pollution Control District (APCD)
- San Diego Regional Water Quality Control Board (RWQCB)
- City of San Diego Solid Waste Local Enforcement Agency (LEA)
- City of San Diego Development Services Department
- City of San Diego City Council
- San Diego Regional Airport Authority
- County of San Diego Environmental Health Department
- County of San Diego Public Works Department, Land Use Environment Group
- San Diego Association of Governments serving as the Local Task Force

Various City staff interact with the agencies in a wide variety of capacities. Technical experts, such as engineers and planners, are the most common points of contact, but management, and even the Mayor's Office, may become involved in regulatory matters from time to time. Typical contact scenarios include requests for permits or information, submission of reports and notifications, and participation in inspections. Contact is both formal and informal.

Failure to comply with established regulations poses a variety of risks. As noted in the Pre-Competition Assessment Report, a notice of violation could result in "fines up to \$10,000 a day for non-compliance with federal, State, and local regulatory standards." These fines are assessed per violation, and multiple violations, over the course of several days, would be additive. Additionally, mitigation measures with limitless costs may be imposed, as can additional civil and criminal penalties. The sensitive activities that occur at Miramar and other disposal sites are subject to highly complex regulations. In addition, the Statement of Work team must ensure that the service provider performs any new activities required to ensure compliance with future regulations. Future regulations are difficult to forecast, but are common because landfill systems and the regulatory structure are dynamic in nature. Risks associated with non-compliance of current and future regulations could result in threats to public health and safety, the environment, and can expose the City to severe financial and potentially criminal penalties.

The Statement of Work team will determine the specific tasks the City and contractor will perform in terms of regulatory and permitting responsibilities. However, the ultimate responsibility of meeting all regulatory and permitting requirements will in most cases continue to rest with the City.

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5. Provide City Attorney opinion(s) regarding competition of Hazmat and Code Compliance enforcement activities.

Answer: City Attorney to provide before June 22, 2011 Rules Committee meeting.

6. Provide more details on day-to-day operations so that Council can provide more specificity in levels of service in the Pre-SOW, if desired.

Additionally, please provide more information on current food-waste tonnage at the Greenery and City goals for food-waste and other organics recycling tonnages for the next five years.

Answer: The Managed Competition Guide urges the use of performance-based contracts, rather than specifying how the outcomes must be achieved. If some proposed operational techniques are less effective than others, the technical evaluation of the proposals will take this into account. Nevertheless, the attached Pre-SOW has been revised to provide more detail as appropriate.

Currently, approximately 2,500 tons of food waste is processed annually, with a goal to implement a pilot program to up to 15,000 tons within the next five years. This pilot will test the limits of the current technology to handle increased amounts of contamination. If the pilot deems that new technology is needed, a recommendation for that technology and proposed greenery fee increases will be brought forward for Council consideration.

7. Define whether the City or the contractor would be required to take steps to reach waste diversion and greenhouse gas emissions targets that the state or federal governments require now or may require in the future.

Answer: The Statement of Work team will determine the specific tasks the City and contractor will perform in terms of regulatory and permitting responsibilities. However, much of the responsibility for meeting regulatory, lease, and permitting requirements would remain with the City, regardless of the outcome of managed competition. For example, the Statement of Work team may decide that the landfill operator will prepare regulatory reports to the various regulatory agencies, but the City would review these reports and would be responsible for the content.

In addition, the Statement of Work team must ensure that the service provider performs any new activities required to ensure compliance with future regulations. Future conditions are difficult to forecast, because landfill systems and their regulations are dynamic in nature. Potential new regulations include any State or federal requirement related to waste diversion and greenhouse gas emission.

8. Address concerns raised by AFSCME Local 127 regarding the release of proprietary data during the divestiture exploration.

Answer: Staff has followed up with AFSCME Local 127 regarding their specific concerns but has not received an actionable response.

Staff has reviewed the documents that were released under the Sierra Club's Public Records Act (PRA) request. Nothing was inappropriate to have been released at that time. Any new PRA requests will be reviewed carefully to ensure that no procurement sensitive information is released during the Managed Competition process.

9. As stated in the hearing, tipping fees will continue to be set by the City. How will this be described in the Pre-SOW and are there any assumptions about the possible increase of the fees? Will they need to be cost-recoverable? Will other landfill related fees be controlled by the City as well (i.e., AB939 and Greenery fees)?

Answer: As described in the Pre-Competition Assessment (PCA) Report, fee calculation and adjustment remain the responsibility of the City, no matter who provides the service of landfill operations. "Disposal fees at the Landfill must continue to comply with San Diego Municipal Code sections 66.0127(c)(4) and Proposition 26, approved during the November 2010 election, which set cost recovery limitations on disposal fees, regardless of any outsourcing. The expenditure of revenues from Landfill fees also will remain subject to existing legal requirements and restrictions. In other words, retaining a private entity to operate the Landfill would not provide any greater flexibility in setting Landfill fees or using Landfill fee revenues."

Because the contemplated work does not involve this activity, it is not described as work that is in the scope being procured.

10. Describe why the fee booth operation was considered inherently governmental in the 2008 Pre-Competition Assessment but is no longer deemed inherently governmental.

Answer: Both the 2008 PCA Report and the current PCA Report reach the same conclusion on the inherently governmental nature of fee booth operations: one (1.00 FTE) position for the Fee Booth Operation function is identified as inherently governmental. The budgeted Senior Management Analyst position provides oversight of the Fee Booth Operation function and serves as the Franchise Administration Program Administrator. The remaining positions in the Fee Booth Operations function are not inherently governmental.

11. Describe what will be done to ensure oversight of the collection of revenues and what role the City Auditor can play in the process.

Answer: The City Auditor declines to review the procedures at this time but will conduct periodic audits during the contract performance period. Environmental Services has asked the Treasurer's Office to review the current fee booth cash/check handling procedures. During the SOW preparation period, depending on the feedback received from Treasurer, ESD will convert its procedures to process narratives in accordance with the Comptroller's guidelines for written process narratives.

12. Provide a copy of the divestiture study to all council members for review before the item goes to Council.

Answer: The consulting firm that worked on the divestiture provided procurement assistance only and did not generate a “study” report.

13. Describe how the City will ensure that the contractor will comply with the law.

Answer: Under the Charter and Managed Competition Guide, the Mayor has the sole responsibility for administering and monitoring any agreements with contractors. There are a lot of tools to use to ensure the City will get what it has asked for regardless of who the service provider is:

- Proposers are required to submit a Quality Control Plan (QCP) as to how they are going to meet them.
- The City has its own Quality Assurance Surveillance Plan (QASP) as to how the service providers will be monitored, and this plan will be customized to synchronize with the successful proposer’s QCP.
- Contract manager(s) will be designated to monitor contract compliance.
- The City will do monthly monitoring of these quality assurance activities outlined in the QASP, as well as have an annual performance audit done.
- In addition, as part of the contract, an independent audit would also be done at some point during the term of the contract.

All performance requirements will be built into the Statement of Work. The contract would contain consequences to the service provider in the event of failing to meet the performance requirements. The consequences could be financial or can even be termination of the contract (if the service provider is unable to cure it). If the service provider is an independent contractor, the City would ensure it is held harmless and that the service provider would be held liable for all damages.

More information on the Managed Competition quality assurance framework can be found in Report #11-004 (‘Overview of Quality Assurance Efforts under the Managed Competition Program’), which was presented at the Rules Committee held on January 12, 2011 and which is included in the documents that accompany the 1472.

14. Are private contractors’ documents subject to the Public Records Act?

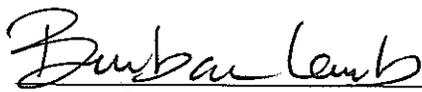
Answer: Private contractors are not subject to the Public Records Act, unless they are non-profit or for-profit entities that are subject to the Ralph M. Brown Act. However, the City requires private contractors to provide any and all records that are needed to monitor their compliance with contractual requirements.

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In addition to answering these items for the Committee, staff has revised the Preliminary Statement of Work and a "changes shown" copy is attached.

  
Barbara Lamb, Program Manager

cc: Jay Goldstone, Chief Operating Officer  
Grace Lowenberg, Deputy City Attorney  
Chris Gonaver, Environmental Services Department Director  
Andrea Tevlin, Independent Budget Analyst

**Landfill Operations Preliminary Statement of Work**  
**June 8~~May 10~~, 2011**

Landfill operations are one of the responsibilities of the City of San Diego's Environmental Services Department.

***Functions and Services***

The Landfill functions include:

- Landfill Operations
- Greenery Operations
- Hazmat Landfill Load Check
- Fee Booth Operations
- Landfill Maintenance and Monitoring (LMM)

The City of San Diego intends to acquire the services of a provider (City employees or outside vendor) to operate its active landfill operations at the West Miramar Landfill as well as the City's eight closed landfills and eight burn sites. The services that will be considered include:

Activity <sup>1</sup>	Detailed Description
<b>Landfill Operations</b>	
Push, compact and cover waste	Receive and push waste to desired location at landfill face; Compact waste to reach desired density; Cover waste with appropriate daily, intermediate and final cover (i.e., tarp, dirt, alternative daily cover); Maintain commercial and public tipping areas. Excavate, stockpile and transport cover material as needed. <u>Use an Automated Tarping Machine (ATM) to deploy reusable landfill cover tarps and preserve the space of the landfill. To accommodate the ATM's need to deploy tarps on a relatively flat surface to avoid damage to machinery and/or adjacent slopes, apply dirt and/or mulch in the corners to square-up tarp placement. Per the Local Enforcement Agency (LEA) restrictions, tarps can only stay deployed on the trash for three days before having to be removed and trash slopes covered with an advancing trash face or an approved daily cover practice. Minimize edge dirt and mulch as ADC usage to the maximum extent possible, but exterior slopes and the top deck still need at least 6-inches of cover on a daily basis.</u>  <u>In extreme inclement weather when it is not possible for the dozer mounted ATM to traverse the saturated trash face to deploy the tarps and dry dirt is not possible to access, the daily cell may be covered with mulch as ADC.</u>  <u>To stay in compliance with current regulations for areas that will not receive trash for 180-days, use 12-inches of dirt as intermediate cover.</u>
Maintain landfill roads	Pave or surface landfill roads to ensure vehicle access to landfill <u>and prevent the formation of habitat</u> ; Repair roads as needed (i.e., ruts, potholes, cracking).
Install and maintain drainage control devices	Construct drainage control structures; Repair and/or replace structures as needed to protect landfill from erosion, <u>and prevent the formation of habitat</u> .
Manage and maintain	Leachate collection system includes below ground collection tanks, pumps to

<sup>1</sup> Many of the activities performed at the active and inactive landfill sites are supported by private contractors. Attachment 1 provides a list of contracts associated with landfill operations.

Activity <sup>1</sup>	Detailed Description
leachate collection system	above ground tanks for storage until discharged into trucks for appropriate application of the operating landfill face.
Perform surface grading and maintenance	Landfill surface shall be graded as needed to prevent erosion, cover exposed trash, assist in drainage, and prevent standing water <u>and the formation of habitat</u> .
Install and maintain erosion control devices	Install erosion control devices; Repair and/or replace devices as needed to protect landfill from erosion.
Perform control duties	Perform traffic, litter, dust ( <u>includes the spraying of reclaimed water on roads and other areas of landfill including dusty refuse loads to prevent fugitive dust and avoid violations and impacts to air quality</u> ), leachate ( <u>see manage and maintain leachate control system above</u> ), vector and bird control.
Install and maintain landfill signs	Install road, traffic control, safety, and facility signs; Repair and/or replace signs as needed <u>including signs with habitat-specific instructions</u> .
Landfill Engineering	Design landfill modules, daily cells, special waste areas, wet weather areas and the sequence for filling; Design and oversee construction of temporary and permanent haul roads and access roads; Design drainage and erosion control structures; Survey and stake daily cells; Manage clean fill dirt program; Prepare and submit monthly, quarterly, and annual reports to regulatory agencies as required; Participate in regulatory inspections as City representative; Ensure compliance with permitting requirements; Provide support for Miramar CIP project development (i.e. project estimates, contract specifications, construction management); Serve as liaison with Navy on lease issues and projects; Support departmental construction projects; Review technical documents from contracted consultants (i.e., lab testing, etc.); Plan and execute topographical mapping at active and inactive sites; Maintain surveying control networks; Advise and survey for drainage maintenance at inactive sites; Establish computer aided design and drafting files, scaled drawings, diagrams, and field notes of active and inactive sites.
<b>Greenery Operations</b>	
Process Materials	Receive and mix food waste with ground green waste; Remove undesirable plants, and physical contaminants; Mix automated yard waste with brush and landscaper waste; Clean contamination from automated yard waste routes.
Grinding material	Grind yard waste to suitable size for windrow composting; Grind custom order and specialty products per customer request; Grind dimensional lumber, wood pallets, stumps, and logs for sale as recycled landscape product; Re-grind materials as needed.
Forming and moving windrows	Create triangle or trapezoidal shaped windrows with 40-50% moisture content; Create windrows in batches of 5,000 cubic yards and with the size and shape to accommodate aeration from a straddle windrow turner.
Aerating windrows	Aerate windrows using windrow turner at scheduled intervals.
Add water to composting windrows	Add water to windrows as needed to maintain a 40-50% moisture ratio.
Screen products	Screen compost and other products into specified sizes and to remove physical contaminants.
Air classification cleaning	Use air knife at appropriate setting to remove the majority of light plastic from the final product.
Product blending	Blend custom products as requested by customers.
Color products	Apply water and dye to pre-ground dimensional lumber.
Residue disposal	Remove, dump and replace contamination collection boxes as needed; Remove other composting process residues.

Activity <sup>1</sup>	Detailed Description
Process drywall	Receive and mix drywall as appropriate to add value to compost.
Process food waste	Receive and mix food waste with ground green waste at appropriate ratio; Place mixture into windrows.
Load customers	Load material purchased by customers into vehicles.
Perform control duties	Perform traffic, litter, dust ( <a href="#">includes the spraying of reclaimed water on roads and other areas of landfill including dusty refuse loads to prevent fugitive dust and avoid violations and impacts to air quality</a> ), leachate ( <a href="#">see manage and maintain leachate control system under Landfill Operations</a> ), vector and bird control.
Perform quality control functions	Monitor contamination in incoming loads, remove contamination from outgoing products, enforce and assess penalties, and product sampling.
Market material	Provide market value pricing of commodities; Advertise products on City's website, at various community events, and in Curbsider mailer to all curbside customers; Provide material at no cost to open and closed sites for landfill erosion control.
Research and development to increase diversion	Assist and coordinate testing and evaluation of compostable feedstock currently being landfilled.
<b>Hazmat Landfill Load Check</b>	
Conduct solid waste inspections	Conduct inspections at commercial and public tipping, construction and demolition, greens, roadside, and Fee Booth locations; Document inspections and enter into Access database for tracking.
Unacceptable waste identification	Identify unacceptable waste through solid waste inspections; Remove hazardous waste and other prohibited waste; Return waste to generator or take waste into possession and dispose of material at appropriate location.
Investigate incidents involving the disposal of hazardous waste and other unacceptable wastes	Determine origin of unacceptable waste through data obtained on waste, interviews, reviewing disposal documents, or other materials contained in the same load.
Public education	Distribute and review educational materials with residential and business customers on proper waste identification and provide options for the proper disposal of unacceptable wastes.
Enforcement	Determine appropriateness of enforcement action and the level of enforcement needed; Provide a verbal warning, issue a Notice of Violation, and/or refer an incident to a regulatory agency or to the City or District Attorney for additional investigation and enforcement. Inspectors will provide incident documentation, draft case reports or incident summaries, and obtain and process samples of prohibited waste for laboratory analysis
Hazardous waste management	Identify hazardous waste including conducting hazardous waste identification testing for unknown substances. Package and manage hazardous waste onsite at the Miramar landfill in accordance with all applicable regulatory requirements, conduct weekly inspections, coordinate disposal, review invoices, manifest and waste diversion tracking.
Special waste review and acceptance	Inspectors will review and process all requests for the disposal of various types of special waste and review supporting documentation such as Materials Safety Data Sheets and laboratory analysis to determine if special wastes can be accepted in compliance with State and federal requirements, Miramar Landfill acceptance criteria, and permit restrictions. Review and process all Special Waste Manifests and enter data into an Access database for tracking.
Emergency response	Respond to, mitigate, clean-up, and complete required regulatory reporting for releases of hazardous substances and provide temporary onsite incident management for situations involving the disposal of explosives and other shock sensitive chemicals requiring a response from City or County Fire,

Activity <sup>1</sup>	Detailed Description
	Hazmat, or Metro Arson Strike Teams.
Training	Provide initial and refresher training to landfill staff on hazardous materials recognition, special waste acceptance documentation and processing, spill reporting, and other applicable topics.
Fee Booth support	Respond to daily calls from the Fee Booth to provide waste evaluation and acceptance expertise to customers with potentially unacceptable wastes, prevent the acceptance of prohibited wastes, provide education on proper disposal, and conduct enforcement as required.
<b>Fee Booth Operations</b>	
Inspect material type	Inspect incoming load type and assess appropriate fee.
Assess appropriate tipping fees	Calculate total fees due by the incoming tonnage and load type; Process outgoing transactions such as commodity sales, held transactions, and customer rebilling (when appropriate fee was not applied).
Screen for illegal material	Screen incoming material for items not allowed in landfill; Notify Hazmat Landfill Load Check for assistance in identifying unacceptable waste.
Comply with regulations	Ensure compliance with State minimum regulations (i.e. record keeping, traffic control, scale accuracy, and proper revenue collection).
Collect, input, reconcile data	Collect tonnage and revenue data in Refuse and Disposal (RAD) database (power builder application used for collecting, monitoring, and reporting landfill tonnage and revenue information); Reconcile data as needed.
Cash and check handling and accounting	Collect cash and check payments; Process deferred account payments; Complete deposit slips; Coordinate armored transport; Coordinate with bank to ensure accuracy of daily deposits; Manage deferred accounts.
Customer service	Provide information on commodity sales, unacceptable waste, alternative disposal locations, and general landfill information.
<b>Landfill Maintenance and Monitoring</b>	
Landfill gas [LFG] monitoring & collection	Conduct quarterly LFG surface emission surveys, building methane detector checks, and read monitoring probes; Conduct monthly extraction well monitoring and adjustments; Read flares weekly; Manage condensate collection and disposal; Prepare survey result maps and monitoring reports.
Landfill gas [LFG] system maintenance	Repairs to the LFG systems include monitoring probes, extraction wells, well heads, piping, condensate traps, valves, vaults, flare stations, air compressors, pumps, sumps, blowers, controls, etc; <a href="#">Respond to changes in regulatory requirements</a> ; Respond to flare system shutdowns and building methane detector alarms.
Groundwater monitoring and maintenance	Assist groundwater consultant to access for sampling groundwater wells; <a href="#">Respond to changes in regulatory requirements</a> ; Maintain the integrity of groundwater monitoring wells, including monuments, well heads, pumps and tubing.
Inactive landfill surface maintenance	Maintain, repair and upgrade drainage structures, landfill cover, and access roads located on and adjacent to the landfill sites <a href="#">including complying with any regulatory requirements for this work</a> ; Conduct monthly site inspections and prepare and submit monthly reports for City review and submission to LEA; Maintain access to all extraction wells, monitoring wells (probes), and groundwater sampling wells; <a href="#">Respond to changes in regulatory requirements</a> ; Manage weed abatement, mowing, fencing, and general site condition.
NPDES sampling	Perform quarterly inspections, and collect samples (as required by specified storm events), analyze data and prepare reports for City review and submission of annual National Pollutant Discharge Elimination System (NPDES) reports.
Burn site management	Inspect burn sites to ensure ash has not been exposed due to erosion of cover

Activity <sup>1</sup>	Detailed Description
	material; Cover exposed ash as needed; Maintain drainage structures and implement erosion control methods to protect site against erosion; <u>Respond to changes in regulatory requirements.</u>
Biological Services	Seed mix design/construction, biological site visits, biological surveys, project monitoring, <u>training of crews on pertinent issues, such as vernal pool formation, tern and gnatcatcher nesting seasons, and seagull behavior.</u>

As described in the Pre-Competition Assessment (PCA) Report, fee calculation and adjustments remain the responsibility of the City, no matter who provides the service of landfill operations. “Disposal fees at the Landfill must continue to comply with San Diego Municipal Code sections 66.0127(c)(4) and Proposition 26, approved during the November 2010 election, which set cost recovery limitations on disposal fees, regardless of any outsourcing. The expenditure of revenues from Landfill fees also will remain subject to existing legal requirements and restrictions. In other words, retaining a private entity to operate the Landfill would not provide any greater flexibility in setting Landfill fees or using Landfill fee revenues.”

Services that will not be included in this competition as determined by the Landfill Pre-competition Assessment Report are the Fee Booth activities related to franchise administration and the Landfill Maintenance and Monitoring (LMM) activities related to project management, regulatory compliance, and strategic planning. The remaining activities that make up the Fee Booth and LMM functions are eligible and appropriate for competition.

Administrative support services such as budget and information technology administration, group policy and procedure development, and management reporting may be impacted as a result of the managed competition process. It is not exactly clear how administrative service positions will be impacted as a majority of staff membersthem perform duties in other functions not considered for managed competition. However, if the City is no longer providing all or a portion of the functions included in the competition a corresponding reduction will be made to the related positions and services.

The budgeted Supervising Management Analyst position provides oversight of the Fee Booth Operation function and serves as the Franchise Administration Program Administrator. The City of San Diego’s Non-Exclusive Solid Waste Collection system consists of 21 franchisees that have been granted permission to collect, transport and subsequently dispose of waste within the City of San Diego. This position is also in charge of the development and implementation of Departmental policies regarding administration of the franchise program, and the implementation of new policies and procedures regarding all aspects of the franchise program (i.e., contracts, tonnage and revenue reporting, accounting tasks). The policy decisions made by the franchise administrator have a direct impact upon revenue generated for the City’s General, Refuse Disposal Enterprise, and Recycling Funds. As a result, this function was deemed inherently governmental, ineligible, and inappropriate for competition.

Although not deemed inherently governmental, a portion of the activities performed within the LMM function are ineligible and inappropriate for competition as potential risks and increased liability are too high while economic benefits are very low. These activities are performed by 1.00 Sr. Civil Engineer, 1.00 Sr. Mechanical Engineer, and 3.00 Associate Civil Engineers and can be categorized into project management, regulatory compliance, and strategic planning.

Landfill operations require the oversight of a Civil Engineer/Project Manager for regulatory compliance and project management oversight of Capital Improvement projects and ancillary construction projects. These activities are currently performed by a Project Officer II and an Associate Civil Engineer.

In addition, legal limitations may exist on outsourcing enforcement functions related to Landfill operations such as Code Compliance and Hazmat Load Check functions. The City Attorney will provide a legal opinion on whether duties performed by Enforcement Officials, as defined by the San Diego Municipal Code, can be delegated to private contractors.

***Locations and Operating Hours***

The services described above are currently provided at the following locations with their respective hours of operation:

<b>Function</b>	<b>Location</b>	<b>Hours of Operation</b>
Landfill operations	West Miramar Landfill	The landfill is open 361 days per year (362 days in a leap year) and accepts waste for disposal from 7:00 am to 4:30 pm Monday through Friday and from 7:30 am to 4:30 pm on Saturday and Sundays including most holidays except New Year’s Day, Easter Sunday, Thanksgiving Day and Christmas Day. It is the only disposal site in the County that is open on Sundays.
Greenery operations	West Miramar Landfill	Same as Landfill Operations
Hazmat Landfill load check	West Miramar Landfill	Same as Landfill Operations
Fee booth operations	West Miramar Landfill	Same as Landfill Operations
Landfill maintenance and monitoring	8 closed landfills 8 closed burn sites West Miramar Landfill	Monday through Friday

### ***Technical Delivery Standards***

The City of San Diego expects the service provider (City employees or outside vendor) will perform these services while adhering to the following technical standards:

#### **Regulatory Agencies**

Regulatory mandates established by federal, State, and local, ~~and~~ agencies including the following:

- Environmental Protection Agency (EPA)
- United States Fish and Wildlife Service (Department of Interior)
- United States Army Corps of Engineers (Department of Defense)
- United States Department of the Navy and Marine Corps (Department of Defense)
- Naval Facilities Engineering Command (NFEC) (within the Department of the Navy)
- Marine Corps Air Station (MCAS) Miramar (within the Department of the Navy)
- Federal Aviation Authority (FAA)
- CalRecycle
- California Department of Fish and Game
- California Air Resources Board (CARB)
- Department of Toxic Substance Control
- Office of Environmental Health Hazard Assessment
- California Department of Conservation
- California Department of Water Resources
- Air Pollution Control District (APCD)
- Regional Water Quality Control Board (RWQCB)
- City of San Diego Solid Waste Local Enforcement Agency (LEA)
- City of San Diego Development Services Department
- City of San Diego City Council
- San Diego Regional Airport Authority
- County of San Diego Environmental Health Department
- County of San Diego Public Works Department, Land Use Environment Group
- San Diego Association of Governments serving as the Local Task Force

Various City staff interact with the agencies in a wide variety of capacities. Technical experts, such as engineers and planners, are the most common points of contact, but management and even the Mayor's Office may become involved in regulatory matters from time to time. Typical contact scenarios include requests for permits or information, submission of reports and notifications, participation in inspections. Contact is both formal and informal.

-There are a variety of risks associated with the failure to comply with established regulations. As noted in the Pre-Competition Assessment, a notice of violation could result in "fines up to \$10,000 a day for non-compliance with federal, State, and local regulatory standards." These fines are assessed per violation, and

multiple violations, over the course of several days, would be additive. Additionally, mitigation measures with limitless costs may be imposed, as can additional civil and criminal penalties. The sensitive activities that occur at Miramar and other disposal sites are subject to highly complex regulations. In addition, the Statement of Work team must ensure that the service provider performs any new activities required to ensure compliance with future regulations. Future regulations—which are difficult to forecast, but are common as because landfill systems and the regulatory structure are dynamic in nature. Risks associated with non-compliance of current and future regulations could result in threats to public health and safety, the environment, and can expose the City to severe financial and potentially criminal penalties.

The Statement of Work team will determine the specific tasks the City and contractor will perform in terms of regulatory and permitting responsibilities. However, the ultimate responsibility of meeting all regulatory and permitting requirements will in most cases continue to rest with the City. For example, the Statement of Work team may decide that the landfill operator will prepare regulatory reports to the various regulatory agencies, but the City will be reviewing these reports and will likely be held responsible for any notice of violation as a result. It is not always the case that the City would be responsible. For example, if a contractor were to push brush into a streambed in violation of Fish and Game code section 1602, both the City and the regulatory agencies would likely hold the contractor liable, not the City. However, holding the contractor liable for a violation does not alleviate the risk to the City of landfill operations being put on hold or ceasing as a result of the violation.

### **Ground Lease with the Department of the Navy**

The City believes the military's three main areas of concern include bird control, base security, and methane capture and energy generation. The following is a list of general lease operational requirements:

- Use limits for each lease parcel (Lease §2)
- Height limits for operations (Lease § 2)
- Prior rights for utilities and access (Lease § 4, 8, 21)
- Acceptance of certain Navy waste for disposal at no charge (Lease § 5)
- No public group tours/exhibitions w/o consent (Lease § 8)
- Maintenance, repair, landscaping, site cleanliness (Lease § 9)
- No receipt/storage/disposal of hazardous substances/wastes w/o consent (Lease § 9)
- Closure and post-closure obligations (Lease § 9)
- Remediation obligations for unauthorized releases (Lease § 9)
- Risk of Loss Insurance (Lease § 14)
- Methane gas collection and disposal (Lease § 15)
- Air quality responsibilities (Lease § 17)
- Compliance w/Biological Opinion (Lease § 18)
- Special Use Restrictions such as: compliance w/Bird Strike Hazard Management Plan, height limits, lighting limits, dust control, no open

[flaring of methane gas, maintain 25' buffer from underground fuel lines, electronic emissions/signals control. \(Lease § 19\)](#)

- [Environmental law compliance \(Lease § 20\)](#)

[Were the City to pose a threat to military operations, for example by posing a bird strike hazard, the military may terminate the lease. Potential loss to the City could include the entire value of the site in terms not only of its real estate value, but also of its value in the disposal air space capacity and overall public access to a refuse disposal site.](#)

### City of San Diego Fee Schedule

The service provider must follow regulations, policies, and fees identified in the City of San Diego Fee Schedule and Regulations for the Miramar Landfill established by San Diego Municipal Code sections 66.0127(c)(4) and Proposition 26. [This will include any policies related to waste diversion.](#)

### Performance Standards

The City of San Diego expects the service provider (City employees or outside vendor) to maintain or exceed current service levels, by maintaining current performance standards.

Service Measure/Landfill Functions	Description	Current Service Level <sup>2</sup>	Data Source
Airspace utilization factor/Landfill Operations	Airspace utilization factor is used to determine the available space in the landfill for refuse burial. Monitoring airspace utilization provides the operator with data to ensure the most efficient and effective methods are utilized in refuse burial. This factor is calculated by dividing the tons of refuse disposed by the volume of area in cubic yards consumed in the landfill. The overall goal is to increase the airspace utilization factor by consuming less space at the landfill through enhanced compaction. <a href="#">Attachment 2 provides historical data related to the Air Space Utilization factor and volume of waste disposed from 2005 through 2010.</a>	0.50	- Refuse and Disposal database (RAD); Engineering Report
Tons of waste disposed/ Landfill Operations	The amount of tons of waste disposed of at the Miramar Landfill. The dynamic nature of landfills makes it difficult to set goals for tons of waste disposed, but incoming tonnage does depict resources needed in order to push, compact, and bury waste.	909,484	RAD
Ton of material processed/Greenery Operations	Tons of green waste processed into high quality mulch, compost and wood chips which is made available to the public. The tons diverted from the landfill, <a href="#">-processed and marketed</a> is essential in prolonging landfill life. <a href="#">-Of the green waste currently processed, approximately 2,500 tons is food waste with the goal to implement a pilot program of accepting increased amounts of route-based</a>	103,203	RAD

<sup>2</sup> Current service levels are based on FY2010 data. These values may vary annually due to external factors outside the control of the operator.

Service Measure/Landfill Functions	Description	Current Service Level <sup>2</sup>	Data Source
	<a href="#">mixed organic wastes to increase that to 15,000 tons within the next five years. This pilot will test the limits of the current technology to handle increased amounts of contamination that will invariably come from route-based organics. If the pilot deems that new technology is needed, a recommendation for that technology and proposed greenery fee increases will be brought forward for Council consideration.</a>		
Total commodity sales/Greenery Ops	Revenue produced from sale of mulch, compost and wood chips.	\$450,071	SAP
No. of <del>State Minimum Standard Notice of Violations (NOVs)</del> received/Miramar Landfill and Greenery Operations	<a href="#">For some violations, a notice of violation is presented to the jurisdiction when State compliance and/or regulatory standards are not met. Federal agencies may issue compliance orders. The public can also seek compliance with certain local, state, and federal regulations, and may sue in the courts for compliance with various environmental laws.</a>	1	Access database
No. of State Minimum Standard Notice of Violations (NOVs) received/ Inactive Landfill sites and burn sites	A notice of violation is presented to the jurisdiction when State compliance and/or regulatory standards are not met. Regulatory inspections are conducted quarterly as well as annually on all inactive landfills and burn sites.	1	Access database
Tons of hazardous waste diverted from the Miramar Landfill/Hazmat Load Check	Hazardous waste such as flammable liquids, pesticides, oxidizers, asbestos, corrosives, shock sensitive chemicals, explosives, radioactive waste, medical waste, and polychlorinated biphenyls (PCBs) are illegal and dangerous to dispose of in landfills and are extremely harmful to the environment.	19.1	Access database
No. of solid waste inspections conducted/Hazmat Load Check	Conduct solid waste inspection in all areas of the Miramar landfill 7 days/wk, 361 days/year	6,600	Access database
No. of customers served at fee booth/Fee Booth	Number of transactions processed annually at the Miramar Landfill fee booth	350,305	RAD
No. of customers served per fee booth employee/Fee Booth	Number of transactions processed annually at the Miramar Landfill fee booth per FTE	21,894	- RAD - FY2010 Budget
Total revenue collected/Fee Booth	The Fee Booth collects and processes thousands of payments annually. A large amount of money is taken in daily (average cash/check intake is approximately \$30k) all of which comes through the fee booth.	\$31 million <sup>3</sup>	SAP

<sup>3</sup> This value is an estimate. Final methodology is currently being developed to calculate this figure.

Service Measure/Landfill Functions	Description	Current Service Level <sup>2</sup>	Data Source
Percent of extraction wells sampled annually/LMM	Monitoring gas and groundwater extraction wells is vital in mitigating greenhouse gas migration which could result in NOV's and subsequent regulatory fines.	100%	LMM Access database
Percent of surface water sampling and reporting for NPDES permits complete	Performing sampling, analysis, and preparation and submittal of quarterly and annual reports. <b>Five</b> sites and 27 sampling points.	100 %	ESD Library
Percent of landfill gas emission and monitoring performed quarterly/LMM	Perform quarterly landfill gas surveys, sampling landfill gas monitoring probes, inspection of building gas detectors and analyze data. (180 gas probes)	100%	LMM Access database
Percent of groundwater well sampling and reporting completed as required under RWQCB Order 97-11/LMM	Perform groundwater sampling, analysis and preparation of quarterly and annually Reports. (56 groundwater wells in total at 5 sites)	100%	ESD Library

***Service Provider Expectations***

Specific methods to measure and monitor service provider expectations will be included in the Statement of Work. These measures will be stored and tracked electronically and data will be audited regularly. Customer satisfaction rates will be tracked via survey, or similar methods. The City currently has multiple surveys in place that can be used to track results.

- Expect service provider to track requests, complaints, other feedback and when this information will be transmitted to the City.
- Expect service provider to provide communication plan to the City about service mishaps or delays and related remedies, as well as overall performance information.
- Expect the service provider to fulfill the reporting requirements of all applicable federal, state and local government regulations and permits.

Please note that more detailed performance data will be included in the more detailed Statement of Work that will be developed in the next phase in preparation for issuing a Request for Proposals. We are describing all current functions, but judgments will be made in the final Statement of Work as to what is “in-scope” vs. “out of scope”, based on our market assessment. Some data is not made available in this public Preliminary Statement of Work document so as to maintain a level playing field between City employees and potential contractors.

**Attachment 1**  
**Landfill Operations Contract List**

There are over 80 contractual agreements supporting the activities at both active and inactive landfill sites. The most significant contractual agreements are listed in the table below. The majority of contractual funds are expended on the Hawthorne Machinery Company contract which provides heavy duty equipment vital to the operation of the Miramar Landfill. The remaining agreements are for as-needed services (i.e., equipment parts, equipment service, and other miscellaneous active and inactive landfill supplies).

The Statement of Work team will determine the contracts that will become City furnished. In addition, to the extent that any contract is utilized for activities related to regulatory and lease requirements, the ultimate responsibility of compliance will be with the City.

<u>#</u>	<u>Contract</u>	<u>Brief Description</u>
<u>1</u>	<u>Able Patrol and Guard Service</u>	<u>Gate &amp; roving guards.</u>
<u>2</u>	<u>Alpha Project for the Homeless</u>	<u>Labor crew</u>
<u>3</u>	<u>Atlas Portable Services</u>	<u>Pump septic tanks</u>
<u>4</u>	<u>B&amp;B Equipment Rental &amp; Service</u>	<u>Machine lease &amp; service</u>
<u>5</u>	<u>Chromascape (Amerimulch) Dye</u>	<u>Mulch dye</u>
<u>6</u>	<u>Hawthorne Mach. 657E rental &amp; service</u>	<u>Machine lease &amp; service</u>
<u>7</u>	<u>Hawthorne Mach. Co 14M Lease &amp; Svc</u>	<u>Machine lease &amp; service</u>
<u>8</u>	<u>Hawthorne Mach. Co 320L Lease &amp; Svc</u>	<u>Machine lease &amp; service</u>
<u>9</u>	<u>Hawthorne Mach. Co 834 Lease &amp; Svc</u>	<u>Machine lease &amp; service</u>
<u>10</u>	<u>Hawthorne Mach. Co 836G Lease &amp; Svc</u>	<u>Machine lease &amp; service</u>
<u>11</u>	<u>Hawthorne Mach. Co D6N Svc</u>	<u>Machine service</u>
<u>12</u>	<u>Hawthorne Mach. Co D9R (5) Lease &amp; Svc</u>	<u>Machine lease &amp; service</u>
<u>13</u>	<u>Hawthorne Mach. Co Water Tanker (627E)</u>	<u>Machine lease &amp; service</u>
<u>14</u>	<u>Hawthorne Mach. Co. C32 Engine Svc</u>	<u>Machine engine service</u>
<u>15</u>	<u>Hawthorne Power Systems: 3412 Engine Svc</u>	<u>Machine engine service</u>
<u>16</u>	<u>NMS Janitorial Services</u>	<u>Janitor services</u>
<u>17</u>	<u>Richard J. Donovan Correctional Facility</u>	<u>Labor crew</u>
<u>18</u>	<u>Rule Steel (Parts), Diamond Z Mfg</u>	<u>Diamond Z tubgrinder parts</u>
<u>19</u>	<u>San Diego County Probation Dept</u>	<u>Labor crew</u>
<u>20</u>	<u>SCS Field Services - Greenhouse gas monitoring</u>	<u>Gas monitoring</u>
<u>21</u>	<u>Tarpomatic, Inc.</u>	<u>Tarpomatic machine parts</u>
<u>22</u>	<u>Unifirst Corp.</u>	<u>Uniform service</u>
<u>23</u>	<u>EnviroMatrix Analytical Svc</u>	<u>Water testing</u>
<u>24</u>	<u>Geologic Associates (Professional Svcs)</u>	<u>Regulatory compliance</u>
<u>25</u>	<u>Geosyntec Consultants Inc. (Professional Svcs)</u>	<u>VOC migration mitigation</u>
<u>26</u>	<u>MWH Americas (Professional Svcs)</u>	<u>Ground water testing</u>
<u>27</u>	<u>QED Environmental Systems</u>	<u>Pumps</u>
<u>28</u>	<u>SCS Field Services - LFG system repair/maintenance (Professional Svcs)</u>	<u>Gas monitoring</u>

**Attachment 2**  
**Airspace Utilization Factor (AUF) 2005 – 2010**

The table below provides the monthly refuse tons disposed and volume (in cubic yards) of space consumed at the Miramar Landfill from 2005 through 2010. The table also includes the AUF for each respective year which is calculated by taking the total refuse tons disposed divided by the volume consumed.

	<b>2005</b>		<b>2006</b>		<b>2007</b>		<b>2008</b>		<b>2009</b>		<b>2010</b>	
<b>Month</b>	<b>Refuse Tons</b>	<b>Volume (cubic yards)</b>										
January	120,886	265,750	111,378	236,702	99,595	212,210	106,837	171,124	69,930	166,390	64,590	131,961
February	107,254	246,700	104,002	215,503	82,316	176,703	99,541	233,287	64,620	153,632	70,579	127,102
March	144,633	249,516	111,199	224,967	105,640	207,185	100,008	173,019	76,798	167,358	82,980	165,579
April	137,708	273,614	108,382	224,282	102,423	211,914	85,848	118,915	75,591	198,202	73,403	155,919
May	136,518	273,304	126,181	256,503	106,620	228,812	91,802	170,079	80,539	198,202	79,269	166,775
June	143,713	297,699	136,492	245,158	103,546	217,404	87,928	206,112	84,551	205,154	89,575	189,818
July	140,704	294,922	118,992	234,538	106,093	217,878	92,748	221,874	84,628	228,036	86,052	179,068
August	149,694	295,039	134,036	249,572	115,905	244,961	87,150	214,149	80,969	140,823	83,774	177,715
September	137,131	283,426	117,068	256,617	99,857	215,462	89,275	217,448	79,973	159,836	81,489	175,998
October	128,465	293,870	111,812	281,232	102,736	214,590	86,195	217,729	74,217	162,504	75,393	130,530
November	120,798	227,161	106,899	233,962	111,599	197,677	73,314	190,864	64,601	127,975	72,773	125,603
December	109,075	230,020	94,754	191,000	111,831	128,722	72,705	160,721	67,300	142,974	72,606	118,892
<b>Totals</b>	<b>1,576,579</b>	<b>3,231,021</b>	<b>1,381,195</b>	<b>2,850,036</b>	<b>1,248,161</b>	<b>2,473,518</b>	<b>1,073,351</b>	<b>2,295,321</b>	<b>903,716</b>	<b>2,051,086</b>	<b>932,483</b>	<b>1,844,960</b>
<b>AUF</b>	<b>0.488</b>		<b>0.485</b>		<b>0.505</b>		<b>0.468</b>		<b>0.441</b>		<b>0.505</b>	