



REPORT TO COUNCIL

City of Sacramento

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915 I Street, Sacramento, CA 95814-2604
www.CityofSacramento.org

Consent
August 15, 2006

Honorable Mayor and
Members of the City Council

Title: Contract: Hazardous Waste Remediation and Disposal Services

Location/Council District: All

Recommendation: Adopt a **Resolution** suspending competitive bidding as in the best interests of the City and authorizing the City Manager to execute a contract with PARC Specialty Contractors for hazardous waste remediation and disposal services for a term of thirty six (36) months with the City's option to renew for two, twelve (12) month periods.

Contact: Barbara Brenner, Loss Control Manager, 808-7785

Presenters: N/A

Department: Human Resources

Division: Risk Management

Organization No: 1541

Description/Analysis

Issue: The City is required by state and federal law to dispose of hazardous wastes generated by automotive and other operations every 90 days. The City must also respond to and properly dispose of hazardous materials abandoned in public right of way within the City limits.

Policy Considerations: It is in the City's best interest to suspend competitive bidding and award the hazardous waste remediation and disposal services contract to PARC Specialty Contractors for the following reasons.

- The price schedule for the City agreement is adopted from the State of California, Department of Toxics Substances Control's (CA DTSC) competitively bid contract with PARC for hazardous waste emergency response services.
- The CA DTSC contract has favorable pricing based upon a high volume of service up to \$1,150,000 per year.

There are no transportation fuel surcharges, while industry standard ranges up to 18%. Mark up for sub-contracted services is limited to 10%, while industry standard ranges up to 35%.

Overtime charges are limited to 1.33 times regular rate while industry standard is 1.5. Double time charges are limited to 1.66 times regular rate while industry standard is 2.0.

- PARC Specialty is able to provide rapid response because their headquarters are located in the City of Sacramento.
- PARC Specialty is able to evaluate abandoned hazardous materials and advise the City when those wastes meet the criteria of toxic or drug lab materials that can be funded directly under the CA DTSC contract.

Environmental Considerations: Proper disposal of hazardous waste is critical to maintaining environmental protection, regulatory compliance and assuring employee and public health and safety.

Commission/Committee Action: N/A

Rationale for Recommendation: The City of Sacramento will benefit from pricing which was competitively bid in spring of 2006 for the high volume CA DTSC contract. As the agency responsible for hazardous waste regulation, CA DTSC is uniquely qualified to select a contractor who is able to maintain health, safety and environmental regulatory compliance for packaging, transport and disposal of hazardous wastes. PARC Specialty is uniquely qualified to advise the City when hazardous material remediation and disposal can be funded directly by CA DTSC allowing further administrative savings to the City.

Financial Considerations: The Citywide cost under this Agreement is estimated at less than \$160,000 per year with a cost not to exceed \$800,000 for the full term of the contract over five years. Departments fund routine disposal of hazardous wastes generated by their operations from supplies and services budget appropriations. Emergency response and disposal of abandoned hazardous waste is paid for by the Risk Fund.

City staff always attempt to identify parties responsible for abandoned or accidentally released hazardous materials. Cost recovery is actively pursued whenever a responsible party is identified.

Prices under the City agreement are fixed for three years. Price increases for the two, twelve month renewals will be limited to increases in the Consumer Price Index.

Emerging Small Business Development (ESBD): PARC Specialty Contractors is registered as City of Sacramento ESBD # PAS5550000P.

Respectfully Submitted by: *B. Brenner*

Barbara Brenner, Loss Control Manager

Approved by: *Geri Hamby*

Geri Hamby, Human Resources Director

Recommendation Approved:

Mat

Ray Ray Kerridge, City Manager

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RESOLUTION NO.

Adopted by the Sacramento City Council

AUTHORIZING HAZARDOUS WASTE REMEDIATION AND DISPOSAL

BACKGROUND

- A. The City of Sacramento is required by state and federal law to dispose of hazardous wastes generated by City operations every 90 days. The City must also respond to and properly dispose of hazardous materials abandoned in the public right of way within the City limits.

- B. It is in the best interest of the City of Sacramento to contract with PARC Specialty Contractors for hazardous waste remediation and disposal services due to the favorable pricing adopted from a high volume, competitively bid contract with the State of California, Department of Toxics Substances Control.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. It is in the best interests of the City to suspend competitive bidding for award of a hazardous waste remediation and disposal services contract with PARC Specialty Contractors.

- Section 2. The City Manager is authorized to execute an agreement for hazardous waste remediation and disposal services with PARC Specialty Contractors for a term of thirty six (36) months with the City's option to renew for 2, twelve (12) month periods at a cost not to exceed \$800,000 for the full term of the contract over five years.

