



Request for City Council Committee Action From the Department of Public Works

Date: February 28, 2012

To: Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee

Subject: **Contract Amendment with Organic Technologies Inc. (OTI) for Yard Waste Processing**

Recommendation:

Authorize the proper city officials to negotiate and execute an amendment to the current contract with Organic Technologies Inc. including terms described in report.

Previous Directives:

January 13, 2012 - RFP for Composting of Yard Wastes and Street Sweeping Materials: Authorize the issuance of a Request for Proposals (RFP) for the composting of City-collected yard wastes and brush, and street sweepings.

Prepared by: David Herberholz, Director, Solid Waste and Recycling

Approved by:

Steven A. Kotke, P.E., City Engineer, Director of Public Works

Presenters: David Herberholz, Director, Solid Waste and Recycling

Reviews Not Applicable

Financial Impact

No financial impact

Community Impact

Neighborhood Notification:
City Goals: Eco Focused
Comprehensive Plan:
Zoning Code:

Background/Supporting Information

On January 13, 2012, the City of Minneapolis – Department of Public Works issued a Request for Proposals (RFP) for Yard Waste Processing & Disposal Services and Street Sweepings Processing & Disposal Services due to performance concerns under the current contract with Organic Technologies Inc. (OTI). In a separate report, Public Works is recommending award of a contract to deliver 50% of the City's yard waste to a new contractor.

OTI's existing agreement with the City originally contemplated two contractors to equally manage and dispose of 100% of the City's yard waste through 2013. The second contractor to the original agreement is no longer a party to the contract; thus, OTI by default has become solely responsible for 100% of the City's yard waste for the duration of the contract. OTI's past performance concerns are directly related to OTI's inability to alone manage current yard waste volumes while meeting regulatory requirements.

The Department and OTI agree that OTI's performance issues can be resolved under a plan to divert 50% of the City's yard waste to a new, separate (second) contractor. The Department has confirmed that Specialized Environmental Technologies, Inc./SKB Environmental, its recommended second contractor, has the operational capacity to successfully manage up to 100% of the City's yard waste should performance issues with OTI persist. This plan will relieve the City of the necessity of cancelling OTI's existing contract in its entirety, and will provide a backup plan to immediately address any persistent odor issues linked to stagnant material.

Based on the foregoing, Public Works believes the best yard waste disposal option for the City is to maintain 50% of the yard waste going to OTI, and the other 50% to a new contractor.

Therefore, Public Works recommends that staff be authorized to negotiate and execute an amendment to the agreement with OTI to include the following provisions:

- The City (Department of Public Works) will deliver approximately 50% of the residential yard waste volume to the current OTI site.
- The remaining 50% of the City's yard waste will be delivered to a separate contractor.
- Current contract rates of OTI to the City will not change.
- All residual, contaminated yard waste (including plastic bags) will be removed from site and disposed of by April 1, 2012.
- Strict performance standards for odor and environmental concerns will be enforced; failure to perform following execution of the amendment will result in contract termination notwithstanding any other terms.
- The City (Department of Public Works) will reserve the right to direct yard waste to an alternate site if it is determined that performance standards are not being met.