

CITY OF SANTA ROSA  
BOARD OF PUBLIC UTILITIES

TO: BOARD OF PUBLIC UTILITIES  
FROM: ALAN ALTON, ACTING CHIEF FINANCIAL OFFICER, FINANCE  
DEPARTMENT  
BRANDALYN TRAMEL, PURCHASING AGENT, FINANCE  
DEPARTMENT  
KIMBERLY ZUNINO, DEPUTY DIRECTOR, WATER  
DEPARTMENT  
SUBJECT: ASSIGNMENT AND ASSUMPTION AND CONSENT TO  
ASSIGNMENT AGREEMENT – GENERAL SERVICES  
AGREEMENT (GSA) F001383 GRIT AND SCREENING  
DISPOSAL SERVICES

AGENDA ACTION: RESOLUTION

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RECOMMENDATION

It is recommended by the Finance and Water Departments that the Board of Public Utilities (BPU), by resolution, authorize the Chairman of the Board to execute an Assignment and Assumption and Consent to Assignment Agreement for General Services Agreement (GSA) F001383, dated April 6, 2017, providing grit and screening disposal services, from Total Waste Systems, Inc., and assign to Recology Sonoma Marin, a California Corporation.

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EXECUTIVE SUMMARY

On April 6, 2017 the BPU approved the five-year Agreement for grit and screening disposal services with Total Waste Systems, Inc. in the sum of \$247,910. Subsequently, on December 23, 2017, Recology Sonoma Marin, and its parent company, Recology, Inc., acquired substantially all assets of Total Waste Systems, Inc. Recology Sonoma Marin has been providing services under GSA F001383 and requests the City consent to the assignment of GSA F001383 from Total Waste Systems, Inc. to Recology Sonoma Marin.

BACKGROUND

Grit and screenings material is a non-recyclable waste by-product of the Laguna Treatment Plant process. The contract scope of work requires the contractor to furnish a

watertight 20-yard debris box, which is exchanged twice weekly and hauled to Redwood Landfill in Novato for disposal.

Recology Sonoma Marin advised the City that it entered into and completed an Asset Purchase Agreement (APA) with The Ratto Group of Companies, Inc. to acquire its assets, including the assets of Total Waste Systems, Inc. However, GSA F001383 was not assigned to Recology Sonoma Marin in the APA because Recology Sonoma Marin did not wish to assume the remaining four years of the five-year contract awarded at the agreed upon contract price.

#### PRIOR BOARD OF PUBLIC UTILITIES REVIEW

May 4, 2017, approval of Agreement.

#### ANALYSIS

Total Waste Systems, Inc. did not notify Purchasing staff of the purchase by Recology Sonoma Marin, Inc. Only upon receipt of invoices received in March by the Laguna Wastewater Treatment Plant was staff made aware of this transaction. Although there was no executed assignment and assumption of GSA F001383, Recology Sonoma Marin elected to continue services.

To allow continuance of services and payment of invoices, an Assignment and Assumption Agreement must be executed and the City must consent to the assignment of the Agreement to Recology Sonoma Marin. The proposed Assignment and Assumption Agreement has a term through July 31, 2018, and has been negotiated by all parties. This term will allow for the continuation of and payment for services pending the completion of Invitation for Bid (IFB) 18-75, to solicit bids for a new agreement, opened by the Finance Department's Purchasing Division. IFB 18-75 was posted on Planet Bids on May 14, 2018, and a new agreement is expected to be executed no later than July 19, 2018, for services to begin on August 1, 2018.

#### FISCAL IMPACT

Funding for this expense is included in the Water Department fiscal year 2017-18 adopted budget. As a regular operating expenditure, the services as described are expected to be included in subsequent years' budget proposals when presented to the BPU and City Council.

#### ENVIRONMENTAL IMPACT

This action is exempt from the California Environmental Quality Act (CEQA) because it is for the operation of existing sewerage facilities involving negligible or no expansion of use beyond the existing use, pursuant to CEQA Guideline section 15301.

#### BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

### ATTACHMENTS

- Resolution
- Attachment 1 - Assignment and Assumption Agreement

### CONTACT

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