



## Board Report

File #: 2016-0628, File Type: Contract

Agenda Number: 27.

### SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE OCTOBER 20, 2016

**SUBJECT: LIQUID WASTE REMOVAL SERVICES**

**ACTION: EXERCISE TWO ONE-YEAR OPTIONS**

#### **RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to execute Modification No. 1 to Contract No. OP31203099 to exercise the two, one-year options, with Hazardous Technologies Inc., for **liquid waste removal services**, in the total amount of \$1,617,800 increasing the total contract value from \$2,434,400 to \$4,052,200 and extend the contract term from November 1, 2016 to October 31, 2018.

#### **ISSUE**

The three-year base term for this Contract with Hazardous Technologies Inc. (HTI) will expire on October 31, 2016.

The proposed Contract Modification will extend the required liquid waste removal services through October 31, 2018.

#### **DISCUSSION**

Metro facilities generate approximately 1.4 million gallons of liquid waste each year during the servicing of wastewater processing systems (e.g. clarifiers, sump pits, storage tanks, stormceptors and caustic tanks). These wastewater processing systems collect liquid waste associated with the steam cleaning of bus and rail car components, interior and exterior washing of buses and rail cars, stormceptors and waste storage tanks.

The liquid waste removed from Metro facilities must be evacuated from the wastewater processing systems by a licensed transporter and transported to a fully permitted Treatment, Storage and Disposal Facility (TSDF).

As a generator of hazardous and non-hazardous liquid waste, Metro is required to comply with federal, state and local environmental laws and regulations. This includes ensuring liquid waste is legally removed and transported by a licensed transporter to a permitted TSDF for proper treatment

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and disposal. Additionally, the routine servicing of the various wastewater processing systems shall ensure their efficient and effective operation as well as ensure Metro is compliant with applicable hazardous and non-hazardous laws and regulations.

Metro's compliance with environmental laws and regulations will greatly reduce Metro's liability and minimize the possibility of regulatory fines/notice to comply orders and negative publicity. Furthermore, Metro will preserve and protect the safety of the environment, public and Metro staff.

### **DETERMINATION OF SAFETY IMPACT**

The approval of this item will ensure that hazardous and non-hazardous liquid waste is properly transported and disposed at permitted and fully licensed facilities. The services provided under this Contract shall ensure Metro facilities accumulate and schedule the removal of hazardous and non-hazardous liquid waste in compliance with federal, state, and local environmental regulations.

### **FINANCIAL IMPACT**

The funding of \$801,300 for Option Year 1 is included in the FY17 budget in cost center 3120, Quality Assurance, account 50320, Service Contract Services, under project number 306002, 300022, 300033, 300044 and 300055 Bus and Rail Operation Maintenance.

Since this is a two-year Contract Modification, the cost center manager and Senior Executive Officer, Maintenance will ensure that the balance of funds is budgeted for FY18.

#### **Impact to Budget**

The current year funding for this action will come from the Enterprise operating fund. The source of funds for this procurement will come from Federal, State and local funding sources including sales tax and fares that are eligible for Bus and Rail Operating Projects. These funding sources will maximize the use of funds for these activities.

### **ALTERNATIVES CONSIDERED**

Metro may engage the services of a contractor to provide liquid waste removal services on an as-needed basis until a contract can be awarded. This alternative is not recommended because without fixed unit-rate pricing and a routine service schedule, costs can vary and pick-up schedules may not meet Metro's service requirements.

We also considered providing the services through Metro in-house staff. However, this alternative is not recommended since a licensed transporter is required to remove and transport hazardous and non-hazardous liquid waste from Metro facilities. Furthermore, the treatment and disposal of the liquid waste can only be performed at a permitted TSDF. Metro does not have the necessary vehicles, facility, equipment, licenses, permits or trained personnel to transport or dispose of hazardous and non-hazardous liquid waste.

**NEXT STEPS**

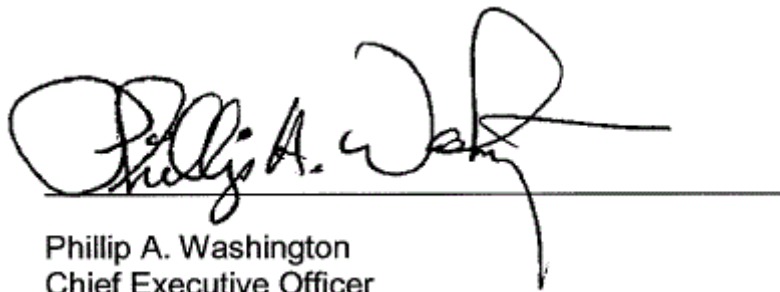
Upon approval by the Board, staff will execute Contract Modification No. 1 to Contract No. OP31203099, with Hazardous Technologies Inc., for liquid waste removal services, to exercise the two, one-year options and extend the period of performance through October 31, 2018.

**ATTACHMENTS**

- Attachment A - Procurement Summary
- Attachment B - Contract Modification/Change Order Log
- Attachment C - DEOD Summary

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Phillip A. Washington  
Chief Executive Officer

## PROCUREMENT SUMMARY

## LIQUID WASTE REMOVAL SERVICES / OP31203099

1.	<b>Contract Number:</b> OP31203099		
2.	<b>Contractor:</b> Hazardous Technologies, Inc.		
3.	<b>Mod. Work Description:</b> Exercise Option Years 1 and 2		
4.	<b>Contract Work Description:</b> Removal, transportation, and disposal of liquid hazardous and non-hazardous waste from Metro clarifiers, sump pits, trenches, hoists, water/oil separators, waste fuel tanks, storage tanks and caustic tanks located at Metro facilities.		
5.	<b>The following data is current as of:</b> September 14, 2016		
6.	<b>Contract Completion Status</b>		<b>Financial Status</b>
	<b>Contract Awarded:</b>	9/19/13	<b>Contract Award Amount:</b> \$2,434,400
	<b>Notice to Proceed (NTP):</b>	N/A	<b>Total of Modifications Approved:</b> \$0
	<b>Original Complete Date:</b>	10/31/16	<b>Pending Modifications (including this action):</b> \$1,617,800
	<b>Current Est. Complete Date:</b>	10/31/18	<b>Current Contract Value (with this action):</b> \$4,052,200
7.	<b>Contract Administrator:</b> Aielyn Dumaua		<b>Telephone Number:</b> (213) 922-7320
8.	<b>Project Manager:</b> James Jimenez		<b>Telephone Number:</b> (213) 922-5870

**A. Procurement Background**

This Board Action is to approve Contract Modification No. 1 issued to continue the removal, transportation, and disposal of liquid hazardous and non-hazardous waste from Metro clarifiers, sump pits, trenches, hoists, water/oil separators, waste fuel tanks, storage tanks and caustic tanks located at Metro facilities by exercising Option Years 1 and 2.

This Contract Modification will be processed in accordance with Metro's Acquisition Policy and the contract type is a firm fixed unit rate.

On September 19, 2013, the Board approved a five-year contract, inclusive of two, one-year options, to Hazardous Technologies, Inc., the lowest, responsive and responsible bidder, to provide liquid waste disposal services throughout Metro facilities. The original contract award amount is \$2,434,400 for the three-year base period, \$801,300 for the first option year (November 1, 2016 through October 31, 2017) and \$816,500 for the second option year (November 1, 2017 through October 31, 2018).

(Refer to Attachment B – Contract Modification/Change Order Log)

**B. Cost/Price Analysis**

The recommended price for the option years has been determined to be fair and reasonable based upon rates that were established and evaluated as part of the competitive contract award. The negotiated rates for the Option Years increased by an average of 1.2%, which is lower than the 2.7% reported Employment Cost Index of the Bureau of Labor and Statistics for waste management and remediation services for the 12-month period ending June 2016. Therefore, exercising the options is in the best interest of Metro. The Contract was a result of a competitive IFB in which the option years were evaluated and award was made to the lowest responsive, responsible bidder.

	<b>OPTION YEAR AMOUNT</b>	<b>METRO ICE</b>	<b>MODIFICATION AMOUNT</b>
1	\$1,617,800	\$1,617,800	\$1,617,800

**ATTACHMENT B**

**CONTRACT MODIFICATION/CHANGE ORDER LOG**  
**LIQUID WASTE REMOVAL SERVICES / OP31203099**

<b>Mod. No.</b>	<b>Description</b>	<b>Status (approved or pending)</b>	<b>Date</b>	<b>\$ Amount</b>
<b>1</b>	<b>Exercise Option Year One and Year Two</b>	<b>Pending</b>	<b>Pending</b>	<b>\$1,617,800</b>
	<b>Modification Total:</b>			<b>\$1,617,800</b>
	<b>Original Contract:</b>			<b>\$2,434,400</b>
	<b>Total:</b>			<b>\$4,052,200</b>

DEOD SUMMARY

LIQUID WASTE REMOVAL SERVICES / OP31203099

**A. Small Business Participation**

The Diversity and Economic Opportunity Department (DEOD) established a 17% Disadvantaged Business Enterprise Anticipated Level of Participation (DALP) for this procurement. Hazardous Technologies, Inc. (HTI) made no DALP commitment. Achieving the goal was neither a condition of award nor an issue of responsiveness.

**B. Living Wage and Service Contract Worker Retention Policy Applicability**

The Living Wage and Service Contract Worker Retention Policy is not applicable to this contract.

**C. Prevailing Wage Applicability**

Prevailing wage is not applicable to contract.

**D. Project Labor Agreement/Construction Careers Policy**

Project Labor Agreement/Construction Careers Policy is not applicable to this contract.