



ADMINISTRATION COMMITTEE

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Agenda Report

File #: 2021-1712

Agenda Date: 6/23/2021

Agenda Item No: 12.

FROM: James D. Herberg, General Manager
Originator: Celia Chandler, Director of Human Resources

SUBJECT:

APPROVE A CONTINGENCY INCREASE TO EXISTING SERVICE CONTRACT FOR HAZARDOUS WASTE DISPOSAL SERVICES

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION:

Approve an annual contingency increase of \$150,000 (in addition to the original contingency of \$19,200 for a total annual contingency of \$169,200, in addition to the original contract amount of \$192,000) to the Service Contract with Clean Harbors Environmental Services, Inc., Specification No. S-2017-841, for hazardous waste services, for the contract term ending June 30, 2021, and for the contract term ending June 30, 2022.

BACKGROUND

The Orange County Sanitation District (OC San) utilizes Clean Harbors Environmental Services, Inc. (CHES), a third-party California registered, EPA permitted, hazardous waste disposal service provider, to perform routine collection, manifesting, off-site transportation, inspection, recordkeeping, hazardous waste disposal, and emergency spill response for the two treatment plant facilities. Services are provided weekly, with manifesting, transportation, and disposal services provided quarterly in accordance with regulatory requirements.

The Hazardous Waste Disposal Services Contract with CHES was approved by the Board in 2017 for a one-year performance period, with up to four (4) one-year renewals. The final remaining one-year renewal option will be processed in June 2021 for a period from July 1, 2021 through June 30, 2022.

RELEVANT STANDARDS

- CA Government Code: Title 22, Division 4.5 Environmental Health Standards for Management of Hazardous Waste
- Protect OC San assets
- Commitment to safety & reducing risk in all operations

PROBLEM

The current contract term with CHES has a period of performance of July 1, 2020 through June 30, 2021. Staff intends to renew this contract for the period from July 1, 2021 through June 30, 2022. The annual amount allocated to Hazardous Waste Disposal Services is \$192,000, which was budgeted based upon historical cost information. Unforeseen disposal costs, primarily due to some capital improvement projects, have exhausted the annual approved amount. The budgeted amount, previously approved by the Board, is not sufficient to cover anticipated services through June 30, 2021. In addition, the costs are expected to be higher again in the coming fiscal year due to capital improvement projects such as Headworks Rehabilitation at Plant No. 1, Project No. P1-105, and A-Side Primary Clarifiers Replacement at Plant No. 2, Project No. P2-98A.

PROPOSED SOLUTION

Approve an annual contingency increase of \$150,000 (in addition to the original contingency of \$19,200) for a total annual contingency of \$169,200, in addition to the contract amount of \$192,000, to cover the cost of services in the fiscal year ending June 30, 2021, and for the fiscal year ending June 30, 2022.

TIMING CONCERNS

Approval of the contingency increase is necessary to meet compliance requirements related to hazardous waste disposal.

RAMIFICATIONS OF NOT TAKING ACTION

Without approval of the contingency increase for additional funds, OC San will not be able to properly manage generated hazardous waste resulting in fines, violations, and potential releases to the environment.

PRIOR COMMITTEE/BOARD ACTIONS

May 2020 - Approved a contingency increase of \$35,000 (in addition to the original contingency of \$19,200) for a total contingency of \$54,200, in addition to the contract amount of \$192,000, to cover the cost of services through June 30, 2020.

August 2017 - Approved a service contract with Clean Harbors Environmental Services, Inc., Specification No. S-2017-841, for the period of September 1, 2017 through June 30, 2018, for a total annual amount not to exceed \$192,000, with up to four (4) one-year renewal options; and an annual contingency of \$19,200.

ADDITIONAL INFORMATION

OC San is required to properly dispose of all hazardous waste generated. The primary service CHES provides is the transportation, treatment, and either recycling or disposal of hazardous waste generated by OC San, in addition to the following services:

- Hazardous waste profiling - sampling waste and conducting lab analysis to determine how the waste is supposed to be disposed of properly
- Lab packs - sampling and properly packing small quantities of chemicals to ensure they are disposed of properly
- Spill cleanup - providing the trained personnel, material, and equipment to clean up spills caused OC San activities that are beyond the capabilities of OC San staff to handle
- Hazardous waste storage yard inspections - examining all the different storage areas at Plant Nos. 1 and 2 to ensure compliance with regulations

FINANCIAL CONSIDERATIONS

This request complies with authority levels of OC San's Purchasing Ordinance. The costs for this work have been budgeted, either as an operational expense (Line item: Section 6, Page 20) or as part of the budget of capital projects, depending on the work being performed.

<u>Date of Approval</u>	<u>Contract Amount</u>	<u>Contingency</u>
08/23/2017	\$192,000	\$ 19,200
06/23/2021		\$150,000

ATTACHMENT

The following attachment(s) may be viewed on-line at the OC San website (www.ocsan.gov) with the complete agenda package:

N/A

JM:dm