

## **POSSIBLE MOTION**

**I MOVE TO** authorize the Municipal Administrator to execute a contract with Shaw Environmental, Inc; a Chicago Bridge & Iron Company to complete a not to exceed time and materials contract for the City and Borough of Sitka Municipal Solid Waste Management Plan and transfer up to \$250,000 from the Solid Waste Fund available working capital to project #90764 to create a budget for this work.



# City and Borough of Sitka

PUBLIC WORKS

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**To:** Mayor McConnell and Assembly Members  
Mark Gorman, Municipal Administrator

**From:** Michael Harmon, Public Works Director *WH*  
Gary E. Baugher Jr., Maintenance and Operations Superintendent *GEB*

**cc:** Jay Sweeney, Finance Director *JSS* *25 Feb 14*

**Date:** 30 January 2014

**Subject:** Municipal Solid Waste Management Plan

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## **Background**

The City and Borough of Sitka (CBS) currently does not have a Solid Waste Management Plan to address the current or future needs of the Solid Waste Fund and general operations. As we approach the end of the current collection and off-island disposal contracts in 2015, we believe it is in the best interest of the CBS to be better prepared with a plan that details the goals and direction of our solid waste management backed with data and a financial plan.

At the June 6, 2013 Assembly Meeting, the Assembly approved advertising for a Request of Qualifications and selecting a consultant to assist Public Works in developing a Solid Waste Management Plan. (see attached memo for this meeting)

A Request for Qualifications (RFQ) for a consultant to develop a Solid Waste Management Plan began advertisement September 16, 2013 with submittals due October 14, 2013. We had three companies submit proposals as follows:

- Shaw Environmental, Inc.; a Chicago Bridge & Iron (CB&I) Company
- Ridolfi, Inc.
- SCS Engineers.

The Municipal Solid Waste RFQ Evaluation Team met and selected Shaw Environmental Group; a Chicago Bridge & Iron (CB&I) company unanimously.

### **Analysis**

The Municipal Solid Waste RFQ Evaluation Team unanimously chose CB&I due to their vast experience in Alaska Communities. CB&I completed a Solid Waste Management Plan in 2008 for the Kodiak Island Borough. The Kodiak Island Borough faced some of the same challenges as the City and Borough of Sitka. One member of the CB&I Team has done a lot of work with SEASWA (South East Alaska Solid Waste Authority) on helping eight remote communities in South East Alaska to formulate and carry out a regional waste disposal and recycling strategy. CB&I will be helping the City and Borough of Juneau with conducting a long range solid waste management strategy and disposal alternative analysis. CB&I will be working in conjunction with WIH Resource Group (Waste Management & Logistical Solutions). This combination of planners, certified public accountants, and solid waste experts will provide a comprehensive study for the City and Borough of Sitka.

### **Fiscal Note:**

The funding for a Solid Waste Management Plan would come from the working capital of the Solid Waste Fund which is approximately \$1.2 Million. The proposed Solid Waste Management Plan has a not to exceed \$214,875.00 Time and Materials Contract. It is projected that a Solid Waste Management Plan would cost between \$150,000 to \$250,000 depending on the complexity of future goals and the amount of public process exploring options. This cost estimate is based from other master planning we have accomplished for Water, Wastewater, and Harbors.

- Water (2009) - \$100,000.00
- Wastewater (2013) - \$120,000.00
- Harbors (2012) - \$175,000.00

### **Recommendation:**

- Authorize the Municipal Administrator to execute a contract with Shaw Environmental, Inc.; a Chicago Bridge & Iron (CB&I) Company to complete a not to exceed time and materials contract for the City and Borough of Sitka Municipal Solid Waste Management Plan.
- Transfer up to \$250,000 from the Solid Waste Fund available working capital to project #90764 740-600-630-5212.000 to create a budget for this work.

## Scope of Work

Based on the information received to date through the RFQ, discussions with CBS staff, preliminary review of available prior planning documents, and the experience of our project team in preparing solid waste plans in Alaska and across the nation, we have developed a proposed scope of work for the development of the Solid Waste Management Plan. Work tasks are detailed below

### Task 1 – Background Information

In order to more fully understand the existing solid waste system and to assess current and future programs, the consultant team will collect background information at the outset of the project. This information will be reviewed by the team and discussed with CBS representatives during a series of meetings over the project “kick-off week”. The kick-off week will serve as a mechanism to discuss preliminary findings from our review of background information, continue the data collection process, and identify project issues, goals, roles and responsibilities through discussions with a range of stakeholders. The following subtasks will be completed.

- Prepare a data request to be submitted to CBS. Information to be requested is expected to include:
  - Historical disposal and recycling records
  - Waste characterization data
  - Current service areas and waste generators served
  - Demographic projections
  - Existing solid waste and recycling ordinances and bylaws
  - Current contracts for collection, transportation, and disposal/recycling services
  - CBS labor costs
  - CBS Certificate of Convenience and Necessity
  - Grant program documents
  - Detailed current and historical solid waste budgets
  - Statement of net assets for FY2010-FY2013
  - Statement of revenues, expenses, and change in fund net assets for FY2010-FY2013
  - Equipment depreciation and replacement schedules
  - Current staffing schedule and staff organizational chart
- Review existing solid waste plans completed in 1991 and 1999.
- Review information received from the data request.
- Identify stakeholder groups for inclusion on the Solid Waste Advisory Committee (SWAC).
- Coordinate kick-off week meetings with CBS, to include meetings with groups such as:
  - Public Works and Maintenance and Operations personnel
  - Finance Department personnel
  - Other CBS staff representatives
  - Assembly members
  - Contracted private service providers
  - SWAC members
  - Other stakeholders we identify in discussion with CBS
- Develop kick-off meeting agendas for CBS review.



- Attend kick-off meetings and conduct interviews of stakeholder groups to identify key issues, needs, and opportunities. Four team members will attend the kick-off meetings, including our project manager, financial expert, facility engineer, and senior planner (not all team members will attend all meetings, and not all team members will be in attendance for the duration of the kick-off schedule).
- Conduct site visits and observe current solid waste system operations.

*Deliverables: Information request.  
Kick-off week meeting agendas.*

### Task 2 – Summarize Existing Solid Waste Management Practices

Following the kick-off meetings and an initial review of background information, the consultant team will develop a narrative summary of existing practices, which will serve as an initial chapter of the Solid Waste Management Plan. The summary may be supported by tables and graphics where appropriate.

*Deliverable: Narrative summary of existing system.*

### Task 3 – Description of Waste Stream

To provide a baseline against which to evaluate existing practices and alternatives to be considered, the consultant team will assess the waste stream. The following subtasks will be completed.

- Compile historical waste and recycling quantities for CBS.
- Compile and review available local waste composition data. This data will be supplemented with waste composition data from similar communities and with similar programs if necessary.
- Calculate current and historical waste generation and recycling rates.
- Compile population projections and future waste quantity projections based on population change and historical trends.

### Task 4 – Critical Public Policy Issues

An understanding of current public policy and issues as they relate to solid waste management now and in the future will provide additional information against which to evaluate alternatives in the Solid Waste Management Plan process. This task will consist of the following subtasks.

- Review existing ordinances and bylaws governing solid waste and recycling operations.
- Identify potential challenges and opportunities afforded by existing policies.
- Review available bear incident data and understand policies currently implemented or planned for implementation to address bear concerns related to solid waste management.

### Task 5 – Initial System Assessment

This task will further build upon the information collected in Task 1 and the site visits completed during the kick-off week. The goal of this task is to synthesize available information regarding

existing services and programs, including both operational and financial aspects, and to evaluate the system against programs in other communities. This task will include the following subtasks.

- Evaluate the present organization, administration, and operation of solid waste management practices in CBS.
- Review the condition and suitability of existing infrastructure for continued use or potential expansion/enhancement.
- Utilize historical cost and rate structure data, to be provided by the City and Borough of Sitka, to construct a single all inclusive rate/cost model. This model shall have the ability to produce pro forma financial statement projections to include user rates under multiple scenarios.
- Benchmark current waste collection costs against other communities with similar collection programs.
- Benchmark current transfer and disposal costs against other communities with similar disposal arrangements.

An understanding of current system costs and rate structures is important at this project stage, and development of the cost model will be completed as part of this task. This cost model will be utilized to evaluate costs and rate impacts associated with future alternatives that may be considered in Task 7 as well. In developing the cost model, fund performance, budgets, and balances will be examined for adequate levels based on system conditions, anticipated needs, potential future events, and CBS budget policy. The cost model will consider the following elements:

- Capital and operating costs of facilities and programs
  - CBS's method of funding future facility costs (cash or debt)
  - CBS's cost of capital
  - CBS's current debt
- Forecast of CBS's waste stream, residential growth, and commercial waste generation and the impact of recycling
  - How will increased recycling impact fee revenue?
- Organization and operational consequences of proposed recommendations

The consultant team will work with CBS staff to develop an Excel-based rate model with the following general structural components:

- 1) Budget information related to contractor payments, operating costs, capital costs, and debt which will be translated into:
- 2) Revenue requirements, by operational area (e.g., solid waste, recycling, disposal, and general program expenses). The revenue requirements will be allocated to:
- 3) Service parameters (solid waste, and recycling collection, disposal, and account services, split by residential and commercial). The service parameters will be derived from:
- 4) Customer service data.

- 5) Rate construction, which pulls the relevant costs per service parameter to develop proposed rates.

The rate model will include benchmark forecasts of working capital (as defined by CBS, including designated and undesignated working capital) to aid in the future tracking of actual versus plan projections. We have assumed that CBS will provide a copy of its latest financial statements (in Excel format) to facilitate model development. The initial rate model will be presented to CBS staff for review and input. All directed changes will be incorporated into the rate model.

*Deliverable: Cost / rate model.*

#### Task 6 – Prepare Preliminary Solid Waste Plan

Based on the data collected and reviewed in Tasks 1 through 5, the consultant team will draft the background and existing conditions portions of the Solid Waste Management Plan. This preliminary Plan document will summarize findings regarding the current system and will provide guidance for the evaluation of alternatives in Task 7. Development of the preliminary Plan will include the following elements.

- Identify the advantages, disadvantages, strengths, and weaknesses of CBS's existing solid waste management system.
- Summarize primary issues and needs for future waste and recycling operations.
- Identify alternative strategies that may be appropriate to consider. Alternatives will be organized according to category such as program, policy, facility, administrative, and organizational.
- Develop narrative text supported by tables, charts, and diagrams to document the preliminary Plan. Detailed technical support and explanatory material will be placed in technical appendices.
- Prepare an Executive Summary in PowerPoint format to accompany the preliminary Plan for presentation purposes.
- Present the preliminary Plan to the SWAC for discussion and comment. Two project team members will attend the SWAC meeting.

*Deliverables: Preliminary Plan and Executive Summary for CBS and SWAC review.  
SWAC meeting attendance.*

#### Task 7 – Analyze Alternatives

The alternatives for future facilities, programs, and services identified in Task 6 will be evaluated in this task. These alternatives are address:

- Transport and disposal options for export of waste and recycling materials.
- Composting options to manage the organic portions of the waste stream.
- Traditional commodity recycling options, such as curbside and drop-off recycling services.



- Construction and demolition waste management options.

The consultant team will work with CBS staff to establish evaluation criteria for the alternatives to be considered, which may include but not be limited to the following: capital cost, operating cost, other required resources, environmental benefit, policy consistency, local control, community acceptability, practicality of implementation, time required to implement, and regulatory compliance.

To assess cost and rate impacts, alternatives will be evaluated using the cost model developed in Task 5. Future capital and operational costs and auxiliary program costs for proposed system changes will be compared to fund balances (both operating and reserve), projected revenues from tip fees, and other service fees over a twenty year time frame. Financial requirements by year will be detailed for any proposed or recommended changes. An “if then” analysis will be used to compare alternatives. This will provide CBS the ability to decide what system changes should be further considered for implementation.

We will also consider the operational impacts of the plan recommendations on waste and recycling service rates. Considerations will include the following:

- Impact on collection and disposal costs for any changes in the system.
- Increasing refuse and recycling collection operational efficiencies.
- Variable rate structure as a means to give economic incentives for self-haulers to subscribe to curbside waste collection and recycling.
- Increasing the effectiveness of residential and commercial recycling and the impact on fees.

*Deliverable: Cost / rate models for alternatives.*

#### Task 8 – Present Findings of Alternatives Analysis

The alternatives analysis will be summarized for presentation to CBS staff and the SWAC. This task will include the following subtasks.

- Develop conclusions and preliminary recommendations.
- Prepare a PowerPoint presentation summarizing the alternatives, conclusions, and recommendations.
- Present the findings to the SWAC for comment and discussion. A copy of the presentation will be provided several days in advance of the meeting to make interaction at the meeting more productive. Two project team members will attend the SWAC meeting.

*Deliverables: PowerPoint presentation summarizing alternatives analysis and recommendations.  
SWAC meeting attendance.*

#### Task 9 – Prepare / Present Draft Final Plan and Make Recommendations

Based on the feedback from CBS staff and the SWAC regarding the findings of the alternatives analysis and the prior development of the preliminary Plan, the draft final Solid Waste Management Plan will be prepared. Development of the draft final Plan will include the following subtasks.

- Compile narrative text documenting and summarizing the alternatives analysis.



- Finalize narrative for recommendations and implementation steps.
- Compile the complete Plan report, to include the preliminary Plan prepared in Task 5 and the sections prepared in this task. Detailed technical support and explanatory material will be placed in technical appendices.
- Prepare an Executive Summary in PowerPoint format to accompany the draft final Plan for presentation purposes.
- Present the draft final Plan to CBS staff for review and comment.
- Present the revised draft final Plan to the SWAC for review and comment. Two project team members will attend the SWAC meeting.

*Deliverables: Draft final Plan and Executive Summary for CBS and SWAC review.  
SWAC meeting attendance.*

#### Task 10 – Prepare Final Plan

Following receipt of comments from CBS staff and the SWAC on the draft final Plan, the Plan will be finalized and submitted to the Assembly for approval.

*Deliverable: Final Plan report for Assembly approval.*

## Project Schedule

Based on the scope of work presented herein, the consultant team has developed the following proposed project schedule. The schedule assumes that a contract is executed, serving as authorization to proceed, by February 12, 2014.

TABLE 1. PROPOSED PROJECT SCHEDULE	
Project Activity	Completion Timeframe
Task 1 - Background Information	February 12-28, 2014
Project Kickoff Week	March 3-7, 2014
Task 2 - Summarize Existing Solid Waste Management Practices	March 10-21, 2014
Task 3 - Description of Waste Stream	March 24 - April 11, 2014
Task 4 - Critical Public Policy Issues	March 24 - April 11, 2014
Task 5 - Initial System Assessment	April 14 - May 9, 2014
Task 6 - Prepare Preliminary Solid Waste Plan	May 12-23, 2014
Present Preliminary Plan to SWAC	May 27-30, 2014
Task 7 - Analyze Alternatives	June 2 - July 3, 2014
Task 8 - Present Findings of Alternatives Analysis	July 7-25, 2014
Task 9 - Prepare Draft Final Plan	July 28 - August 22, 2014
Present Draft Final Plan to SWAC	August 25-29, 2014
Task 10 - Prepare Final Plan	September 2-19, 2014

## Project Budget

Based on the scope of work identified herein, the consultant team has developed the hours and cost budget identified in Table 2. We propose to complete the scope of work for a not-to-exceed budget of \$214,875, billed on a time and materials basis. Additional meetings beyond those identified in the scope may be attended at an additional cost of \$7,640 to \$11,870 per meeting, depending on the team members participating in the meetings. Any additional costs will be approved by CBS in advance of incurring the cost.

**TABLE 2. PROJECT BUDGET**

Task	Labor Hours	Labor Cost	Travel Expenses	Total Cost
Task 1 - Background Information	226	\$38,795	\$7,069	\$45,864
Task 2 - Summarize Existing Solid Waste Management Practices	32	\$4,989	\$0	\$4,989
Task 3 - Description of Waste Stream	52	\$7,454	\$0	\$7,454
Task 4 - Critical Public Policy Issues	82	\$12,546	\$0	\$12,546
Task 5 - Initial System Assessment	132	\$21,648	\$0	\$21,648
Task 6 - Prepare Preliminary Solid Waste Plan	118	\$20,055	\$2,940	\$22,995
Task 7 - Analyze Alternatives	193	\$30,788	\$0	\$30,788
Task 8 - Present Findings of Alternatives Analysis	138	\$23,673	\$2,940	\$26,613
Task 9 - Prepare Draft Final Plan	134	\$22,189	\$2,940	\$25,129
Task 10 - Prepare Final Plan	21	\$3,225	\$0	\$3,225
Project Management	80	\$13,624	\$0	\$13,624
<b>Project Total</b>	<b>1,208</b>	<b>\$198,986</b>	<b>\$15,889</b>	<b>\$214,875</b>

Note: Travel expenses include travel by 4 team members in Task 1, and 2 team members in Tasks 6, 8, and 9.

**CONTRACT TO PROVIDE PROFESSIONAL SERVICES TO  
CITY AND BOROUGH OF SITKA BY SHAW ENVIRONMENTAL, INC.  
FOR  
SITKA SOLID WASTE MANAGEMENT PLAN**

City and Borough of Sitka (“Owner”) desires the firm Shaw Environmental, Inc. (“Contractor”) to provide professional services for Sitka Solid Waste Management Plan. This Contract to Provide Professional Services to City and Borough of Sitka for Sitka Solid Waste Management Plan (“Contract”) is made and entered into by and between Owner and Contractor in consideration of the mutual promises contained in this Contract.

This Contract also consists of:  
Appendix A: Scope of Work

**SECTION 1. DEFINITIONS**

For the purpose of this Contract, the terms used in this Contract shall have the following meaning:

- A. “Owner” shall mean the City and Borough of Sitka, Alaska.
- B. “Contractor” shall mean Shaw Environmental, Inc., a Partner, Associate, or any other person acting for and/or in behalf of the firm Shaw Environmental, Inc.
- C. “Owner’s authorized representative” shall mean the person set forth in Section 21 (B) (2) of this Contract.
- D. “Days” shall mean calendar days.

**SECTION 2. CONTRACT TIME**

- A. This Contract becomes effective when signed and dated by both Parties.
- B. Contractor shall commence performance of the work identified in Section 4 immediately following receipt of the Notice to Proceed.
- C. Except as expressly allowed under this Contract, Owner need not grant Contractor any extension in the time provided to complete the work under this Contract. If Contractor’s progress falls behind the project schedule, Contractor shall commit additional resources to the prosecution of the work, or take such other additional steps as are reasonably necessary to assure the completion of the work on schedule, all at no additional cost to

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Owner.

### **SECTION 3. RESPONSIBILITY OF CONTRACTOR**

At all times during Contractor's performance of professional services under this Contract, Contractor shall possess and exercise the level of competence, knowledge and skill presently maintained by other practicing members of the profession in good standing in the same or similar localities.

### **SECTION 4. SCOPE OF SERVICE**

The services to be performed by Contractor shall include all services required to complete the tasks set forth in Appendix A, and shall be in accordance with all applicable statutes, Sitka General Code provisions, ordinances, rules, and regulations. The scope of services to be provided by Contractor is further described in the Consultants Fee Proposal and Schedule dated 29 January 2014 (Appendix A). Completion date is 19 September 2014.

### **SECTION 5. OWNERSHIP OF DOCUMENTS**

All plans, drawings, calculations, supporting data and specifications, originals and tracings, shall become the property of Owner. Such documents shall be transmitted to Owner prior to the time of final payment for the work under this Contract. Contractor shall be entitled to retain and reference record copies and electronic files of all documents.

### **SECTION 6. TERMINATION**

This Contract may be terminated:

- A. By mutual consent of the Parties.
- B. For the convenience of Owner, provided that Owner notifies Contractor of its intent to terminate under this paragraph at least 10 days prior to the effective date of the termination.
- C. For cause, by either Party where the other Party fails in any material way to perform its obligation under this Contract; provided, however, that as a condition of the exercise of its right of termination under this subsection the terminating Party shall notify the other Party of its intent to terminate this Contract and state with reasonable specificity the grounds, and the defaulting Party shall have failed, within 30 days of receiving the notice, to cure the default.
- D. Termination pursuant to this section shall not affect the Parties' continuing obligations under this Contract.

## **SECTION 7. DUTIES UPON TERMINATION**

- A. If Owner terminates this Contract for convenience, Owner shall pay Contractor the reasonable value of any services satisfactorily rendered prior to termination. Payment under this section shall never exceed the total compensation possible under Section 9. All finished and unfinished reports and materials prepared by Contractor shall become the property of Owner.
- B. If this Contract is terminated for cause, Owner shall pay Contractor reasonable value of the services satisfactorily rendered prior to termination less any damages suffered by Owner because of Contractor's failure to perform satisfactorily. Any finished or unfinished documents or materials shall become the property of Owner at its option. Under no circumstances shall payment under this section exceed the percentage value of work completed as defined by Appendix A and under Section 9. Under no circumstances shall payment under this section exceed the total compensation possible under section 9.
- C. If Contractor has received payments prior to termination in excess of the amount to which it is entitled under Subsection A or B of this section, Contractor shall remit such excess to Owner within 30 days after receipt of notice to that effect.
- D. Contractor shall not be entitled to compensation under this section until Contractor has delivered to Owner all documents, records, work products, materials, and equipment owned by City and Borough of Sitka, related to this Contract and requested by Owner.
- E. If Contractor's services are terminated, for whatever reason, Contractor may not claim any compensation under this Contract other than allowed under this section.
- F. The Owner need not recognize any claim by Contractor for reimbursable expenses or costs incurred after the time which Contractor receives notice of termination under this section.

## **SECTION 8. INDEMNIFICATION**

- A. Contractor shall indemnify, defend, save, and hold Owner harmless from any claims, lawsuits, or liability, including attorney's fees and costs, arising from any wrongful or negligent act, error or omission of Contractor occurring during the course of or as a result of Contractor's performance pursuant to this Contract.
- B. Contractor shall not indemnify, defend, save, and hold Owner harmless from any claims, lawsuits, liability, or attorney's fees and costs, arising in wrongful or negligent acts, errors or omissions solely of Owner occurring during the course of or as a result of the performance of this Contract.

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- C. Where claims, lawsuits, or liability, including attorney's fees and costs, arise from wrongful or negligent acts of both Parties, Contractor shall indemnify, defend, save and hold Owner harmless from only that portion of claims, lawsuits or liability, including attorney's fees and costs, which result from Contractor's wrongful or negligent acts occurring during the course of or as a result of Contractor's performance pursuant to this Contract.

## **SECTION 9. PAYMENT**

- A. For Contractor's Design, Bidding, Contract Services and Expenses, as described in Section 4 of this Contract, compensation will be paid on a time and expense basis, subject to Contractor's satisfactory performance, in a total amount Not to Exceed (NTE) \$ 214,875.00 unless mutually agreed upon by both Parties prior to commencing additional work

Contractor shall **not** begin any phase of the work without written authorization by Owner. The Owner has the option of omitting any phase of the Contract as it deems necessary.

- B. Contractor shall present an invoice(s) to Owner's authorized representative. Such invoice(s) shall describe the work for which it seeks payment and shall document expenses and fees to the satisfaction of Owner's authorized representative. Invoices shall not be submitted more frequently than once every 30 days.
- C. Owner shall make payment on invoices within 30 days of the invoices' receipt and approval by Owner's authorized representative.
- D. Contractor shall be entitled to no compensation under this Contract beyond the amount of Owner's express obligation under subsection A above. Compensation for preliminary drawings, specifications and reports shall not exceed 50% of the total Contract amount.
- E. The amount to be paid for additional services, at the option of Owner, shall be negotiated at the hourly fees submitted in Appendix A, by the Parties prior to the execution of amendments to this Contract for this work.

## **SECTION 10. AUDIT: ACCESS TO RECORDS**

- A. Contractor shall maintain records of performances, communications, documents, correspondence and costs pertinent to this Contract. The Owner's authorized representatives shall have the right to examine such records and accounting procedures and practices.
- B. The Owner's authorized representative shall have the right to examine all books, records, documents and other data of Contractor related to the negotiation, pricing and

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performance Contract, and any change or modification for the purpose of evaluating the accuracy, completeness, and currency of the data submitted. The right of examination shall extend to all documents necessary to permit adequate evaluation of the data, computations, and projections used.

- C. The materials described in this section shall be made available at the business office of Contractor at all reasonable times for inspection, audit or reproduction, for a minimum of 3 years from the date of final payment under this Contract and for such longer period, if any, as may be required by applicable statute or other provisions of this Contract.
- D. If this Contract is completely or partially terminated, records relating to the services terminated shall be made available to Owner by Contractor for a minimum of 3 years from the date of any resulting final settlement.
- E. Records which relate to claims or litigation or the settlement of claims arising out of the performance of this Contract shall be made available to Owner by Contractor until such claims or litigation have been concluded.

#### **SECTION 11. RELATIONSHIP OF PARTIES**

Contractor shall perform its obligations under this Contract as an independent Contractor of Owner. Owner may administer the Contract and monitor Contractor's compliance with its obligations. Owner shall not supervise or direct Contractor other than as provided in this section.

#### **SECTION 12. ASSIGNMENTS**

Unless otherwise allowed by this Contract or in writing by Owner, any assignment by Contractor of its interest in any part of this Contract or any delegation of duties under this Contract shall be void, and any attempt by Contractor to assign any part of its interest or delegate duties under this Contract shall give Owner the right immediately to terminate this Contract without any liability for work performed.

The Owner reserves the right to approve all subcontractor contracts.

#### **SECTION 13. NONDISCRIMINATION**

- A. Contractor will not discriminate against any employee or applicant for employment because of race, color religion, national origin, ancestry, age, sex or marital status or mental or physical handicap. Contractor will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, religion, national origin, ancestry, age, sex, or marital status or mental or physical handicap. Such action shall include, without limitation, employment, upgrading, demotion or transfer, recruitment or recruiting, advertising, lay-off or termination, rates of pay or other forms of compensation, and selection for training

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including apprenticeship. Contractor agrees to post, in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions for this nondiscrimination clause.

- B. Contractor shall state, in all solicitations or advertisements for employees to work on jobs relating to this Contract, that all qualified applicants will receive consideration for employment without regard to race, color, religion, national origin, ancestry, age, or marital status or mental or physical handicap.
- C. Contractor shall include the provisions of subsection A in every subcontract or purchase order under this Contract, so as to be binding upon every such subcontractor or vendor of Contractor under this Contract.
- D. Contractor shall comply with all applicable Federal, State and City laws concerning the prohibition of discrimination.

**SECTION 14. COPYRIGHTS AND RIGHTS IN DATA**

All documents produced under this Contract are the property of Owner, including notes, drawings, reports and other technical information referred to as work products, except items which have pre-existing copyrights. Payments to Contractor for services include full compensation for all work products produced by Contractor and its subcontractors.

All such subject data furnished by Contractor pursuant to this Contract are instruments of its services in respect to this particular project. It is understood that Contractor does not represent such subject data to be suitable for reuse on any other project or for any other purpose. If Owner reuses the subject data without Contractor's specific written verification of adaption, such reuse will be at the risk of Owner, without liability to Contractor. Any such verification of adaption requested in writing by Owner at Owner's sole option will entitle Contractor to further compensation at rates agreed upon by the Parties.

**SECTION 15. NOTICES**

Any notice required pertaining to the subject matter of this Contract shall be in writing and either personally delivered or mailed by prepaid, first class, registered or certified mail, return receipt requested, to the following addresses:

**OWNER:**

City and Borough of Sitka  
Department of Public Works  
Attn: Gary E. Baugher Jr., M&O Supt.  
100 Lincoln Street  
Sitka, AK 99835

**CONTRACTOR:**

CB&I Environmental and Infrastructure, Inc.  
Attn. Phil Kowalski, Project Manager  
1607 E. Main, Suite E  
St. Charles, Illinois 60174

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**SECTION 16. CLAIMS AND DISPUTES**

If Contractor becomes aware, or reasonably should have become aware, of any act or occurrence which may form the basis of a claim, Contractor shall promptly notify in writing Owner’s authorized representative. If the matter cannot be resolved within seven (7) days, Contractor shall, within the next fourteen (14) days, submit a written notice of the claim. Contractor shall, in presenting the claim, include the facts and circumstances surrounding the claim, the specific relief requested including any additional compensation claimed and the basis upon which it was calculated, and the provisions of this Contract under which the claim is made. This procedure covers all claims by Contractor for additional compensation or any extension of the time for performance or any dispute regarding a question of fact or interpretation of this Contract. Contractor agrees that unless these written notices are provided, Contractor shall have no entitlement to additional time nor compensation for such act, event or condition.

**SECTION 17. SUCCESSORS AND ASSIGNS**

The Parties bind themselves, partners, successors, assigns and legal representatives to the other Party to this Contract and to partners, successors, assigns and legal representatives of such other Party with respect to all covenants of this Contract.

**SECTION 18. INSURANCE**

A. Contractor shall at all times during the term of this Contract, maintain in good standing the insurance described in subsection B. Before rendering any services under this Contract, Contractor shall furnish Owner with proof of insurance in accordance with subsection B in a form acceptable to the Risk Manager for Owner; such proof of insurance shall be incorporated into this Contract.

B. Type of coverage:

1. <u>Commercial General Liability</u>	
Occurrence Limit	\$1,000,000
Products and Completed Operations Aggregate	\$2,000,000
General Aggregate	\$2,000,000
2. Workman’s Compensation	Alaska Statutory
Employers Liability	
3. Commercial Automobile Liability	\$1,000,000
Including all owned, hired and non-owned vehicles	
Professional Errors and Omissions	\$1,000,000

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C. Insurance Notes

1. Owner shall be named as an additional named insured on the required general liability and automobile insurance policies. The Owner shall also be granted a full waiver of any rights of subrogation under all required policies with the exception of Professional Errors and Omissions. These requirements extend to all subcontractors.
2. Contractor is required to notify Owner if any policy is to be canceled, materially changed, or renewed, thirty days prior, by written notice.

**SECTION 19. PERMITS, LAWS AND TAXES**

Contractor shall acquire and maintain in good standing all permits, licenses and other entitlement necessary to its performance under this Contract. All actions taken by Contractor under this Contract shall comply with all applicable statutes, ordinances, rules and regulations. Contractor shall pay all taxes pertaining to its performance under this Contract.

**SECTION 20. NON-WAIVER**

The failure of either Party at any time to enforce a provision of this Contract shall in no way constitute a waiver of the provision, nor in any way affect the validity of this Contract or any part, or the right of such Party to enforce each and every provision.

**SECTION 21. AMENDMENT**

- A. This Contract shall only be amended, modified or changed by a written amendment, executed by authorized representatives of the Parties, and such amendment shall be attached to this Contract as an appendix.
- B. For the purposes of any amendment, modifications or change to the terms and conditions of this Contract, the only authorized representatives of the Parties are:
  1. Phil Kowalski, Project Manager - For Contractor
  2. Mark Gorman, Municipal Administrator - For Owner
- C. Any attempt to amend, modify or change this Contract by either an unauthorized representative or unauthorized means, shall be void.

**SECTION 22. SEVERABILITY**

Any provision of this Contract decreed invalid by a court of competent jurisdiction shall not invalidate the remaining provisions of the Contract.

**SECTION 23. JURISDICTION - CHOICE OF LAW**

*Contract to Provide Professional Services to City and Borough of Sitka by Shaw Environmental, Inc. for Sitka Solid Waste Management Plan.*

Any civil action arising from this Contract shall be brought in the Alaska Superior Court at Sitka. The laws of the State of Alaska shall govern the rights and obligations of the Parties under this Contract.

**SECTION 24. INTEGRATION**

This instrument and all appendices and amendments embody the entire Contract of the Parties. There are no promises, terms, conditions or obligations other than those contained in this Contract. This Contract shall supersede all previous communications, representations, or Contracts, either oral or written, between the Parties.

**IN WITNESS WHEREOF**, the Parties have executed this Contract in duplicate on the date and at the place shown below.

**CITY AND BOROUGH OF SITKA**

**CB&I Environmental and Infrastructure, Inc.**

\_\_\_\_\_  
Mark Gorman, Municipal Administrator

\_\_\_\_\_  
Phil Kowalski, Project Manager

Date: \_\_\_\_\_

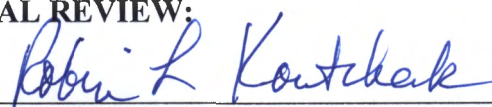
Date: \_\_\_\_\_

IRS TAX I.D. NO. \_\_\_\_\_

**ATTEST:**

**LEGAL REVIEW:**

\_\_\_\_\_  
Colleen Ingman, Municipal Clerk

  
\_\_\_\_\_  
Robin Koutchak, Municipal Attorney

Date: \_\_\_\_\_

Date: 2-4-14




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## MEMORANDUM

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**To:** Mayor McConnell and Assembly Members  
Jay Sweeney, Interim Municipal Administrator

**From:** Michael Harmon, Public Works Director 

**cc:** Gary Baugher, Maintenance and Operations Superintendent  
Mike Middleton, Interim Finance Director

**Date:** June 19, 2013

**Subject:** **Approval of Developing a Solid Waste Management Plan**

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**Background:**

The City and Borough of Sitka (CBS) currently does not have a Solid Waste Management Plan to address the current or future needs of the Solid Waste Fund and general operations. As we approach the end of the current collection and off-island disposal contracts in 2015, we believe it is in the best interest of the CBS to be better prepared with a plan that details the goals and direction of our solid waste management backed with a financial plan. There are a few outdated memos and reports that have been put together in the past that focused on recycling, composting, and bear problems, but nothing completed with a funding plan and/or completed by professionals experienced in the field of solid waste management.

The business of solid waste management is an important and complex operation with revenues just over \$3-million, of which approximately \$2.1-million goes towards service contracts. Our current system was developed with the goal of low rates to the customer by way of an efficient operation. This started with Sitka being one of the first communities in Alaska to have automated collection utilizing trucks that can automatically pick up containers quickly without the driver exiting the vehicle. The off-island shipping removed the maintenance and operation challenges and costs associated to landfills and/or a incinerator. The result is low garbage rates especially considering our remote location and distance from the landfill.

To help illustrate some monthly garbage rate comparables, we were able to find the following rates from other communities that offer once a week collection of containers approximately 90 gallons in capacity:

• Seattle, Washington	\$89.45	• Sitka, Alaska	\$42.00
• Juneau, Alaska	\$64.68	• Everett, Washington	\$40.55
• Unalaska, Alaska	\$68.16	• Spokane, Washington	\$28.97
• King County, Washington	\$44.40	• Nome, Alaska	\$26.13
• Portland, Oregon	\$43.30	• Ketchikan, Alaska	\$18.60

This is by no means a comprehensive rate comparison and would benefit from more research on why rates vary from community and how we can capitalize on some of these differences. However, it does demonstrate that our rates are competitive, especially given our remote location and the fact that we operate an enterprise fund that is not subsidized by outside revenues such as property or sales tax.

Recycling is also a key part of the off-island disposal program. Our current recycling program has been very popular especially given it is primarily a grassroots program that has been pulled together with very little resources and cost to the CBS. The recycling program operates primarily out of two locations consisting of the Sawmill Cove Scrap Yard and the residential drop-off "Sitka Recycle Center" on Sawmill Creek Road across from the Trooper Academy. The Sawmill Cove Scrap Yard supports the collection and processing of scrap metals, cars, copper, freezers, refrigerators, steel, tires and paint. Sitka Recycling Center supports most common household recycling such as cardboard, paper, glass, metal cans, aluminum, milk jugs, shredded paper, fluorescent tubes, etc.

There are currently two main contracts associated to the processing of our solid waste and recycling. The shipping, disposal, and recycling of the materials off-island is accommodated by a contract with Republic Services (a.k.a. Rabanco or Allied Waste). Within this contract Republic Services runs the transfer station and processes the recycling collected at the Sitka Recycle Center. The work performed in Sitka under this contract is subcontracted to Alaska Pacific Environmental Services (a.k.a. APES or Stragier Sanitation). The second contract is directly with Alaska Pacific Environmental Services for the curbside/roadside collection of the Municipal Solid Waste (MSW). The Sitka Recycling Center was contracted to Community Schools in the past, but is currently being operated by Public Works.

When our waste is shipped to Washington there are two primary streams. The MSW goes to the Roosevelt Landfill in Eastern Washington and the recycling goes to the Republic Recycle Center. The shipping containers get shipped to the landfill and recycle center by way of railroad systems. At the Republic Recycle Center, advanced sorting equipment such as disk screens, magnets, and optical sorters are used to identify and separate different types of paper, metals, plastics, and construction and demolition material for processing. Given that Sitka's recycling program already sorts most recyclables, this process can be streamlined and improves the commodity credits we receive to offset the overall cost. The recyclable materials collected have an extended value to society through repurposing and remanufacturing.

The Roosevelt Landfill is considered a modern "green" landfill that was designed from the ground up to capitalize on utilizing the waste byproducts and reducing environmental impacts. For example, the landfill captures the gas emissions as an industry leader in utilizing this byproduct to produce 37-Megawatts of electricity to help power up to 37,000 homes. The power generated is produced 24/7 which has significant advantages over other alternative power such as wind and solar. The landfill will produce power well past the 40-year expected trash-receiving lifespan. Additionally,

the railcar shipping is unique to the facility and is extremely efficient as it significantly reduces fossil fuel consumption versus utilizing truck hauling.

The Roosevelt Landfill has an ideal location in a very dry climate to significantly reduce leach-aid and other environmental impacts. Southeast Alaska is generally a very poor location for MSW landfills and many of the environmental benefits provided by the Roosevelt Landfill in terms of climate and electric generation would not be possible. Additionally, it is important to keep the shipping in perspective in terms of our waste going to Washington. Our waste is transferred to Washington by way of barge and railcar which are both extremely efficient and piggyback onto barges and trains that are going to make the trip regardless of our few containers.

### **Analysis:**

There is an exorbitant amount of data and information related to analyzing of our current waste management and any potential changes to consider for the future. Many community members have expressed interest in improving our process in terms of waste diversions, recycling, composting, and bear protection. Various ad-hoc groups have dedicated a significant amount of time trying to develop ideas to improve our system with very little resources or data. We believe that the development of a Solid Waste Management Plan would be a significant first step to work with the community to improve services and develop an appropriate business plan through the help of solid waste professionals. Such plan would engage the community and analyze options and provide recommendations. Once a plan is in place, it will become a consistent resource that will identify our goals and objectives along with the needed funding.

The timing is excellent to start the planning ahead of the 2015 expiration of our current service contracts. The proposed management plan would be all encompassing covering all aspects of the Solid Waste Enterprise Fund and solid waste management activities. This would include the infrastructure and a customer rate analysis associated to the future revenue requirements.

The following is a list of common objectives to consider for the Solid Waste Management Plan:

#### **Reduce Waste and Increase Recycling:**

- Increase Business and Institutional Recycling and Composting, through technical assistance to businesses.
- Focus on paper and organics as priority materials because they continue to be disposed of in large quantities and they have the greatest potential for significant improvement in their capture and use as resources.
- Increase Residential Recycling and Composting – Using technical assistance and targeted grant programs, increase recycling and composting through development of cost-effective municipal and regional residential recycling programs.



- Pay-As-You-Throw program implementation and collection of all recyclables together through single-stream recycling. As with businesses, focus on paper and organics as priority materials for their additional diversion potential.
- Stimulate Greater Reuse of Materials and Products – Implement a regional materials exchange to facilitate material reuse among businesses and institutions and work with broad groups of stakeholders to develop new strategies to encourage increased reuse of materials and products to save money for businesses, institutions, and residents and to reduce disposal.
- Deploy Diversion Strategies for Organics and C&D– Implement integrated organics and C&D diversion strategies that include a combination of initiatives to increase diversion and build markets.
- Build Local and Regional Recycling Markets – Drive development of new and expanded recycling markets and bolster existing markets through innovative pilot projects, state procurement, cost-effective regional programs, targeted business development assistance, and implementation of existing and new waste bans.
- Education Campaigns – Work with municipal, non-profit, and business stakeholders, including the waste management industry, to develop and implement a series of targeted education campaigns and school educational programs to support waste reduction and increased recycling by residents, businesses, and institutions.
- Eliminate Barriers to Siting Composting Facilities – Working with a broad stakeholder group, identify barriers to siting anaerobic digestion, recycling, and composting facilities and develop codes, technical, and financial mechanisms to mitigate or eliminate those barriers.
- Keep Toxics Out of the Waste Stream –Expand regional programs to collect and safely manage hazardous household products before they are sent for disposal.

#### Develop Integrated Solid Waste Management Systems

- Integrated Facility Partnerships - Work with interested parties, including businesses, to develop integrated solid waste management systems that achieve our objectives by integrating reuse, recycling, and composting opportunities into holistic solid waste facility design.
- Innovative Pilot Projects – Pilot Project innovative approaches that can achieve the goals identified in the plan.
- Highlight Successful Systems – Don't forget to recognize the leadership examples within our current program:
  - Comprehensive recycling drop-off center
  - Past and present education in schools
  - Climate Action Plan
  - Composting Pilot Projects
  - Community involvement, task forces, and ad-hoc groups
  - biannual Household Hazardous Waste Events
  - Spring Cleanup
  - Reused building materials
  - C&D handling facility, and landfill



- Overburden and “Green Waste” landfill
- Goals and Objectives Plan for the short-term and long-term programs and infrastructure – 5, 10, 20, and 50-year goals, objectives, and milestones associated to developing integrated solid waste management programs.
- Business Plan – Rate study that includes a sustainable infrastructure plan and overall funding for operations in a manner to maintain financial stability meeting all goals and objectives.

Currently the CBS does not offer curbside collection for recycling like many other communities. Once again, the focus of our current system was to reduce the cost to the customer. The additional service of curbside/roadside recycle collection generally does not produce the same level of segregated recycling as a drop-off center and comes with the additional cost of collection. However, it should produce a significant increase in recycling due to the convenience. This would be an important focus of the management plan.

Solid waste management plans can be very robust planning tools to promote change in the future that will lead to common goals and objectives. They can evolve and function as a living document, but are intended to unite the community towards a common path to improving waste management. These elements are missing in our program which makes it slow to change, evolve, or be prepared for the future. Most things are being managed in a reactionary manner versus proactive.

**Fiscal Note:**

The funding for a Solid Waste Management Plan would come from the working capital of the Solid Waste Fund which is approximately \$1.5-million. It is projected that a Solid Waste Management Plan would cost between \$150,000 to \$250,000 depending on the complexity of future goals and the amount of public process exploring options. This cost estimate is based from other master planning we have accomplished for Water, Wastewater, and Harbors.

**Recommendation:**

Approve the Administrator to advertise a Request for Qualifications and select a consultant to assist Public Works in developing a Solid Waste Management Plan. A scope of work, budget, and contract will be presented to the Assembly for review, comment, and approval.