

BEFORE THE METRO COUNCIL

FOR THE PURPOSES OF AUTHORIZING CHANGE)	RESOLUTION NO. 98-2646
ORDER NO. 1 TO THE CONTRACT FOR OPERATING)	
METRO CENTRAL AND SOUTH TRANSFER)	Introduced by Mike Burton
STATIONS)	Executive Officer
)	

WHEREAS, The Metro Council awarded the operating contract for the Metro South and Central Transfer Stations to Browning-Ferris Industries, Inc. beginning October, 1997; and,

WHEREAS, Contract modifications are needed in order to respond to requests of customers of the Metro Transfer Stations for additional services and to make other necessary operational changes that will expand waste reduction and improve operations; and,

WHEREAS, Change Order No. 1, attached as Exhibit "A" provides the necessary modifications to the contract for the operation of Metro South and Central Transfer Stations; and,

WHEREAS, The resolution was submitted to the Executive Officer for consideration and was forwarded to the Council for approval; now therefore,

BE IT RESOLVED, That the Metro Council

1. Approves Change Order No. 1 to the contract between Metro and Browning-Ferris Industries, Inc. for the operation of Metro Central and South Transfer Stations; and
2. Authorizes the Executive Officer to execute Change Order No. 1 to the contract between Metro and Browning-Ferris Industries, Inc. for the operation of Metro Central and South Transfer Stations.

ADOPTED by the Metro Council this _____ day of _____, 1998.

WITHDRAWN

 Jon Kvistad, Presiding Officer

Approved as to Form:

 Daniel B. Cooper, General Counsel

CHANGE ORDER NO. _____
METRO CONTRACT NO. _____**MODIFICATION TO THE CONTRACT BETWEEN METRO
AND BROWNING-FERRIS INDUSTRIES OF OREGON, INC.**

This change order, dated as of the last signature date below, is entered into between Metro, a metropolitan service district organized under the laws of the State of Oregon and the 1992 Metro Charter, and Browning-Ferris Industries of Oregon, Inc., "Contractor," pursuant to the Public Contract dated July 1997 (the "original contract"). In exchange for the promises and other valuable consideration described in the original contract, subsequent change orders, and this change order, the parties agree as follows:

Transfer, Transport, and Processing of Source-Separated Organic Waste

1. Contractor agrees to transfer source-separated organics (defined as food waste and non-recyclable paper suitable for composting) that Metro receives at the Metro South and Central Transfer Stations.
2. Contractor will arrange for and pay subcontractors for transport and processing of the transferred organics. Contractor will make every reasonable effort to obtain competitive prices for transport and processing through competitive bidding. Subcontractors selected by Contractor shall be subject to approval by Metro.
3. Metro reserves the right to cancel the Contractor's obligation to arrange for transport and disposal if Metro chooses to arrange for such services. If Metro arranges for transport and processing of organic waste, Contractor will continue to perform the transfer operation as specified in this Change Order.
4. Contractor makes no guarantee that a market for organics will be available.
5. Contractor will only deliver the organics to processing facilities that Metro has approved in advance based on factors including, but not limited to, the facilities' compliance with applicable government rules, regulations, and policies.
6. This work will only commence if the Metro Council has established a tipping fee for source-separated organics at the Metro Transfer Stations. Metro will notify Contractor 90 days in advance of the posting of such a tipping fee.
7. Once the work has commenced, Metro retains the option to cancel the organics transfer at Metro Transfer Stations at Metro's sole discretion.
8. For the transfer of organic waste, Metro agrees to pay Contractor the per ton prices specified for solid waste in Article 13 "Basis and Method of Payment" of the original contract. In addition, if Contractor arranges for transport and processing through a subcontractor(s) as specified in this Change Order, Metro agrees to pay the Contractor for the actual costs of the subcontractor(s) plus a fixed fee of 5% for the administrative handling of the work performed by the subcontractor(s).

Landscape Maintenance at Metro Central Transfer Station

1. During the months of April through September, Contractor will perform landscape maintenance at Metro Central Transfer Station. Contractor will provide an average of 16 hours per week of labor dedicated to landscape maintenance during these months. Any additional landscape maintenance work beyond 16 hours per week will be approved in advance by Metro.
2. Contractor will follow Metro's directions regarding the general nature of landscape maintenance work that is required. It is Metro's policy to rely on non-chemical means of pest control and to create a native landscape that requires as little maintenance as possible.

3. For the landscape maintenance work specified in this Change Order, Metro agrees to pay Contractor \$15.00 per hour for labor costs.
4. Purchase of fertilizer and other necessary supplies that Contractor expects Metro to pay for will be approved in advance by Metro. Metro will pay for 100% of landscape maintenance supplies approved in advance. Contractor will provide and maintain necessary tools.
5. The price paid for Contractor's labor costs will be adjusted using the Consumer Price Index as specified in Article 13 "Basis and Method of Payment" of the original Contract. The first adjustment will be July 1999.
6. Metro reserves the right to cancel the Contractor's obligation to perform landscape maintenance work with 30 days notice to the Contractor.

Labor To Assist In Public Unloading at Metro South Station

1. During April through September of each year, Contractor agrees to provide laborers to assist public customers in unloading waste at Metro South Station in order to help reduce long lines during busy periods.
2. The number and scheduling of laborers will be based on the anticipated need for such work given expected wait times. Contractor will submit a staffing plan for Metro approval 15 days prior to the beginning of each month. Metro reserves the right to make changes in the number and scheduling of laborers based on Metro's expectations regarding the need for such work.
3. Metro agrees to pay for Contractor's labor costs as specified in Article 15 "Additional or Deleted Work" of the original Contract.
4. Metro reserves the right to cancel the Contractor's obligation to perform public unloading work with 30 days notice to the Contractor.

Transfer of Treated Non-Infectious Medical Waste

1. Contractor will transfer non-infectious medical waste (e.g. autoclaved sharps) that is delivered to the Metro Transfer Stations with an approved Special Waste Permit issued to the generator by Metro.
2. Contractor reserves the right to reject any medical waste that it determines to be unsafe for handling.
3. Metro agrees to pay Contractor a special handling fee of \$10.00 per ton or \$10.00 per pallet, whichever is greater, of medical waste transferred under this Change Order. This is in addition to the per ton unit prices specified in Article 13 "Basis and Method of Payment" in the original Contract.
4. Metro reserves the right to cancel the Contractor's obligation to perform the transfer of medical waste with 30 days notice to the Contractor.

Pilot Project for Expanded Operating Hours For Automated Transactions

1. Contractor will cooperate with Metro in a pilot project designed to examine the need for 24-hour operation of the transfer stations. The pilot will run through September 1, 1998. At that time, Metro has the right with written notification to Contractor to extend the work under the conditions described in this Change Order for the duration of the contract.
2. Contractor will provide one trained employee at each transfer station to manage commercial waste received through the automated scalehouse during all times that Metro has opened the Transfer

Stations to automated transactions. The Contractor's employee will conduct necessary spotting of loads, conduct load checks, respond to hazardous waste incidents, and operate equipment necessary for transfer operations.

3. Metro retains the right to determine the hours that the Transfer Stations are open for commercial haulers using the automated scale system. The hours may be different for the two transfer stations based on the demand for off-hour deliveries.
4. In the event of failure of the automated scale system during hours that Metro has not staffed the scalehouses, Contractor will respond by manually recording truck weights and operating gates necessary to allow commercial haulers to continue to tip waste.
5. Contractor will not be required to respond to failures of the automated scale system if the failure rate is higher than 5% of all transactions during the hours of 6 P.M. to 7 A.M. Metro will be responsible for either correcting the automation problem or providing necessary staff for manual processing of transactions if the failure rate is higher than 5%.
6. Metro agrees to pay the Contractor for labor costs associated with this change in work at the straight time rate of \$21.84 per hour. If Metro chooses to implement this work during weekends, weekend payment rates shall be adjusted to reflect overtime as required by State law.
7. The price paid for Contractor's labor costs will be adjusted using the Consumer Price Index as specified in Article 13 "Basis and Method of Payment" of the original Contract.

Except as modified herein, all other terms and conditions of the original contract and previous change orders (if any) remain in full force and effect.

CONTRACTOR

METRO

Signature

Signature

Print name and title

Print name and title

Date

Date

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 98-2646 FOR THE PURPOSE OF AUTHORIZING CHANGE ORDER NO. 1 TO THE CONTRACT FOR OPERATING METRO CENTRAL AND SOUTH TRANSFER STATIONS

Date: April 21, 1998

Presented by: Bruce Warner,
Terry Petersen

PROPOSED ACTION

Adopt Resolution No. 98-2646 for the purpose of authorizing Change Order No. 1 to the contract for operating Metro Central and South Transfer Stations.

FACTUAL BACKGROUND AND ANALYSIS

Browning-Ferris Industries, Inc. (BFI) was awarded the contract for operating the Metro Central and South Transfer Stations beginning October 1, 1997. Metro, BFI, and the customers of the transfer stations have identified several changes that are needed in the contract in order to expand waste reduction, improve operations, and expand services. In order to make these changes, the original contract between BFI and Metro needs to be modified.

The contractual changes included in Change Order No. 1 that would be implemented by approval of Resolution No. 98-2646 are as follows:

1. Transfer, Transport, and Processing of Source-Separated Organic Waste. Metro is completing a successful pilot project that evaluated how the transfer stations could transfer source-separated food waste to a composting facility. This Change Order establishes a price that BFI will charge Metro if Metro chooses to continue this project on an on-going basis. The Change Order only establishes the contractual price that BFI will charge Metro; it does not commit Metro to continuing to transfer source-separated organics or establish the rate that Metro would charge customers. The issue of whether organics should be accepted at the transfer stations, and what the Metro rate should be, would be examined by the Metro Rate Review Committee and the Metro Council once a contractual price is established with BFI. The Change Order states that Metro would pay BFI a per ton price for transferring organic waste equal to the current contract price for transferring mixed solid waste. Transport and processing could be arranged by either BFI or Metro. If BFI arranges for transport and processing, the costs would be treated as a pass-through to Metro.
2. Landscape Maintenance at Metro Central Transfer Station. When the original contract was negotiated with BFI, Metro intended to contract with the Multnomah County Department of Juvenile and Adult Community Justice for laborers to do landscape maintenance at Metro Central Station. However, given the size of the County work crews and the amount of landscaping at Metro Central Station, it has been difficult for the County to provide the proper level of landscape maintenance. There often has been either too much or too little work to be done given the size of the crew. In lieu of the County contract, this Change Order establishes a price that BFI will charge Metro for providing 16 hours of labor per week for landscape maintenance at Metro Central Station during the months of April through September. Metro would continue to be responsible for landscape maintenance at Metro South Station and during the winter at Metro Central Station.
3. Labor to Assist in Public Unloading at Metro South Station. Metro has recently made a number of improvements at Metro South Station that should significantly reduce long lines during peak hours.

These include a new scale, new scalehouse, and an additional traffic lane on the approach to the scales. However, the number of public customers continues to increase. Considering the growth in public customers combined with the construction that Metro plans for Metro South this summer, there are likely to be continued traffic problems during peak hours. This Change Order establishes a price that BFI will charge Metro for additional laborers to assist the public in unloading waste during peak periods. Because the typical long unloading time by public customers is one of the main causes of long lines, this additional staffing should help reduce traffic problems. This Change Order allows Metro to specify how much additional labor is needed, based on the expected number of customers.

4. Transfer of Treated Non-Infectious Medical Waste. Several hospitals in the Metro region are planning to install large-scale sterilizers to treat their medical waste. The hospitals have requested that Metro develop procedures for transferring treated medical waste to the Columbia Ridge Landfill. This Change Order establishes a price that BFI will charge for transferring treated non-infectious medical waste.
5. Pilot Project for 24-Hour Operation of the Automated Scale System. Metro has recently installed an automated scale system for weighing commercial trucks at the transfer stations. Several haulers have requested that Metro allow access to the facilities during the night. This would help reduce both on-site traffic during peak daytime hours and congestion on roads leading to the stations. This Change Order establishes a price that BFI will charge for the necessary staffing during the expanded hours of operation. The hours of operation will be expanded to 24-hours per day on a pilot basis through August 1998. At that time, the REM Department will examine the amount of usage and determine whether continuation of the expanded hours is justified given the additional cost.

BUDGET IMPACT

The FY97-98 REM Department budget includes \$6,760,479 for transfer station contractual operations with actual expenditures expected to be \$5,981,301, primarily due to the lower contract prices in the BFI contract that began October 1997. The work described in this Change Order would be paid for from this appropriation. The FY98-99 REM Department budget includes \$5,981,301 for transfer station contractual operations which should be a sufficient appropriation to cover the work in this Change Order.

1. Transfer, Transport, and Processing of Source-Separated Organic Waste. This Change Order only establishes the price BFI will charge Metro for handling source-separated organic waste (equal to the current contract price for transferring mixed solid waste). It does not establish the rate Metro would charge customers who deliver such waste. If the Council decides to establish a special rate for source-separated organics at Metro transfer stations, it is assumed that at least the direct costs of transfer, transport, and processing of such material would be included in such a rate. If this is the case, there should be no significant budget or revenue impacts from this Change Order. Sufficient revenue would be collected from haulers who deliver organics to pay BFI the price established in this Change Order. Funds budgeted for transfer, transport, and disposal of solid waste would instead be used for transfer, transport, and disposal of source-separated organics.
2. Landscape Maintenance at Metro Central Transfer Station. The REM Department's FY97-98 budget includes \$23,607 for contracts related to landscape maintenance. The proposed budget for FY98-99 includes \$20,000 for contractual services required for landscape maintenance. The total annual cost associated with this change order would be \$6,192 (plus minor costs for materials). The remainder of the appropriation will be used for landscape maintenance at Metro South Transfer Station.

3. Labor to Assist in Public Unloading at Metro South Station. The annual cost of this contract change is expected to range from \$13,824 (1,152 labor hours @ \$12 per hour) to \$51,840 (4,320 labor hours @ \$12 per hour). Actual hourly rates will be determined when BFI hires the employees, but the \$12 per hour figure is a reasonable estimate. The REM Department will determine the appropriate level based on actual traffic problems with the goal being to avoid public lines spilling out onto Washington Street in front of the transfer station.
4. Transfer of Treated Non-Infectious Medical Waste. The REM Department expects that total expenditures related to transfer of medical waste would not exceed \$10,000 per year. Metro Code Chapter 5.02 specifies that "a special waste surcharge and a special waste permit application fee shall be collected on all special wastes disposed of at Metro facilities." Per this requirement, the REM Department will pass the BFI contract price for medical waste established under this Change Order on to all customers delivering medical waste to the Metro transfer stations.
5. Pilot Expanded Hours for Haulers Using the Automated Scale System. The annual cost of this contract change is expected to range from \$48,266 (2,210 labor hours @ \$21.84 per hour for weekday 24-hour operation at Metro Central only) to \$184,548 (4,940 labor hours @ \$21.84 per hour weekday 24-hour operation and 2,340 labor hours @ \$32.76 for weekend 24-hour operation at both Metro Central and South). The wide variation in costs reflects the uncertainty regarding the demand for night delivery of solid waste at each of the transfer stations. There appears to be sufficient demand at Metro Central during weekdays because of the proximity to downtown Portland where night collection is required. The REM Department will expand the automated hours of operation to include Metro South and weekends at Metro Central only if there is sufficient demand to justify the extra expenditures.

EXECUTIVE OFFICER RECOMMENDATION

The Executive Officer recommends approval of Resolution No. 98-2646.