



Legislation Details (With Text)

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Title: Approval and authorization for the Authority to exercise its right to renew and extend the disposal contract with Potrero Hills Landfill, Inc. for an additional five-year term beyond the current Base Term.

Sponsors:

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Date	Ver.	Action By	Action	Result
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TO: Napa-Vallejo Waste Management Authority

FROM: Richard Luthy, Executive Director

REPORT BY: Richard Luthy, Executive Director

SUBJECT: Authorize Exercise of Five-year Term Extension - Agreement 2014-01 with Potrero Hills Landfill, Inc.

RECOMMENDATION

Approval and authorization for the Authority to exercise its right to renew and extend the disposal contract with Potrero Hills Landfill, Inc. for an additional five-year term beyond the current Base Term.

EXECUTIVE SUMMARY

In 2013, after a comprehensive RFP process, the Board authorized execution of a contract with Potrero Hills Landfill for Long Term Residue Disposal and ADC Capacity Services. The contract calls for an initial term of ten (10) years, commencing January 1, 2014. The Authority has the exclusive right to renew and extend the contract beyond ten (10) years for up to three (3) separate extensions of five (5) years each, not to exceed fifteen (15) years total extension time. The contract requires that the Authority must notify the contractor of its intent to extend the agreement no later than one (1) year prior to the end of the then-current term.

The current term will end on December 31, 2023 unless the Authority exercises its right to renew and extend the Base Term and notifies the contractor of that decision prior to December 31, 2022. Staff is recommending that the Board approve and authorize the exercise of the Authority's right to renew the contract for an additional five (5) years, and direct staff to notify the Contractor of that decision in accordance with the terms of the Agreement.

FISCAL & STRATEGIC PLAN IMPACT

Is there a Fiscal Impact?	No
Is it currently budgeted?	Yes
Where is it budgeted?	Napa Vallejo Waste Management Authority
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	Continuity of Disposable Operations
Is the general fund affected?	No

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

In 2013, after a comprehensive RFP process, the Board authorized execution of a contract with Potrero Hills Landfill for Long Term Residue Disposal and ADC Capacity Services. The contract calls for an initial term of ten (10) years, commencing January 1, 2014. The Authority has the exclusive right to renew and extend the contract beyond ten (10) years for up to three (3) separate extensions of five (5) years each, not to exceed fifteen (15) years total extension time. The contract requires that the Authority must notify the contractor of its intent to extend the agreement no later than one (1) year prior to the end of the then-current term.

The current term will end on December 31, 2023 unless the Authority exercises its right to renew and extend the Base Term and notifies the contractor of that decision prior to December 31, 2022. Staff is recommending that the Board approve and authorize the exercise of the Authority's right to renew the contract for an additional five (5) years, and direct staff to notify the Contractor of that decision in accordance with the terms of the Agreement.