

**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

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

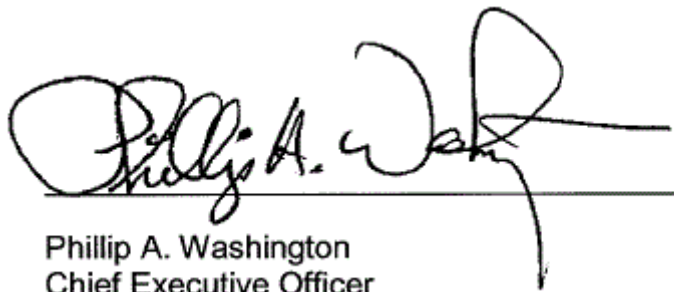
Upon approval by the Board, staff will execute Contract Modification No. 1 to Contract No. OP31203099, with Hazardous Technologies Inc., for liquid waste removal services, to exercise the two, one-year options and extend the period of performance through October 31, 2018.

ATTACHMENTS

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

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