



**THE PORT
OF LOS ANGELES**
Executive Director's
Report to the

Board of Harbor Commissioners

DATE: FEBRUARY 22, 2012

FROM: CONSTRUCTION AND MAINTENANCE

SUBJECT: RESOLUTION NO. _____ - MEMORANDUM OF UNDERSTANDING WITH THE CITY OF LOS ANGELES DEPARTMENT OF PUBLIC WORKS BUREAU OF SANITATION FOR RUBBISH HAULING AND DISPOSAL SERVICES

SUMMARY:

The Construction and Maintenance Division (C&M) requests approval of a three-year Memorandum of Understanding (MOU) with the City of Los Angeles Department of Public Works Bureau of Sanitation (BOS) for rubbish hauling and disposal services at the Port of Los Angeles (Port). The City of Los Angeles Harbor Department (Harbor Department) does not have staff resources to carry out rubbish disposal from four- and six-cubic yard dumpsters and forty-cubic yard containers. The Harbor Department seeks to promote cooperation between City departments by partnering with and utilizing employees from another City agency. This three-year MOU is for an amount not to exceed \$1,100,000.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners (Board):

1. Approve the Memorandum of Understanding with the City of Los Angeles Department of Public Works Bureau of Sanitation for a term of three years in an amount not to exceed \$1,100,000 for rubbish hauling and disposal services;
2. Approve the transfer of \$1,100,000 from the Harbor Department, Center 0510, Construction and Maintenance, Program 000, Account 57045 to the Department of Public Works Bureau of Sanitation, Fund 508, Department 50, Revenue Source 459701;
3. Authorize the Executive Director and Board Secretary to execute and attest to said Memorandum of Understanding on behalf of the Board;
4. Direct the Board Secretary to transmit to the Board of Public Works, the Mayor and City Council for necessary actions; and
5. Adopt Resolution No. _____.

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SUBJECT: APPROVAL OF MOU WITH THE BUREAU OF SANITATION

DISCUSSION:

City of Los Angeles and Harbor Department management have encouraged the use of City services and employees to meet the needs of Harbor Department operations when feasible and practical. In order to maximize the use of City services and employees, the Harbor Department has negotiated an MOU with BOS to perform rubbish hauling and disposal services for a term of three years (Transmittal 1). The MOU is for an amount not to exceed \$1,100,000 over three years. Unit prices are negotiable after one year and the Harbor Department has the right to terminate the MOU upon 30 days notice. The Harbor Department is responsible for actual disposal fees.

BOS agrees to use collection trucks that are either dedicated natural gas or dual-fuel, which operate mostly on natural gas with a small portion of ultra-low sulfur diesel fuel. All dual-fuel vehicles will be equipped with a certified diesel emission control device.

The waste from the Port will be disposed at a facility that converts waste to energy such as the Southeast Resource Recovery Facility (SERRF) in Long Beach. Waste will not be diverted to a landfill unless SERRF is not available or it cannot handle the material delivered. All instances of this diversion will be documented and forwarded to the Harbor Department for review.

BOS currently provides waste hauling and disposal services for the Harbor Department as well as other City departments including the Los Angeles Convention Center, El Pueblo de Los Angeles Historical Monument, and two different MOUs with Los Angeles World Airports. A yearly Interdepartmental Order will transfer funds for these services, similar to current transfers for waste disposal, water, power and fire protection.

The refuse disposal services under this MOU do not include terminal locations managed by the Port's tenants and customers.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of a MOU with the City of Los Angeles BOS for continued rubbish handling and disposal services identical to the services currently provided through an existing MOU. As an administrative activity, the Director of Environmental Management has determined that the proposed action is exempt from the California Environmental Quality Act (CEQA) in accordance with Article II, Section 2(f) of the Los Angeles City CEQA Guidelines.

ECONOMIC BENEFITS:

This Board action will have no direct employment effect.

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FINANCIAL IMPACT:

Approval of the proposed three-year MOU will authorize the Harbor Department to expend the not to exceed amount of \$1,100,000 over three years for rubbish hauling and disposal services.

Funding in the amount of \$233,000 is available for these services in the current FY 2011-2012 Operating Budget, Center 0510, Construction and Maintenance, Program 000, Account 57045, City Services - Public Works. Funds for future years will subsequently be requested as part of the annual budget process upon Board approval in each of those future fiscal years. Should funds in this particular account be insufficient to pay for all disposal services in a particular fiscal year, C&M will either request an internal fund transfer from one or more of its other City Services accounts, or request additional funds from elsewhere in the Harbor Department. This could include Board action. Internal fund transfers have been sufficient in the last three fiscal years.

The prior MOU authorized a maximum expenditure of \$1,035,000 over three years. C&M had expenditures of \$195,026 in FY 2008-09 (11 months), \$270,517 in FY 2009-10 (12 months), and \$300,394 in FY 2010-11 under that MOU. This is an average of \$21,884 per month for refuse hauling and disposal.

The new MOU includes four additional bins at Banning's Landing, 300 Water Street, and the new Port Police Headquarters for a total of 64 bins and containers. In addition, there has been a 4.3% increase in BOS collection costs since the beginning of the prior MOU. Regular cost increases and contingencies have been calculated into the request for funds over the next three years.

A funding out clause is included in the MOU.

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CITY ATTORNEY:

The Office of the City Attorney has reviewed and approved the MOU as to form and legality.

TRANSMITTAL:

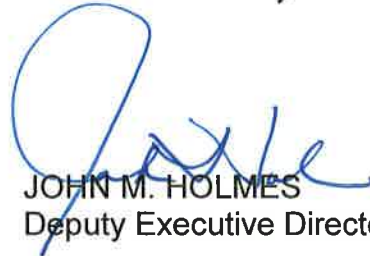
1. Memorandum of Understanding with the Bureau of Sanitation

FIS Approval: ef (initials)

CA Approval: jm (initials)



JIM MORGAN
Director of Port Construction and Maintenance



JOHN M. HOLMES
Deputy Executive Director

APPROVED:



GERALDINE KNATZ, Ph.D.
Executive Director

Author: D. Young

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