

**THIS IS A PROPOSED DRAFT AND WILL BE REPLACED BY THE
FINAL, SIGNED ORDINANCE OR RESOLUTION ADOPTED BY THE
CITY COUNCIL**

ORDINANCE

**AMENDING THE EXISTING ORGANICS MATERIALS PROCESSING
CONTRACT WITH NEW EARTH, INC., TO EXTEND THE TERM BY
ONE YEAR, INCREASE THE PER TON PROCESSING FEE FROM
\$16.50 TO \$24.00 AND PURCHASE UP TO 75,000 CUBIC YARDS OF
FINISHED COMPOST AT \$14.00 PER CUBIC YARD**

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WHEREAS, City Council approved Ordinance 2013-01-31-0077 to establish a subscription based program for Organics Recycling consisting of a third collection cart that is used by residents to dispose of organic materials such as grass clippings, leaves, shredded paper, kitchen scraps, food-soiled paper and soiled pizza boxes; during the FY2015 Budget, City Council approved the Pay As You Throw Program that incorporated organics recycling collection as part of the Solid Waste Management Department's base service; and

WHEREAS, City Council approved Ordinance 2014-02-20-0088, which selected New Earth, Inc., and awarded a contract for organic material processing services, at a cost of \$16.50 per ton of organic material, in an amount estimated at 10,000 tons annually after the first year; due to the success of the program and the increased volume of organic material collected, the contract was amended in October 2015 and November 2017 to increase the allocated budget; and

WHEREAS, the initial term of the Contract will expire on December 31, 2019, and the City is exercising the first option to renew this Contract for a period of one additional year to start on January 1, 2020 and end on December 31, 2020; the City may exercise the additional annual renewal options at any time before the end of this first renewal option period; the Parties have agreed to amend the Contract during the first renewal option period to increase the compensation from \$16.50 per ton to \$24.00 per ton and the City has agreed to purchase up to 75,000 cubic yards of compost annually from New Earth, Inc.; and

WHEREAS, this Ordinance amends and extends, for a period of one year, an existing organics materials processing contract with New Earth, Inc., increasing the per ton processing fee from \$16.50 to \$24.00 and purchasing up to 75,000 cubic yards of finished compost at \$14.00 per cubic yard; the total cost of the amended contract is not to exceed \$2,720,000.00, including a total of \$1,050,000.00 for purchasing finished compost and \$1,670,000.00 for organics materials processing; funding for this agreement is available in the FY 2020 Solid Waste Operating and Maintenance Adopted Budget; and

WHEREAS, this Ordinance authorizes the first one-year extension of the organics processing contract with New Earth, Inc., and approves the pricing and contractual amendments; **NOW THEREFORE**,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The City Manager, or designee, or the Director, Solid Waste Management Department, or designee, is authorized to renew the current contract for organic material processing services with New Earth, Inc., as amended, for the first optional one-year extension term from January 1, 2020 to December 31, 2020. The increase in the contract value by an additional amount of not to exceed \$1,050,000.00 for purchasing finished compost and \$1,670,000.00 for organics materials processing for the year, for a new total contract value not to exceed \$2,720,000.00, is hereby approved. The City Manager, or designee, or the Director, Solid Waste Management Department, is authorized to exercise the remaining renewal options at their discretion, under the same terms and conditions, without further Council action. A copy of the contract Amendment is attached as **Exhibit "A"** and made a part hereof and incorporated herein for all purposes.

SECTION 2. Funds will be encumbered upon issuance of purchase orders, and payment is authorized to New Earth, Inc. for organics materials processing.

SECTION 3. The financial allocations in this Ordinance are subject to approval by the Deputy Chief Financial Officer, City of San Antonio. The Deputy Chief Financial Officer may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific Cost Centers, WBS Elements, Internal Orders, General Ledger Accounts, and Fund Numbers as necessary to carry out the purpose of this Ordinance.

SECTION 4. This Ordinance shall become effective immediately upon passage by eight (8) or more affirmative votes or, if passed by fewer than eight (8) affirmative votes, shall be effective ten (10) days after passage.

PASSED and APPROVED this ____th day of _____, 2019.

M A Y O R
Ron Nirenberg

ATTEST:

APPROVED AS TO FORM:

Leticia M. Vacek, City Clerk

Andrew Segovia, City Attorney