

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

AN ORDINANCE

**AMENDING AND EXTENDING 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**

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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 amendment increases the organics fee by \$7.50 per ton, which will increase the processing cost by \$510,000.00 for this one-year term; the SWMD will purchase up to 75,000 cubic yards of compost at \$14.00 per cubic yard for an amount not to exceed \$1,050,000.00; considering both the processing fee and the compost purchase, the amendment will increase current expenditures by \$1,560,000.00 over the one-year contract extension term for a total of approximately \$2,680,000.00; 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 not to exceed \$1,560,000.00 for the year, for a new total contract value not to exceed \$2,680,000.00, 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. FISCAL ORDINANCE LANGUAGE

SECTION 3. FISCAL ORDINANCE LANGUAGE

SECTION 4. The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director of Finance, may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific SAP Fund Numbers, SAP Project Definitions, SAP WBS Elements, SAP Internal Orders, SAP Fund Centers, SAP Cost Centers, SAP Functional Areas, SAP Funds Reservation Document Numbers, and SAP GL Accounts as necessary to carry out the purpose of this Ordinance.

SECTION 5. 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