



City of San Antonio

Legislation Details (With Text)

File #: 20-5714

Type: Misc - Professional Services
Agreements

In control: City Council A Session

On agenda: 10/29/2020

Title: Ordinance approving an amendment to the Agreement with Atlas Organics Development, LLC for the organics processing facility development for the Solid Waste Management Department's organics program with an increase in an amount of \$300,000 for a total payment of \$5,828,749 for electrical infrastructure improvements to be constructed at the Nelson Gardens Landfill. Funding for this amendment is available in the Solid Waste Operating and Maintenance Fund. [David W. McCary, CPM, Assistant City Manager; David Newman, Director, Solid Waste Management Department]

Sponsors:

Indexes:

Code sections:

Attachments: 1. Agreement, 2. Atlas Electrical Budget, 3. Draft Ordinance, 4. Draft Attachment 20-5714 RFCA AMD ONE Atlas Facility Development, 5. Signed Agreement, 6. Ordinance 2020-10-29-0777

Date	Ver.	Action By	Action	Result
10/29/2020	1	City Council A Session		

DEPARTMENT: Solid Waste Management Department

DEPARTMENT HEAD: David Newman

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Organic Material Processing Contract Amendment

SUMMARY:

This ordinance authorizes an amendment for a \$300,000 increase to the contract amount with Atlas Organics Development, LLC (Atlas) for design and construction of electrical infrastructure to support operations of the organic material processing facility at the Nelson Gardens Landfill.

BACKGROUND INFORMATION:

The City of San Antonio ("City"), through the Solid Waste Management Department (SWMD), currently has an agreement with Atlas Organics Development, LLC ("Atlas"), pursuant to Ordinance No. 2020-04-09-0250 which was passed and approved by City Council on April 9, 2020.

Ordinance No. 2020-04-09-0250 authorized a ten year agreement and lease with Atlas Organics CU05, to begin January 1, 2021, for the processing of organic material for the City. It also authorized an agreement for facility development at the City's Nelson Gardens Landfill with Atlas Organics Development, LLC, an affiliate of Atlas

Organics CU05, for a payment of \$5,528,749 to design and construct the organic material processing facility and install the equipment to run the facility. This facility and the equipment will belong to the City.

In the FY2020 Annual Budget, the City Council approved a budget of \$300,000 for electrical infrastructure improvements to be installed at the Nelson Gardens landfill to support a proposed electric-powered brush grinder. Atlas is purchasing and will be operating an electric-powered grinder for the facility under the existing contract. Therefore, the City no longer has a need to purchase an electric-powered grinder for this location. The electrical infrastructure is still required, however, and includes the extension of electrical cabling from CPS Energy, an electrical transformer and switchgear. This ordinance authorizes the previously budgeted FY2020 dollars to be assigned to Atlas for the electrical infrastructure development. Atlas, instead of the City, will now be responsible for providing and improving the electrical infrastructure equipment necessary to power the electric-powered grinder and other associated electrical equipment to be used at the Nelson Gardens facility.

ISSUE:

The SWMD was authorized \$300,000 in the FY2020 budget for electrical infrastructure improvements to support a planned electric-powered brush grinder at the Nelson Gardens Landfill. Because the City entered into a contract with Atlas Organics to build and run an organic material processing facility at this location and because Atlas will be purchasing an electric-powered grinder for this use, the City no longer needs to purchase an electric-powered grinder for this facility; however, the electrical infrastructure is still required. This ordinance will allocate the previously approved funds to Atlas and Atlas will be responsible for the installation of the electrical infrastructure improvements required for this site. The SWMD believes that Atlas is better positioned through their current construction efforts to bring additional electric power to the Nelson Gardens Landfill site. If done by Atlas, the electrical equipment will align with their current project specifications and construction timeline.

ALTERNATIVES:

The SWMD could contract with another entity to design and construct the proposed electrical improvements. This would require additional coordination efforts with Atlas and the planned electrical infrastructure improvements for the facility. Design and electrical load consideration could also be disputed between Atlas and an alternate contractor. The schedule is currently compressed to meet the project deadlines. It is unknown if an alternate contractor could satisfy Atlas' electrical needs under the current construction schedule.

FISCAL IMPACT:

Funds for this contract increase are available in the Solid Waste Operating and Maintenance Fund.

RECOMMENDATION:

Staff recommends approval of the amendment to the Agreement and the increase of \$300,000 to the contract with Atlas Organics Development, LLC for the design and construction of electrical infrastructure improvements at the Nelson Gardens Landfill site.