



Board Agenda Item 59

DATE: June 22, 2021

TO: Board of Supervisors

SUBMITTED BY: Steven E. White, Director
Department of Public Works and Planning

SUBJECT: Household Hazardous Waste Collection - Retroactive First Amendment

RECOMMENDED ACTION(S):

Approve and authorize Chairman to execute a retroactive First Amendment to Agreement No. 17-316 with Clean Earth Environmental Solutions, Inc. to revise the Household Hazardous Waste Transporter's Price List to allow for the cost of \$.10 per pound for the collection and disposal of electronic waste as well as the cost of \$1.10 per pound for the collection and disposal of treated waste wood that requires incineration and the cost of \$1.44 per pound for the collection and disposal of solar panels, effective December 1, 2020, with no change to the term of August 1, 2017 through July 31, 2022, or compensation amount of \$4,654,500.

Approval of the recommended action allows the contractor to charge the County \$.10 per pound for the collection and disposal of electronic waste (e-waste), \$1.10 per pound for the collection and disposal of treated waste wood (TWW) that requires incineration and the cost of \$1.44 per pound for the collection and disposal of solar panels, effective December 1, 2020. This item is countywide.

ALTERNATIVE ACTION(S):

Your Board may deny the recommended action; however, this may result in a disruption and/or an increase in cost for services as Clean Earth will likely not renew for the final year of the agreement and the Department would have to go out to bid for these services. It should be noted, any disruption in services could result in fines imposed by the State of California.

RETROACTIVE AGREEMENT:

This item is to be retroactive and effective as of December 1, 2020. It was originally scheduled for a 2020 Board date, but the amendment has gone through several changes made by County Counsel as well as Clean Earth's legal counsel. Both County of Fresno and Clean Earth staff have been teleworking due to the Coronavirus pandemic and as a result, it prolonged the process it would normally take to obtain wet signatures.

FISCAL IMPACT:

During FY 2019-20, the County collected 24,100 lbs. of e-waste. Clean Earth has proposed a rate of \$.10 per pound for e-waste, which would have resulted in an increase of \$2,410 for FY 2019-20, which is less than one percent of the \$285,000 annual average to collect and dispose of all other household hazardous waste. The County collected minimal amounts of TWW during FY 2019-20 and no solar panels. With your Board's approval, the new rate will take effect on December 1, 2020. The increase is not significant enough

to require an increase in the annual maximum of this agreement and has been unanimously approved by the Assembly Bill (AB) 939 Memorandum of Understanding (MOU) Committee. The AB 939 MOU Committee consists of the County and the cities of Clovis, Coalinga, Firebaugh, Fowler, Fresno, Huron, Kerman, Kingsburg, Mendota, Orange Cove, Parlier, Reedley, San Joaquin, Sanger, and Selma. Together they allow for the continued implementation and funding of regional AB 939 (the Integrated Waste Management Act), including education, public information, household hazardous waste management programs and the development of associated facilities.

There is no increase in Net County Cost associated with the recommended action. Operation of the Household Hazardous Waste (HHW) facility and associated Local Network Programs, such as the sharps, bulbs and battery drop-off locations throughout Fresno County and its jurisdictions, are fully funded by accumulated and current surcharge revenues on each ton of landfilled solid waste generated in Fresno County. Sufficient appropriations have been included in the FY 2020-21 Adopted Budget for the Public Works and Planning Resources Org 9015 and will be included in subsequent budget requests.

DISCUSSION:

On June 20, 2017, the County of Fresno entered into Agreement No. 17-316 (Agreement) with Stericycle Environmental Solutions, Inc. to operate the regional HHW facility for an initial three-year term, with the option to extend the Agreement for two additional periods of one-year each. Four months prior to the expiration of the initial three-year term, it was disclosed that on April 7, 2020, Stericycle had sold its environmental solutions business to Harsco, who announced that they would be operating under the name Clean Earth. There is no need to assign the original contract from Stericycle to Clean Earth as Clean Earth has provided documentation from the IRS showing the approval of the name change and that they are operating under the same Employer Identification Number that Stericycle was using.

Approximately two months before the expiration date of the initial three-year term of the Agreement, a letter was sent to Clean Earth expressing the County's desire to extend the agreement for an additional one-year term by mutual written consent. Clean Earth agreed to the extension with the understanding that County staff would ask your Board to consider a rate increase for the collection and disposal of e-waste, which has been collected and disposed of at no charge to the County. Clean Earth explained that the market has experienced changes which have resulted in previously unanticipated costs to provide this service.

Since the inception of the Agreement, Clean Earth has used third-party recyclers to dispose of e-waste, which offered very low disposal rates coupled with CalRecycle rebates that resulted in zero cost to the County. Recently, disposal costs for e-waste have risen significantly, while rebates are now only offered on select items. The market change and reported increased costs have been independently verified by a survey conducted by County staff.

Clean Earth has also requested that County staff ask your Board to consider a rate increase for the collection and disposal of TWW as well as solar panels. The increase of fee for TWW is only in the event it requires incineration, otherwise, the price point remains at \$0.28. Solar panels have recently been categorized as universal waste and are now being accepted by Clean Earth, hence the price listing.

If denied, Clean Earth may choose not to extend the agreement by mutual written consent for its potential final one-year term. In that event, rates will likely be much higher than were proposed in 2017. Additionally, the County may be subject to fines levied by CalRecycle for each day the County does not have an active and operational permanent HHW facility.

REFERENCE MATERIAL:

BAI # 79, June 20, 2017

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Amendment to Agreement with Clean Earth

CAO ANALYST:

Ron Alexander