RESOLUTION - ACTION REQUESTED 2017-460

MEETING: July 11, 2017

TO: The Board of Supervisors

FROM: Mike Healy, Public Works Director

RE: Approve First Amendment with Fujii Civil Engineering

RECOMMENDATION AND JUSTIFICATION:
Approve a First Amendment with Fujii Civil Engineering in the not-to-exceed amount of $10,000, for a total not-to-exceed amount of $34,000, for continued engineering services for Solid Waste and Household Hazardous Waste engineering; and Authorize the Board of Supervisors Chair to Sign the Agreement.

Fujii Civil Engineering will continue to provide services necessary to continue to comply with various permitting, grants and regulatory requirements, including work towards developing landfill expansion and/or closure plans.

BACKGROUND AND HISTORY OF BOARD ACTIONS:
On June 14, 2016, Resolution 2016-288 The Board approved a Professional Services Agreement with Fujii Engineering for compliance requirements.

ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:
Do not approve; the compliance requirements for this year will not be completed.

FINANCIAL IMPACT:
Funding for this agreement is included in the FY16-17 requested budget in the Solid Waste Budget.

ATTACHMENTS:
Fujii Eng 1st amd (PDF)
Fujii Eng 16-032 (PDF)

CAO RECOMMENDATION
Requested Action Recommended

Rene LaRoche, Clerk of the Board 7/6/2017
RESULT:    ADOPTED BY CONSENT VOTE [UNANIMOUS]
MOVER:    Merlin Jones, District II Supervisor
SECONDER: Kevin Cann, District IV Supervisor
AYES: Smallcombe, Jones, Long, Cann, Menetrey
FIRST AMENDMENT TO AGREEMENT FOR HOUSEHOLD HAZARDOUS WASTE ENGINEERING SERVICES

THIS FIRST AMENDMENT TO AGREEMENT FOR HOUSEHOLD HAZARDOUS WASTE ENGINEERING SERVICES is made and entered into this 11th day of July, 2017, by and between the County of Mariposa, a political subdivision of the State of California, hereinafter referred to as “County”, and Fujii Engineering, hereinafter referred to as “Contractor”.

WHEREAS, the County and Contractor have heretofore entered into a Contract dated June 14, 2016, wherein Contractor agreed to provide Household Hazardous Waste Engineering Services; and

WHEREAS, County and Contractor desire to amend said Contract to increase compensation to be provided to Contractor for continued engineering services in the amount of Ten Thousand Dollars ($10,000) for a total compensation of Thirty Four Thousand Dollars ($34,000);

NOW, THEREFORE, the parties hereto in consideration of the mutual covenants herein recited, hereby agree as follows:

1. Paragraph 4.01, “COMPENSATION”, is hereby amended to provide that an additional Ten Thousand Dollars ($10,000) will be added to the original contract price of Twenty Four Thousand Dollars ($24,000), making the total compensation paid to Contractor the not to exceed amount of Thirty Four Thousand Dollars ($34,000).

2. Except as herein amended, the agreement dated June 14, 2016 shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed on
the date first above written.

COUNTY OF MARIPOSA:

Marshall Long, Chairman
Mariposa County Board of Supervisors

CONTRACTOR:

Curtis Fujii

ATTEST:

RENE LAROCHE
Clerk of the Board

APPROVED AS TO FORM:

STEVEN W. DAHLEM
County Counsel
January, 24, 2017

Mr. Todd Storti
Solid Waste & Recycling Manager
Department of Public Works
County of Mariposa
4639 Ben Hur Road
Mariposa, California 95338

Re: Proposal to Prepare Landfill Budget Model and Proformas and Request for Additional Funding for General Consulting Services, Mariposa County Solid Waste and Recycling Operations, Mariposa County, California

Dear Mr. Storti:

**Landfill Budget Model and Proforma**

Fujii Civil Engineering (FCE) is pleased to submit this proposal to assist Mariposa County’s long-range solid waste planning activities by preparing a Landfill Budget Model and Proformas, as described in the Scope of Work below. I assume that FCE will provide these services as a change order to my existing contract with the County for solid waste consulting services. These services are outside the scope of my normal contract with the County.

To provide this assistance, FCE will team with Civil & Environmental Consultants (CEC). CEC has developed the Landfill Budget Model and the Proforma that are similar to tools used by private solid waste management companies to determine costs associated with existing operations and to evaluate the financial aspects (i.e., the potential return, or profit) of potential new business ventures. Mr. Randy Bodnar of CEC and I have worked extensively with similar models during our employment with Allied Waste (now known as Republic Services) and in preparing due diligence evaluations of potential acquisitions (and similar business opportunities) for private solid waste management companies. Working together, we can provide an exceptional level of service to the County in this matter.
Scope of Work

Task 1 – Prepare Landfill Budget Model – Preparing this model develops basic capital costs over the remaining life of the landfill. The capital costs are estimated costs for cell/liner development/construction (not a significant cost for existing Modules 1 and 2), landfill gas collection and control, corrective action, closure, and post-closure. The model is an excel workbook with approximately 20 individual worksheets. Formulas/macros combine information from the individual worksheets to evaluate these costs. In addition, the model incorporates the remaining life of the site (based on the most recent aerial topographic map of the landfill) to include the effects of inflation and discounting. Costs are expressed both as both lump sum costs and costs per ton of future landfilled materials.

1.1 Prepare Draft Budget Model for County Review – FCE will work with CEC to develop a draft Landfill Budget Model, based on our existing knowledge of the landfill.

1.2 Review Draft Model with County – FCE and CEC will review the draft Landfill Budget Model with County personnel. In particular, we would like to review the draft with appropriate accounting personnel, either from Public Works, or the County Auditor’s office to identify any necessary revisions to make the model consistent with County accounting practices.

1.3 Revise and Finalize Model to Reflect County Accounting Practices and County Comments on the Draft – FCE and CEC will revise and finalize the Budget Model to incorporate County comments on the draft.

Task 2 – Prepare Proforma – The Proforma incorporates cost information from the Landfill Budget Model and additional cost information such as equipment repairs and maintenance, asset replacement, labor, other operating costs (utilities, debt, etc.,) and transfer station loading and transport costs to develop an overall “financial picture” of an operation. The Proforma is an excel workbook consisting of approximately 25 individual worksheets. For a private company, the Proforma would be used to estimate the potential return on a proposed new business venture. For a public agency like the County, we can use the proforma to determine the tipping fee necessary to meet costs (i.e., the break even tipping fee).

2.1 Identify Additional Costs Needed for Proforma – FCE and CEC will work with County staff to identify additional costs for the Proforma. In such items as labor, utilities, and debt, we will
need cost information from the County. For other items, such as equipment repairs and maintenance, asset replacement, and transfer station loading and transport, we will work with the County to identify factors and parameters affecting costs (e.g., equipment lists, current life of assets, out-of-county disposal site) and then use either industry standard information (e.g., equipment repair and maintenance recommendations from Caterpillar), our experience, and other sources of information (e.g., potential vendors) to estimate anticipated costs. We will then use this information to prepare a proforma as discussed below.

2.2 Prepare Draft Proforma (Modules 1 & 2 – Current Conditions) – We will prepare the Proforma to represent current conditions and operations at the Mariposa County Landfill, including the current tipping fee. If the Proforma indicates that the current tipping fee is not adequate to meet costs, we will prepare a quick revision (Proforma 1A) to estimate the tipping fee required to meet costs. We will provide copies of both Proforma 1 and Proforma 1A to the County.

2.3 Review Draft Proforma 1 With County – We will review the draft Proforma with County personnel to identify any necessary revisions.

2.4 Revise & Finalize Proforma – We will revise and finalize the proforma to incorporate County comments.

Estimated Cost

As mentioned above, FCE will team with CEC to provide the above services. I will invoice the County for CEC’s cost without any markup. Our estimated cost is shown below:

<table>
<thead>
<tr>
<th></th>
<th>FCE</th>
<th>CEC</th>
<th>Task Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Task 1</td>
<td>$3,840.00</td>
<td>$6,500.00</td>
<td>$10,340.00</td>
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<td>Task 2</td>
<td>$4,560.00</td>
<td>$10,765.00</td>
<td>$15,325.00</td>
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<tr>
<td>TOTALS</td>
<td>$8,400.00</td>
<td>$17,265.00</td>
<td>$25,665.00</td>
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FCE and CEC look forward to assisting the County in this very exciting project. In addition, once we prepare the initial model and proforma, we can prepare additional iterations to evaluate additional potential scenarios quickly and cost-effectively.
OPTION 1 – If the County is hesitant to authorize the full amount indicated above, I suggest the following option:

Authorize the full amount for Task 1 (Prepare Landfill Budget Model - $10,340.00), but only the FCE portion of Task 2 (Prepare Proforma - $4,560.00 for FCE only) for a total authorization of $14,900.00. I will work with County personnel to prepare the proforma to determine the tipping fee required for current costs. During this process, the County can authorize the part, or all, of the proposed budget for CEC of $10,765.00 if they conclude that additional expertise and assistance are necessary.

Request for Additional Funding for Additional General Consulting Services

As we have discussed, I have provided significantly more services to Mariposa County this year than has been typical of past years. The need for additional consulting services results from the following four factors:

• The Need For Additional Services While the County Recruited a New Solid Waste & Recycling Manager – Following the departure of Mr. Greg Ollivier from the County, I provided significantly more services to the County than has been typical in past years. In particular, significant time was necessary to respond to requests for information from CalRecycle to avoid a Compliance Order related to the County’s diversion programs and compliance with AB 939 and similar legislation and regulations. Representing the County during the Board of Equalization audit of the County’s Integrated Waste Management Fee returns in July also required a significant extra effort.

• The Need for Additional Services Related to Current Long-Range Solid Waste Management Planning Activities – The County is currently conducting a very thorough, and much-needed, investigation into alternatives for long-range solid waste management. To support this investigation, I have provided significant information and support both to County personnel and other County consultants. A crucial component of these efforts has been the recent activities to expand the revenue for solid waste management and recycling activities. To support this effort, I have prepared revised Reports of Facility Information (RFIs) for both the Composting Facility and the Landfill.

• The Need for Additional Consulting Services Related to the New State-Wide Storm Water Permit General Environmental Compliance – The new State-wide Industrial General Permit (IGP) for storm water discharges from industrial facilities imposes new requirements on the landfill. The landfill is currently in Level 1 Status (an elevated
status, compared to the initial Baseline status under the permit), which requires additional reporting. In addition, monitoring data obtained to date indicates that the landfill will likely advance to Level 2 status, following the end of the current monitoring/reporting year. Therefore, I have provided additional consulting services to generate information that the County will need if the landfill does, indeed, advance to Level 2 status, (i.e., we are taking a proactive approach to complying with the permit, and this requires additional services.) In addition, such recent events as the observation of a spring, with a sheen or film on the water, flowing from the landfill area required additional services. (NOTE: The additional work related to this particular item has indicated that there are no impacts to the environment from this spring and no need for additional work.)

- The request from CalRecycle that I participate in the three-day site visit they will conduct in March as part of their annual evaluation of the County’s diversion programs and compliance with AB 939 and similar legislation and regulations.

Due to the above factors, I have nearly exhausted my currently approved budget and request respectfully, that the County authorize an additional $10,000 (ten thousand dollars) for continued consulting services through June 30, 2017.

**Total Proposed/Requested Funds**

**Full Proposal**

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<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Landfill Budget Model and Proforma</td>
<td>$25,665.00</td>
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<tr>
<td>Additional General Consulting Services</td>
<td>$10,000.00</td>
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<td><strong>TOTAL</strong></td>
<td><strong>$35,665.00</strong></td>
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As noted above, if the County is hesitant to authorize the full proposal, they could authorize only the “Option 1” portion of the estimated cost to prepare the landfill budget model and proforma. Under this option, the total proposed/requested funds are as shown below:

**Option 1 (Reduced Budget)**

<table>
<thead>
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</tr>
<tr>
<td>Additional General Consulting Services</td>
<td>$10,000.00</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$24,900.00</strong></td>
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As always, I am committed to assisting Mariposa County in any way that I can, and will work diligently with County personnel to meet your needs under either option presented above.
I look forward to continuing to assist the County in their solid waste management and recycling activities.

Please contact me if you have any questions or comments.

Very truly yours,

Curtis G. Fujii
Fujii Civil Engineering