



Legislation Text

File #: 23-1779, **Version:** 1

Chief Administrative Office and Environmental Management recommending the Board:

- 1) Find that the Agreement for Services with Desert View Power LLC is exempt from competitive bidding in accordance with Procurement Policy C-17 3.4 (2)(a), (f), and (g); and
- 2) Approve and authorize the Chair to sign Agreement 8123 with Desert View Power LLC for the procurement of SB 1383-compliant biomass attributes, which will satisfy fifty percent (50%) of the required procurement target for El Dorado County, in an amount not to exceed \$395,112.39 and a term beginning upon execution and ending December 31, 2025.

FUNDING: Solid Waste County Service Area 10.

DISCUSSION / BACKGROUND

SB 1383 passed in 2016 as part of California's strategy to combat climate change. Organics like food scraps, yard trimmings, paper and cardboard make up half of what Californians dump into landfills. This waste releases 20% of the state's methane. SB 1383 requires jurisdictions to reduce landfill organic waste by 75% by 2025.

On July 18, 2023 (Item #23-1319) the Board received a presentation from Environmental Management regarding the SB-1383 procurement requirements for the County of El Dorado which included procurement of compost from El Dorado Disposal and biomass-derived electricity through GreenLeaf Power DBA Desert View Power LLC. A motion was made by Supervisor Hidahl, seconded by Supervisor Turnboo to direct staff to negotiate a three-year contract with Desert View Power, LLC through Pioneer Energy to purchase a minimum of 50% Biomass credits if available and to also negotiate a three-year contract with El Dorado Disposal for the balance of the procurement to be in Compost in order to comply with Senate Bill 1383. Environmental Management and County Counsel have negotiated a three-year contract for Board authorization and approval for a minimum 50% biomass credits with Desert View Power LLC. Environmental Management and El Dorado Disposal are currently negotiating a three-year contract for the balance of procurement in compost.

This proposed Contract qualifies as an exemption to policy C-17 under 3.4 (2)(a),(f), and (g). Policy C-17 3.4. Exemptions from Competitive Bidding states: "Competitive bidding for goods or services shall not be required when the awarding authority makes written findings of fact that: 2. Single Source/Sole Source (a) Specialized or unique character of the good, (f) procurement is for goods where the continuity of providers will provide efficiency or critical knowledge, and other providers of the goods cannot provide similar efficiencies or critical knowledge, and (g) when so directed by the Court, the funding source, as mandated by the state, or other relevant authority." The proposed Agreement qualifies under subsection 2 (a) in that Desert View LLC is offering highly specialized goods in bio-mass attributes, the manufacture, sale and distribution of which were developed in response to SB-1383. The Agreement qualifies under subsection 2(f) in that the product is so unique and new to the market in this capacity that this was the only provider located to provide this particular good in alignment with SB 1383 tonnage requirements. The Agreement also qualifies under subsection 2 (g) as it was brought before the Board for review on 7/18/23 (Legistar Item 23-1319) with other options, and the Board chose the direction and approved the negotiation of an Agreement

for Services in alignment with statutory requirements of SB-1383.

ALTERNATIVES

1) The Board could choose not to sign and approve this contract and review other methods of meeting procurement targets that do not include the purchase of biomass attributes.

2) The Board may also choose to revisit the 100% compost procurement option from El Dorado Disposal, as the City of Placerville successfully launched their compost procurement site. The estimated cost of 100% of the procurement goal through compost would be approximately \$465,652 versus \$627,939 for a 50% energy attribute, 50% compost mix, and would meet the SB 1383 requirements. Should the Board wish to pursue this alternative, staff would recommend the Board deny approval of the Desert View agreement and direct staff to incorporate this direction into the forthcoming agreement with El Dorado Disposal.

PRIOR BOARD ACTION

8/30/22 - Legistar 22-1188 - Approval of Ordinance 5164 as required for compliance with SB 1383.
7/18/2023 - Legistar 23-1319- Approval of Negotiations with Desert View Power LLC for Biomass Attributes.

OTHER DEPARTMENT / AGENCY INVOLVEMENT

County Counsel
CAO's Office

CAO RECOMMENDATION / COMMENTS

It is recommended that the Board consider the agreement and the recommended alternatives and provide direction to staff.

FINANCIAL IMPACT

The financial impact for this contract is \$395,113, which will be \$58,383 for Fiscal Year 2023-24, \$130,295 for FY 2024-25, and \$206,435 in FY 2025-26. There is an additional \$1,647.92 due for legal fees from Pioneer Energy for brokering the negotiation of the attributes. This contract does not include the other 50% procurement of compost which will be approximately an additional \$232,826 for a three-year contract, bringing the total financial impact for 100% compliance to \$629,587. Costs for the initial \$58,383 will be paid from the CSA #10 Solid Waste fund. Funding for the remainder of the term will be included in the budget request for future fiscal years.

CLERK OF THE BOARD FOLLOW UP ACTIONS

The Clerk of the Board will obtain the Chair's signature on the original budget transfer and will forward the budget transfer to the Auditor-Controller for processing.

STRATEGIC PLAN COMPONENT

Good Governance

CONTACT

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