

**OFFICE OF THE CITY MANAGER  
CITY OF LONG BEACH  
LONG BEACH, CA 90802  
23336**

**Change Order No. 40**  
**Contract No. 23336**  
**Project: SERRF**

**Date: September 2021**  
**Contractor: Covanta Long Beach Renewable Energy Corp.**

**Program No.: GOELAD**  
**Prior Change Orders: See Attachment 1.**

**This Change Order:**  
**\$1,850,000 – Gross Revenue**

**Uncontrollable Circumstance – Spot Market Refuse**

**BACKGROUND**

This Contract Change Order is issued in accordance with provisions set forth in Section 4.3 of the subject Contract with reference to the following facts:

1. As a result of the COVID-19 pandemic there has been interruption in normal operation in the waste industry. Due to the need for reliable landfill disposal during this time, permit conditions have been relaxed in the Southern California region. This has caused SERRF difficulties in procuring waste deliveries because there now exist lower price options.
2. The City does not have the resources or expertise to procure municipal solid waste (“MSW”) on a spot market basis. However, Covanta (“Contractor”) currently has in place a nationwide spot market waste procurement operation capable of providing waste to the SERRF facility. Contractor is uniquely qualified to provide this service. As the operator, Contractor is on site 24/7 and can coordinate all aspects of procurement, including scheduling the receiving of waste at the facility.

**SCOPE OF THE CHANGE ORDER**

This change order is intended to allow for receipt of acceptable MSW on a spot market basis when refuse deliveries are insufficient to provide full three-boiler operation at the SERRF facility.

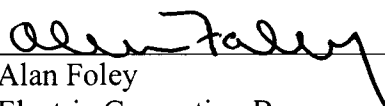
1. Procurement of spot market waste will be triggered when there is insufficient refuse inventory in the facility’s refuse storage bunker to allow for stable operation. Spot market waste will be delivered whenever forecasts show insufficient waste projections.
2. A waste needs analysis will be performed during periods of low refuse deliveries. When forecasts project insufficient refuse inventory in the facility’s refuse storage bunker to allow for continued operation through the subsequent 2-week period the City will request the Operator to procure spot market waste until such time the refuse shortfall projection is eliminated.

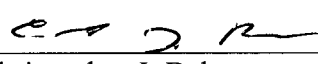
**COST OF CHANGE ORDER**


There is no cost associated with this change order. However, it is anticipated that gross electrical and refuse revenues will increase over current operations by as much as \$1,850,000 annually.

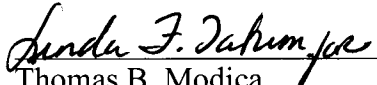
**NO OTHER CHANGES**

- 1. Except as specifically enumerated above, all other terms and provisions of the subject contract shall remain unchanged. The execution and delivery of this Change Order by the Contractor and the City shall not in any manner prejudice the rights which the Owner, the City or the Contractor may have to pursue any other claims which such party may have against the other, other than those claims which are the subject of the Change Order.

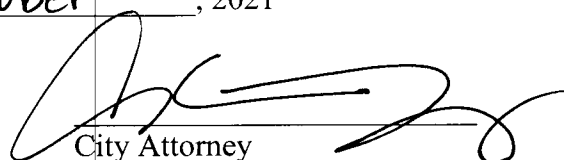
 9/20/21  
 Alan Foley Date  
 Electric Generation Bureau  
 Manager

 9/17/2021  
 Christopher J. Baker Date  
 Vice President

 9/22/21  
 Robert Dowell Date  
 Director Long Beach  
 Energy Resources Department

 10-13-2021  
 Thomas B. Modica Date  
 City Manager

Approved as to form this 11<sup>th</sup> day of October, 2021

  
 City Attorney

By Erin Weesner-Mckinley  
 Deputy for Amy Webber

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Distribution:

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City Attorney

Manager, Electric Generation Bureau

Financial Management, Accounting

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General Manager, SERRF Authority

Plant Manager, Covanta Long Beach

Business manager Covanta Long Beach

## ATTACHMENT 1

**Prior Change Orders:**

1) Capital Improvement & Cement Transfer Screw Conveyor Installation.	\$500,000	Flyash Treatment Transfer Conveyor
2) Capital Improvement	\$ 86,000	Landscaping-Variou Areas Dust control
3) Capital Improvement	\$ 29,000	Landscaping-Cooling Tower Area Dust control
4) Capital Improvement	\$409,399	3 <sup>rd</sup> Pass Boiler Flyash Removal System
5) Pass-thru (spare parts)	\$108,816	Inventory Increase-Spare Motors
6) (a) Capital Improvement Construction	\$179,375	Refuse Driver's Restroom
(b) Base Operating Fee Maintenance of Refuse driver's	\$ 43,305	Annual Costs in June 1993 Dollars Restroom
7) (a) Capital Improvement	\$120,779	MACT Compliance
(b) Operations & Maint. Risk Assessment.	\$ 35,650	One time costs-Title V & Health
(c) Base Operating Fee	\$ 97,548	Additional Operations Costs (in 1993 dollars) Per Year
8) Capital Improvement	\$ 63,200	Underground Diesel Storage Tank Modification
9) Capital Improvement	\$264,833	MSW Drying Gas Burner Installation
10) Capital Improvement	\$261,708	Steam Blowing System and Service Platform Installation
11) (a) Capital Improvement	\$442,747	MSW Drying Gas Burners Installation
(b) Spare Parts	\$ 22,458	MSW Spare Parts for Gas Burners
12) Capital Improvement	\$303,480	Installation of NOx Reduction System with Minimal Ammonia Slip
13) Capital Improvement	\$104,500	Build and Maintain a Training Room

14) Capital Improvement	\$425,150	Install Photovoltaic System
15) Capital Improvement	\$ 28,875	Install Crane Deck Restroom
16) Capital Improvement	\$108,649	Upgrade COMS
17) Capital Improvement	\$190,596	Security Cameras
18) Capital Improvement	\$281,630	PV Demo Project Modification
19) Capital Improvement	\$255,596	Performance Improvement Work – Group 1 Design
20) Capital Improvement	\$153,891	Performance Improvement Work – Group 1 Implementation
21) Capital Improvement	\$556,292	Fueltech Demonstration Test – Urea System
22) Change of Law	\$ 47,225	AB 32 Implementation & Climate Exchange Registry
23) Change of Law	\$ 41,344	New SCAQMD CEMS for SERRF (NO2 Channel and NO2 Calibration)
24) Capital Improvement	\$190,250	Training Building Upgrade
25) Capital Improvement Change of Law	\$991,507	Reduction of Mercury Emission in Refuse-Burning Power Plant – (Carbon Injection System)
26) Capital Improvement	\$ 15,000	Engineering for a potential Ferrous and Non Ferrous Metal recovery System
27) Capital Improvement	\$ 58,436	Fire Protection Upgrades Required Due to New Fire Protection Codes on Elevator Refurbishing
28) Insurance by Contractor	\$1,372,525	Purchase of property insurance provided
29) Capital Improvement	\$ 550,000	Covers actual costs for the purchase of powder activated carbon, parts, and outside labor related expenses
30) Insurance by Contractor	\$1,296,900	Purchase of property insurance provided

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31) CAISO (QF) Conversion	\$140,070	Install and prep for CAISO / QF
32) Bottom Ash		(Terminated)
33) Scheduling Coordinator	\$449,220	Covers Costs related to the scheduling coordinators requirements and associated service orders.
34) RA Capacity	\$1,000,000 – \$1,500,000	Estimated Revenue per year, 75% to the City and 25% to Covanta
35) RA Capacity Extension	\$0	Extension of authority to contract SERRF RA
36) Cap and Trade Allowances	\$2,250,071	Purchase of Allowances for SERRF
37) SERRF AB2588 Support	\$90,000	Prep of report for AQMD per AB2588
38) Slipstick Extension	\$592,000	Improvements to slipstick and ferrous system
39) Elevator	\$800,000	Elevator Replacement