



City Council Agenda Item

City Council Meeting Date: April 21, 2026

TO: Dean Albro, City Manager

FROM: Steve Clark, Solid Waste Regulatory Compliance Supervisor
s_clark@ci.lompoc.ca.us

SUBJECT: Approval of Change Order Request to Purchase Order with Engel & Gray, Inc., for Organics Hauling and Processing Services

Recommendation:

Staff recommends the City Council authorize an amendment to Purchase Order (PO) No. C260175 with Engel & Gray, Inc. for an additional \$110,000 bringing the total amount to \$299,000 for the period from July 2025 through July 2026.

Background:

The State of California has passed several laws (AB 1826, AB 1594, and SB 1383) since 2014 that govern the management of organic wastes. SB 1383 – Short Lived Climate Pollutants requires the City to divert organics (green waste and food scraps) from landfill disposal. Organics diversion also reduces greenhouse gas emissions and preserves valuable air space at the Lompoc Landfill.

In 2018, the City solicited a Request for Proposal (RFP) for organics processing services and awarded a five-year Professional Services Agreement (PSA) to Engel & Gray, Inc. Pursuant to the PSA, Engel & Gray provides hauling, processing, and composting services for the City's green waste and food scraps at their facility located in Santa Maria. The PSA expired on June 30, 2023, and the City has continued to procure services with Engel & Gray through annual purchase orders.

On July 16, 2025, PO No. C260175 was approved for \$99,000 for organics hauling and processing services. On December 16, 2025, the City Council approved change order No. 1 to add \$90,000, bringing the total to \$189,000 (Attachment 1). Staff projects there will be insufficient funding by the end of March 2026.

Discussion:

From July 2025 through March 2026, Engel & Gray hauled, processed and composted 3,200 tons of mixed organics (green waste and food scraps) from the Lompoc Landfill.

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This is a 76% increase compared to the same period the previous fiscal year. This increase is mostly attributed to the ebb and flow of the organics stockpile that is maintained at the Landfill. During the last half of Fiscal Year (FY) 2024-25, the site's grinder was non-operational for long stretches of time. Therefore, a significant amount of tons from the stockpile were not processed until the start of FY 2025-26.

Based on current trends and conditions, staff anticipates that an additional \$110,000 in funding on PO No. C260175 will be required through July 2026. Approval of the additional funding will ensure there is no disruption of its organics diversion operations, which are required under SB 1383.

Solid Waste staff submitted a Scope of Work to the Purchasing Division to release a Request for Proposal (RFP) in an effort to award a long-term agreement to the most responsive organic services provider. Staff anticipates bringing the Professional Services Agreement (PSA) award to Council in July, for the PSA to commence in August 2026. Additional funding will be requested at that time to address the remaining funding needed for FY 2026-27.

Fiscal Impact:

All costs related to these purchases are included in the adopted Biennial Budget FYs 2025-27. As of March 30, there is \$17,699 remaining on PO C260175, which is projected to be depleted when March's invoices are received. The additional funding of \$110,000 will be expensed from account 759SWR-534360 Recycle Processing, which has sufficient funding budgeted for FYs 2025-27.

Conclusion:

Authorizing additional funding to PO C260175 is critical in the City's compliance program to meet requirements of SB 1383 and the California Department of Resources Recycling and Recovery or CalRecycle. Upon approval of the PO change order, City staff will resume with hauling and organics processing services with its current provider Engel & Gray, Inc.

Respectfully submitted,

Steve Clark, Solid Waste Regulatory Compliance Supervisor

APPROVED FOR SUBMITTAL TO THE CITY MANAGER:

Michael Luther, Utility Director

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APPROVED FOR SUBMITTAL TO THE CITY COUNCIL:

Dean Albro, City Manager

Attachment: Purchase Order No. C260175 with Engel & Gray, Inc.