



City Council Report

Date: February 22, 2016
To: City Council
Through: Alex Deshuk, Chief Innovation Officer
From: Edward Quedens, MPA, C.P.M., CPPO, Business Services Director
Matt Bauer, MBA, CPPO, CPPB, CPSM, Procurement Administrator
Subject: Dollar Limit Increase to the Term Contract for Services for Solid Waste Disposal, Recyclable Material Processing, and Vegetative Waste Processing for the Environmental Management and Sustainability Department **(Citywide)**

Strategic Initiatives:



Purpose and Recommendation

Council is requested to approve a Dollar Limit Increase to the Term Contract for Services for Solid Waste Disposal, Recyclable Material Processing, and Vegetative Waste Processing as recommended.

The Environmental Management and Sustainability Department and Purchasing recommend authorizing a dollar limit increase of \$1,172,000.00 with Salt River Commercial Landfill Company dba Salt River Landfill; Republic Services dba Allied Waste Transportation, Inc., Allied Transfer Services of Arizona, LLC, Allied Waste Transfer Services of Arizona, LLC; Waste Management of Arizona, Inc.; ReCommunity; United Fibers, LLC; and Waste Technologies, LLC dba Right Away Disposal; increasing the contract amount from \$5,628,000.00 to \$6,800,000.00 annually, based on estimated requirements.

Background / Discussion

This contract provides six pre-qualified vendors for solid waste disposal, recyclable materials processing, and vegetative waste processing services for the City of Mesa, the Town of Gilbert, and City of Tempe. This multi-agency contract increases market leverage, and provides the municipalities substantial cost savings on disposal and increased revenues on recyclables. Benefits include competitive low tipping fees that may be secured for at least ten-years, and the new disposal and recycling sites are within closer proximity to the City of Mesa's daily collection routes. This contract provides significant operational savings and increased revenue throughout the contract term.

Council awarded this Term Contract on November 18, 2013. The landfill contracts were initiated in January 2014 for the amount of \$5,628,000.00 as budgeted at the time. Since then, there have been several price increases based on the agreement (refuse, green and recycle fee increases from multiple vendors) as well as City tonnage growth. Solid Waste Management has requested the increase to support the pricing changes and tonnage growth.

Alternatives

Council may choose not to authorize the increase.

Fiscal Impact

The annual contract amount is available in the Solid Waste Management operating budget through the Enterprise Fund, Solid Waste Sub Fund.

Coordinated With

Environmental Management and Sustainability Department - Solid Waste Management and Purchasing

PURCHASING INFORMATION

Action: Dollar Limit Increase

Procurement Type: Request for Proposals

Solicitation Number: 2013109

Responses Received: 8

Initial Contract Term: Five Years (January 2014 through December 2018)

Possible Renewals: Two, five-year renewals subject to future Council consideration

Proposals received on September 9, 2013

Friedman Recycling Co. – Phoenix, AZ

Republic Services dba Allied Waste Transportation, Inc, Allied Transfer Services of Arizona, LLC, Allied Waste Transfer Services of Arizona, LLC – Phoenix, AZ

River Recycling, LLC dba ReCommunity – Charlotte, NC

Salt River Commercial Landfill Company dba Salt River Landfill – Scottsdale, AZ

Silver Bar Regional SWDS, LLC dba Silver Bar Mine Regional Landfill – Phoenix, AZ

United Fibers, LLC – Chandler, AZ

Waste Management of Arizona, Inc. – Tempe, AZ

Waste Technologies, LLC dba Right Away Disposal – Apache Junction, AZ

DOLLAR LIMIT INCREASE RECOMMENDATION

Description	
Pre-Qualified Vendors to provide Solid Waste Disposal and Vegetative Waste Processing per Terms and Conditions, Specifications and Pricing as offered, to Municipal Parties	
Republic Services dba Allied Waste Transportation, Inc, Allied Transfer Services of Arizona, LLC, Allied Waste Transfer Services of Arizona, LLC – Phoenix, AZ	
River Recycling, LLC dba ReCommunity – Charlotte, NC	
Salt River Commercial Landfill Company dba Salt River Landfill – Scottsdale, AZ	
United Fibers, LLC – Chandler, AZ	
Waste Management of Arizona, Inc. – Tempe, AZ	
Waste Technologies, LLC dba Right Away Disposal – Apache Junction, AZ	
Original Award 11/18/2013 – Current Limit	\$5,628,000.00
Increase Request – 2/22/2016	\$1,172,000.00
New Annual Contract Amount	<u>\$6,800,000.00</u>
(City of Mesa amount for Years 3, 4 and 5)	