



# City Council Report

**Date:** January 22, 2018  
**To:** City Council  
**Through:** Michael Kennington, Chief Financial Officer  
**From:** Edward Quedens, Business Services Director  
Matt Bauer, Procurement Administrator  
**Subject:** Dollar Limit Increase to the Term Contract for Solid Waste Disposal, Recyclable Material Processing, and Vegetative Waste Processing Services as requested by the Environmental Management and Sustainability Department (**Citywide**)

## Recommendation

Council is requested to approve the contract amendment as recommended.

The Environmental Management and Sustainability Department and Purchasing recommend increasing the dollar limit 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.; Republic Services (formerly ReCommunity Holdings II, Inc.); United Fibers, LLC; and Waste Technologies, LLC dba Right Away Disposal; by \$125,000.00, from \$7,325,000.00 to \$7,450,000.00 for 2018, based on estimated requirements.

## Background

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 11/18/2013. The landfill contracts were initiated in January 2014 in 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.

Environmental Management and Sustainability completed the tonnage analysis for the 2018 calendar year and is requesting a contract limit increase accordingly.

## Purchase Information

Action: Amendment

Procurement Type: Request for Proposals

Contract Number: 2013109

Contracting Agency/Contract Number: Not applicable

Original Council Award Date: 11/18/2013

Initial Contract Term: Five years

Funding Source: The purchase is funded in the Environmental Management and Sustainability operating budget through the Enterprise Fund, Solid Waste Sub

Dollar Limit History:

Term Contract for 2017 (Mesa Year 4)	\$7,325,000.00
Increase Amount	<u>\$125,000.00</u>
Term Contract for 2018 (Mesa Year 5)	\$7,450,000.00