



City Council Report

Date: September 17, 2018
To: City Council
Through: Michael Kennington, Chief Financial Officer
From: Edward Quedens, Business Services Director
Matt Bauer, Procurement Administrator
Subject: Dollar-Limit Increase and an Amendment and One-Year Extension with Three Years of Renewal Options to the Term Contract with River Recycling LLC, for Recyclable Material Processing, 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 authorizing the amendment and extension with River Recycling, LLC and, to reflect the revised Contract, increasing by \$400,000 the dollar limit of the multi-vendor Master Agreement, which covers all Solid Waste Disposal, Recyclable Material Processing, and Vegetative Waste Processing Services, to \$7,850,000 based on estimated usage.

Background / Discussion

This contract provides six pre-qualified vendors (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.; River Recycling, LLC; United Fibers, LLC; and Waste Connections of Arizona, Inc. dba Right Away Disposal; 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 disposal and recycling sites are within close proximity to the City of Mesa's daily collection routes. This contract provides significant operational savings.

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. On 1/22/2018, Council approved the dollar-limit with the pre-qualified contracted vendors, by \$125,000.00, from \$7,325,000.00 to \$7,450,000.00 for 2018.

River Recycling, LLC agreed to renew the contract modifying some terms, conditions and pricing for processing recyclable materials which is allowable per specification. The City has been satisfied with the vendor's performance. This contract continues to be advantageous to the City and it is in the City's best interest to renew the contract.

Purchase Information

Action: Renewal for River Recycling, LLC (1st of 4) (10/1/2018 to 9/30/2019)

Procurement Type: Request for Proposals

Contract Number: 2013109

Original Council Award Date: 11/18/2013

Initial Contract Term: Five years

Possible Renewals: Up to a maximum of three years, renewals subject to Administrative review and approval (through 9/30/2022)

Funding Source: 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
Council approved Dollar-Limit Increase 1/22/2018	\$125,000.00
Dollar-Limit Increase Request 9/17/2018	\$400,000.00
Term Contract for 2018 (Mesa Year 5)	\$7,850,000.00