



City Council Report

Date: March 2, 2020
To: City Council
Through: Michael Kennington, Chief Financial Officer
From: Edward Quedens, Business Services Director
Matt Bauer, Procurement Administrator
Subject: Amendment and Contract Value Increase to the Term Contracts 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 amendments as recommended.

The Environmental Management and Sustainability Department and Purchasing recommend authorizing a contract amendment with United Fibers, LLC; and a contract dollar limit increase of \$95,000 for the agreement (includes all vendors and covers all Solid Waste Disposal, Recyclable Material Processing, and Vegetative Waste Processing Services); from \$9,010,000 to \$9,105,000 annually, based on estimated usage.

Background / Discussion

This contract provides multiple 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 the 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.

Council awarded this Term Contract on November 18, 2013. The landfill contracts were initiated in January 2014 in the amount of \$5,628,000 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 completes the tonnage analysis each calendar year and may request a contract limit increase accordingly.

On September 23, 2019, Council approved a one-year renewal with United Fibers, LLC, which at that time included an increase of \$25,000 to the budget. On December 6, 2019, United Fibers, LLC, submitted a cancellation notice unless the City accepted new terms as outlined in the Amendment 5 (i.e., increase in processing fee, zero percent contamination allowance and change in acceptable materials).

The contract value increase is necessary due to the new terms required by United Fibers, LLC under the contract. The price increase under the contract was based on the increase in processing fees, decrease in allowable contamination and decrease in acceptable materials.

Purchase Information

Action: *Overall Contract Dollar-Limit Increase
*Amendment 5 with United Fibers, LLC

Procurement Type: Request for Proposals

Contract Number: 2013109

Original Council Award Date: 11/18/2013

Initial Contract Term: Three years

Possible Renewals: Varies by vendor agreement

Funding Source: Environmental Management and Sustainability operating budget through the Enterprise Fund, Solid Waste Sub Fund

Dollar Limit History

Term Contract for 2017 (Mesa Year 4):	\$7,325,000.00
Contract Dollar-Limit Increase 1/22/2018:	\$125,000.00
Vendor Renewal and Increase 9/17/2018:	\$400,000.00
Vendor Renewal and Increase 12/10/2018:	\$170,000.00
Contract Dollar-Limit Increase 1/28/2019:	\$230,000.00
Contract Dollar-Limit Increase 9/23/2019:	<u>\$760,000.00</u>
Current Contract Value:	\$9,010,000.00

Contract Dollar-Limit Increase Request 3/2/2020	<u>\$95,000.00</u>
New Contract Value (through 2022):	<u>\$9,105,000.00</u>

Contract 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.
- Republic Services (formerly ReCommunity Holdings II, Inc.
- United Fibers, LLC
- Waste Technologies, LLC dba, Right Away Disposal