



City Council Report

Date: January 24, 2022
To: City Council
Through: Michael Kennington, Deputy City Manager/Chief Financial Officer
From: Edward Quedens, Business Services Director
Kristy Garcia, Procurement Administrator
Subject: Dollar-Limit 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 amendment as recommended.

The Environmental Management and Sustainability Department and Purchasing recommend authorizing the amendment, to reflect the revised Contract, increasing by \$650,000 the dollar limit of the multi-vendor Master Agreement, which covers all Solid Waste Disposal, Recyclable Material Processing, and Vegetative Waste Processing Services, from \$9,650,000 to \$10,300,000, based on the estimated usage with annual Consumer Price Index (CPI) increases.

Background / Discussion

This contract provides multiple pre-qualified vendors for solid waste disposal, recyclable materials processing, and vegetative waste processing services for City of Mesa, Town of Gilbert, and City of Tempe. Council awarded this Term Contract on 11/18/2013. The landfill contracts were initiated in January 2014 for \$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.

This contract allows for annual CPI increases according to specified indexes in the contracts. This year, the index increases were between 6% and 6.22%. Due to CPI price increases that went into effect 1/1/2022 and the anticipated growth in the upcoming year, Environmental Management and Sustainability is requesting a contract dollar-limit increase accordingly.

Purchase Information

Action: Modification
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. On 12/7/2021, United Fibers was administratively renewed until 12/31/2022, and all the other vendors are still active until 9/30/2022 and 9/30/2024

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
Contract Dollar-Limit Increase 1/22/2018:	\$125,000
Vendor Renewal and Increase 9/17/2018:	\$400,000
Vendor Renewal and Increase 12/10/2018:	\$170,000
Contract Dollar-Limit Increase 1/28/2019:	\$230,000
Contract Dollar-Limit Increase 9/23/2019:	\$760,000
Contract Dollar-Limit Increase 3/2/2020:	\$95,000
Contract Amendment and Dollar-Limit Increase 11/16/2020:	\$325,000
Contract Dollar-Limit Increase Request 1/11/2021:	<u>\$220,000</u>
Current Contract Value (Calendar Year 2022):	<u>\$9,650,000</u>
Contract Dollar-Limit Increase Request 1/24/2022:	<u>\$650,000</u>
New Contract Value:	<u>\$10,300,000</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
- Republic Services (formerly ReCommunity Holdings II, Inc.
- United Fibers, LLC
- Waste Technologies, LLC dba, Right Away Disposal