



City Council Report

Date: January 9, 2023
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 Contract for Residential Refuse and Recycling Containers for the Solid Waste Department **(Citywide)**

Recommendation

Council is requested to approve the contract amendment as recommended.

The Solid Waste Department and Purchasing recommend increasing the dollar limit with Duramax Holdings LLC dba Otto Environmental Systems; Schaefer Systems International, Inc.; and Tank Holding Corporation; by \$610,000, from \$1,640,000 to \$2,250,000 annually, with an annual increase allowance of up to 5% or the adjusted Consumer Price Index.

Background / Discussion

This contract supplies 35-gallon, 65-gallon, and 95-gallon plastic refuse and recycling containers for residential and commercial use on an as-needed basis. This contract ensures Solid Waste has a supply of containers to meet the requirements of the City's refuse and recycling container inventory. Though Tank Holding Corporation is not used by the City, Mesa is the lead agency of this cooperative contract, and the City of Tempe utilizes this vendor.

On 1/10/2022, Council approved the second-year renewal option (2/1/2022 to 1/31/2023) at \$1,640,000 annually. Management administratively approved a two-month extension (2/1/2023 to 3/31/2023) to allow the City time to re-bid and award a new contract. No funding changes were requested at the time.

Solid Waste is requesting a contact increase due to the two-month extension as well as an increase in needed orders. The Department estimates an additional 9,624 new barrels are needed at a total cost of \$602,765 to get through 3/31/2023, based on purchases for the current term.

Purchase Information

Action: Amendment (Year 5 Increase)

Procurement Type: Request for Bids

Contract Number: 2018048

Funding Source: Solid Waste Department operating budget through Enterprise Fund –

Solid Waste Sub Fund

Dollar Limit History

Council Renewal Award – 1/10/2022:	\$1,640,000.00
Administrative Approval Two-Month Extension - 11/23/2022:	--
This Increase Request – 1/9/2023:	<u>\$610,000.00</u>
New Contract Value (through 3/31/2023):	<u><u>\$2,250,000.00</u></u>