



# City Council Report

**Date:** January 23, 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 Contracts for Solid Waste Disposal and Vegetative Waste Processing Services as requested by the Solid Waste Department **(Citywide)**

## Recommendation

Council is requested to approve the contract amendment as recommended.

The Solid Waste Department and Purchasing recommend authorizing the amendment, to reflect the revised Contract, increasing by \$550,000 the dollar limit of the multi-vendor Master Agreement, which covers all Solid Waste Disposal and Vegetative Waste Processing Services, from \$10,300,000 to \$10,850,000, 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 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 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 is the overall contract increase for the solid waste disposal and vegetative services; recyclable materials processing is now on a new contract. This contract allows for annual CPI increases according to specified indexes in the contracts. This year, the index increases were between 7.7% and 8.1% (Salt River Landfill: 8.1%, Republic Services: 7.75%, and Right Away Disposal: 7.70%). Due to these CPI price increases that went into effect 1/1/2023, and the anticipated tonnage growth in the upcoming year, the Solid Waste Department 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. Contracts with Republic Services dba, Allied Waste Transportation, Inc., Allied Transfer Services of Arizona, LLC, Allied Waste Transfer Services of Arizona, LLC expired 9/30/2022, and the contract with United Fibers, LLC expired 12/31/2022. Contracts with other vendors (Salt River Landfill, Republic Services, and Right Away Disposal) are still active until 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 1/11/2021:	\$220,000
Contract Dollar-Limit Increase 1/24/2022:	<u>\$650,000</u>
Current Contract Value (2022):	<u>\$10,300,000</u>
Contract Dollar-Limit Increase Request 1/23/2023:	<u>\$550,000</u>
New Contract Value (2023):	<u>\$10,850,000</u>

#### Contract Vendors

- Salt River Commercial Landfill Company dba, Salt River Landfill
- Republic Services (formerly ReCommunity Holdings II, Inc.)
- Waste Technologies, LLC dba, Right Away Disposal