



City Council Report

Date: October 18, 2021
To: City Council
Through: Michael Kennington, Deputy City Manager/Chief Financial Officer
From: Edward Quedens, Business Services Director
Brandy Andersen, Acting Procurement Administrator
Subject: Dollar Limit Increase to the Term Contract for Residential Refuse and Recycling Containers for 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 increasing the dollar limit with Otto Environmental Systems North America, Inc. (Primary); and Schaefer Systems International, Inc. (Secondary) by \$150,000, from \$1,300,000 to \$1,450,000 annually through Year 4 of the term contract, 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 a 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.

Otto Environmental Systems North America, Inc. requested price increases from the prices requested in April 2021: 95-gallon (31%), 65-gallon (27%) and 35-gallon (23%). These price increases are competitive; the Producer Price Index % change from July 2020 to July 2021 was 46%. Environmental Management and Sustainability Department and Purchasing approve the price increases.

Purchase Information

Action: Amendment (Year 4)
Procurement Type: Request for Bids
Contract Number: 2018048
Initial Contract Term: Three years
Possible Renewals: One-Year renewal subject to Administrative review and approval
Funding Source: Environmental Management and Sustainability Department operating budget through Enterprise Fund – Solid Waste Sub Fund

Dollar Limit History

Renewal Award 12/1/2020 (Years 4 and 5):	\$1,300,000.00
Dollar-Limit Increase Request – 10/18/2021:	<u>\$150,000.00</u>
New Contract Value (Year 4 through 1/31/2022):	<u>\$1,450,000.00</u>