



Legislation Details (With Text)

File #: ID19-11581 **Version:** 1 **Name:**
Type: Action Item **Status:** Agenda Ready
File created: 11/12/2019 **In control:** City Council
On agenda: 12/5/2019 **Final action:** 12/5/2019
Title: Award a contract in an amount not to exceed \$991,800 for the purchase and delivery of up to 20,000 refuse and recycling containers using a cooperative purchase agreement (Citywide)
Sponsors: Department of Public Utilities
Indexes:
Code sections:
Attachments: 1. 2019-12-05 Attachment 1 Request for Proposal.pdf, 2. 2019-12-05 Attachment 2 Contract.pdf, 3. 2019-12-05 Attachment 3 Contract Acceptance & Award.pdf, 4. 2019-12-05 Attachment 4 Affidavit of Advertisement.pdf, 5. 2019-12-05 Attachment 5 Evaluation Committee Comment & Review.pdf

Date	Ver.	Action By	Action	Result
12/5/2019	1	City Council	approved	Pass

REPORT TO THE CITY COUNCIL

December 5, 2019

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Department of Public Utilities

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SUBJECT

Award a contract in an amount not to exceed \$991,800 for the purchase and delivery of up to 20,000 refuse and recycling containers using a cooperative purchase agreement (Citywide)

RECOMMENDATION

Staff recommends City Council approve the award of a cooperative purchase agreement using a City of Tucson, AZ (Tucson) contract for the purchase and delivery of up to 20,000 refuse and recycling containers in the amount not to exceed \$991,800.

EXECUTIVE SUMMARY

The Department of Public Utilities, Solid Waste Management Division seeks to purchase up to 20,000 refuse and recycling containers (containers) necessary to support new growth and

replacement to residential customers. Staff recommends the containers continue to be purchased via a cooperative purchase based on a prior competitive bid contract from Tucson to allow the best value purchase price to its customers. Award of this contract through a cooperative purchase agreement between Tucson and supplier, Toter, LLC., (Supplier) will allow for cost effective purchase and the timely delivery of trash containers for the continued operation of collection of municipal solid waste, recycling, and green waste materials to ensure the health and safety of the community.

BACKGROUND

The Department of Public Utilities, Solid Waste Management Division (SWMD) is responsible for the collection of municipal solid waste, recyclables, green waste, and operation clean-up for 112,200 residential customers. The SWMD also has oversight of litter collection, and FresGo customer responses for 103 square miles within the Fresno city limits. These collection activities produce approximately 4,600 tons of material each week.

The City of Fresno (City) requires residential containers for all City residents to use for their disposal/removal of solid waste, green waste, and recyclables. The residential customers have three 96-gallon containers as a basic level of service. A residential customer will have one container for trash (gray), one for recyclables (blue), and one for green waste (green). An optional 64-gallon container is offered for trash only (gray). Currently, there are over 336,000 containers in use within the City. On average, SWMD purchases approximately 10,000 containers annually. Of this amount, approximately 39 percent is to support growth and 61 percent for container replacements and to establish an inventory stock for field repairs. Thus, the acquisition of containers on a continual basis is necessary to keep up with the growth of the City and for the replacement of stolen or damaged containers for residential customers.

In the past, the SWMD has purchased containers by using other municipality's contracts providing the City the best value of containers for its customers. Tucson, by partnering with National Intergovernmental Purchasing Alliance Company (National IPA), allows the contract to be made available to other public agencies, including state and local governmental entities through National IPA's cooperative purchasing program. Under the National IPA's cooperative agreement, the Supplier commits the not-to-exceed pricing provided under the Tucson contract. Pricing is its lowest available to Public Agencies nationwide and further commits that if a Participating Public Agency is eligible for lower pricing through a national, state, regional or local or cooperative contract, the Supplier will match such lower pricing to the Participating Public Agency under the Tucson contract. The buying power generated through combined effort from other agencies creates aggregate purchasing volumes, achieving cost effective pricing, thus offering the best value for its customers.

Tucson, National IPA, and the Supplier successfully negotiated a contract and Tucson executed the agreement with a contract effective October 31, 2017, with the option to renew for (4) additional one-year periods through January 31, 2023. The recent contract amendment #10 exercised its option to renew the contract for the period of February 1, 2020 through January 31, 2021. Therefore, the award of this contract would extend the purchase over two years, Fiscal Year 2020 and Fiscal Year 2021, of up to 10,000 containers per year for the City.

The SWMD recommends City Council to award a purchase contract in an amount not to exceed \$991,800 for the purchase and delivery of up to 20,000 refuse and recycling containers via a

cooperative purchase based on a prior competitive bid contract with Tucson (RFP#171717). This amount includes sales tax and freight charges. Award of this contract through a cooperative purchase agreement will allow for cost effective purchase and the timely delivery of trash containers for the continued operation of collection of municipal solid waste, recycling, and green waste materials to ensure the health and safety of the community. The Purchasing Division has approved this contract and recommends Council to approve.

ENVIRONMENTAL FINDING

By the definition provided in the California Environmental Quality Act (CEQA) Guidelines Section 15378, the award of this contract does not qualify as a "project" as defined by CEQA.

LOCAL PREFERENCE

Local preference is not applicable. The City is using a cooperative purchase agreement for this purchase.

FISCAL IMPACT

No general funds will be used to purchase this item. The funding to cover the container costs will be funded through the Solid Waste Enterprise fund in Fiscal Year 2020 and Fiscal Year 2021, not to exceed \$991,800. Fiscal Year 2020 container costs have been included in the Fiscal Year 2020 adopted budget and the Fiscal Year 2021 costs will be included in the Fiscal Year 2021 budget and aligns with the Solid Waste Utility Rate Plan.

Attachments:

Attachment 1 - RFP #171717 Request for Proposal

Attachment 2 - RFP #171717 Contract

Attachment 3 - RFP #171717 Contract Acceptance & Award

Attachment 4 - RFP #171717 Affidavit of Advertisement

Attachment 5 - RFP #171717 Evaluation Committee Comment & Review