

EXECUTIVE SUMMARY

Recommendation for Renewal and Additional Spending Authority 16-113T – Recycling Services

Introduction

Responsible: Procurement & Warehousing Services (PWS)

This request is to approve the first renewal for the Invitation to Bid (ITB) 15-087T – Recycling Services for the first of two (2) allowable one (1) year periods through June 30, 2020, and request additional spending authority of \$180,000. The term of this Bid is July 1, 2016 through June 30, 2019. This Bid is used by the Environmental Health & Safety Department for recycling services to all District locations.

Goods/Services Description

Responsible: Environmental Health & Safety (EHS)

The Environmental Conservation and Utility Management Department manages the District Recycling Program at two hundred and fifty-four (254) schools, administrative centers, and facilities throughout the District. The utilization of this contract will provide weekly pick-ups of all recyclable materials at all participating School District locations.

The District was divided is divided into two (2) defined geographical areas, North (Group 1) and South (Group 2), in order to encourage more vendors to participate. The last Invitation to Bid resulted in six (6) bid responses and two (2) “Statement of No Bids” being received. Pricing could be offered for one (1) or both geographical areas. Unlike the current contract, two (2) separate primary bidders are being recommended for award for each geographical area. The North Group (1) was awarded to Thoroughbred Waste Services, and the South Group (2) was awarded to World Waste and Recycling Service. In Year three (3) of the agreement, both companies were acquired by a new service provider that recently entered the marketplace, Coastal Waste, and Recycling, Inc. The new company, Coastal Waste, and Recycling, Inc. maintained the same collection routes structure, schedules, and personnel. To this day, the quality of the service received has remained excellent throughout the transition. In fact, the District has seen improvement with the new company, especially as it pertains to their internal infrastructure. New collection vehicles, state of the art processing centers, and new avenues for commodities to flow through have enhanced the program. These new processing centers will allow direct access to the paper mills and commodity end users, improving the values by cutting out having to handle the materials through a third-party.

Over the past three (3) years of the contract, 16-113T has generated \$90,921.00 in recycling commodity rebates. These rebates are used to purchase the supplies and training materials necessary to sustain the program. The prior agreement only generated \$11,545.00 during the same time frame.

Procurement Method

Responsible: PWS

The solicitation for this ITB ran from March 2, 2016 through March 30, 2016, where two hundred and ninety-six (296) vendors were notified, and twenty-four (24) vendors downloaded the ITB documentation. Procurement & Warehousing Services (PWS) received six (6) responses. The bid was awarded to a primary and two (2) alternate vendors who met all specifications, terms, and conditions of the ITB.

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Financial Impact
Responsible: PWS and EHS

The estimated spending authority for the renewal period is \$348,648, as demonstrated in the breakdown below:

| | | |
|---|----|-----------|
| Historical Average Monthly Expenditures (last twelve (12) months) | \$ | 29,054 |
| Number of months requested on renewal | | <u>12</u> |
| Estimated forecasted spend for twelve (12) months renewal | \$ | 348,648 |

Since this contract has unused spending authority related to the original term (per Financial Analysis Worksheet), the requested additional spending authority for the one (1) year renewal will be \$180,000, as demonstrated below:

| | | |
|---|-----------|-----------------------|
| Current total unused authorized and available spending | \$ | 285,261 |
| (-) minus | | |
| Four (4) months still pending in current contract | \$ | <u>116,216</u> |
| Estimated total unused authorized spending at the end of current contract | \$ | 169,045 |
| (-) minus | | |
| Total spending authority estimated | \$ | <u>348,648</u> |
| Total requested spending authority | \$ | 179,603 |
| Total requested spending authority (rounded up) | \$ | <u>180,000</u> |

PWS is responsible for the management of the District contracts' spending authority. This action is performed through the unique Bid ID issued per solicitation, which only has a new number assigned when a new solicitation is awarded. In a renewal, the original Bid ID assigned to the contract does not change, therefore spending authority analysis is performed in its totality.

The amount requested was determined based on EHS requirements to satisfy the needs of the District, and a comparison of expenditures from the previous bid term. The request to increase the spending authority by \$180,000 will bring the new contract value to \$1,395,000.

The financial impact amount represents an estimated contract value; however, expenditures for this contract will not exceed the contract award amount.