

EXECUTIVE SUMMARY

Recommendation of \$500,000 or Greater FY 20-125 – Electronic Surplus Recycle and Disposal

Introduction

Responsible: Procurement & Warehousing Services (PWS)

This request is to approve the recommendation to award Request for Proposal (RFP) FY20-125 – Electronic Surplus Recycle and Disposal for a period of five (5) years from March 3, 2020 through February 28, 2025. The contract term was established to coordinate with the District's refresh program. This RFP may be renewed for two (2) additional one (1) year renewal periods. The RFP will provide the District with shared revenue, disposal, and secure handling of the District's electronic surplus equipment.

The expected financial return for this RFP FY20-125 is approximately \$200,000 and is based on the previous Bid for surplus, recycle and disposal. However, this new RFP shared revenue model is projected to yield the district with potentially higher financial return for the term of the agreement.

Goods/Services/Description

Responsible: PWS and Information Technology

Districts are responsible for the correct disposal of its electronic surplus equipment as defined in the applicable Statutes, Laws, and Policies. The disposal of electronic surplus equipment is mainly performed through a third-party company, and the District is responsible for ensuring vendors also comply with all applicable regulations. Additionally, Procurement & Warehousing Services (PWS) focused on finding a solution which also could provide a better financial return to the District since some of the assets have residual value.

PWS worked with IT to identify opportunities and challenges, and a plan was established considering the below aspects:

- Regular surplus pick-up and disposal at the warehouse;
- Printers MPS – wave two (2) disposal, ending in December 2020 (16,000 devices);
- Computers refresh program, five (5) years program (180,000 devices);
- Assure all applicable regulations are followed.

One (1) of the initial challenges was the offset of the printer's disposal cost. PWS ran an Invitation to Quote (ITQ) asking for proposals for the printer's pick-up, expecting it would offer potential revenue; however, the results showed instead of revenue, the printers project costs would be around \$500,000.

After discussions between PWS and IT, it was decided the best approach was to leverage the District's above needs altogether and find a way to offset the printer's cost. The other main aspect related to the Printers and Computers Refresher needs are based on the fact of the District needs to pick up the equipment in around two hundred and fifty (250) different locations, turning the program into a considerable large size logistic operation, complying, at the same time, with all applicable regulations.

Discussions with the District audit team, asset management, and other staff involved in the last computer refresh program were also performed, and some of the lessons learned were incorporated into this RFP to prevent the issues faced in the past regarding the assets pick up in different District locations.

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The business model for this RFP is also different when compared to the previous ones since the model considers the refurbishment and resale of around eighty-five (85) percent of the computers. The District shall receive seventy-five (75) percent of the proceeds on the sale of all re-marketable assets.

Procurement Method
Responsible: PWS

PWS advertised an ITQ 19-025B – Disposal Surplus Used Computer Equipment & Related Items on March 13, 2019, and was due on March 22, 2019. This ITQ was to replace the previous Invitation to Bid 16-022T – Disposal Surplus Used Computer Equipment and Related Items. The responses received from the ITQ provided the District with insight on the probability for the District to receive a significant increase for revenue, mainly for computers, while it clearly showed the District would incur costs for the printers. Additional market research was conducted, and PWS released FY20-125 – Electronic Surplus, Recycle and Disposal after several internal discussions and alignments.

The solicitation for this RFP ran from August 30, 2019 through September 25, 2019. Two-hundred and ninety-three (293) vendors were notified, and four (4) vendors downloaded the RFP documentation. PWS received three (3) responses. The evaluation committee approved a motion to have a Best and Final Offer negotiation with the two (2) vendors that received the highest rank.

The Evaluation Committee recommended the award to RSR Partner, LLC, who was the second-highest ranked proposer. The highest-ranked proposer, Troxell Communications, Inc., notified PWS it would not be able to perform the services in the manner as proposed in its response to the RFP. Thereby, Troxell Communications, Inc.'s proposal was rejected for materially changing its proposal after submission and scoring.

Financial Impact
Responsible: PWS and IT

There will be a positive impact to the District. The District will receive the shared revenue agreed amounts less any costs incurred regarding logistics, repairs, and other commodity costs as per the negotiated conditions. Costs will be offset, and the District shall not receive invoices during the term of the agreement.

The District is also expected to receive a considerably higher value for its computer assets when compared with the model used in previous bids. A projection regarding the net amount for the term of the agreement is difficult since there are many variables to be considered for the term of the agreement.