

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 second and final renewal through June 30, 2021, and additional spending authority for the Invitation to Bid (ITB) 16-113T – Recycling Services. ITB 16-113T was approved on June 21, 2016, with an initial three (3) year contract, through June 30, 2019, with an option for two (2) additional one (1) year renewal periods. The first one (1) year renewal was approved at the School Board Operational Meeting of May 7, 2019, with additional spending authority requested of \$180,000. This Bid is used by the Environmental Health & Safety Department for recycling services to all District locations.

The additional spending authority being requested is \$395,000. The new spending authority will be \$1,790,000.

Goods/Services Description

Responsible: Environmental Health & Safety (EH&S)

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 into two (2) defined territories, the North (Group 1) and South (Group 2), in order to encourage more vendors to participate. The last ITB resulted in six (6) bid responses, with two (2) “Statements 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 an 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, 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. Their 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 in recycling commodity rebates. These rebates are used to purchase the supplies and training materials necessary to sustain the program, however recent downturns in demand for these materials have reduced over the past year due to commodity stockpiles and the overseas trade concerns with overseas markets. Recycling still saves the Broward County Public Schools District \$800,000 by diverting the commodities out of the regular solid waste stream.

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 EH&S

The total spending authority estimated for the renewal period is \$395,000 for the renewal period, as demonstrated in the breakdown below:

| | | |
|--|-----------|----------------|
| Historical average monthly expenditures | \$ | 29,678 |
| <u>Number of months requested on renewal</u> | | <u>12</u> |
| Estimated forecasted spend for twelve (12) months renewal (A) | \$ | 365,136 |
| Average monthly expenditure | \$ | 29,678 |
| <u>Number of months left on the current term</u> | <u>x</u> | <u>5</u> |
| Forecasted spending at the end of current contract | \$ | 148,390 |
| <u>(-) Unused authorized spending</u> | <u>\$</u> | <u>118,859</u> |
| Estimated additional spending authority for current contract (B) | \$ | 29,531 |
| Total requested spending authority (A + B) | \$ | 394,667 |
| Total requested spending authority (rounded up) | \$ | 395,000 |

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.

Financial Impact Table:

| Action | Date | Term (months) | Amount |
|-------------------------------------|-----------|---------------|---------------------|
| Original spending authority request | 6/21/2016 | 36 | \$ 1,215,000 |
| 1 st Bid Renewal | 5/7/2019 | 12 | \$ 180,000 |
| 2 nd Bid Renewal | 4/21/2020 | 12 | \$ 395,000 |
| New Total Contract Amount | | 60 | \$ 1,790,000 |

PWS performed benchmarks against The Miami-Dade County Public School and Orange County Public Schools, but bids are not in the same format; therefore, there is no way to compare apple to apple. PWS and EH&S agreed that exercising the last renewal of this Bid is in the best interest of the District.

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