



## AGENDA MEMORANDUM

First Reading Ordinance for the City Council Meeting of October 22, 2013  
Second Reading Ordinance for the City Council Meeting of October 29, 2013

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**DATE:** October 9, 2013

**TO:** Ronald L. Olson, City Manager

**FROM:** Lawrence Mikolajczyk, Director, Solid Waste Operations  
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<p style="text-align: center;"><b>Appropriating Funds for and Awarding a Route Optimization Program for Refuse and Recycling Collection Service Agreement</b></p>
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**CAPTION:**

Ordinance appropriating \$335,196 from the unappropriated fund balance in the No. 1020 General Fund into the Operating Budget of the Solid Waste Department in the 1020 General Fund for the purchase of a Route Optimization Program for Refuse and Recycling Collection; changing the FY 2013-2014 Operating Budget adopted by Ordinance 029915 by increasing appropriations by \$335,196 in the No, 1020 General Fund; and awarding a service agreement to provide software, hardware and installation of a route optimization program with WM Logistics LLC, Magnolia, Texas, in accordance with Bid Invitation No. BI-0156-13, based on most advantageous proposal, for a total amount of \$335,196.

**PURPOSE:**

Funding is appropriated for the purchase of a Route Optimization Program for Refuse and Recycling Collection.

The software will optimize refuse and recycle collection routes to attain efficiencies in providing these services.

**BACKGROUND AND FINDINGS:**

Initially, the route optimization program was submitted by the Solid Waste Operations department as a Decision Package during the FY 2012-2013 budget process, with an estimated cost of \$100,000 to \$425,000. The program was approved to proceed, and \$265,000 was identified in the FY 2012-13 General Fund Budget to fund the program. The amount of \$265,000 was an estimated cost based on the midpoint of the \$100,000 to \$425,000 range. The lengthy process to solicit and evaluate proposals has delayed awarding the contract until this date. The \$265,000 in funding, identified in FY 2012-13, was not spent or encumbered, and is now part of the existing General Fund's Fund Balance.

**ALTERNATIVES:**

The City received two proposals for this service. WM Logistics, LLC has been chosen as the most advantageous proposal for this service. The competitor does not have GPS tracking as a component of their software and just recently have released a prototype mobile device that has not been proven over time.

**OTHER CONSIDERATIONS:**

Service will be divided into two phases. The initial phase will consist of a pilot program that will test the system on five refuse collection routes designated by the City. If the pilot proves to be successful, Phase II will be rolled out to the entire fleet of refuse and recycle trucks. Software will be used to configure route sizes, sequence and optimality in regards to pick up and disposal requirements. The program provides mobile devices in each of the front line trucks that will give the driver a visual representation of the route as it is being worked. GPS tracking will also allow administrative staff to monitor the progress of drivers throughout the day and make coverage adjustments as conditions dictate.

The 3 month pilot program will cost of \$33,784 and if successful, the full roll out will cost an additional \$310,412. Annual Maintenance in the amount of \$43,812 will also be provided for customer support and software upgrades for four years following the initial year of the full roll out.

Approval of this program will yield a net savings in the resources dedicated to recycling and refuse collection by the Solid Waste Operations department.

**CONFORMITY TO CITY POLICY:**

This ordinance and award conforms to all State Statutes and City policies governing funding and procurement activities of the City.

**EMERGENCY / NON-EMERGENCY:**

Non-Emergency.

**DEPARTMENTAL CLEARANCES:**

City Attorney, Finance, Budget and Strategic Management

**FINANCIAL IMPACT:**

X Operating       Revenue       Capital       Not applicable

<b>Fiscal Year: 2013 - 2014</b>	<b>Project to Date Expenditures (CIP only)</b>	<b>Current Year</b>	<b>Future Years</b>	<b>TOTALS</b>
Line Item Budget			175,248	175,248
Revenue				
Encumbered / Expended Amount				
This item		\$335,196.00		\$335,196.00
<b>BALANCE</b>		\$335,196.00		\$335,196.00

Fund(s): #1020 – General Fund

**Comments:** The \$175,248 shown above for years two through five of the agreement will be requested during the normal budget process.

**RECOMMENDATION:**

Staff recommends the City Council approval.

**LIST OF SUPPORTING DOCUMENTS:**

Ordinance, Summary Matrix