



AGENDA MEMORANDUM

Action Item for the City Council Meeting August 9, 2022

DATE: August 9, 2022

TO: Peter Zanoni, City Manager

FROM: David Lehfeldt, Director of Solid Waste Services
DavidL3@cctexas.com
(361) 826-1966

Josh Chronley, Assistant Director of Finance/ Procurement
JoshC2@cctexas.com
(361) 826-3169

Refuse and Recycling Carts for Solid Waste Services

CAPTION:

Motion authorizing a one-year supply agreement with Rehrig Pacific Company, of Dallas, through OMNIA Partners purchasing co-operative, in the amount of \$833,330.16 for the purchase of refuse and recycling carts utilized by Solid Waste Services, with FY 2023 funding from the General Fund, subject to future budget approval.

SUMMARY:

This motion authorizes a one-year supply agreement with Rehrig Pacific to purchase 13,338 95-gallon carts, consisting of 9,126 brown refuse carts and 4,212 blue recycling carts for Solid Waste Services.

BACKGROUND AND FINDINGS:

Solid Waste Services provides curbside collection service to about 97,000 accounts for garbage, recycling, heavy bush, and bulky items. Residential garbage and recycling are collected from 95-gallon carts using automated collection trucks. Due to the limited cart inventory storage capacity, the department requires incremental shipments of carts over a 12-month period to align with the demand for new and replacement carts. Carts that become damaged beyond repair are collected and recycled.

To be consistent with other major cities, Solid Waste Services now issues brown carts instead of green carts for garbage collection. By replacing green carts with brown carts, the city will be better poised to adopt an organics collection program utilizing the industry standard green carts at a future date.

Since 2002, the entire city has been on an automated collection program with one-man crews who operate trucks with mechanical arms to collect solid waste. This system provides faster, safer, and more efficient collection service.

The cart manufacturers have experienced substantial increases in the cost of plastic resin the past two years. The purchase price for the carts went from \$42.50 per cart in 2021 to \$61.84 since the City's last purchase in September 2021. The average price for this next cart order is \$62.48 per cart. This increase is consistent with the escalating cost of High-Density Polyethylene (HDPE) and pricing obtained from other cart manufacturers.

PROCUREMENT DETAIL:

This procurement is through the OMNIA Partners Cooperative Purchasing. Contracts awarded through OMNIA Partners Cooperative Purchasing have been competitively procured, in compliance with Texas local and State procurement requirements. The incumbent, Rehrig Pacific Company, is the current supplier for refuse and recycling carts for Solid Waste Services. The proposed agreement is for one year for a total of \$833,330.16.

ALTERNATIVES:

The alternative to securing a supply agreement would be to purchase refuse and recycling carts on an as needed basis, which would be less efficient, more costly, and would have the potential to adversely impact customer service.

FISCAL IMPACT:

There is not fiscal impact for Solid Waste Services in FY 2022 for this one-year supply agreement. The cost will be budgeted in future years through the annual budget process.

FUNDING DETAIL:

Fund:	1020	General Fund
Organization/Activity:	12510	Refuse Collection
Mission Element:	031	Waste and Brush Collection
Project # (CIP Only):		N/A
Account:	520130	Maintenance and Repair

Fund:	1020	General Fund
Organization/Activity:	12512	Recycling Collection
Mission Element:	031	Waste and Brush Collection
Project # (CIP Only):		N/A
Account:	520130	Maintenance and Repair

RECOMMENDATION:

Staff recommend approval of this motion authorizing a one-year supply agreement with Rehrig Pacific Company as presented.

LIST OF SUPPORTING DOCUMENTS:

Price Sheet
Supply Agreement