

# Agenda Report

**TO: CITY COUNCIL**

**DATE: February 2, 2004**

**FROM: CITY MANAGER**

**SUBJECT: AWARD A CONTRACT TO CEDARWOOD YOUNG CORP., DBA ALLAN COMPANY FOR PROCESSING RESIDENTIAL RECYCLING MATERIAL; VALLEY VISTA SERVICES, INC. FOR PROCESSING BULKY AND ABANDONED ITEMS; AND COMMUNITY RECYCLING FOR PROCESSING STREET SWEEPING MATERIAL.**

## **RECOMMENDATIONS**

It is recommended that City Council:

Accept the bids, dated January 7, 2004, submitted by Cedarwood Young Corp., DBA Allan Company, for processing Recycling Material; Valley Vista Services, Inc. for processing Bulky and Abandoned Items; and Community Recycling for processing Street Sweeping material, in response to the Specifications for Residential and Commercial Waste – Material Recovery; reject all other bids received; and authorize the City Manager to enter into such contracts as are required.

## **BACKGROUND**

On November 17, 2003, the City Council approved the Integrated Waste Management Operations Plan. Included in the plan was the implementation of municipal collection of residential curbside recycling materials beginning February 1, 2004. On December 23, 2003, a Notice Inviting Bids was sent out for the sale of recycling commodities and for the diversion of Bulky & Abandoned Items, Commercial Waste, and Street Sweepings to Material Recovery sites. It was anticipated that by going out to bid the City would realize a cost savings and additional revenue as well as improve the City's compliance with AB939, the waste reduction legislation.

The bid specifications prepared by the City required the vendors to meet a minimum diversion standard of performance, as well as requesting the vendor to provide a cost of/or price paid for the selected materials. The following diversion standards were set and included in the bid specs: Residential Recyclables 75%; Bulky Items 75%; Commercial 10%; and Street Sweeping 90%.

Bids were received by the City Clerk on January 7, 2004. The results are as follows:

BIDDER	RECYCLING COMMINGLED	BULKY AND ABANDONED	COMMERCIAL WASTE	STREET SWEEPING
V V S, Inc	\$ 12.00	(\$28.00)	(\$38.00)	(\$33.00)
Looney Bins, Inc	\$0.00	\$0.00	\$0.00	(\$30.59)
DBA Allan Company	<b>\$40.15</b>	\$0.00	\$0.00	\$0.00
Community Recycling	\$0.00	(\$37.45)	\$0.00	<b>(\$29.75)</b>
BLT Enterprises, Inc.	\$35.00	\$0.00	\$0.00	\$0.00
Scholl Cost per Ton	N/A	(\$38.54)	<b>(\$31.67)</b>	(\$31.67)
<b>Lowest/Best Bid</b>	<b>\$ 40.15</b>	<b>(\$28.00)</b>	<b>(\$31.67)</b>	<b>(\$29.75)</b>

Annual Tonnage	9,256	2,900	11,100	1,700
<b>Annual Revenue/ (Cost)</b>	<b>\$ 371,628</b>	<b>\$ (81,200)</b>	<b>\$ (351,537)</b>	<b>\$ (50,575)</b>

Based on the results of the bid process, Cedarwood Young Corporation, DBA Allan Company, is offering the highest commodity price for the sale of commingled recycling commodities for an estimated annual income of approximately \$370,000. Valley Vista Services is the low bidder for Bulky & Abandoned items at a cost of \$28.00 per ton. Community Recycling & Resource Recovery, Inc. is the low bidder for street sweepings at a cost of \$29.75 per ton. Valley Vista Services, Inc. was the only bid submitted for processing Commercial Waste. Their bid was rejected because of the high cost of processing the material and the low diversion credit the City would receive (10%). Although the cost benefit ratio for recycling this material is currently not cost effective, staff will continue to review the commercial waste stream to identify other methodologies to more cost effectively increase diversion of this waste stream

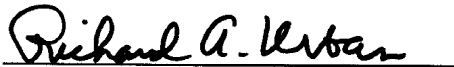
## FISCAL IMPACT

Based on the estimated tonnage for the sale of commingled recyclables, there will be a \$271,628 increase in revenue to the Refuse Fund, originally projected at \$100,000 in Fiscal Year 2005, from the sale of commodities. For the remaining categories (Bulky Items, Commercial, and Street Sweeping), cost per category will remain as projected in the business plan.

Respectfully Submitted,

  
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City Manager


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