

Agenda Report

TO: CITY COUNCIL

DATE: June 23, 2008

FROM: CITY MANAGER

SUBJECT: CONTRACT AWARD TO CEDARWOOD YOUNG CORPORATION DBA ALLAN COMPANY FOR RECYCLING MATERIAL AND COMMUNITY RECYCLING AND RESOURCE RECOVERY, INC. FOR STREET SWEEPING AND GREEN WASTE MATERIAL

RECOMMENDATION:

It is recommended that the City Council:

1. Accept the bid dated February 20, 2008, submitted by Cedarwood Young Corp., DBA Allan Company who proposed to pay the City \$42.15 per ton for recycling material in response to the specifications for Residential and Commercial Waste Material Recovery;
2. Accept the bid dated February 20, 2008, submitted by Community Recycling and Resource Recovery, Inc. who will charge the City \$43.28 per ton for street sweeping material, and \$37.30 per ton for green waste material, in response to the specifications for Residential and Commercial Waste Material Recovery; and
3. Authorize the City Manager to execute contracts as required for three years with two optional one-year extension periods subject to the approval of the City Manager.

BACKGROUND:

On November 17, 2003, the City Council approved the Integrated Waste Management Operations Plan. Included in the plan was implementation of the collection and sale of residential curbside recycling materials. On February 07, 2008, a Notice Inviting Bids was sent out for the sale of recycling commodities and for the diversion of bulky and abandoned items, green waste, and street sweeping materials to a material recovery site in order to maintain the City's compliance with AB939. All material collected by the City that is not taken to a diversion facility is disposed of at Scholl Canyon Landfill.

Two bids were received by the City Clerk on February 20, 2008, one for the purchase of curbside recycling materials and one for the diversion of green waste and street sweepings. No bids were received for the diversion of bulky and abandoned items. Allan Company submitted a bid to pay the City \$42.15 per ton for recyclable material. Community Recycling and Resource Recovery, Inc. submitted a bid with a cost to the City of \$43.28 per ton for street sweeping material and \$37.30 per ton for green waste.

Allan Company's bid of \$42.15 per ton is \$2.00 per ton higher than their existing contract rate with the City. The higher rate is based on the higher value of the recycling commodities, i.e., glass, aluminum and plastic.

Community Recycling and Resource Recovery, Inc.'s bid of \$37.30 per ton for green waste is \$20.55 per ton higher than the cost of recycling green waste at Scholl Canyon Landfill and the street sweeping bid of \$43.28 per ton is \$3.21 higher than the disposal cost at Scholl Canyon Landfill.

Presently, green waste is taken to Scholl Canyon Landfill and used as alternative daily cover which counts towards the City's diversion rate. With the diversion credit received for green waste at Scholl Canyon Landfill and because the cost is much lower than the bid received by Community Recycling and Resource Recovery, Inc., green waste will continue to be recycled at Scholl Canyon Landfill. Currently, the California Integrated Waste Management Board is considering no longer granting diversion credit for alternate daily cover. If this happens, green waste material may be taken to Community Recycling and Resource Recovery, Inc. where the City will receive a 90 percent diversion rate credit for the green waste material.

The cost of disposing the street sweeping material at Community Recycling and Resource Recovery, Inc. is \$3.21 higher than the disposal cost at Scholl Canyon Landfill and \$10.79 higher than their existing rate. However, diversion credit for street sweeping material is only received when it is taken to a recovery facility such as Community Recycling and Resource Recovery. The City will receive a 98 percent diversion credit rate for street sweeping material taken to Community Recycling and Resource Recovery versus no credit (0 percent) if it is taken to Scholl Canyon Landfill. Staff feels the additional cost is warranted for the benefit received.

Since no bids were received for bulky and abandoned items, these items will be taken to Scholl Canyon Landfill for disposal until such time as staff is able to find a vendor to recycle this material. The City collects on average 1,100 tons of bulky and abandoned items a year which is less than one percent of the 600,000 tons of material collected annually. In the past when this material was accepted at Community Recycling and Resource Recovery only five percent of it was recycled.

These two contracts will not adversely affect the City's overall diversion rate of 58 percent.

FISCAL IMPACT:

Sufficient funds are available in the Street Maintenance and Integrated Waste Management Department, Street Cleaning budget account 8114-101-764340. In Fiscal Year 2008, approximately \$360,000 in recycling revenue will be collected. With the \$2 per ton increase, this will amount to a projected increase of \$18,000 annually. Community Recycling and Resource Recovery's street sweeping rate of \$43.28 is \$10.79 more per ton than the existing rate which equates to approximately \$20,000 more annually.

Respectfully Submitted,



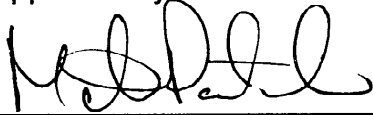
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