

**AUTHORIZATION TO INCREASE CONTRACT NO. 31537 WITH AMERICAN RECLAMATION, INC. BY \$1,673,568 AND ADD TWO ADDITIONAL ONE-YEAR OPTIONS TO PROVIDE MATERIAL RECOVERY PROCESSING**

City Council  
February 26, 2024  
Item #12





# Recommendations

## Public Works Department

1. Find that the recommended actions are exempt from the California Environmental Quality Act (CEQA);
2. Authorize the City Manager to increase contract amount with American Reclamation, Inc. by \$141,024 for the second one-year option from March 4, 2024 to March 4, 2025;
3. Authorize the City Manager to add two additional one-year options from March 4, 2025 to March 4, 2027 in an amount of \$766,272 for each of the one-year options



# Timeline & Background

## Public Works Department

- **August 19<sup>th</sup>, 2019** - City Council awards 3-year contract to American Reclamation Inc (ARI) for material recovery processing of curbside recyclables
- **November 1<sup>st</sup>, 2019** - ARI suffers catastrophic fire
- **November 2019 – September 2021 (ARI processing paused 18-months)**
- **September 1<sup>st</sup>, 2021** - ARI resumes sorting operation
- **September 14<sup>th</sup>, 2022** - ARI increased price from \$42.24 to \$89.88 per ton due to increased processing costs
- **January 23<sup>rd</sup>, 2023** - City Council authorized contract increase on two additional one-year options from \$325,248 to \$625,248
- **January 31<sup>st</sup>, 2024** – Staff was notified that ARI will increase price from \$89.88 to \$98.24 per ton due to increased processing costs effective 3/1/24
- **February 26<sup>th</sup>, 2024** - Staff requests annual contract increase from \$625,248 to \$766,272 and two additional one-year contract extensions until March 2027 to monitor trends and closure of Scholl Canyon Landfill



# Summary of Proposed Changes

Public Works Department

Contract No.31537	Contract Term	Authorized Contract Amount	Proposed Contract Increase	Price per Ton
Original 3 Year Contract First Contract Extension Option Second Contract Extension Option <b>(Approved by Council 8/19/19)</b>	3/4/20 - 3/4/23	\$975,774 \$325,248 \$325,248	\$0	\$42.24
First Contract Amendment: -First Year Extension Option -Second Year Extension Option <b>(Contract increases approved by Council 1/23/23)</b>	3/4/23 - 3/4/24 3/4/24 – 3/4/25	\$625,248 \$625,248	\$0 \$0	\$89.88 \$89.88
Second Year Extension Option <b>(Recommend Council approve contract increase)</b>	3/4/24 – 3/4/25	\$625,248	<b>\$141,024</b>	\$98.24 (as of March 2024)
Proposed Two Additional One-Year Options <b>(Recommend Council approve extension options &amp; contract increase)</b>	3/4/25 - 3/4/27	\$0	<b>\$1,532,544</b> (\$766,272 per year)	\$98.24
Total			<b>\$1,673,568</b>	

- Total cost of recommendations is \$1,673,568
- Funding from existing Refuse Collection Fund (Fund 406); no impact to General Fund