

AGENDA ITEM # _____

DATE: JUNE 22, 2015

COAC NUMBER: 15-5581

**CITY OF GOODYEAR
CITY COUNCIL ACTION FORM**

SUBJECT: Approval of FY16 Purchase Order for Waste Management Contract	STAFF PRESENTER: Mark Seamans, Environmental Services Manager COMPANY: City of Goodyear CONTACT: (623) 882-7062
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RECOMMENDATION:

Approve the Purchase Order for Fiscal Year 2016 for the Waste Management Inc. contract in the amount of \$5,019,627.

PURPOSE:

Resolution 08-1255, which became effective on October 22, 2008, requires all budgeted expenditures of \$500,000 or more obtain Council approval before the issuance of a Purchase Order, Change Order, or Notice to Proceed. City Council approved the multi-year contract with Waste Management Inc. on April 12, 2010. However, because the Purchase Order for Fiscal Year 2015 exceeds \$500,000, it is being brought before Council for approval.

BACKGROUND AND COMMUNITY BENEFIT:

City staff and Waste Management Inc. have worked diligently over a period of time to establish protocols and procedures that enhance efficiencies to provide the high level of customer service that our residents expect. This request will not change any protocols or procedures.

PREVIOUS ACTIONS AND DISCUSSION:

On June 19, 2006, City Council approved awarding solicitation for all-inclusive solid waste/recyclable material collection services to Eagle Hauling utilizing Waste Management Inc. as the subcontractor for the period of June 20, 2006 through June 30, 2016. Eagle Hauling later assigned the contract directly to Waste Management Inc.

On January 12, 2009, Amendment #1 to the contract was approved by City Council to expand the City's recycling program to provide solid waste and recycling collection service to the Goodyear Ballpark and to offer solid waste and recycling services to other commercial multifamily and institutional facilities.

On April 12, 2010, City Council approved Amendment #2 to the Waste Management Inc. Contract to extend the current agreement for an additional three (3) years, with a new termination date of June 30, 2019. The amendment provided a one-time reduction in the contract and added a fuel adjustment to the CPI-U calculation.

On July 1, 2013, Waste Management implemented an additional 2.1% (\$0.32) increase in its contracted rates to the City. On July 1, 2014, Waste Management implemented an additional 1.1% (\$0.17) increase in its contracted rates to the City. These increases were based on the CPI-U calculations that included fuel adjustments.

Resolution 08-1255, which became effective on October 22, 2008, requires all budgeted expenditures of \$500,000 or more obtain Council approval before the issuance of a Purchase Order, Change Order, or Notice to Proceed. While City Council has previously approved the multi-year contract with Waste Management, because the Purchase Order for Fiscal Year 2014 exceeds \$500,000, it is being brought before Council for approval.

FISCAL ANALYSIS:

Sanitation accounts have continually grown, on average, by 74 accounts per month. Sanitation anticipates a growth of 903 accounts by end of FY 14/15. As of March 30, 2015, there are 25,023 active sanitation accounts. Based on this growth, it is anticipated this will increase to a total of 26,326 accounts by end of June 2016.

Waste Management has implemented an additional 0.7% increase in its contracted rates to the City that will be effective July 1, 2015. This will increase the monthly rate Waste Management charges the City for each customer from \$15.86 to \$15.97 (\$0.11 increase).

Based on this rate increase and account growth, the Purchase Order for FY15 will be \$5,019,627.

ATTACHMENTS:

None.