TO:        HONORABLE CITY COUNCIL
FROM:      CITY MANAGER         DEPARTMENT: PUBLIC WORKS
DATE:      MAY 9, 2005           CMR:222:05

SUBJECT:   APPROVAL OF AN OPERATING BUDGET PURCHASE ORDER WITH TOTER INCORPORATED IN THE AMOUNT NOT TO EXCEED $2,023,300 FOR THE PURCHASE OF ROLLOUT WASTE CONTAINERS

RECOMMENDATION
Staff recommends that Council reject Rehrig Pacific Company’s bid as nonresponsive and approve and authorize the City Manager to execute a purchase order with the lowest responsive and responsible bidder, Toter Incorporated, not to exceed the amount of $2,023,300 for the purchase of rollout waste containers.

BACKGROUND
On May 10, 2004, the Council approved new recycling and solid waste services (CMR: 205:04) that included:

1) Implementation of a single stream recycling program.
2) Change the collection of yard trimmings to cart service.
3) Supply optional curbside cart service for garbage.

These new services require the City to purchase and deliver rollout waste containers to all residents.

DISCUSSION
Project Description
The work to be performed under the contract is to purchase, manufacture, assemble and deliver waste containers to the community starting July 1, 2005, for the implementation of the new single stream recycling program, collection of yard trimmings in carts and optional curbside garbage service. The scheduled delivery date to the residents is July 1, 2005. This work also includes the services in the collection and recycling of the old/existing unwanted recycling crates.

Bid Process
On November 24, 2004 a request for quotation for rollout waste containers was announced and published for distribution to possible vendors. Bids were received and opened on December 14, 2004 from three qualified vendors. These bids ranged from a high of $2,259,030 to a low bid of $2,156,907. After review, staff recommended that the Purchasing Manager reject all bids due to excessive cost as authorized by Municipal Code 2.30.470 (b).
A notice inviting request for quotation was reissued on March 14, 2005. The invitation to bid was posted at City Hall and was sent to eleven vendors. The bidding period was twenty-two days. Responses were received from four vendors on April 5, 2005, as listed on the attached bid summary (Attachment A). Responses ranged from a high of $1,868,900 to a low bid of $1,653,538.

Staff from the Public Works and Administrative Services Departments reviewed all bids submitted, and then conducted a post-bid assessment of the containers from the two lowest bidders (Rehrig Pacific & Toter Incorporated) to determine if their products met the requirements specified in the bid documents. Rehrig Pacific Company’s containers failed tests to determine conformity with the “wall thickness” and the “lift system capability” specifications. Therefore, its low bid of $1,653,538 must be rejected as non-responsive to the project specifications. The “wall thickness” test measures the durability and wear concerns of the containers that ensures lower failure rates, have fewer customer complaints and minimizes the maintenance cost. The “lift system capability” test ensures that the containers are capable with the collector’s lifters. The collector’s lifters are mechanical devices that lift the containers from the street, empty materials collected into the collection vehicles and return the containers to the street during the collection process. Containers that release from the lifters prematurely will cause damage to surrounding property, increase City liability claims, cause injuries to the sanitation workers and cause early failure rates to the containers. Therefore, staff recommends that Rehrig Pacific’s bid be rejected as nonresponsive and Toter Incorporated be declared the lowest responsive bidder and that the contract be awarded to Toter Incorporated. The Toter Incorporated bid of $1,666,597 is 9 percent below the staff/engineer’s estimate of $1,838,594.

During the first six months of rollout of waste containers residents will not be allowed to change their cart sizes from their original order. Customers will be allowed to change their cart sizes and businesses will be allowed to expand their services six months after the initial implementation period. This option will result in the need to purchase additional rollout waste containers and staff will need some flexibility on quantities needed for this next phase of the project. From the City’s pilot area, PASCO has estimated that 25% of the residents asked to change their sizes for the implementation of the single stream program. For this reason, staff is requesting a blanket order not to exceed the amount of $2,023,300 be approved, to allow for the purchase of additional carts for expansion and changes that will be allowed after the six-month implementation period.

Staff checked references supplied by the vendor for previous work performed and found that the vendor had no significant complaints.

**RESOURCE IMPACT**
On June 28, 2004, the City Council adopted the 2004-2005 Operating Budget that included $2,023,300 for cart purchases and the collection and recycling of existing recycling crates.

**ATTACHMENTS**
Attachment A: Bid Summary
Attachment B: Post Bid Summary Test Results
Attachment C: Product Specifications & Scope of Services
Attachment D: Certification of Nondiscrimination