TO: HONORABLE CITY COUNCIL

FROM: CITY MANAGER

DEPARTMENT: PUBLIC WORKS

DATE: SEPTEMBER 8, 2008

CMR: 343:08

SUBJECT: APPROVAL OF AN AMENDMENT TO CONTRACT NO. S05110315 WITH TOTER INCORPORATED FOR ONE ADDITIONAL YEAR AND TO INCREASE THE COMPENSATION AMOUNT BY $75,000 FOR THE PURCHASE OF ADDITIONAL CARTS FOR A TOTAL AMOUNT OF $2,098,300

RECOMMENDATION

Staff recommends that Council approve and authorize the City Manager or his designee to amend Contract No. S05110315 with Toter Incorporated for one additional year and to increase the compensation amount by $75,000 for the purchase of additional garbage carts for a total of $2,098,300.

BACKGROUND

On May 5, 2005, Council approved Contract S05110315 with Toter Incorporated (Toter) (CMR:222:05). The work performed under the contract was 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 approved contract provided services from May 2005 to May 2006 with an option for two additional years. The original contract was extended twice.

DISCUSSION

Services provided under the three years of the contract met the City’s expectations. The amendment provides for the purchase of additional carts, with the same specifications including sizing, color, logo and durability, which are needed to service the community during the Palo Alto Sanitation Company’s (PASCO) last contract year.

Due to new construction, rising participation in recycling and the increased popularity of the wheeled carts for garbage, additional small size carts must be reordered to provide service to new customers. By purchasing the additional carts needed from Toter, the City will be assured of a product that is identical to the one currently used by customers and a product that is compatible with the current and future collection equipment.

Under the new waste hauling contract, the new contractor will utilize the existing carts. The purchase of any new carts will become the obligation of the new contractor.
**SOLE SOURCE CONTRACT**
This contract extension was determined to be exempt from competitive solicitation requirements under Municipal Code Sections 2.30.360 (b) (impractical, unavailing) and 2.30.360 (d) (sole source). A competitive solicitation would not have produced any advantage to the City since Toter will provide the same quality containers with the specifications it has provided previously under same terms and conditions of the original contract except for an increase in the price per cart due to increases in plastic resin, freight, and fuel costs since the initial contract was issued in 2005.

**RESOURCE IMPACT**
Funds for this contract are available in the Refuse Fund Budget.

**ENVIRONMENTAL REVIEW**
This is not a project under Section 21065 of the California Environmental Quality Act (CEQA).

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