

**City of Culver City, California
Agenda Item Report**

Meeting Date: 02/11/2013		Item Number: <u>C-7</u>	
CITY COUNCIL AGENDA ITEM: Approval of an Amendment to the Existing Professional Services Agreement with Bestway Recycling, Inc. to Purchase Recycling Material from the City for an Additional One Year Period.			
Contact Person/Dept.: Catherine Vargas Public Works Environmental Programs and Operations		Phone Number: (310) 253-6411	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☐ No ☒	
Public Hearing: ☐		Action Item: ☐ Attachments: ☐	
Commission Action Required: Yes ☐ No ☒		Date: _____	
Public Notification Meetings and Agendas – City Council (02/05/13)			
Department Approval: Charles D. Herbertson (01/30/13)		City Attorney Approval: Carol Schwab (by H. Baker) (02/04/13)	
Chief Financial Officer Approval: Jeff Muir (02/05/13)		City Manager Approval: John M. Nachbar (02/05/13)	
<u>RECOMMENDATION:</u> Staff recommends the City Council approve an amendment to the existing professional services agreement with Bestway Recycling, Inc. to purchase metal, paper, glass, corrugated cardboard, and plastics (recyclable material) generated by the City's recycling programs for an additional one year period. <u>BACKGROUND:</u> As part of the City's waste diversion programs, the Environmental Programs and Operations Division of the Public Works Department (EPO) operates a commercial and a residential curbside mixed recyclables collection program. The mixed recyclables program allows Culver City businesses and residents to combine all of their recyclable material into one container rather than separating them into several containers. Commercial businesses are provided a two or three cubic yard bin and homeowners are provided a large 96-gallon blue recycling container to deposit their recyclable material. <u>DISCUSSION:</u> Bestway has been an ideal partner for EPO's collection operations. The Bestway material recovery facility is located two blocks east of the City's Transfer Station. As a result of the close proximity, EPO is able to optimize its recycling collection operations due to the following:			

City of Culver City, California
Agenda Item Report

- There is nominal vehicle expense and fuel cost to haul recyclable material to Bestway because of its close proximity to the Transfer Station.
- Since the City's collection vehicles can haul directly to the Bestway facility, no material is stored on the Transfer Station tipping floor, eliminating the need to separate and store material.
- Bestway will accept a commingled stream of recyclable material from the City.

Pursuant to Culver City Municipal Code Section 3.07.085.A, a contract for personal or professional services is not required to be formally bid, provided that the contract is based upon competitive quotations whenever practical.

EPO surveyed the local recycling market for a recycler that will purchase recyclable material at competitive rates, provide the high level of service that is provided by Bestway, and is located in close proximity to the Transfer Station. Staff found that there are very few companies that are located within a reasonable distance from the Transfer Station that provide a comparable level of service to Bestway.

During the term of the amended agreement, staff negotiated with Bestway to increase the commingled recyclable material rate from \$40.00 per ton to \$42.00 per ton. Loose corrugated cardboard will increase from 70% Official Board Markets rate (OBM) to 75% OBM and baled corrugated cardboard will be sold to Bestway at 90% OBM.

FISCAL ANALYSIS:

On average, the City collects and recycles 4,350 tons of mixed recyclable material and 720 tons of corrugated cardboard annually. Approval of the proposed contract amendment with Bestway will generate approximately \$256,250 in revenue and avoid approximately \$228,150 in disposal costs over the one-year term of the extended agreement.

ATTACHMENTS:

None

MOTIONS:

That the City Council:

City of Culver City, California
Agenda Item Report

1. Approve an amendment to the existing professional services agreement with Bestway Recycling, Inc. to purchase recyclable material, from March 1, 2013 until February 29, 2014 for a price of \$42.00 per ton for commingled recyclable material, 75% of the Official Board Markets rate (OBM) for loose corrugated cardboard, and 90% OBM baled corrugated cardboard; and,
2. Authorize the City Attorney to review/prepare the necessary documents; and,
3. Authorize the City Manager to execute such documents on behalf of the City.