

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

Meeting Date: 09/27/10		Item Number: <u>C-4</u>	
CITY COUNCIL AGENDA ITEM: Approval of an Amendment to an Existing Professional Services Agreement with Bestway Recycling, Inc. to Purchase Recycling Material from the Public Works Refuse and Recycling Division for an Additional One Year Period.			
Contact Person/Dept.: Catherine Vargas		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 (09/23/10); Sustainability and Environmental Issues (09/23/10)			
Department Approval: Charles D. Herbertson(09/17/10)		City Attorney Approval: Carol Schwab (by H. Baker) (09/20/10)	
Chief Financial Officer Approval: Jeff Muir (by M. Noller) (09/22/10)		City Manager Approval: John M. Nachbar (09/22/10)	
<u>RECOMMENDATION:</u> Staff recommends that the City Council approve an amendment to the existing professional services agreement with Bestway Recycling, Inc. to purchase aluminum, paper, glass, corrugated cardboard, and plastics (recyclable material) generated by the City’s recycling programs for an additional one year period. <u>BACKGROUND:</u> The Public Works Environmental Programs and Operations Division (EPO) operates an exclusive franchise to collect solid waste and recycling material within the City of Culver City. EPO also plans and implements waste diversion programs that divert recyclable material from the landfill. As part of the City’s waste diversion programs, 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 two or three cubic yard containers and homeowners are provided a large 96-gallon blue recycling container to deposit their recycling material.			

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DISCUSSION:

Bestway has been an optimal 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:

- There is little vehicle expense and fuel cost to hauling recyclable material to Bestway because of the close proximity to the Transfer Station.
- Because 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 recycling 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 mixed recycle 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.

For the new agreement, staff negotiated with Bestway to increase the commingled recyclable material rate from \$23 per ton to \$37 per ton. Loose corrugated cardboard will remain at 70% Official Board Markets rate (OBM) and baled corrugated cardboard will be sold to Bestway at \$145 per ton. These rates are in line with the rates the City of Los Angeles receives for the same material.

FISCAL ANALYSIS:

On average, EPO collects and recycles 4,336 tons of mixed recyclable material and 1,107 tons of corrugated cardboard annually. Entering into an agreement with Bestway will generate approximately \$320,947 in revenue and avoid approximately \$185,062 in disposal costs over the one-year term of the agreement.

ATTACHMENTS:

None

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MOTION:

That the City Council:

1. Approve an amendment to the existing professional services agreement with Bestway Recycling, Inc. to purchase recyclable material, from September 1, 2010 until August 31, 2011 for a price of \$37 per ton for commingled recyclable material, 70% Official Board Markets rate (OBM) for loose corrugated cardboard, and \$145 per ton for 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.