



**Purchasing Service Agreement  
CITY OF AUSTIN  
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.: 31  
AGENDA DATE: Thu 10/20/2005  
PAGE: 1 of 2**

**SUBJECT:** Authorize execution of a 12-month service agreement with WASTE MANAGEMENT OF TEXAS, INC., Austin, TX for garbage and recycling collection services in the designated alleyways of Congress Avenue between Cesar Chavez Street and 11<sup>th</sup> Street, East Sixth Street between Congress Avenue and IH-35, West 5<sup>th</sup> Street between Guadalupe Street and Colorado Street, West 4<sup>th</sup> Street between Lavaca Street and Colorado Street, East 5<sup>th</sup> Street between San Jacinto Boulevard and Trinity Street, and East 7<sup>th</sup> Street between Neches Street and Red River Street in an amount not to exceed \$1,001,575.40, with four 12-month extension options in an amount not to exceed \$1,001,575.40 per extension option, for a total agreement amount not to exceed \$5,007,877.

**AMOUNT & SOURCE OF FUNDING:** Estimated Cost for Fiscal Year 2005-2006 is \$630,000. Funding in the amount of \$630,000 is available in the Fiscal Year 2005-2006 Approved Operating Budget of the Solid Waste Services Department. Funding for the extensions options is contingent upon available funding in future budgets.

**FISCAL NOTE:** There is no unanticipated fiscal impact. A fiscal note is not required.

**REQUESTING** Purchasing **DIRECTOR'S**  
**DEPARTMENT:**for Solid Waste Services; **AUTHORIZATION:** Vickie Schubert

**FOR MORE INFORMATION CONTACT:** R.C. Hernandez, Senior Buyer/974-6434

**PRIOR COUNCIL ACTION:** N/A

**BOARD AND COMMISSION ACTION:** Reviewed by the Solid Waste Advisory Board

**PURCHASING:** Low bid of two bids received

**MBE / WBE:** This contract will be awarded in compliance with Chapter 2-9 of the City Code (Minority-Owned and Women Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.

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This contract provides for containerized refuse collection, seven days per week in the alleyways on the city blocks adjacent to Congress Avenue between Cesar Chavez Street and 11<sup>th</sup> Street, the city blocks adjacent to 6<sup>th</sup> Street between Congress Avenue and IH-35, the city blocks adjacent to 5<sup>th</sup> Street between Guadalupe Street and Colorado Street, the city block south of 4<sup>th</sup> Street between Lavaca Street and Colorado Street, the city block south of East 5<sup>th</sup> Street between Neches Street and Red River Street.

Service in these areas also includes recycling collection, up to three days per week, for paper and cardboard. Additional services include the emptying of containers, disinfecting all containers on a monthly basis, sweeping and collecting all uncontainerized waste, the immediate removal of any dirt, debris or greases spilled during the container servicing, and special collection for any items too large to be placed in the containers. A representative of Waste Management will also monitor the alleys for graffiti, litter, overhanging limbs and general cleanliness.



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It is estimated that the cost of this contract will be fully funded by the Central Business District garbage collection fee paid by the customers in the downtown collection service area. The City evaluates the fee and recommends increases/decreases as needed.

The Solid Waste Services Advisory Commission reviewed this contract. With a 5-0 vote, two members being absent, the Commission requested that letters be sent to the affected property owners explaining that when their existing contracts expire, their garbage and recycling pick up will be assumed by the service contractor for the City of Austin.

MBE/WBE Solicited: 40/15

MBE/WBE Bid: 0/0

**BID TABULATION**

**IFB # RH05300076**

**Refuse Collection Services – Designated Alleyways of Downtown Austin  
(Six Line Items)**

<b><u>VENDOR</u></b>	<b><u>LINE ITEMS</u></b>	<b><u>TOTAL</u></b>
<b>WASTE MANAGEMENT OF TEXAS, INC AUSTIN, TX</b>	<b>1 – 6</b>	<b>\$1,001,575.40</b>
 Texas Disposal Systems Inc. Austin, TX	 1 – 6	 \$1,297,519.68

A complete bid tabulation is available in the Purchasing Office

**PRICE ANALYSIS**

- Adequate competition.
- One hundred ninety-eight notices were sent, including 40 MBEs/15 WBEs. Eight solicitations were issued. Two bids were received. The MBE/WBEs did not respond.
- The pricing offered represents a 137% increase from the last contract awarded in 2000. The increase can be attributed to the following: 1) substantial increase since 2000 in the cost of fuel, equipment, labor, disposal and recycling services; 2) expansion of the existing contract area; 3) allowances for increases in actual quantities/volume, collection frequencies, unscheduled collections, special events and contingencies.

**APPROVAL JUSTIFICATION**

- Low bid.
- The Solid Waste Services Department concurs with the recommended award herein.
- Advertised in the Austin American-Statesman and Internet.