



CITY OF
FOLSOM
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Folsom City Council Staff Report

MEETING DATE:	8/25/2020
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 10516 - A Resolution Authorizing Additional Spending Under the Current Agreement with Schaefer Systems Inc. (Contract No. 173-21 17-067) for the Purchase of Residential Solid Waste Containers
FROM:	Public Works Department

RECOMMENDATION / CITY COUNCIL ACTION

The Public Works Department recommends that the City Council pass and adopt Resolution No. 10516 - A Resolution Authorizing Additional Spending Under the Current Agreement with Schaefer Systems Inc. (Contract No. 173-1 17-067) for the Purchase of Residential Solid Waste Containers.

BACKGROUND / ISSUE

The Solid Waste Division (Solid Waste) of the Public Works Department is responsible for providing timely collection of residential and commercial solid waste and recycling in the City of Folsom. Solid Waste has a need to purchase recycling, refuse and green waste containers (cans) on a continuing basis to maintain a working inventory of five different can types for curbside collection. The majority of cans purchased will be used to replace damaged cans currently in service; however, some will also be used to provide additional service to existing customers, as well as to provide cans to new homes. Prompt replacement of damaged cans and providing additional cans where needed enables the City to provide reliable and efficient service for collection of the City's residential waste. In addition, properly functioning containers help prevent litter and protect material from water intrusion, which can increase disposal cost and reduce the recyclability of some material.

In Fiscal Year 2017-18 Folsom City Council passed Resolution Number 10002 authorizing the City Manager to execute an agreement with Schaefer Systems Inc. (Schaefer) for the purchase

of solid waste containers in an amount not to exceed \$250,000. The agreement allows for additional spending in subsequent years; however, in error, the resolution only approved the amount necessary to meet the current Fiscal Year. The current agreement with Schaefer has a remaining term of two years with the option of two one-year extensions.

The demand for containers is continuous and Solid Waste has continued to meet customer needs by purchasing solid waste, recycling and green waste collection containers under the existing agreement. The demand for cans is also increasing due to most of them being past their anticipated useful life, new construction and most recently due to increased residential waste during the COVID-19 health crisis. This resolution will authorize annual can purchases based on projected demand as well as ratify the spending that has already occurred in excess of \$250,000 to maintain consistent and reliable services.

POLICY / RULE

In accordance with Section 2.36.080 of the Folsom Municipal Code; supplies, equipment, services and construction with a value of \$62,014 or greater shall be approved by City Council.

ANALYSIS

Solid Waste executed a contract with Schaefer in Fiscal Year 2017-18 for the purchase of cans. The contract was awarded by cooperative purchasing through National Joint Powers Alliance (NJPA) contract #041217. Solid Waste has been satisfied with the quality and service provided by Schaefer Systems Inc. and wishes to continue purchasing residential waste cans under the existing contract.

The City Council previously approved spending not to exceed \$250,000 which was intended to cover the initial contract year only. In error, the resolution approving the contract did not include spending for subsequent fiscal years. To ensure continuity of service and until this error was identified, Solid Waste continued purchasing residential cans. In Fiscal Year 2018-19 can purchases totaled \$283,217.53, and in Fiscal Year 2019-20 can purchases totaled \$348,143.06.

Each year Solid Waste projects the amount that will be needed for cans and includes this in the annual budget. For Fiscal Year 2020-21 Solid Waste projected expenses of \$358,789 for the purchase of residential cans.

A combination of three funding sources are used to purchase cans. The City receives City/County Payment Program funds from CalRecycle for beverage container recycling and these funds are currently being used exclusively for the purchase of residential recycling cans. Impact fees are used to provide cans for new homes and monthly service fees are used for the remaining containers.

FINANCIAL IMPACT

Funds are budgeted and available in Fiscal Year 2020-21 Solid Waste Operating Fund (Fund 540) and Solid Waste Capital Fund (Fund 541). The operating budget includes \$19,499 from the City/County Payment Program and \$253,979 from Solid Waste operating revenue. The capital budget includes \$85,000 from impact fees.

In subsequent years of the contract, the financial impact will be projected annually and included in the Solid Waste budget. This resolution authorizes annual spending in an amount not to exceed the combined authorized departmental supplies budgets for Solid Waste Operating (Fund 540) Collections Division (540.3501), Solid Waste Grant (540.3505) and Solid Waste Capital (Fund 541).

ENVIRONMENTAL REVIEW

This action is exempt from environmental review under the California Environmental Quality Act (CEQA).

ATTACHMENTS

Resolution No. 10516 – A Resolution Authorizing Additional Spending Under the Current Agreement with Schaefer Systems Inc. (Contract No. 173-21 17-067) for the Purchase of Residential Solid Waste Containers.

Submitted,



Dave Nugen, PUBLIC WORKS DIRECTOR

RESOLUTION NO. 10516

A RESOLUTION AUTHORIZING ADDITIONAL SPENDING UNDER THE CURRENT AGREEMENT WITH SCHAEFER SYSTEMS INC. (CONTRACT NO. 173-21 17-067) FOR THE PURCHASE OF RESIDENTIAL SOLID WASTE CONTAINERS

WHEREAS, Solid Waste Division staff has an ongoing need to purchase solid waste containers to continue to conduct solid waste and recyclables collections safely and efficiently; and

WHEREAS, Solid Waste Division has an existing contract with Schaefer Systems Inc. for the purchase of residential waste containers; and

WHEREAS, the existing contract for solid waste containers has a not to exceed amount of \$250,000 for Fiscal Year 2017-2018; and

WHEREAS, the existing contract for solid waste containers allows a not to exceed amount in subsequent years to the amount approved by City Council in the Solid Waste budget; and

WHEREAS, Solid Waste Division has exceeded the authorized amount of the contract to ensure continuity of service; and

WHEREAS, Solid Waste Division included a projected cost of \$358,789 for residential collection containers in the Fiscal Year 2020-21 budget; and

WHEREAS, sufficient funds are budgeted and available in the Solid Waste Operating Fund (Fund 540) and Solid Waste Capital Fund (Fund 541); and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom ratifies expenditures already incurred in excess of \$250,000 to ensure continuity of solid waste services; and

BE IT FURTHER RESOLVED that the City Council of the City of Folsom authorizes additional spending under the current agreement with Schaefer Systems Inc for an annual not to exceed amount equal to the amount approved in the annual Solid Waste budget.

PASSED AND ADOPTED this 25th day of August 2020, by the following roll-call vote:

AYES: Council Member(s):
NOES: Council Member(s):
ABSENT: Council Member(s):
ABSTAIN: Council Member(s):

Sarah Aquino, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

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