



CITY OF  
**FOLSOM**  
C. INCORPORATED BY CHARTER

## Folsom City Council Staff Report

<b>MEETING DATE:</b>	12/14/2021
<b>AGENDA SECTION:</b>	Consent Calendar
<b>SUBJECT:</b>	Resolution No. 10773 - 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 and Appropriation of Funds
<b>FROM:</b>	Public Works Department

### **RECOMMENDATION / CITY COUNCIL ACTION**

The Public Works Department recommends that the City Council pass and adopt Resolution No. 10773 - 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 and Appropriation of Funds.

### **BACKGROUND / ISSUE**

The Solid Waste Division (Division) of the Public Works Department is responsible for providing timely collection of residential and commercial solid waste and recycling in the City of Folsom. The Division needs to purchase recycling, refuse and green waste containers (cans) on a continuing basis to maintain a working inventory of six 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.

The Division has a contract with Schaefer Systems Inc. (Schaefer) to supply residential collection containers. Historically the turnaround time for receiving an order is four to six

weeks. Currently the Division is experiencing wait times of 16 to 18 weeks. This has resulted in the Division occasionally running out of cans and it is anticipated that this will continue to happen as a result of the current global supply chain issues. Schaefer has reported that the additional demand for containers created by Senate Bill 1383 (SB 1383) combined with a strained labor market and supply chain delays for materials and machine parts have all contributed to their difficulty in meeting customer demands. Schaefer has recently invested in additional equipment and technology and is working to resolve the impacts to customers, however, in the meantime, it is prudent for the Division to purchase larger quantities to avoid service failures.

In addition, changing plans related to commercial organics recycling is placing further strain on the Division's container supply. The city currently has approximately 400 business accounts that are out of compliance with organics recycling mandates. The city has historically relied on private haulers to provide organics recycling services; however, with so many businesses out of compliance and being placed under a compliance schedule by CalRecycle, the Division is opting to expand services to collect food waste from businesses. The initial cost of providing cans for commercial food waste was not anticipated by the current budget.

When preparing the budget for Fiscal Year 2021-22 the Division projected enough funding for cans to last six weeks into the following fiscal year. To stop the cycle of running out of cans, the Division is requesting funding that will allow adaptation to the current wait times by purchasing enough inventory to last 18 weeks into Fiscal Year 2022-23. This will ensure the city's ability provide consistent and reliable service.

### **POLICY / RULE**

In accordance with Section 5.05 of the Adopted Charter of the City of Folsom; appropriations in excess of the adopted budget must be approved by resolution of the City Council.

### **ANALYSIS**

The Division 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. The Division has been satisfied with the quality and service provided by Schaefer and wishes to continue purchasing residential waste cans under the existing contract.

The contract with Schaefer allows annual spending up to the amount in the adopted budget. The Division is requesting an increase to the Fiscal Year 2021-22 budget through the appropriation of an additional \$120,000 from the Solid Waste current cash balance. This would ensure adequate supply to meet customer needs by increasing inventory on hand. Staff has analyzed recent inventory patterns to estimate the monthly usage and the current inventory to estimate ongoing needs. The current budget would supply enough containers to last approximately eight months. This would leave us with no inventory on hand early next fiscal

year. A purchase early in the next fiscal year could take 16 to 18 weeks to arrive, leaving the Division and our customers without cans for months.

**FINANCIAL IMPACT**

The increase to planned inventory of on-hand residential cans was not included in the budget and an additional appropriation of funds in the amount of \$120,000 will be required. The funds are currently available in the Solid Waste Operating Fund (Fund 540).

**ENVIRONMENTAL REVIEW**

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

**ATTACHMENT**

Resolution No. 10773 - 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 and Appropriation of Funds.

Submitted,



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Mark Rackovan, PUBLIC WORKS DIRECTOR

**RESOLUTION NO. 10773**

**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 AND APPROPRIATION OF FUNDS**

**WHEREAS**, Solid Waste Division 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**, supply chain delays have necessitated the Solid Waste Division to modify its inventory management strategy to maintain more inventory on hand; and

**WHEREAS**, the existing contract for solid waste containers allows an annual not to exceed amount of the City Council adopted Solid Waste budget allocated for cans; and

**WHEREAS**, the amount budgeted for residential containers in the Fiscal Year 2021-22 Solid Waste Division budget does not support an increase to planned inventory on hand; and

**WHEREAS**, the Solid Waste Division included a projected cost of \$387,024 for residential collection containers in the Fiscal Year 2021-22 budget; and

**WHEREAS**, the Solid Waste Division is requesting an additional appropriation of \$120,000 in Fiscal Year 2021-22 for the purchase of residential containers; and

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

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Folsom authorize additional spending under the current agreement with Schaefer Systems, Inc. (Contract No. 173-21 17-067) for the Purchase of Residential Solid Waste Containers.

**NOW, THEREFORE, BE IT FURTHER RESOLVED** that the Finance Director is authorized to appropriate \$120,000 from the Solid Waste Operating Fund (Fund 540) for the purchase of additional residential waste collection containers.

**PASSED AND ADOPTED** this 14<sup>th</sup> day of December 2021, by the following roll-call vote:

**AYES:** Councilmember(s):  
**NOES:** Councilmember(s):  
**ABSENT:** Councilmember(s):

**ABSTAIN:** Councilmember(s):

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Michael D. Kozlowski, MAYOR

ATTEST:

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Christa Freemantle, CITY CLERK

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