

City of Fort Worth, Texas

Mayor and Council Communication

DATE: 02/13/24 M&C FILE NUMBER: M&C 24-0109

LOG NAME: 13PAMEND 22-0205 WASTE DISPOSAL FOR CITY FACILITIES AR CITY

SUBJECT

(ALL) Authorize an Amendment to the Services Agreement with Allied Waste Services of Fort Worth, LLC dba Republic Services for Waste Disposal Services for City Facilities to Increase the Annual Spend Amount by \$785,405.00 for a New Annual Amount Up to \$3,189,574.00 for the Initial Term and Authorize Four One-Year Renewal Options for Various Amounts; \$3,349,053.00 for the First Renewal, \$3,516,506.00 for the Second Renewal, \$3,692,331.00 for the Third Renewal and \$3,876,948.00 for the Fourth Renewal for City Departments

RECOMMENDATION:

It is recommended that the City Council authorize an amendment to the services agreement with Allied Waste Services of Fort Worth, LLC dba Republic Services for waste disposal services for City facilities to increase the annual amount by \$785,405.00 for a new annual amount up to \$3,189,574.00 for the initial term and authorize four one-year renewal options for an amount of \$3,349,053.00 for the first renewal, \$3,516,506.00 for the second renewal, \$3,692,331.00 for the third renewal and \$3,876,948.00 for the fourth renewal for City departments.

DISCUSSION:

On February 14, 2023, City Council approved Mayor and Council Communication (M&C) 23-0104 that authorized an agreement with Allied Waste Services of Fort Worth, LLC dba Republic Services in an annual amount up to \$2,304,169.00 to furnish equipment, materials, labor, and personnel for container provision and refuse and garbage removal and disposal for City facilities. Services also consist of single-stream recycling removal and processing services from City facilities as called for and directed by the City.

In December 2023, the City utilized the administrative change order to increase the agreement by \$100,000.00 to a new annual spend amount of \$2,404,169.00 to ensure coverage for the remainder of the current term. However, within the same month, Transportation and Public Works, Library, Water, Park and Recreation and Police Departments approached the Purchasing Division to increase the annual contract amount by an additional \$628,324.00 to accommodate needed services (\$3,032,493.00), which exceeded the existing available spending capacity available to distribute under the contract. The increased spending authority is needed to account for added services and to rectify a City-wide underestimation in contract capacity caused by increases in pricing from the prior contract to the current contract. To begin the procurement process, departments use the existing contract to estimate the spending capacity needed for the future contract. At the time M&C 23-0104 was approved, the City had not adjusted the needed spending capacity to account for the increase in pricing under the new contract. Processes are now in place for post-bid capacity adjustments to ensure that the City requests the correct spending authorization.

To ensure City departments have enough spending authority under the agreement to account for unanticipated needs that may arise, Purchasing has also included 25% of the requested increase as a spending buffer in the amount of \$157,081.00 for a total increase amount of \$785,405.00 and a new annual amount up to \$3,189,574.00 for the initial term. There was an existing buffer amount of \$34,000.00 available that will be added to the \$157,081.00 and will only be used in the event that additional needs arise or new departments need to be added to the agreement. The buffer will also be included in the renewal options to ensure necessary spending authorization throughout the life of the contract.

FUNDING: The maximum amount allowed under this agreement Citywide will be \$3,189,574.00 for the initial term; however, the actual amount used will be based on the need of the department and the available budget. The following shows the breakdown by department:

Department	Previous Spending Limit	Increase through this M&C	Spending Limit after M&C
Buffer Amount	\$34,000.00	\$157,081.00	\$191,081.00
Transportation and Public Works	\$3,000.00	\$8,160.00	\$11,160.00
Library	\$12,000.00	\$38,000.00	\$50,000.00
Park and Recreation	\$262,075.00	\$539,164.00	\$801,239

Water	\$501,831.00	\$20,000.00	\$521,831.00
Police	\$100,000.00	\$23,000.00	\$123,000.00
Code	\$7,500.00	\$0	\$7,500.00
Aviation	\$18,112.00	\$0	\$18,112.00
Fire	\$40,700.00	\$0	\$40,700.00
ITS	\$5,500.00	\$0	\$5,500.00
Neighborhood Services	\$30,380.00	\$0	\$30,380.00
Property Management	\$351,437.00	\$0	\$351,437.00
Public Events	\$1,037,634.00	\$0	\$1,037,634.00

BUSINESS EQUITY: Allied Waste Services of Fort Worth, LLC dba Republic Services agrees to maintain its initial M/WBE commitment of 14% that it made on the original agreement and extend and maintain that same M/WBE commitment of 14% to this first amendment. Therefore Allied Waste Services of Fort Worth, LLC dba Republic Services remains in compliance with the City's M/WBE Ordinance and attests to its commitment by its signature on the Acceptance of Previous M/WBE Commitment form executed by an authorized representative of its company.

AGREEMENT TERMS - The current term of this Agreement will expire on February 29, 2024.

RENEWAL OPTIONS: This agreement may be renewed for up to four (4) one-year terms at the City's option in the following amounts: \$3,349,053.00 for the first renewal, \$3,516,506.00 for the second renewal, \$3,692,331.00 for the third renewal and \$3,876,948.00 for the fourth renewal. This action does not require specific City Council approval provided that the City Council has appropriated sufficient funds to satisfy the City's obligations during the renewal term.

ADMINISTRATIVE CHANGE ORDER: An administrative change order or increase may be made by the City Manager up to the amount allowed by relevant law and the Fort Worth City Code and does not require specific City Council approval as long as sufficient funds have been appropriated.

EXEMPT PROCUREMENT: The City Attorney's Office has determined that solid waste services are exempt from competitive bidding under the provisions of Chapter 252 of the Texas Local Government Code as necessary to preserve or protect the public health or safety of the municipality's residents. Nevertheless, the City chose to voluntarily procure this agreement through the competitive process, as allowed, to ensure the City receives a fair and equitable contract.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that funds are available in the current operating budget, as previously appropriated, in the participating departments' Operating Funds to support the approval of the above recommendation and amendment of the agreement. Prior to any expenditure being incurred, the participating departments have the responsibility to validate the availability of funds.

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