



Legislation Details (With Text)

File #: 0479-2017 **Version:** 2

Type: Ordinance **Status:** Passed

File created: 2/17/2017 **In control:** Environment Committee

On agenda: 3/13/2017 **Final action:** 3/16/2017

Title: To appropriate \$2,100,000.00 from the unappropriated balance of the Street Construction Maintenance and Repair Fund; to authorize the Director of Public Service to enter into contract with Rumpke of Ohio, Inc., for yard waste and recycling collection services; to authorize the expenditure of \$8,500,000.00 from the General Fund and the Street Construction Maintenance and Repair Fund for the first year of the contract; and to declare an emergency. (\$8,500,000.00)

Sponsors:

Indexes:

Code sections:

Attachments: 1. final 2017 Rumpke Ord Draft Financial Codes 2.16.pdf

| Date | Ver. | Action By | Action | Result |
|-----------|------|-----------------------|-----------------------------------|--------|
| 3/16/2017 | 2 | CITY CLERK | Signed | |
| 3/15/2017 | 2 | MAYOR | Signed | |
| 3/13/2017 | 2 | COUNCIL PRESIDENT | Signed | |
| 3/13/2017 | 1 | Columbus City Council | Amended as submitted to the Clerk | Pass |
| 3/13/2017 | 1 | Columbus City Council | Approved as Amended | Pass |

1. BACKGROUND

This ordinance requests Council's approval to enter into contract with Rumpke of Ohio, Inc. (Rumpke) through the City's bid process for the Collection Services of Yard Waste and Recyclables 2017 contract and to provide funding for the first year of the contract. It also authorizes the Director of Public Service to execute contract modifications if needed to clarify terms and conditions of the contract, to execute contract modifications to implement program improvements and enhancements, and to further negotiate with Rumpke for cost reductions related to this contract. If the cost reductions should result in major changes to the services provided under this contract, an ordinance will be submitted requesting Council's permission to modify the contract.

Landfill diversion requirements are established by Ohio Revised Code. Continuation of a separate collection for these items is necessary to segregate yard waste and recyclables that can be composted and recycled from the regular waste stream. This serves to extend the life of the landfill operated by the Solid Waste Authority of Central Ohio (SWACO).

The Department of Public Service, Division of Refuse Collection, currently provides bi-weekly collection of recyclables and yard waste for residences through a service contract with Rumpke. The current contract also includes Rumpke servicing recycling containers deployed along Broad Street and High Street as part of the Pedestrian Recycling Program, glass pick-up from restaurants and bars along N. High Street as part of the Recycle On High program, and recyclable collection services for the solar compactors deployed in the Short North Area that also include a container for recyclables. The current contract is a five-year contract that was put in place through the bid process and expires 3/31/17. There were three bidders for that contract.

The Department of Public Service issued a bid in 2016 to establish a contract to replace the expiring Collection Services

of Yard Waste and Recyclables contract. The bid anticipated services remaining unchanged from the current contract but asked for pricing options for weekly collection of recyclables, weekly collection of both recyclables and yard waste, and dumpster service collection so multi-dwelling units and multiple dwelling developments could be included in the recycling program. Rumpke was the only company to submit a bid. Changing the frequency of collection added considerably to the price and will not be considered at this time.

This contract will be a 5-year contract expiring on March 31, 2022, with five one-year renewal options. The cost of year one of the contract is estimated at \$8,500,000.00. The contract does include a fuel price adjustment, so the amount paid could increase or decrease according to changes in the price of diesel fuel.

The cost of the new contract is approximately 50% more than the expiring contract. Reasons given for the increase include the prices offered for recyclable material has decreased sharply since the implementation of the original contract, the cost of labor has increased, and after five years of the program Rumpke better understands the cost of delivering the services. The contract will be implemented as bid but negotiations will continue with Rumpke in an effort to find ways to reduce the cost of the contract. It is anticipated it will take up to six months to thoroughly explore options and to develop accurate cost models for any proposed changes.

The Notice to Proceed date is estimated to be March 27, 2017 with a contract period of April 1, 2017 through and including March 31, 2022. One bid was received on December 8, 2016 (majority) and tabulated on December 08, 2016 as follows:

| <u>Company Name</u> | <u>City/State</u> | <u>Majority/MBE/FBE</u> | <u>Bid Amt</u> |
|----------------------|-------------------|-------------------------|-----------------|
| Rumpke of Ohio, Inc. | Cincinnati, OH | Majority | \$44,984,160.00 |

Award is to be made to Rumpke Waste & Recycling. Although only one bid was received, Rumpke has been found to be a responsible, responsive bidder.

Searches in the System for Award Management and the State of Ohio's Findings for Recovery List produced no findings against Rumpke.

The Director of the Department of Public Service hereby commits to reporting to the Members of City Council on a quarterly basis, or as determined by the Chair of the Environment Committee, on the department's progress to improve the efficiency and cost effectiveness in the recycling and yard waste removal program.

2. CONTRACT COMPLIANCE

Rumpke's contract compliance number is 31-1617611 and expires October 6, 2017.

3. FISCAL IMPACT

The Division of Refuse Collections 2017 General Fund budget includes \$6,400,000.00 budgeted and available for this purpose. Supplemental budget appropriation is being requested from the Department of Public Service's 2017 Street Construction Maintenance and Repair Fund budget to pay the balance of this contract. The total request from the Street Construction Maintenance and Repair Fund is \$2,100,000.00. The Street Construction Maintenance and Repair Fund has the available cash to support this expenditure.

4. EMERGENCY DESIGNATION

Emergency action is requested to allow timely execution of this contract, to prevent a lapse of a recycling and yard waste collection contract in order to continue this service to residents.

To appropriate \$2,100,000.00 from the unappropriated balance of the Street Construction Maintenance and Repair Fund; to authorize the Director of Public Service to enter into contract with Rumpke of Ohio, Inc., for yard waste and recycling collection services; to authorize the expenditure of \$8,500,000.00 from the General Fund and the Street Construction Maintenance and Repair Fund for the first year of the contract; and to declare an emergency. (\$8,500,000.00)

WHEREAS, landfill diversion requirements are established by Ohio Revised Code and there is a need to extend the life of the landfill operated by the Solid Waste Authority of Central Ohio (SWACO); and

WHEREAS, the City implemented a contract for the collection of yard waste and recyclables to divert them from the landfill; and

WHEREAS, the current contract for the collection of yard waste and recyclables expires 3/31/17 and it is necessary to implement a new contract to replace the expiring contract to maintain the program; and

WHEREAS, bids were solicited for the new contract and Rumpke is recommended to be awarded the contract; and

WHEREAS, it is necessary to enter into contract with Rumpke and to provide for payment of the first year of the contract; and

WHEREAS, it is necessary to authorize the appropriation of \$2,100,000.00 in the Street Construction Maintenance and Repair Fund to provide some of the funds needed for year one of the contract; and

WHEREAS, it is necessary to authorize the expenditure of \$8,500,000.00 from the Division of Refuse Collection from the General Fund and from the Street Construction Maintenance and Repair Fund to pay for year one of the contract; and

WHEREAS, it may be necessary to execute contract modifications to clarify terms and conditions of the contract, and to execute contract modifications to implement program improvements and enhancements; and

WHEREAS, the Director of the Department of Public Service hereby commits to reporting to the Members of City Council on a quarterly basis, or as determined by the Chair of the Environment Committee, on the department's progress to improve the efficiency and cost effectiveness in the recycling and yard waste removal program.

WHEREAS, an emergency exists in the usual daily operation of the Public Service Department, Refuse Collection Division, in that it is immediately necessary to enter into a new contract to prevent a lapse in the contract and to allow the continuation of the service, thereby preserving the public health, peace, property, safety and welfare, now, therefore,

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:

SECTION 1. That from the unappropriated monies and from all monies estimated to come into said fund from any and all sources and unappropriated for any other purpose during the fiscal year ended December 31, 2017, the sum of \$ 2,100,000.00 is appropriated in Fund 2265 Street Construction Maintenance and Repair Fund in Object Class 03 Purchased Services per the account codes in the attachment to this ordinance.

SECTION 2. That the Director of Public Service be and hereby is authorized to enter into a contract with Rumpke of Ohio, Inc., 10795 Hughes Road, Cincinnati, OH, 45251, to pay for the Collection Services of Yard Waste & Recyclables 2017 contract.

SECTION 3. That the expenditure of \$8,500,000.00, or so much thereof as may be needed, is hereby authorized in Fund 1000, the General Fund, and in Fund 2265, the Street Construction Maintenance and Repair Fund, in object class 03 Purchased Services per the accounting codes in the attachment to this ordinance.

SECTION 4. That the Director of Public Service is authorized to execute contract modifications if needed to clarify terms and conditions of the contract, and to execute contract modifications to implement program improvements and enhancements, without submitting additional legislation requesting to modify the contract. Modifications that will result in major changes to services provided under the contract will be submitted for Council's approval.

SECTION 5. That the Director of the Department of Public Service hereby commits to reporting to the Members of City Council on a quarterly basis, or as determined by the Chair of the Environment Committee, on the department's progress to improve the efficiency and cost effectiveness in the recycling and yard waste removal program.

SECTION 56. That the funds necessary to carry out the purpose of this ordinance are hereby deemed appropriated, and the City Auditor shall establish such accounting codes as necessary.

SECTION 67. That the City Auditor is authorized to make any accounting changes to revise the funding source for all contracts or contract modifications associated with this ordinance.

SECTION 78. That the City Auditor is hereby authorized to transfer the unencumbered balance in a project account to the unallocated balance account within the same fund upon receipt of certification by the Director of the Department administering said project that the project has been completed and the monies are no longer required for said project.

SECTION 89. That for the reasons stated in the preamble hereto, which is hereby made a part hereof, this ordinance is hereby declared to be an emergency measure and shall take effect and be in force from and after its passage and approval by the Mayor or ten days after passage if the Mayor neither approves nor vetoes the same.