

City Council Report

Date: November 2, 2009
To: City Council
Through: Bryan Raines, Deputy City Manager
From: Edward Quedens, Business Services Director
Subject: Dollar Limit Increase for Residential Refuse Containers for the Solid Waste Department (Contract #2007201)
"Citywide" contract

Strategic Initiative:



Purpose and Recommendation

Council is requested to approve a Dollar Limit Increase for Residential Refuse Containers as recommended. An increase is required at this time to pay for upcoming estimated expenditures through the current contract period.

The Purchasing Division recommends increasing the purchase order by \$78,800.00 to the original contract with Rehrig Pacific from \$675,671.71 to \$754,471.71 annually.

Background/Discussion

This contract provides residential refuse and recycling containers for the Solid Waste Department. The additional barrels will be used for the conversion of two (2) Mesa trailer parks, and implementation of Solid Waste's barrel replacement project.

Staff prepared a cost estimate of barrel purchases for the remainder of the contract period and anticipates an estimated shortage of \$78,800.00. The increase will allow Solid Waste to continue with the conversion and barrel replacement projects. The potential net annual income of \$26,850.00 from the trailer park conversions will not be gained without the increase. Staff is satisfied with this vendor's products and responsiveness, and anticipates the increase will be adequate for purchases through the contract period.

This second-year contract was initiated on February 1, 2009 and is valid through January 31, 2010. The contract is eligible for one (1) two-year renewal option after the third year.

Alternatives

Council may choose not to authorize the purchase order increase.

Fiscal Impact

The increase amount of \$78,800.00 is available in Solid Waste Department's budget.

Coordinated With

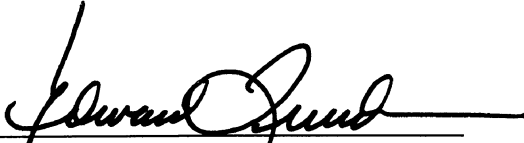
Solid Waste Department



Pamela Chavez,
Management Assistant II



Jim Ruiz, CPPB
Purchasing Administrator



Edward Quedens, CPPO, C.P.M.
Business Services Director



Bryan Raines,
Deputy City Manager

CITY OF MESA
DOLLAR LIMIT INCREASE TO PURCHASE ORDER
RESIDENTIAL REFUSE AND RECYCLING CONTAINERS

(Contract #2007201)

Contract Valid through January 31, 2010

Rehrig Pacific Co.
Los Angeles, CA

Description	Annual Contract Amount
Residential Refuse and Recycling Containers	Original Contract \$675,671.71
Addition (Increase Blanket Purchase Order #103803 through 1/31/2010)	<u>\$78,800.00</u>
	TOTAL \$754,471.71