

## **CITY COUNCIL MEMORANDUM**

**AGENDA ITEM**

**Approval for Solid Waste Container Purchases**

**ORIGINATING DEPARTMENT**

**Public Works - Solid Waste Division**

**BACKGROUND INFORMATION**

The City of Killeen's municipal solid waste systems, both residential and commercial, are container-dependent. Citizens are issued a rollout container(s) that best fits the disposal needs of the household. Citizens have the choice of a 32-, 64-, or 96-gallon container, or a combination of these sizes, and pay a monthly disposal fee based on the size/volume and quantity of the containers selected. Commercial businesses are issued containers of various sizes (96 gallons; 300 gallons; and 2, 3, 4, 6, 8, 20, 30, and 40 cubic yards) and pay fees established by Division 6, Chapter 24 of the City of Killeen Code of Ordinances.

Solid Waste is required to have an inventory of containers in stock in order to accommodate the normal growth of the city and replace lost or damaged containers. In addition, an inventory of hardware and replacement parts, such as lids, wheels, axles, and dumpster bottoms is also required to facilitate repairs.

**DISCUSSION/CONCLUSION**

Buying these containers and associated hardware and replacement parts using purchasing cooperatives complies with competitive purchasing requirements established by the Texas Local Government Code. Residential containers are available for purchase through cooperatives such as the Houston-Galveston Area Council (HGAC) and TASB Buy Board. The supplier for all residential containers in the City's inventory has historically been the manufacturer Toter, Inc., which can be purchased through the HGAC Cooperative. The continued purchase of containers from Toter, Inc. for resupply of the inventory has four distinct advantages:

- The purchase of rollout containers that are compatible with the City's current rate structure is necessary as the rate structure is based on the size/volume of container (96, 64, and 32 gallons);
- The continued standardization of the City's container and parts inventory decreases administration costs and funds required for replacement parts, such as lids, wheels, and mounting hardware; and
- A delivery time of 6-8 weeks after placing the order provides for just-in-time inventory.
- Additionally, there are no additional setup costs for the City logo, serial numbers, and hot stamped instructions for the user.

Funds are allocated in the FY 2016/2017 solid waste annual budget in the amount of \$171,766 for the purchases of residential solid waste containers for resupply of the inventory. Containers

are purchased in full truckload quantities as needed, which provide the best unit prices. The current price for one full truckload of 96-gallon containers (624 each) is approximately \$35,449.

Purchases for commercial containers, such as metal dumpsters and roll-offs, are historically completed through the TASB Buy Board Cooperative or other purchasing cooperative, or a competitive quoting or bidding process as provided by the City's purchasing policy. Purchases are made in truckload quantities as needed, which provide the best unit price. Prices are subject to change due to fluctuating costs for steel and fuel. Funds are allocated in the FY 2016/2017 solid waste annual budget in the amount of \$50,392 for the purchase of commercial containers.

### **FISCAL IMPACT**

Funds are approved and included in the FY 2016/2017 solid waste annual budget, account number 540-3460-439.41-66 in the amount of \$171,766 for the purchase of residential solid waste containers, and in account number 540-3465-439.43-73 in the amount of \$50,392 for the purchase of commercial containers.

### **RECOMMENDATION**

City staff recommends that the City Council authorize the City Manager to procure residential solid waste containers and parts from Toter, Inc. through the HGAC Cooperative using the full allocation of funds in the amount authorized in the FY 2016/2017 Solid Waste Annual Budget and further recommends that the City Council authorize the City Manager to procure commercial containers and parts through a buy board and/or a competitive quoting or bidding process using the full allocation of funds authorized in the FY 2016/2017 solid waste annual budget.