



STAFF REPORT

DATE: November 6, 2018

TO: Ronald L. Olson, City Manager

FROM: David A. Olson, Executive Director of Public Works

SUBJECT: Solid Waste Container Purchase

BACKGROUND AND FINDINGS:

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 depending on their need 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 are also required to facilitate repairs.

Buying these containers, 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 Texas Smart Buy. The supplier for all residential containers in the City's inventory has historically been the manufacturer Toter, Inc., which can be purchased through either cooperative. The continued purchase of containers from Toter, Inc. for resupply of the inventory has four distinct advantages:

1. 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);
2. 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;
3. A delivery time of 6-8 weeks after placing the order provides for just-in-time inventory; and
4. Additionally, there are no additional setup costs for the City logo, serial numbers, and hot stamped instructions for the user.

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, which provide the best unit price. Prices are subject to change due to fluctuating costs for steel and fuel.

THE ALTERNATIVES CONSIDERED:

1. Do nothing, which would cause a shortage in replacement carts and dumpsters.
2. Authorize purchase of residential and commercial containers, allowing Solid Waste to stock the containers needed to provide service to the customers of the City.

Which alternative is recommended? Why?

Alternative two is recommended in order to meet the department's mission and allow Solid Waste to continue providing the containers necessary to serve our customers.

CONFORMITY TO CITY POLICY:

Purchases for containers, such as metal dumpsters and roll-out containers are historically completed through a 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.

FINANCIAL IMPACT:

What is the amount of the expenditure in the current fiscal year? For future years?

Funds are allocated in the FY 2018/2019 solid waste annual budget in the amount of \$168,091 for the purchase of residential and commercial solid waste containers.

Is this a one-time or recurring expenditure?

Rekurs on an annual basis

Is this expenditure budgeted?

Yes

If not, where will the money come from?

N/A

Is there a sufficient amount in the budgeted line item for this expenditure?

Yes, \$118,091 is available in Dumpsters and Carts, account # 540-3460-439.41-66, and \$50,000 is available in Replacement Carts and Dumpsters, account # 540-3465-439.43-73.

RECOMMENDATION:

City staff recommends that the City Council authorize the City Manager or designee to procure residential solid waste containers and parts from Toter, Inc. through Texas Smart Buy using the full allocation of funds in the amount authorized in the FY 2018/2019 Solid Waste Annual Budget. Staff further recommends that the City Council authorize the City Manager or designee to procure commercial containers and parts through Roll Offs USA using the full allocation of funds authorized in the FY 2018/2019 Solid Waste Annual Budget.

DEPARTMENTAL CLEARANCES:

Public Works
Purchasing
Finance
City Attorney

ATTACHED SUPPORTING DOCUMENTS:

Quote
Certificate of Interested Parties