



Legislation Text

File #: 20-506, **Version:** 1

Report Prepared by: Dan McComb, Public Works Supervisor - Refuse

SUBJECT: Waiving the Competitive Bidding Requirements, Authorization to Participate in a Cooperative Purchase Through Soucewell, and Approval of a Five-Year Agreement, with the Option to Extend for Two Additional One-Year Periods, with Shaefer Systems International, Inc., to Purchase Refuse Containers in an Amount not to Exceed \$150,000 for Fiscal Year 2020/2021

REPORT IN BRIEF

Considers authorizing a waiver of competitive bidding requirement pursuant to Merced Municipal Code Section 3.04.210 to purchase refuse containers through the government procurement program Sourcewell via a contract with Shaefer Systems International, Inc., for a period of five years with the option to extend for two additional one-year periods.

RECOMMENDATION

City Council - Adopt a motion:

- A. Waiving the City's competitive bidding requirement as permitted by Merced Municipal Code section 3.04.210 and authorizing purchases to be made with cooperative purchase agreements through Sourcewell, a government procurement program; and,
- B. Approving a container purchase agreement with Schaefer Systems International, Inc., for an amount not to exceed \$150,000 for fiscal year 2020/2021, for a period of five-years with the option to extend for two one-year periods; and,
- C. Authorizing the purchase of residential refuse containers.
- D. Authorizing the City Manager or the Assistant City Manager to execute the necessary documents.

ALTERNATIVES

- 1. Approve, as recommend by Staff; or,
- 2. Approve, subject to other than recommended by Staff; or,
- 3. Deny; or,
- 4. Refer to Staff for reconsideration of specific items; or,
- 5. Continue to a future meeting.

AUTHORITY

Merced Municipal Code Title 3, Article III, Section 3.04.210 - Exemptions from competitive bidding.

CITY COUNCIL PRIORITIES

As provided for in the 2020/2021 Adopted Budget.

DISCUSSION

Sourcewell offers purchase programs to government entities nationwide; specifications are created, and Request for Bids are sought by Sourcewell for a wide variety of equipment used by local governments. As a result of the nationwide scope of these programs, the City is able to purchase specialized equipment for much less than the more traditional method of creating specifications and soliciting bids in-house.

Over the last several years, the City has purchased a variety of vehicles and equipment not provided by local vendors through the Sourcewell government procurement program with great success. Buying equipment through the Sourcewell program requires waiving the City's competitive bidding requirements.

The Sourcewell contract stipulates a not to exceed unit price for containers and parts. Schaefer Systems International, Inc., (Schaefer) offers the gray/blue (65-gallon) container at a not to exceed unit cost of \$56.00 and the green (95-gallon) container at a not to exceed unit cost of \$60.00. However, Schaefer has agreed to offer more favorable pricing of \$43.50 each for the 65-gallon containers and \$47.25 each for 95-gallon container based on the scope/order frequency needed for the City of Merced.

For Fiscal Year 2020/2021, staff has anticipated the purchase of 100 gray, 150 blue, and 150 green replacement residential containers as well as the purchase of an additional 500 each gray, blue, and green for new homes for a total cost of \$85,087.50 plus shipping and taxes.

The Public Works Department, Refuse Division, is requesting Council authorize purchasing budgeted replacement and new service containers utilizing the nationwide government procurement service Sourcewell via Schaefer Systems International, Inc., for a five-year period, with the option to extend for two additional one-year periods.

IMPACT ON CITY RESOURCES

Funds for the purchase of new and replacement containers are budgeted for in Funds 558 (Refuse - Enterprise Fund) and 562 (Refuse Capital Equipment - Enterprise Fund).

ATTACHMENTS

1. Sourcewell Membership Certificate
2. Schaefer Container Purchase Agreement