

City Council Regular Meeting

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Meeting Date: 09/16/2019
Recommended by: Kevin Louis **Prepared by:** Greg Garcia, Sanitation Supervisor
Finance Director Review: Celina Morris
City Attorney Review: Brett Wallace
Approved by: Larry Rains **Date Submitted:** 08/19/2019
Type of Action Requested: Ordinance

SUBJECT:

Request to purchase 1,248 96-gallon trash containers from Toter LLC

RECOMMENDATION:

Staff recommends the Mayor and City Council authorize the City Manager to execute a purchase agreement with or issue a purchase order to Toter LLC in an amount not to exceed \$62,554 (which includes estimated sales tax) for the purchase of 1,248 96-gallon residential trash containers for use in the City's sanitation operations.

DISCUSSION:

Staff is recommending Council approve purchasing the containers using the National Intergovernmental Purchasing Alliance (National IPA) agreement with Toter based on the City of Tucson container bid award. These containers are rotationally molded and are projected to have a longer life and lower life-cycle cost than the injection molded containers. These containers are also stackable, requiring less storage space. Toter's 2013 contract with National IPA has been renewed for a sixth year, expiring October 31, 2019.

The majority of the requested containers will be used to replace broken and deteriorating residential containers. The Sanitation Division currently has approximately 500 96-gallon containers in inventory. Last fiscal year approximately 757 containers were delivered for replacement and new service. The requested containers will be purchased in two phases of 624 containers each (full truckload). The first phase containers plus existing inventory represents a projected eighteen month supply of containers based on previous replacement rate. The second truckload of containers will be ordered after the total inventory is depleted to 500 containers. This phased approach to purchasing the containers minimizes the need for container storage space, provides for improved inventory management, and allows the department to postpone ordering containers until needed, based on container depletion rate. Last fiscal year \$11,000 worth of containers were warrantied by Toter, replacing 250 damaged containers.

The base price for each container is \$50.12 per container including tax and shipping. Containers were last purchased from the National IPA contract June 16, 2018 at a total cost of \$49.47 each.

Price adjustment is based on accepted market conditions and may be adjusted quarterly as per the contract. The requested expenditure authority is based on current market pricing.

FISCAL IMPACT:

Staff budgeted \$100,000 in the residential container budget for FY20, resulting in a remaining balance of \$37,446 after the purchase of the requested containers.

ALTERNATIVES:

Delay ordering the amount of containers needed in order to adequately supply new customers with containers, and replace broken and/or deteriorating containers.