



**PURCHASING ITEM
FOR
COUNCIL AGENDA**

1. Agenda Item Number:

59

2. Council Meeting Date:

June 25, 2009

TO: MAYOR & COUNCIL

3. Date Prepared: March 5, 2009

THROUGH: CITY MANAGER

4. Requesting Department: Municipal Utilities

5. SUBJECT: Approve Amendment 2 to Agreement SW3-0495-1909 for Residential Refuse Collection with Waste Management Inc. in an estimated amount of \$6,459,000.00.

6. RECOMMENDATION: Recommend approval of Amendment 2 extending Agreement SW3-0495-1909 for Residential Refuse Collection for an additional twelve (12) months with Waste Management Inc., in an estimated amount of \$6,459,000.00.

7. HISTORICAL BACKGROUND/DISCUSSION: The City has an ongoing requirement for the collection of refuse and recyclables generated by residents of single-family homes. This requirement currently is fulfilled through a contract with Waste Management. The requested contract includes curbside and alley refuse collection, curbside recycling collection, bulk refuse collection, city facilities recycling collection, drop off location recycling collection, bulk refuse collection, container delivery, and container repair. The current contract will expire September 30, 2009. This extension includes a 2.5 percent collection increase and monthly fuel adjustments.

8. EVALUATION PROCESS: In May of 2003, City Council awarded Agreement SW3-0495-1909 for Residential Refuse Collection with Waste Management. The contract was awarded for a six-year term beginning October 1, 2003 through September 30, 2009.

The purpose of Amendment 2 is to extend the contract twelve (12) additional months to September 30, 2010. This extension will allow the City time to award a new contract for consolidating Waste Collection, Waste Transfer, Recycling and Green Waste. By executing the requested extension the agreement to use Waste Management's transfer stations pursuant to Agreement SW9-0495-1557 also will be extended twelve (12) months to September 30, 2010.

9. FINANCIAL IMPLICATIONS:

Cost:	Collection	\$5,976,000 (estimate based on current fuel prices & volume)
	Transfer Station	\$ 483,000 (estimate based on current fuel prices & volume)
Savings:	N/A	
Long Term Cost:	N/A	

Fund Source

<u>Account Name</u>	<u>Fund Name</u>	<u>Program Name</u>	<u>CIP Funded</u>	<u>Funds</u>
625.3700.0000.5219	Solid Waste Operating	Other Prof./Contract Services	N/A	\$6,459,000

10. PROPOSED MOTION: Move to approve Amendment 2 extending Agreement SW3-0495-1909 for Residential Refuse Collection for an additional twelve (12) months with Waste Management Inc., in an estimated amount of \$6,459,000.00.

APPROVALS

11. Requesting Department


Robert Mulvey, Assistant Municipal Utilities Director

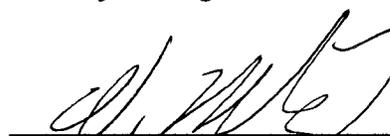
12. Department Head


Dave Siegel, Municipal Utilities Director

13. Buyer/Contract Admin.


Mike Mandt, Procurement Officer

14. City Manager


W. Mark Pentz, City Manager

**AMENDMENT NO. 2
AGREEMENT BETWEEN THE CITY OF CHANDLER
AND WASTE MANAGEMENT FOR RESIDENTIAL
REFUSE COLLECTION
AGREEMENT NO. SW3-0495-1909**

This Amendment No. 2 ("Amendment No. 2") to Agreement No. SW3-0495-1909 is entered into this 14th day of April, 2009 by and between the City of Chandler (CITY), an Arizona municipal corporation, and Waste Management of Arizona, Inc. (CONTRACTOR), a California corporation.

WHEREAS, Agreement No. SW3-0495-1909 between CITY and CONTRACTOR (the parties), as amended by Amendment No. 1 (collectively, the Current Contract), regarding residential solid waste collection services will expire on October 1, 2009;

WHEREAS, CITY and CONTRACTOR also have entered into Agreement No. SW9-0495-1557 for disposal of solid waste which, through Amendment No. 1 thereto, provides for the use of CONTRACTOR transfer stations at the reduced rate set forth in that Amendment No. 1 during the term of the Current Contract;

WHEREAS, CITY anticipates that it will not have sufficient time to procure solid waste collection and transfer station services before the Current Contract expires and wishes to extend the Current Contract an additional twelve (12) months; and

WHEREAS, since the time that the parties entered into the Current Contract, new statutory requirements regarding immigration have been enacted.

NOW, THEREFORE, the parties agree as follows:

1. The expiration date for the Current Contract set forth in paragraph 3.a, General Terms and Conditions, of the Current Contract, shall be changed from October 1, 2009 to September 30, 2010.

2. CONTRACTOR'S base unit prices for the services provided from October 1, 2009 through September 30, 2010 shall be as set forth in Exhibit A, which is attached hereto and incorporated herein by this reference.

3. The provisions set forth in paragraph 3.b, General Terms and Conditions, of the Current Contract, are hereby deleted and replaced with the following:

b. The base unit prices set forth in Exhibit A shall be adjusted on the first of each month, with the first such adjustment occurring on October 1, 2009, by the percentage amount attributable to the DOE average weekly price per gallon set forth in Exhibit B, which

ATTEST:

City Clerk

APROVED AS TO FORM:

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EXHIBIT B

Collection Fuel Surcharge Table

\$ 0.95		\$ 1.39	2.20	\$ 1.83	4.40	\$ 2.27	6.60	\$ 2.71	8.80	\$ 3.15	11.00	\$ 3.59	13.20
\$ 0.96	0.05	\$ 1.40	2.25	\$ 1.84	4.45	\$ 2.28	6.65	\$ 2.72	8.85	\$ 3.16	11.05	\$ 3.60	13.25
\$ 0.97	0.10	\$ 1.41	2.30	\$ 1.85	4.50	\$ 2.29	6.70	\$ 2.73	8.90	\$ 3.17	11.10	\$ 3.61	13.30
\$ 0.98	0.15	\$ 1.42	2.35	\$ 1.86	4.55	\$ 2.30	6.75	\$ 2.74	8.95	\$ 3.18	11.15	\$ 3.62	13.35
\$ 0.99	0.20	\$ 1.43	2.40	\$ 1.87	4.60	\$ 2.31	6.80	\$ 2.75	9.00	\$ 3.19	11.20	\$ 3.63	13.40
\$ 1.00	0.25	\$ 1.44	2.45	\$ 1.88	4.65	\$ 2.32	6.85	\$ 2.76	9.05	\$ 3.20	11.25	\$ 3.64	13.45
\$ 1.01	0.30	\$ 1.45	2.50	\$ 1.89	4.70	\$ 2.33	6.90	\$ 2.77	9.10	\$ 3.21	11.30	\$ 3.65	13.50
\$ 1.02	0.35	\$ 1.46	2.55	\$ 1.90	4.75	\$ 2.34	6.95	\$ 2.78	9.15	\$ 3.22	11.35	\$ 3.66	13.55
\$ 1.03	0.40	\$ 1.47	2.60	\$ 1.91	4.80	\$ 2.35	7.00	\$ 2.79	9.20	\$ 3.23	11.40	\$ 3.67	13.60
\$ 1.04	0.45	\$ 1.48	2.65	\$ 1.92	4.85	\$ 2.36	7.05	\$ 2.80	9.25	\$ 3.24	11.45	\$ 3.68	13.65
\$ 1.05	0.50	\$ 1.49	2.70	\$ 1.93	4.90	\$ 2.37	7.10	\$ 2.81	9.30	\$ 3.25	11.50	\$ 3.69	13.70
\$ 1.06	0.55	\$ 1.50	2.75	\$ 1.94	4.95	\$ 2.38	7.15	\$ 2.82	9.35	\$ 3.26	11.55	\$ 3.70	13.75
\$ 1.07	0.60	\$ 1.51	2.80	\$ 1.95	5.00	\$ 2.39	7.20	\$ 2.83	9.40	\$ 3.27	11.60	\$ 3.71	13.80
\$ 1.08	0.65	\$ 1.52	2.85	\$ 1.96	5.05	\$ 2.40	7.25	\$ 2.84	9.45	\$ 3.28	11.65	\$ 3.72	13.85
\$ 1.09	0.70	\$ 1.53	2.90	\$ 1.97	5.10	\$ 2.41	7.30	\$ 2.85	9.50	\$ 3.29	11.70	\$ 3.73	13.90
\$ 1.10	0.75	\$ 1.54	2.95	\$ 1.98	5.15	\$ 2.42	7.35	\$ 2.86	9.55	\$ 3.30	11.75	\$ 3.74	13.95
\$ 1.11	0.80	\$ 1.55	3.00	\$ 1.99	5.20	\$ 2.43	7.40	\$ 2.87	9.60	\$ 3.31	11.80	\$ 3.75	14.00
\$ 1.12	0.85	\$ 1.56	3.05	\$ 2.00	5.25	\$ 2.44	7.45	\$ 2.88	9.65	\$ 3.32	11.85	\$ 3.76	14.05
\$ 1.13	0.90	\$ 1.57	3.10	\$ 2.01	5.30	\$ 2.45	7.50	\$ 2.89	9.70	\$ 3.33	11.90	\$ 3.77	14.10
\$ 1.14	0.95	\$ 1.58	3.15	\$ 2.02	5.35	\$ 2.46	7.55	\$ 2.90	9.75	\$ 3.34	11.95	\$ 3.78	14.15
\$ 1.15	1.00	\$ 1.59	3.20	\$ 2.03	5.40	\$ 2.47	7.60	\$ 2.91	9.80	\$ 3.35	12.00	\$ 3.79	14.20
\$ 1.16	1.05	\$ 1.60	3.25	\$ 2.04	5.45	\$ 2.48	7.65	\$ 2.92	9.85	\$ 3.36	12.05	\$ 3.80	14.25
\$ 1.17	1.10	\$ 1.61	3.30	\$ 2.05	5.50	\$ 2.49	7.70	\$ 2.93	9.90	\$ 3.37	12.10	\$ 3.81	14.30
\$ 1.18	1.15	\$ 1.62	3.35	\$ 2.06	5.55	\$ 2.50	7.75	\$ 2.94	9.95	\$ 3.38	12.15	\$ 3.82	14.35
\$ 1.19	1.20	\$ 1.63	3.40	\$ 2.07	5.60	\$ 2.51	7.80	\$ 2.95	10.00	\$ 3.39	12.20	\$ 3.83	14.40
\$ 1.20	1.25	\$ 1.64	3.45	\$ 2.08	5.65	\$ 2.52	7.85	\$ 2.96	10.05	\$ 3.40	12.25	\$ 3.84	14.45
\$ 1.21	1.30	\$ 1.65	3.50	\$ 2.09	5.70	\$ 2.53	7.90	\$ 2.97	10.10	\$ 3.41	12.30	\$ 3.85	14.50
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\$ 1.24	1.45	\$ 1.68	3.65	\$ 2.12	5.85	\$ 2.56	8.05	\$ 3.00	10.25	\$ 3.44	12.45	\$ 3.88	14.65
\$ 1.25	1.50	\$ 1.69	3.70	\$ 2.13	5.90	\$ 2.57	8.10	\$ 3.01	10.30	\$ 3.45	12.50	\$ 3.89	14.70
\$ 1.26	1.55	\$ 1.70	3.75	\$ 2.14	5.95	\$ 2.58	8.15	\$ 3.02	10.35	\$ 3.46	12.55	\$ 3.90	14.75
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\$ 1.33	1.90	\$ 1.77	4.10	\$ 2.21	6.30	\$ 2.65	8.50	\$ 3.09	10.70	\$ 3.53	12.90	\$ 3.97	15.10
\$ 1.34	1.95	\$ 1.78	4.15	\$ 2.22	6.35	\$ 2.66	8.55	\$ 3.10	10.75	\$ 3.54	12.95	\$ 3.98	15.15
\$ 1.35	2.00	\$ 1.79	4.20	\$ 2.23	6.40	\$ 2.67	8.60	\$ 3.11	10.80	\$ 3.55	13.00	\$ 3.99	15.20
\$ 1.36	2.05	\$ 1.80	4.25	\$ 2.24	6.45	\$ 2.68	8.65	\$ 3.12	10.85	\$ 3.56	13.05	\$ 4.00	15.25
\$ 1.37	2.10	\$ 1.81	4.30	\$ 2.25	6.50	\$ 2.69	8.70	\$ 3.13	10.90	\$ 3.57	13.10		
\$ 1.38	2.15	\$ 1.82	4.35	\$ 2.26	6.55	\$ 2.70	8.75	\$ 3.14	10.95	\$ 3.58	13.15		

EXHIBIT C

**Contractor Immigration Warranty
To Be Completed by Contractor Prior to Execution of Contract**

A.R.S. § 41-4401 requires as a condition of your contract verification of compliance by the contractor and subcontractors with the Federal Immigration and Nationality Act (FINA), all other Federal immigration laws and regulations, and A.R.S. § 23-214 related to the immigration status of its employees.

By completing and signing this form the contractor shall attest that it and all subcontractors performing work under the cited contract meet all conditions contained herein.

Contract Number:		
Name (as listed in the contract):		
Street Name and Number:		
City:	State:	Zip Code:

I hereby attest that:

1. The contractor complies with the Federal Immigration and Nationality Act (FINA), all other Federal immigration laws and regulations, and A.R.S. § 23-214 related to the immigration status of those employees performing work under this contract;
2. All subcontractors performing work under this contract comply with the Federal Immigration and Nationality Act (FINA), all other Federal immigration laws and regulations, and A.R.S. § 23-214 related to the immigration status of their employees.

Signature of Contractor (Employer) or Authorized Designee:



Printed Name: Dan Vermeer

Title: Area VP

Date (month/day/year): 4/14/09