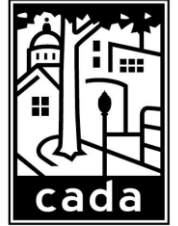


June 20, 2022



**TO:** CADA Board of Directors

**SUBJECT: June 24, 2022 Board Meeting  
AGENDA ITEM 10  
REJECTION OF BIDS AND SHORT-TERM EXTENSION OF CONTRACT WITH  
REPUBLIC SERVICE, INC.**

**CONTACT:** Marc de la Verge, Deputy Executive Director  
Merri Stutes, Resident Services Manager

**RECOMMENDED ACTION:** Staff recommends the Board take the following actions:

1. Adopt a resolution to reject all bids received for the "Fiscal Year 2022-2023 FY Waste Removal – Various Locations" project, and
2. Adopt a resolution authorizing the Executive Director to enter into a First Amendment to the contract with Republic Services, Inc. to extend the contract by up to 120 days.

### **BACKGROUND**

In June 2017, CADA and Republic Services, Inc. entered into a contract under which Republic agreed to provide trash-hauling services. The contract allowed for a series of one-year renewals, the last of which will expire on June 30, 2022.

On May 25, CADA issued a request for bids for "Fiscal Year 2022-2023 FY Waste Removal - Various Locations." Two vendors, Republic Services and Atlas, returned bids by the June 8 due date.

Staff opened and reviewed the bids and determined they were fully responsive to CADA's requests for bids. However, in reviewing the bids, staff was not satisfied with the information available to it in the bid responses for a number of reasons including potential service or operational issues the bid package did not address. Consequently, staff has concluded that it is in the best interests of CADA to reject both bids and issue a new request for bids that captures more information about potential bidders so that staff can complete a more comprehensive service evaluation.

### **ANALYSIS**

To prevent an interruption in service while CADA revises and re-issues the bid package, receives bids, and prepares a recommendation to bring to the Board at the August meeting, staff is recommending the Board authorize staff to prepare, and the Executive Director to execute, an amendment to the Republic contract that extends its expiration date from June 30 to October 31, 2022.

Staff will re-issue the bid package as soon as it has been prepared. The bid package which will be revised to capture additional information the team thinks is necessary to complete a more comprehensive service evaluation and select the best service provider to meet CADA's needs.

## **POLICY ISSUES**

The Republic contract is valued at \$48,000 per year. Based on this amount, staff believes the cost to extend the contract for two additional months will cost a minimum of \$8,000 and possibly more based on the rate Republic quoted in its recent proposal. The Executive Director's contract-signing authority is capped at \$50,000, so extending the contract requires Board approval.

## **FISCAL IMPACTS**

Staff have discussed the extension with Republic and what the extension will cost per month. Republic has agreed to extend this contract at a rate of \$9,147.04 per month, or \$36,588, for 120 days.

The Republic contract is valued at \$48,000 per year, but allows for billing in excess of that amount to reflect changes in CADA requirements or changes in City rules that may occur during the term of the contract. After more than four years of price stability, monthly costs starting in March rose above the typical \$4,500 per month and topped \$8,000. In June costs reached \$8,589. This was the result of the City's new requirement that each CADA residential building and each food-serving business dispose of organic waste in green waste bins and some changes CADA made to the sizes of its dumpsters. The city organic waste requirement has required CADA to have many additional bins and has required Republic to make many additional trips to handle the additional bins.

## **CONTRACT AWARD CONSIDERATIONS**

Contracts with a value of more than \$50,000 or more require Board approval. The contract will be executed before June 30.

## **ENVIRONMENTAL CONSIDERATIONS**

Not applicable. The proposed action is an administrative matter and is not a project subject to the guidelines of the California Environmental Quality Act (CEQA).

**Approved for transmittal to the Board:**

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**RESOLUTION NO. 22 – 26**

Adopted by the Capitol Area Development Authority

June 24, 2022

**RESOLUTION AUTHORIZING THE REJECTION OF TRASH-HAULING BIDS AND THE SHORT-TERM EXTENSION OF THE CONTRACT WITH REPUBLIC SERVICES, INC.**

**WHEREAS**, in June 2017, CADA and Republic Services, Inc. entered into a contract under which Republic agreed to provide trash-hauling services; and

**WHEREAS**, on May 25, 2022 CADA issued a request for bids for "Fiscal Year 2022-2023 FY Waste Removal - Various Locations" and two vendors, Republic Services and Atlas, returned bids by the June 8 due date; and

**WHEREAS**, staff reviewed the bids and determined they were fully responsive to CADA's requests for bids; and

**WHEREAS**, in reviewing the bids, staff was not satisfied with the information available to it in the bid responses for a number of reasons including potential service or operational issues the bid package did not address; and

**WHEREAS**, staff has concluded that it is in the best interests of CADA to issue a new request for bid that captures more information about potential bidders so that staff can complete a more comprehensive service evaluation.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors that:

All bids received in response to the request for bids for "Fiscal Year 2022-2023 FY Waste Removal - Various Locations" are hereby rejected; and the Executive Director is hereby authorized to enter into a First Amendment to the contract with Republic Services, Inc. to extend the contract by up to 120 days.

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Ann Bailey, Chair

ATTEST:

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Tara Gandara  
Secretary to the Board of Directors