

CITY OF LONG BEACH

R-21

DEPARTMENT OF PUBLIC WORKS

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October 4, 2011

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to execute the second amendment to Contract No. 28469 with Rehrig Pacific Company, extending the contract for an additional five years with an annual amount not to exceed \$900,000. (Citywide)

DISCUSSION

On May 13, 2003, the City Council adopted Resolution No. C-28177 authorizing the City Manager to purchase refuse carts from Rehrig Pacific Company through a cooperative purchase agreement with the City of Los Angeles. The Resolution provided for an annual expenditure not to exceed \$550,000 per fiscal year until November 30, 2006. Thereafter, the City of Long Beach and Rehrig Pacific Company may mutually agree to renew the contract for up to two additional 5-year terms, with each year's expenditure subject to annual budget appropriations.

On December 1, 2006, Amendment Number One went in to effect to renew the existing contract with Rehrig Pacific Company for a term of five years. The current contract is set to expire on December 1, 2011.

The Environmental Services Bureau (ESB) replaces between 7,000 and 8,000 carts per year, mainly due to normal wear and tear or lids or wheels breaking. The product is made with injection molded high-density polyethylene (HDPE) allowing for varied wall thickness throughout the cart. The injection molding process reinforces the top and bottom, gives more support where the cart is handled and provides a wide ground design that keeps the product upright and stable. The carts are produced with up to 40 percent post-consumer recycled content (depending on the color), and are manufactured locally in Los Angeles County. Rehrig produces a high quality product and provides professional and timely service.

Rehrig Pacific Company also provides the City with recycling carts. All City recycling accounts are serviced by Waste Management, and per contract agreement, ESB began assuming replacement costs in Fiscal Year 2010. The recycling carts cost approximately \$330,000 per year, requiring the authorization increase from \$550,000 to \$900,000 annually.

City Council approval is requested, authorizing the City Manager to extend the term of the contract for an additional five years and increase the existing agreement with Rehrig Pacific Company by adding \$4,500,000 (\$900,000 per year for five years) to the existing purchase order to account for the cart exchange expenditures and the additional cost to replace recycling containers throughout the City.

This matter was reviewed by Deputy City Attorney Amy R. Webber on September 8, 2011 and Budget Management Officer Victoria Bell on September 7, 2011.

TIMING CONSIDERATIONS

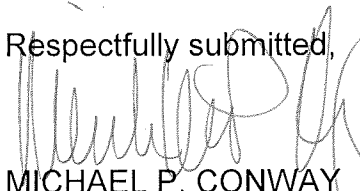
City Council action is requested on October 4, 2011 to facilitate the extension of the contract before the December 1, 2011 deadline.

FISCAL IMPACT

In Fiscal Year 2012, \$900,000 has been budgeted in the Refuse/Recycling Fund (EF) in the Department of Public Works (PW). There is no impact to the General Fund and no local job impact associated with the requested action.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,


MICHAEL P. CONWAY
DIRECTOR OF PUBLIC WORKS

APPROVED:

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PATRICK H. WEST
CITY MANAGER