



**CITY OF URBANA, ILLINOIS
DEPARTMENT OF PUBLIC WORKS**

ENVIRONMENTAL MANAGEMENT DIVISION

MEMORANDUM

TO: Mayor Laurel Lunt Prussing and Members of the City Council
FROM: Bart Hagston, Environmental Sustainability Manager
DATE: August 18, 2011
RE: City Agreement for Leaf and Waste Collection Services

Background

The City of Urbana currently has an agreement with ABC Sanitary Hauling for collection of bagged leaves from the public in the spring and fall and collection of waste year-round from City government facilities. Total annual value of the agreement is roughly \$66,000. This agreement was for a period of two years and it expires on October 15, 2011, but the agreement contains a provision for a “one year, mutually agreed upon extension option.”

The Environmental Management Division has been satisfied with the current contractor and the company owner was contacted to discuss their interest in the one year extension option. The owner was agreeable to the one year extension, with the same terms as the current year. However, the owner also offered some additional benefits to the City by considering a two year extension (discount of \$5/hour on leaf collection labor and 10% off current waste collection pricing). Both of these cost reductions would save the City a total of \$4,000/year (\$2,073 from General Revenues [N09-2-1300-3208 / 060-3-1300-3110] and ~\$1,900 from U-Cycle funds)

Since a two-year extension option was not detailed in the Request for Proposals or the resulting agreement, approving such an option would be an exception to normal purchasing policy and would require City Council approval. It is believed the benefits of such an action warrant consideration by the Council.

The City could solicit proposals again for these services and hope to gain similar savings, but, it is doubtful a savings would be realized due to a couple of factors:

- 1) This agreement has had trouble attracting proposers in the past (only one complete proposal was submitted last time);
- 2) Waste collection costs have risen since this agreement was awarded, so the pricing on the table now is a fair amount lower than what would be expected if new proposals were solicited.

This offer has been discussed with the Comptroller and Acting City Attorney and all are aware of the options presented below for consideration.

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Agreement on Leaf & Waste Collection Services

August 18, 2011

Options

Option A: Release a new Request for Proposals document to solicit proposals for a new service agreement;

Option B: Public Works Director executes a one-year extension option of the current agreement, with the same terms; or

Option C: Authorize execution of a two-year extension of the current agreement, with the cost reductions outlined above.

Options A and B do not require action by City Council at this time. Option C would require the City Council to authorize execution of a two year agreement extension, via the attached resolution.

Fiscal Impacts

The fiscal impacts of Option A would be unknown without soliciting proposals. However, for the reasons previously discussed in this memo, it is believed that costs would likely be higher than current rates.

Option B would not result in any financial gains/losses as the current pricing would be extended for one more year.

Option C would result in approximately \$4,000 in annual savings to the City for the next two years, compared with current rates.

Recommendation

It is recommended that the City Council approve the attached resolution to authorize execution of a two year extension to the agreement, as it affords the City a cost savings for the next two years as compared to current agreement rates.

Passed:
Signed:

RESOLUTION NO. 2011-08-028R

**RESOLUTION AUTHORIZING TWO YEAR EXTENSION OF AGREEMENT
WITH ABC SANITARY HAULING**

(Curbside Leaf Collection and Waste Collection at City Facilities)

WHEREAS, the City of Urbana, an Illinois municipal corporation (hereinafter "City") and ABC Sanitary Hauling (hereinafter "Contractor"), previously entered into an Agreement in August 2009 providing for the Contractor to perform certain services for waste collection at City facilities and bagged curbside leaf and Christmas tree collection, and such Agreement ends October 15, 2011; and

WHEREAS, the parties have come to a mutual oral agreement to extend the existing agreement and all terms thereof, except for a reduction in the leaf collection labor rate of five dollars per hour and a reduction of ten percent on waste collection rates, for a period of two years starting October 15, 2011 through October 14, 2013; and

WHEREAS, a two year extension is not explicitly authorized in the Agreement and, therefore, requires approval by the City Council of the City of Urbana, Illinois; and

WHEREAS, the City Council of the City of Urbana, Illinois desires to authorize a two year extension of the Agreement to realize program costs savings.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF URBANA, ILLINOIS, as follows:

Section 1. That an Agreement by and between the City and Contractor in substantially the form of the copy of said Agreement attached hereto and hereby incorporated by reference, be and the same is hereby authorized and approved.

Section 2. That the Mayor of the City of Urbana, Illinois, be and the same is hereby authorized to execute and deliver, and the City Clerk of the City of Urbana, Illinois, be and the same is hereby authorized to attest to said execution of said Agreement as so authorized and approved for and on behalf of the City of Urbana, Illinois.

PASSED by the City Council this _____ day of _____, _____.

Phyllis D. Clark, City Clerk

APPROVED by the Mayor this _____ day of _____, _____.

Laurel Lunt Prussing, Mayor

**EXTENSION OF AGREEMENT TO PROVIDE WASTE COLLECTION AT CITY FACILITIES
AND BAGGED CURBSIDE LEAF COLLECTION SERVICES**

WHEREAS, the City of Urbana, an Illinois municipal corporation (hereinafter "City") and ABC Sanitary Hauling (hereinafter "Contractor"), have previously entered into an Agreement in August 2009 providing for the Contractor to perform certain services for waste collection at City facilities and bagged curbside leaf and Christmas tree collection, and such Agreement ends October 15, 2011; and

WHEREAS, the parties have come to an oral agreement to extend the existing agreement and all terms thereof, except for a reduction in the leaf collection labor rate of five dollars per hour and a reduction of ten percent on waste collection rates, for a period of two years starting October 15, 2011 through October 14, 2013; and

WHEREAS, the City Council of the City of Urbana, Illinois desires to formalize this oral agreement and has thereby authorized execution of this two year extension to the Agreement.

NOW THEREFORE, for and in consideration of the mutual promises contained in the aforesaid Agreement, the parties agree to extend all terms and conditions therein, and payment to the Contractor shall be according to the fees listed under the "second year costs" contained in the "Price Quotation Sheet" dated August 12, 2009, except for the cost reductions outlined above, for the period of October 15, 2011 through October 14, 2013.

City of Urbana, Illinois

ABC Sanitary Hauling

By: _____
Laurel Lunt Prussing
Mayor

By: _____
Steven A. Smith
Owner

Date: _____

Date: _____

Attest: _____
Phyllis D. Clark
City Clerk