



City of Sunnyvale

Agenda Item-No Attachments (PDF)

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REPORT TO COUNCIL

SUBJECT

Award a Contract to San Jose Conservation Corps for Glass Collection Services (F20-090)

REPORT IN BRIEF

Approval is requested to award a contract in an amount not to exceed \$105,000 to San Jose Conservation Corps of San Jose, for glass collection services for a one-year period and to delegate authority to the City Manager to amend and renew the contract for two additional one-year periods, subject to available budget, provided pricing and service remain acceptable to the City.

EXISTING POLICY

Pursuant to Section 2.08.040 of the Sunnyvale Municipal Code, City Council approval is required for the procurement of goods and/or services exceeding \$100,000 in any one transaction.

Further, Section 2.08.060 (f), allows the purchasing officer to determine the method for each procurement as in the best interest of the city on an experimental basis.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

BACKGROUND AND DISCUSSION

The City currently contracts with San Jose Conservation Corps (SJCC) for container glass collection services from restaurants and bars. The scope of work for these services includes three distinct components: outreach, coordination with business owners to pick up recyclables and subsequent delivery of the material to the SMaRT Station to be processed into a marketable commodity.

One critical and required function of the scope of work is outreach to the businesses to ensure only recyclable glass receptacles, not garbage, are collected. Smaller providers typically are limited to hauling services only because their business model is to use a collection truck with a driver to empty bins. It is atypical in the hauling/recycling business for drivers to conduct outreach. SJCC operates this business as part of a career training program for disadvantaged youth which allows their staff to develop hands on outreach expertise with the local businesses as well as learn to drive a recycling truck.

Many smaller recycling service providers have been adversely impacted by low global recycling commodity prices and instability resulting from China's National Sword policy, a regulation that puts strict limits on the imports of solid waste and recyclables into China. This policy severely restricts the

City options in terms of collecting and recycling container glass. Few providers are able to remain in business in this precarious economic situation.

A Request for Qualifications was distributed to three local vendors that could potentially perform these services: SJCC, InHouse Recyclers, and Insite. Insite declined to submit a proposal for this opportunity and Inhouse Recyclers has demonstrated limitations to meet the scope of services required to perform glass collection at the higher volume throughout the city and did not respond. Currently, Inhouse Recyclers has had difficulty meeting the scope of work in a separate contract for recycling library books.

After evaluating SJCC's presented qualifications as the sole proposal, staff reviewed SJCC's past contract performance and concluded that they have provided collection and outreach service that not only met contract terms, but steadily increased recycled tonnages each year. As a result, staff unanimously selected SJCC.

FISCAL IMPACT

SJCC has been subsidizing the costs of glass collection services since the program's inception in 2015. The markets for recycled material have decreased and SJCC is no longer able to market or receive revenue for the sale of this material, so it delivers this directly to the SMaRT Station. To adequately cover the operational costs for staff and program administration, which include driver and collection costs, the annual contract amount will be \$105,000. Staff will negotiate with the vendor if increases in costs for future years are proposed.

Funding Source

Funds are available in Zero Waste Project budget 830910 for FY 2019/20. In FY 2020/21, funds are available in the Solid Waste Management (Program 363) operating budget because the program has now been in place for a few years and has consistent service to customers.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, Sunnyvale Public Library and Department of Public Safety; and by making the agenda and report available at the Office of the City Clerk and on the City's website.

RECOMMENDATION

Take the following actions:

- Award a contract, in substantially the same form as Attachment 1 to the report, in the amount of \$105,000 to San Jose Conservation Corps for glass collection services;
- Authorize the City Manager to execute the contract when all necessary conditions have been met; and
- Authorize the City Manager to amend the contract to increase the contract amount and renew the contract for two additional one-year periods, subject to available budget and provided pricing and services remain acceptable.

Prepared by: Gregory S. Card, Purchasing Officer

Reviewed by: Tim Kirby, Director of Finance

Reviewed by: Ramana Chinnakotla, Director of Environmental Services

Reviewed by: Jaqui Guzmán, Deputy City Manager

Approved by: Kent Steffens, City Manager

ATTACHMENTS

1. Draft Services Agreement