



Agenda Item Summary

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Submitted By

John P. Wielebnicki, Public Works Director

Reviewed By

LKS

Agenda Item Title

A Resolution Approving the Rejection of Bids for the Village Wide Refuse/Recycling Container Pick Up Services and Authorizing Staff to Prepare a Budget Amendment for these Services to be Performed by Adding In-House Staff

Overview

Staff solicited bids for this work twice and both times only one contractor bid and in both cases the bids were significantly more than budgeted. Staff is proposing to reject the latest bid and prepare a budget amendment for these services to be performed by adding in-house staff.

Recommendation

Approve the Resolution

Staff Recommendation

Approve the Resolution.

Fiscal Impact

The FY2019 General Fund Budget, Street Services, provides \$125,000.00 to perform refuse/recycling container pick up in the General Contractuals account no. 1001-43740-761-530660. In addition, in the Parking fund, \$3,000.00 will be charged for weekly collection of refuse in the parking structures, in account nos. 5060-43770 -(784 or 788) -530660.

The latest bid received for this work was for \$190,555.60. If this work was performed by adding one FTE in the Public Works Street Division the cost is estimated to cost \$149,301.90.

Actual contract costs for this work for the last five years has been: 2018 - \$112,211; 2017 - \$109,114; 2016 - \$121,587; 2015 - \$121,385; 2014 - \$121,753; Average \$117,209.98

Background

The Village is responsible for maintaining approximately 300 refuse and recycling containers throughout the Village. Many are within the twelve separate Business District areas which require regular refuse and recycling container pick up. There are also several events that occur in the Village that will require additional pick up prior to its occurrence. For the past nine years a contractor has been utilized to perform these services.

Before that, the Public Works Streets Division employees performed this work. The current agreement ends May 31, 2019.

The first round of competitive bidding closed on February 19, 2019 when the Village issued a call for bids on 2019 for Refuse/Recycling Container Pick Up. The Request for Bids (RFB) was posted on the Village website and also advertised in the Wednesday Journal. The RFB was also sent directly to five refuse removal contractors. The only responsive bid was submitted by Advanced Disposal of Melrose Park, Illinois quoting a total of \$190,555.60. This was an increase of roughly \$77,764.40 over last year's costs.

With the large increase in price from Advanced Disposal coupled with their bid being the only bid, the decision was made to reject their bid and reissue the Request for Bids which opened on April 10th. The RFB was again posted on the Village website and also advertised in the Wednesday Journal. Eight refuse disposal contractors were directly contacted and sent the Request for Bids. The second round of competitive bidding closed on April 24, 2019. Again the only responsive bid was from Advanced Disposal quoting the same total of \$190,555.60.

Surveying the contractors that were sent the request as to why there was so little interest, the most common answer was that they didn't have the right sized truck and didn't want to make the investment to purchase such a specialized piece of equipment. Another response was that the volume of cans on busy streets could be a safety issue. Location was also a concern from non-area contractors.

Advanced Disposal stated that their costs for dumping, equipment and labor have gone up as the reason their bid was higher than last year's. Advanced Disposal has been performing this work for the last six years for the Village in a satisfactory manner.

Advanced Disposal did offer two additional alternative pricing options (Attached). 1) The first was to enter into a three year term with two optional one year extensions at a cost of \$170,456.52 for the first year. 2) The second option was the same as option one but not start the three year term until January 1, 2020 and extend the current service until December 31, 2019 and adding 20% to their current rate for the remainder of the year. In addition they have several contract modifications. Staff does not support accepting either of these options.

To do this work in-house would entail adding one FTE Public Works Street Division employee, utilizing the small garbage packer truck (currently owned by the Village) and incurring the dumping fees. This is estimated to cost the Village of Oak Park \$149,301.90 for the first year (see attached in-house cost evaluation). The advantages to bringing the work back in-house:

- There would be a dedicated employee for this work who would be very familiar with the route and locations of the trash containers. Contractors tend to switch personnel often to do the work which sometimes leads to missed containers.
- This position would also be responsible for accident clean-ups, dead animal pick-ups and fly dumps. This would keep the other crews working on projects on track. No need to break someone off to do these tasks as we do now.
- This would give the Department more flexibility when cans that are not scheduled to be emptied on

certain days need extra attention.

- This would provide another front line driver for snow events and first responder for storm or other emergencies.

Staff recommends adding one FTE and completing this work with in-house staff.

Alternatives

The Board can delay action to gain additional information.

Previous Board Action

The Village Board has approved this contractor for this work previously and has approved renewals for this type of work in the past.

Citizen Advisory Commission Action

N/A.

Anticipated Future Actions/Commitments

If approved, staff will prepare a budget amendment to allow for the adding of one FTE to the Public Works Street Division budget.

Intergovernmental Cooperation Opportunities

The Park District also empties refuse containers within the parks but they complete this work in-house. The Park District has approximately 75 refuse cans in use during their peak periods. Village staff has shared the bid information in the past with the Park District but they were not interested in providing this service to the Village.