

**COUNCIL ACTION FORM**

**SUBJECT: YARD WASTE DISPOSAL SITE SERVICES FOR 2013-2015**

**BACKGROUND:**

For several years the City has contracted with private parties for yard waste disposal site services. This provides the community with disposal services for trees, branches, garden waste, leaves, grass clippings, and other yard waste debris; and helps ensure that a disposal alternative keeps yard waste out of the Resource Recovery Plant and Boone County Landfill. The City's standard service contract includes the requirement to hold five Yard Waste Free Days, one in the spring and four in the fall, with two of the days allowing brush disposal.

The current contract, which has been with American Professional Services Group, Inc., (APSG, Inc.) in the amount of \$21,010, expires December 2012. A Request for Proposals for a three-year contract with two one-year extensions was issued for yard waste operations, incorporating the issues identified by City Council on August 14, 2012. Bids were received on October 3, 2012, as follows:

<u>Bidder</u>	<u>2013-2015/year</u>	<u>2016</u>	<u>2017</u>	<u>Total (5 year)</u>
APSG, Inc.	\$ 24,600	\$ 43,500	\$ 43,500	\$160,800
Chamness Tech., Inc.	\$ 31,800	\$ 32,350	\$ 32,950	\$160,700
Steenhoek Environ., LLC	\$ 57,955	\$ 66,648	\$ 76,645	\$317,159
JC's Tree Service	\$184,800	\$194,040	\$203,742	\$952,182

The accepted bids are good until December 2, 2012. Spreadsheets showing the complete responses from all of the bidders are attached and a summary comparison of the two low bidders follows.

**Company Profiles For Two Lowest Bidders:**

**APSG, Inc.:** Currently holds Yard Waste Services contract and has been the successful bidder of the previous two bids with extensions for a total of ten years at its location on Freel Drive. Although this site has been in use for a ten-year period, it has been cited for out of compliance violations to its Special Use Permit in September 2006, November 2007, February 2008, September 2010, and October 2012. Most of these concerns related to exceeding the maximum height of material storage, although maintaining the site in accordance with the approved site plan has also been an issue. Upon being notified about non-compliance, the operator has ultimately addressed each issue and implemented corrective measures. During portions of the existing agreement, ASPG also failed on multiple occasions to properly advertise the City's free yard waste days. A cash deduction to ASPG's payments was eventually imposed. Under the new Request

for Proposals, the advertising responsibility will be performed by the City itself in the future. The owner of ASPG is an Ames resident.

**Chamness Technologies:** Founded in 1986, operates compost facilities in Eddyville, Iowa, and Dodge City, Kansas, along with multiple wood and yard waste drop-off sites in the Des Moines area. It is the parent company of GreenRU, a food waste collection and recycling company that is currently focusing on commercial, industrial and academia accounts removing additional waste from landfills throughout Iowa. Chamness has expressed interest in expanding into other business ventures of similar use on this site and into the Ames market area. It would use material generated from this site to enhance the quality of compost produced at other sites. The proposed operator of this site currently lives in Kelly.

**Proposed Yard Waste Site Location:**

**APSG, Inc.:** 407 Freel Drive. Mr. Reis has indicated a desire to expand or possibly relocate to better facilitate operations.

**Chamness Technologies:** 26107 530<sup>th</sup> Ave (Black Seed Farm Property, south of the Wessex Apartments). Representatives have expressed they would explore and secure another site if Council was not in favor of this location, but were awarded the contract.

**Although both of these properties are accessed by gravel roads, the APSG site is a much shorter distance of travel on the gravel.**

**Storm Damage Tree Cleanup Option:**

**APSG, Inc.:** \$1,100 per day each day open for free drop-off.

**Chamness Technologies:** \$5,000 per day each day open for free drop-off.

This was a new item added to the current Request for Proposals. It is not part of the base contract, and the City would have the discretion to exercise this provision if deemed beneficial to the citizens of Ames. If this option is not selected, storm damage clean-up could still be dropped off at the Parks & Recreation site on East 13<sup>th</sup> Street and be serviced by Public Works staff.

**Regular Customer Rates:**

**APSG, Inc.:** no single bag rate, Cars \$5.00-\$10.00, Pick-ups \$15.00-\$30.00, vehicles with trailers \$15.00-\$75.00.

**Chamness Technologies:** per bag rate \$1.00 biodegradable, other bags \$2.00 each up to 33 gal. Cars \$5.00-\$10.00, Pick-ups \$15.00-\$35.00, vehicles with trailers \$15.00-\$35.00.

## **ALTERNATIVES:**

1. Award the 2013-2015 Yard Waste Disposal Site Services contract to APSG, Inc. in the amount of \$24,600 per year.
2. Award the 2013-2015 Yard Waste Disposal Site Services contract to Chamness Technology in the amount of \$31,800 per year.
3. Reject all bids and direct staff to attempt to re-bid the Yard Waste Disposal Site Services Contract on a one-year basis.

## **MANAGER'S RECOMMENDED ACTION:**

This is a very difficult decision. The incumbent provider has the lowest base bid but has had continuing zoning violations. The next low bidder's five-year price is equally competitive, but does not yet have a firm site identified for their operation.

The proposed contract has been structured with a base bid for the first three years and an option for two, one year extensions. During the first three years, there is a \$21,600 difference between the two lowest bids. However, over the five-year potential term of the contract, there is only a \$100 difference between the two lowest bids.

As was noted above, the current service provider submitted the low bid for the base three year contract. ASPG also carried out this fall's four free yard waste days while remaining in compliance with its zoning obligations. However, this firm has had at least five zoning violations over the past seven years for non-compliance with its Special Use Permit as a yard waste site. While each of those issues has eventually been addressed, a large amount of staff time has been needed to accomplish that. During the current contract term, this provider also failed on a number of occasions to properly perform its contractual duty to advertise and notify the public of the City's free yard waste days.

The other low bid is from Chamness Technologies, a new service provider. Chamness is proposing to provide this service on a site that has been submitted to Story County for site approval and is still under review. Chamness attended a conceptual review meeting with Story County Planning & Zoning, and reported general consensus on its plan from Story County staff. The Story County Planning & Zoning Commission will not act on Chamness Technologies' request until January, 2013. While Chamness has received initial positive feedback from Story County Planning staff, its site has not yet received approval, and it does not have a history of operation at the site. Further, if the Black Seed Farm site were to be approved, it would require Ames residents to drive a longer distance over gravel roads to drop off their yard waste.

**On balance, staff believes that the most appropriate action is to award this three year contract to APSG, Inc. The proposed contract includes language specifying that the agreement may be terminated if the operator fails to maintain the site in compliance with applicable zoning regulations. Should APSG again fail to do so,**

**staff will recommend that their contract either be cancelled or not be extended beyond the initial three year term.**

**Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby awarding the three-year 2013-2015 Yard Waste Disposal Site Services contract to APSG, Inc., in the amount of \$24,600.**