



City of Hollywood

Hollywood City Hall
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Hollywood, FL 33020
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Legislation Text

File #: R-2016-249, **Version:** 1

A Resolution Of The City Commission Of The City Of Hollywood, Florida, Approving And Authorizing The Execution By The Appropriate City Officials Of The Attached Second Amendment To The Commingled Waste Disposal Services Agreement Between The City Of Hollywood And Waste Management Inc. Of Florida; And Approving and Authorizing The Issuance Of the Attached Blanket Purchase Order Increasing The Estimated Annual Expenditure For Said Services To An Estimated Annual Amount Of \$862,000.00 For The Remainder Of The Initial Five Year Contract Term (July 14, 2018).

Staff Recommends: Approval of the attached Resolution.

Explanation:

The Department of Public Works, Environmental Services Division required an agreement with a qualified contractor to provide commingled waste disposal services Citywide.

On June 19, 2013, the City Commission passed and adopted Resolution Number R-2013-168 which authorized the issuance of blanket purchase order number B002496 to Waste Management Inc. of Florida for Commingled Waste Disposal Services, in accordance with Bid F-4365-13-IS, for an initial five (5) year term for an annual estimated expenditure amount of \$487,500.00 with the option to renew for two (2) additional five (5) year periods.

When the agreement between the City and Waste Management Inc. of Florida was executed in July of 2013, the estimated tonnage for the commingled waste disposal services was 15,000 tons annually.

The 2013 tonnage estimate was formulated by the Department of Public Works in conjunction with Kessler Consulting utilizing the City's FY11 and FY12 historical commingled waste disposal data in which the unit of measure utilized was by cubic yards which was later converted to tons using a conversion factor provided by the Consultant.

In June 2015 the Department of Public Works determined that the estimated conversion factor from cubic yard to tons utilized did not accurately reflect the actual tonnage quantities being disposed, and so staff recommended the original estimated annual tonnage amount of 15,000 tons commingled waste disposal be adjusted by 6,000 tons to an estimated annual tonnage of 21,000 tons for the remainder of the initial five year contract term.

On July 8, 2015, the City Commission passed and adopted Resolution Number R-2015-207 which approved and authorized the execution of the first amendment to the Commingled Waste Disposal

Services. The amendment authorized increasing the annual estimated expenditure for said services to an estimated annual amount of \$682,500.00 based on 21,000 tons disposed annually for the remainder of the initial five (5) year term.

From 10/1/15 to 1/31/16, the Department of Public Works, Environmental Services Division began experiencing higher than normal monthly commingled service tonnages resulting in increased monthly expenditures of \$8,000.00 average per month.

In addition, commingled disposal for the months of February, March and April in FY16 totaled \$61,000 higher when compared to the months of February, March, and April in FY15. This has been attributed to increased brush disposal due to the February 16th storm that resulted in extensive brush damage throughout the City.

The disposal quantities associated with illegal dumping compared to the previous year has substantially increased in incident and size.

Due to these fluctuations in tonnage experienced, the current term estimated tonnage was reached in May and expenditures to date for the current term were authorized in the amount of \$708,660.34, exceeding the estimated annual amount by \$26,160.34.

Due the increase in tonnage experienced in the contract year from July 15, 2015 to July 14, 2016, a total of \$152,854.29 of pending invoices for the months of May, June and July require Commission authorization.

It is important to note that the automated GEMS financial software system does not currently provide for the adequate ability to track expenditures for Blanket Purchase Orders (BPO). Reporting mechanisms require extensive manual calculations and separation which GEMS does not provide effective and timely information. Therefore, the Master Contract List (MCL) was created by the Contract Compliance Officer which provides for manual entry of invoice summary logs that are linked to Blanket Purchase Order balances. This will be an excellent tool to track these expenditures. This tool was neither available nor populated during the time period of this contract period, therefore no viable management tool existed at the time to adequately monitor expenditures. Staffing challenges also created a staff oversight backlog due to the sudden departure because of medical reasons of the Administrative Secretary who assists with the tracking of this contract. This position was vacated in April, however not re-staffed until July. These challenges caused a delay in seeking approval for the additional expenditures.

The MCL has been launched and was populated in late July, 2016. Public Works staff have been trained and are now able to utilize this important software tracking tool. This should assist with early detection of expenditure issues regarding BPOs.

The Director of Public Works requests that the City Commission authorize the expenditure of an additional \$179,500.00 to provide funding for commingled waste disposal services based upon the Department of Public Works increased tonnage estimate for the services and pending invoices for the agreement term of 7/15/15 through 7/14/16 as well as for the remainder of the initial five year contract term.

The City's established blanket purchase order number B002496 with Waste Management Inc. of

Florida was awarded for the estimated annual increased expenditure amount of \$682,500.00 and the original estimated annual expenditure amount combined with the requested additional funding in the amount of \$179,500.00 will increase the annual estimated expenditure amount to \$862,000.00 which is based upon an annual disposal of 26,650 tons.

Pursuant to Section 38.42(E) (1) of the Purchasing Ordinance of the City of Hollywood, when any goods, supplies, materials or contractual services shall be purchased and the estimated annual amount to be paid therefore by the City shall be more than \$50,000.00, the Director shall have the authority to recommend the award of a contract to the Manager for Commission action.

Funding for this service has been provided in the FY 2016 budget in the Department of Public Works Budget Account Numbers 45.5121.00000.534.004360 - Waste Disposal and 45.5121.00000.534.004631- Waste Disposal - Broward County.

Funding will be made available for the amended blanket purchase order authorizing an estimated annual expenditure of \$862,000.00 upon the approval of the proposed budget transfer in the amount of \$350,000.00 from account # 45.5121.00000.534.004631 to account # 45.5121.00000.534.004360 as detailed in the attached Exhibit 1.

Upon the approval of the transfer of funding as detailed in Exhibit 1, a revised blanket purchase order will be authorized to be issued between Waste Management Inc. of Florida and the City of Hollywood for the purchase of said services.

Recommended for inclusion on the agenda by:

Dr. Wazir Ishmael, City Manager

Gus Zambrano, Assistant City Manager, Sustainable Development, Office of the City Manager

Mel Standley, Assistant City Manager, Public Safety, Office of the City Manager

George R. Keller, Jr., Assistant City Manager, Finance/Administration, Office of the City Manager

Sylvia Glazer, Director, Public Works

Paul Bassar, Contract Compliance Officer, Office of the City Manager