

From: Wirtanen, Sandy [mailto:Sandy.Wirtanen@austintexas.gov]

Sent: Friday, July 21, 2017 4:19 PM

To: Adam Gregory <agregory@texasdisposal.com>; Ryan Hobbs <rhobbs@texasdisposal.com>; Stefanie Quimby <SQuimby@texasdisposal.com>; Rick Fraumann <rfraumann@texasdisposal.com>

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Subject: Response to Requested Amendment to Contract NA140000089 for the Central Business District

Attachments: Response to Requested Amendment to Contract NA140000089 for the Central Business District.pdf;
MA 1500 NA140000089 - Amendment 3 - Option 1.pdf

The City of Austin has reviewed your request to amend contract number NA140000089 dated June 15, 2017. Responses to each request are detailed in the attached document. Please let me know if you have any questions.

Thanks,

Sandy Wirtanen

Procurement Specialist III
City of Austin - Purchasing Office
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Austin, TX 78701
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City of Austin

Purchasing Office

P.O. Box 1088, Austin, TX 78767

July 21, 2017

Adam Gregory
Texas Disposal Systems
PO Box 17126
Austin, TX 78760

Subject: Response to Requested Amendment to Contract NA140000089 for the Central Business District

Dear Mr. Gregory:

The City of Austin has reviewed your request to amend contract NA140000089 dated June 15, 2017. Responses to each request are detailed below.

Background

- On May 5, 2014, the City and Texas Disposal Systems (TDS) entered into contract NA140000089.
- On April 12, 2017, the City emailed TDS to execute a one-year extension option.
- On May 8, 2017, the City and TDS met to discuss proposed contract revisions.
- On May 18, 2017, the City issued a 52 day extension option revising the expiration date of the contract to June 30, 2017.
- On June 15, 2017, the City received TDS' proposed revisions to the contract.
- On June 30, 2017, the City added another 31 days to the exercised extension option revising the expiration date of the contract to July 31, 2017.

TDS Request #1 – Remove the requirement of dedicated routes. Allowing for the commingling of non-Central Business District (CBD) material with CBD material will likely mitigate the problem caused by excess liquids. Non-CBD material is much less likely to contain excess liquids and will therefore reduce the concentration of excess liquid containing material within individual loads.

TDS Request #2 – Provide a 3.2% rate increase. This increase is necessary to recover the remainder of TDS' costs that are not recovered through the savings from removing the dedicated routes.

TDS Request #3 – Exercise all extension options. Calculations for recovery of costs already incurred, including future cost savings and the rate increase revenue, require all three of the extension options if TDS is to gradually recover the costs through operational savings and the rate increase requested.

TDS Request #4 – Allow for billing and payment of future excess liquids management costs. The proposed operational savings and rate increase are only sufficient to recover the costs already incurred by TDS. TDS believes that the removal of dedicated routes will prevent the excess liquids in the CBD material from causing a public safety issue, however if it is necessary for TDS to incur more of these costs in the future, it will be necessary to bill the City for those costs.

TDS Request #5 – Allow the Organics Pilot Program. TDS has proposed language that will allow TDS and the City to agree on pricing for the organics pilot service that is specific to the number of containers and collection frequency that is chosen by the City.

City Response #1 – The City will not remove the requirement for dedicated routes on this contract. This would cause a material change to the Scope of Work.

City Response #2 – The City does not approve a price increase that is not based on the Bureau of Labor Statistics index that is referenced in the supplemental purchase provisions.

City Response #3 – The City will not exercise all extension options. The City is developing a solicitation taking these issues into consideration.

City Response #4 – The City will not pay additional liquids management costs. According to Section 3.1.2 of the Scope of Work, the material is the responsibility of the Contractor.

City Response #5 – The City has chosen not to utilize organics collection services under this contract.


Resolution

Austin Resource Recovery (ARR) will work with the service provider and other City Departments to develop educational materials regarding proper disposal of liquids in the CBD. ARR will print and mail educational materials to customers (one direct mailing) and will work with the Downtown Austin Alliance or other groups to present best practices to the CBD customers.

The City asks that you accept the first extension request while we develop a new solicitation.

If you have any questions in this regard, please contact me by phone at 512-974-7711 or by e-mail at sandy.wirtanen@austintexas.gov. Thank you for your interest in doing business with the City of Austin.

Sincerely,



Sandy Wirtanen
Procurement Specialist III

cc: Danielle Lord, Procurement Manager
Shawn Willett, Deputy Procurement Officer
Jessica Frazier, Division Manager, Austin Resource Recovery
Sam Angoori, Interim Director, Austin Resource Recovery
Tammie Williamson, Assistant Director, Austin Resource Recovery
Richard McHale, Acting Assistant Director, Austin Resource Recovery
Lori Scott, Contract Management Supervisor, Austin Resource Recovery



Amendment No. 3
Of
Contract No. NA14000089
For
Trash and Recycling Collection and Hauling Services
within the Downtown Central Business District of Austin, TX
Between
Texas Disposal Systems, Inc.
And
City of Austin

1.0 The City hereby exercises the hold over provision of the above referenced contract for a period of 120 days in accordance with the hold over language in the "Term of Contract" provision which reads as follows:

"Upon expiration of the initial term or period of extension, the Contractor agrees to hold over under the terms and conditions of this agreement for such a period of time as is reasonably necessary to re-solicit and/or complete the project (not to exceed 120 days unless mutually agreed on in writing)."

2.0 Effective July 31, 2017, the term for the hold over will be August 1, 2017 to November 29, 2017.

3.0 The total contract amount is unchanged for this extension period. The total Contract authorization is recapped below:

Term	Action Amount	Total Contract Amount
Basic Term: 05/04/2014 – 05/05/2017	\$6,234,879.00	\$6,234,879.00
Amendment No. 1: Option 1 05/05/2017 – 6/30/2017	\$0.00	\$6,234,879.00
Amendment No. 2: Option 1 07/01/2017 – 07/31/2017	\$0.00	\$6,234,879.00
Amendment No. 3: 120 Day Hold Over 08/01/2017 – 11/29/2017	\$0.00	\$6,234,879.00

4.0 MBE/WBE goals were not established for this contract.

5.0 By signing this Amendment the Contractor certifies that the Contractor and its principals are not currently suspended or debarred from doing business with the Federal Government, as indicated by the General Services Administration (GSA) List of Parties Excluded from Federal Procurement and Non-Procurement Programs, the State of Texas, or the City of Austin.

6.0 All other terms and conditions remain the same.

BY THE SIGNATURE affixed below, this Amendment is hereby incorporated into and made a part of the above-referenced contract.

Signature: _____

Date: 7/31/17

Danielle Lord, Corporate Purchasing Manager

City of Austin
Purchasing Office