



# City of Broken Arrow

## Legislation Details (With Text)

<b>File #:</b>	18-651	<b>Name:</b>	
<b>Type:</b>	Consent Item	<b>Status:</b>	Passed
<b>File created:</b>	5/29/2018	<b>In control:</b>	Broken Arrow Municipal Authority
<b>On agenda:</b>	6/4/2018	<b>Final action:</b>	6/4/2018
<b>Title:</b>	Approval of and authorization to execute an Extension of Agreement with WasteZero for the purchase and distribution of refuse bags		
<b>Sponsors:</b>			
<b>Indexes:</b>			
<b>Code sections:</b>			
<b>Attachments:</b>	1. 14.139 WZ agreement fifth extension, 2. 14.139 WZ original signed contract		

Date	Ver.	Action By	Action	Result
6/4/2018	1	Broken Arrow Municipal Authority	approved	Pass

### Broken Arrow Municipal Authority Meeting of: 06-04-2018

**Title:**

Approval of and authorization to execute an Extension of Agreement with WasteZero for the purchase and distribution of refuse bags

#### Background:

On January 21, 2014, the City Council approved a one year agreement with WasteZero to supply and distribute City refuse bags to residential refuse customers. The voucher program from WasteZero was put in place to help alleviate several logistical bag distribution issues while also increasing resident convenience. The program has an infrastructure that includes warehousing, inventory tracking and management, retail order processing and fulfillment, retail store delivery, accounting, and reporting, all managed by the program provider, WasteZero.

The current agreement, renewable for four additional one year terms, was awarded to WasteZero. The agreement provides vouchers for draw string bags to refuse customers in April and October with bags being available at multiple retail outlets for the duration of the period. The program has proven to be successful as it is popular with residents, has improved convenience and has removed distribution tasks from the workforce allowing them to remain focused on their core functions.

It is time now to consider renewing the agreement for another year. WasteZero is proposing a price increase for the coming year due to a rise in the raw material cost and additional distribution costs to help reduce stock outages. The total bag cost will increase from \$0.1180265/bag to \$0.1237265/bag, an increase of \$0.0057/bag. The price includes all supplies, voucher management services, and all inventory, retail store distribution, communications (program website and toll-free customer service line), and other support services. The cost cap in the agreement will also rise to \$552,375 due to an increase in account growth (# of households). This cap protects us in the event redemptions exceed estimates.

This year, WasteZero will incorporate a new automatic shipping schedule to participating Retail Stores that will provide automatic deliveries prior to the first week of voucher redemption, and run through the beginning of the fourth week of the voucher redemption period. WasteZero will also stagger the mailing of vouchers to residents

to help ease the demand for the bags at the outset of the distribution cycle.

Cost for this service is funded from the Sanitation Division budget. Staff recommends extending the agreement with WasteZero for an additional one year period.

**Cost:** \$535,000 (cost estimated based on projected refuse accounts, a 67% redemption rate and credit for estimated bag sales)

**Funding Source:** BAMA - Sanitation Division budget

**Requested By:** Lee Zirk, General Services Director

**Approved By:** Michael L. Spurgeon, City Manager

**Attachments:** Bid 14.139 WasteZero agreement, fifth extension  
Bid 14.139 WasteZero voucher supplies and services agreement, original

**Recommendation:**

Approve the Extension of Agreement with WasteZero for the purchase and distribution of refuse bags and authorize its execution.