



# City of Broken Arrow

## Request for Action

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**Broken Arrow City Council  
Meeting of: 5-16-2017**

**To: Chairman and Authority Members**  
**From: General Services Department**  
**Title: ..title**

**Approval of and authorization to execute the Fourth Extension 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 on a one year basis, with subsequent renewal of the program being contingent on successful performance as determined by the City. 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. Distribution tasks were on track to consume in excess of 2,390 man hours as about 68% of refuse customers picked up 4.2 million bags.

It is time now to consider renewing the agreement for another year. WasteZero is proposing a 3% price increase for the coming year. The total bag cost will increase from \$0.1145888/bag to \$0.1180265, and increase of \$0.0034/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 remains unchanged at \$517,000. This cap protects us in the event redemptions exceed estimates.

The WasteZero voucher program has been successful in providing increased customer convenience and reducing staff work load in terms of bag distribution. Staff recommends extending the agreement with WasteZero for an additional one year period.

**Cost: Approximately \$508,000.00 (Based on vouchers redeemed)**

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

**Reviewed By:**  
**Finance Department**  
**Legal Department**

**Assistant City Manager - Administration**

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

**Attachments:** Bid 14.139 WasteZero agreement, fourth extension  
Bid 14.139 WasteZero agreement, original

**Recommendation:**

Approve the Fourth Extension Agreement with WasteZero for the purchase and distribution of refuse bags.