

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF GLENDALE DISPENSING WITH COMPETITIVE BIDDING AND AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO EXECUTE AN AMENDMENT TO CONTRACT #8001348 WITH ALLAN COMPANY, INC. FOR THE OPERATION OF THE GLENDALE RECYCLING CENTER

WHEREAS, on July 25, 2006, following a request for proposals process, the City Council awarded a five-year contract to Allan Company, Inc. for operation of the Glendale Recycling Center and processing and marketing of recyclables; and

WHEREAS, pursuant to the contract, Allan Company agreed to pay the City \$26 per ton for recyclable material collected by the City and delivered to the contractor at the recycling center, which was amended in 2008 to increase this rate to \$31 per ton and increased again in 2011 to \$36 per ton; and

WHEREAS, in 2017, China disrupted the market for recyclables when it implemented its National Sword Policy, banning hard-to-process materials and setting extremely stringent contamination levels essentially causing the value of recyclable materials to collapse; and

WHEREAS, due to this recyclables market disruption, on May 4, 2021, the City Council approved an amendment to the contract so that the City could begin paying the Allan Company \$54 per ton for processed curbside recyclables through October 2021 at an estimated annual cost of \$616,834, to continue uninterrupted recycling service in Glendale; and

WHEREAS, on October 19, 2021, the City Council approved a further amendment to the contract with Allan Company increasing the contract amount by \$350,000 and extending the contract duration to March 31, 2022, to afford staff time to conduct a cost benefits analysis of the recycling center to determine its viability and cost-effectiveness and to bring a long-term solution for the Glendale Recycling Center to the City Council for consideration; and

WHEREAS, while once a source of revenue, cities are now dealing with the reality of having to pay for recycling processing, resulting in less competitiveness by contractors for the processing of recyclables; and

WHEREAS, staff initially endeavored to select a new operator for the Glendale Recycling Center via a request for proposals; however, based on the significant capital investment that would be required by any new Recycling Center operator, the continuing depressed market for recyclables, and a reasonable standard for Glendale to commit to a minimum five-year contract, staff determined the City was unlikely to receive competitive proposals from multiple companies; and

WHEREAS, staff conducted a cost-benefit analysis of the Recycling Center itself, including the redemption or "buy-back" center, to analyze the viability and cost-effectiveness of the Center, and examine other regional alternatives for the processing of the City's recyclable material and the associated costs; particularly in light of the reduction of City recyclable material being brought to the center as a result of the commercial franchise program; and

WHEREAS, the City of Glendale is mandated by the State of California to collect and divert from the landfills residential recyclable materials; and

WHEREAS, at this time, the City of Glendale cannot commit to a contract for Glendale Recycling Center operations longer than three-years due to the imminent closure of the Scholl Canyon Landfill, changes in the quality of recyclable materials and uncertainty over the future of the Glendale Recycling Center site; and

WHEREAS, the Glendale Recycling Center is permitted as a Materials Recovery Facility and Transfer Station and is currently underutilized as a city asset and its evolution and usefulness to the City needs further time and research; and

WHEREAS, the Glendale Recycling Center is one of the few public facilities that receives material dropped off from the public and with the closure of recycling facilities throughout the region, Glendale residents and others will continue to receive these desired services under the proposed contract extension; and

WHEREAS, Allan Company, Inc. has agreed to continue charging the rate of \$54 per ton for recyclable materials; and

WHEREAS, Glendale Charter Art. VI Section 9 provides an exception to competitive bidding where City Council determines that it is in the best interest of the City to dispense with competitive bidding; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GLENDALE:

1. The foregoing facts are deemed to be true and correct, and are a basis for dispensing with competitive bidding and authorizing the execution of an amendment to contract #8001348 with Allan Company, Inc., and that the City Council finds that it is the City's best interest for a contract amendment.

2. The City Council hereby dispenses with competitive bidding and authorizes the City Manager or his designee to execute an amendment to the contract #8001348 with Allan Company, Inc. for Operation of the Glendale Recycling Center increasing the contract amount by \$1,555,200 to \$2,057,264, and extending the contract duration three-years to March 31, 2025.

Adopted by the Council of the City of Glendale on this _____ day of _____, 2022.

Mayor

ATTEST:

City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES)
CITY OF GLENDALE)

I, Aram Adjemian, Clerk of the City of Glendale, do hereby certify that the foregoing Resolution No. _____ was adopted by the City Council of the City of Glendale, California, at a regular meeting held on the _____ day of _____, 2022, and that the same was adopted by the following vote:

Ayes:
Noes:
Absent:
Abstain:

City Clerk