

## **STAFF REPORT**

### **IN CONSIDERATION OF RESOLUTION NO. 18-4942, RESOLUTION OF METRO COUNCIL, ACTING AS THE METRO CONTRACT REVIEW BOARD, FOR THE PURPOSE OF APPROVING A TWO-YEAR EXTENSION OF CONTRACT #929780 TO OPERATE METRO CENTRAL TRANSFER STATION**

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Date: December 6, 2018

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## **BACKGROUND**

Metro contracts with Recology Oregon Recovery, Inc. (Recology) for the provision of services for the operations and maintenance for the Metro Central Transfer Station under the terms of Contract #929780.

The operations contract took effect in 2010, with an initial seven year term and provision for a three year extension at Metro's sole discretion (executed last year), for a total of ten years, through December 31, 2019. On the same date, also scheduled to expire are Metro's other major solid waste contracts, for operations of Metro South Station (Republic), transport services (Walsh), and disposal services (Waste Management).

Metro staff is proposing to extend the operations agreement with Recology for two additional years (twelve total), through December 31, 2021, to provide needed continuity on January 1, 2020, when all the other major solid waste contracts expire and transition to new terms.

Staff's intent is to conduct open solicitations for both transfer stations but stagger them in time, starting first with Metro South transfer station in 2019 and then Metro Central transfer station in 2021. This will keep at least one of Metro's current solid waste contracts in place at a time when new disposal and transport contracts take effect, and it will enable staff to focus on addressing the ongoing operational and waste recovery challenges at Metro South before beginning a new procurement process for Metro Central.

Metro has had a good working relationship with Recology, an employee-owned company. Eight years into its ten-year management of Metro Central, staff wishes to continue that relationship for an additional two years, through 2021.

As one added benefit, recently Recology endorsed a three-way partnership with Metro and a Community Based Organization (CBO) of Metro's choice to help develop a curriculum and practicum for disadvantaged workers to pursue career pathways in the solid waste industry. A two-year extension of the current operations contract would allow more time to fully develop that new program.

It is staff's intent to put the operations contract of Metro Central out for competitive bids in early 2021, just as will happen this January for the operation of Metro South station. With those solicitations, staff will seek to improve aspects of the operations at both facilities: better contract employee recruitment and retention through competitive wages and benefits, improved training and working conditions, opportunities for smaller and more local companies to compete for aspects of transfer station operations work, and enhanced overall customer experience.

Because the original operations contract provided for a maximum of ten years, a two-year extension of

the current Metro Central operations contract with Recology requires action by the Metro Council acting as a Local Contract Review Board.

#### **ANALYSIS/INFORMATION**

1. **Known Opposition**

None known.

2. **Legal Antecedents**

This Contract Amendment No. 8 to Metro Contract No. 929780 modifies the current agreement through December 31, 2021.

3. **Anticipated Effects**

The Contractor will continue to operate MCS until December 31, 2021.

4. **Budget Impacts**

No significant budget impact is expected from this action. Metro adjusts its tip fees annually to recover the cost of transfer station operations.

#### **RECOMMENDED ACTION**

Metro Council approves the attached contract extension