

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF APPROVING) RESOLUTION NO. 96-2427
CHANGE ORDER NO. 1 TO THE PUBLIC)
CONTRACT WITH NORSEMAN PLASTICS) Introduced by Mike Burton
FOR THE MANUFACTURE AND DISTRIBUTION) Executive Officer
OF EARTH MACHINE COMPOST BINS

WHEREAS, As described in the accompanying staff report, Metro and contractor have distributed 18,000 Earth Machine compost bins over the past two years; and

WHEREAS, Metro wishes to extend the contract period and increase the contract amount to include the spring 1997 compost bin sale; and


WHEREAS, Metro Code section 2.04.058 requires Council approval for an amendment under the circumstances; and

WHEREAS, As explained in the accompanying staff report, Metro will benefit financially should Change Order No. 1 be executed; and

WHEREAS, The resolution was submitted to the Executive Officer for consideration and was forwarded to the Council for approval; now therefore,

BE IT RESOLVED, That the Metro Council authorizes the Executive Officer to execute Change Order No. 1 to the Norseman Plastics Contract attached as Exhibit "A."

ADOPTED by the Metro Council this 12th day of December,
1996.



Jon Kvistad, Presiding Officer

STAFF REPORT

CONSIDERATION OF RESOLUTION NO 96-2427 FOR THE PURPOSE OF APPROVING CHANGE ORDER NO. 1 TO THE PUBLIC CONTRACT WITH NORSEMAN PLASTICS FOR THE MANUFACTURE AND DISTRIBUTION OF EARTH MACHINE COMPOST BINS

Date: December 4, 1996

Presented by: Leigh Zimmerman

PROPOSED ACTION

Adopt Resolution No. 96-2427, authorizing the Executive Officer to execute change order No. 1 to the Norseman Plastics contract.

FACTUAL BACKGROUND AND ANALYSIS

The FY 96-97 Waste Reduction and Planning Services Division budget allocates \$80,000 for a compost bin distribution program in the spring of 1997. This is the third year that Metro has offered compost bins at a discounted price to area residents. For the past two years Metro went out for bid and awarded one-year \$80,000 contracts to Norseman Plastics for the bin distribution program.

Metro's funding partially covers the costs to manufacture, transport, and manage the compost bin sales. Metro guarantees \$80,000 to contractor. The remaining revenue is collected from bin purchasers. Each year Metro has reduced its financial contribution and increased the portion paid directly by residents. In the 1995 sale, Metro received 7400 bins. (Metro contribution \$10.80 per bin/public contributed \$20.) In 1996, Metro received 11,000 bins (Metro contribution \$7.30/public contribution \$22.)

At the advice of Legal Counsel, this year's distribution program will be implemented via an amendment to last year's contract (the current contract). The attached change order amends the contract by extending the completion date to June 30, 1997, and increases the contract amount by \$80,000 to include the spring 1997 sale. It also amends the current contract in the following ways:

- Metro's per bin contribution shall be reduced from \$7.30 to \$4.30. Residents will pay \$25 per bin rather than \$22 in the original contract.
- Contractor shall manufacture and distribute 18,000 Earth Machine compost bins. This is 7,000 more bins than in the original contract.
- Contractor shall conduct six sales on separate weekends from April through June rather than four sales on one day.
- Contractor shall print and insert 300,000 four-color flyers for the Oregonian rather than 157,000 in the original contract.

- Contractor shall prepare traffic management plans and ensure that traffic monitors and police are provided at each sale.
- Contractor will not provide a database with names of all purchasers, but shall collect the names and addresses of a representative sample of residents attending the events.

The *Regional Solid Waste Management Plan* identifies distribution of discount home compost bins as a management strategy to increase diversion of yard debris and food waste from the residential waste stream. The goal is to increase participation in home composting from 35 to 50 percent of area residents. Staff estimates that approximately 38,000 bins would need to be sold to achieve that goal. After the 1997 bin sale, the region will have reached this target.

BUDGET IMPACT

The FY 96-97 budget has appropriated \$80,000 for a home compost bin program. By decreasing Metro's contribution and increasing that of bin purchasers, the region will receive additional bins through this change order. Continuation of the subsidized program will not be recommended for next fiscal year.

EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends approval of Resolution No. 96-2427.

Exhibit "A"

MODIFICATION TO THE CONTRACT BETWEEN
METRO AND NORSEMAN PLASTICS
FOR DISTRIBUTION OF EARTH MACHINE HOME COMPOST BINS

This change order, dated and effective as of the last signature date below, is entered into between Metro, a metropolitan service district organized under the laws of the State of Oregon and the 1992 Metro Charter, and Norseman Plastics (Contractor), pursuant to the Public Contract dated April 29, 1996 (the "original contract").

In exchange for the promises and other considerations set forth in the original agreement and in this Change Order, the parties agree as follows:

A. Purpose

The purpose of this Change Order is to extend the contract for sale of home compost bins for nine months, and to pay Contractor the additional sum of \$80,000 for the extension. Except as modified herein, all other terms and conditions of the original contract remain in full force and effect.

B. Terms of Change Order

- The contract period will be extended from August 31, 1996, to June 30, 1997.
- Metro shall guarantee a sum not to exceed \$80,000 to contractor for implementation of the program. Metro's per bin contribution shall be reduced from \$7.30 to \$4.30. Residents will pay \$25 per bin rather than \$22 in the original contract.
- Contractor shall manufacture and distribute 18,000 Earth Machine compost bins. This is 7,000 more bins than in the original contract.
- Contractor shall conduct six sales on separate weekends from April through June rather than four sales on one day.
- Contractor shall print and insert 300,000 four-color flyers for the Oregonian rather than 157,000 in the original contract.
- Contractor shall prepare traffic management plans and ensure that traffic monitors and police are provided at each sale.

- Contractor will not provide a database with names of all purchasers, but shall collect the names and addresses of a representative sample of residents attending the events.

C. Payment

Metro agrees to pay Contractor the lump sum of \$80,000 for the above-described services. Metro shall pay Contractor within 30 days of completion of the described services and upon a receipt of an approved billing from the Contractor.

NORSEMAN PLASTICS, INC.

METRO

Signature

Signature

Andy Williams, Vice President, Finance
Print name and title

Print name and title

Date: _____

Date: _____