

FOR THE PURPOSE OF THE METRO)
COUNCIL, ACTING AS THE METRO)
CONTRACT REVIEW BOARD, APPROVING)
TWO ONE-YEAR EXTENSIONS OF
CONTRACT #929780 TO OPERATE METRO
CENTRAL TRANSFER STATION DUE TO THE
COVID-19 PANDEMIC

RESOLUTION NO. 20-5119

Introduced by Chief Operating Officer
Marissa Madrigal in concurrence with
Council President Lynn Peterson

WHEREAS, pursuant to ORS 279A.060 and Metro Code 2.04.090, the Metro Council is designated as the Local Contract Review Board for Metro (LCRB); and

WHEREAS, Metro contracts with Recology Oregon Recovery, Inc. (Recology) to operate and maintain the Metro Central Transfer Station under the terms of Contract #929780; and

WHEREAS, the operations contract took effect in 2010, with an initial seven-year term and provision for a three-year extension; and

WHEREAS, the LCRB in December 2018 authorized an additional two-year contract extension to allow staff to concentrate on procuring a new operator at Metro South Transfer Station in Oregon City; and

WHEREAS, the current Metro Central operating contract #929780 expires on December 31, 2021; and

WHEREAS, in order to allow time for a new operator to procure equipment and staffing, it is best practice to complete a solid waste transfer station operational contract twelve months before the start date for services; and

WHEREAS, the global coronavirus (COVID-19) pandemic has affected Metro’s ability to timely develop and issue a new request for proposals to operate at Metro Central and evaluate those proposals; and

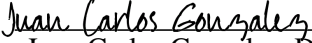
WHEREAS, with the current restrictions on travel and gathering sizes, and precipitous declines in industry revenue, solid waste firms are focused on maintaining current operations during the COVID-19 pandemic; and

WHEREAS, the COO seeks Metro Council’s approval, acting as the LCRB, to extend the contract with Recology at Metro Central for an additional one year through December 31, 2022, with a provision for one more year, at Metro’s sole discretion, to provide needed continuity through the pandemic; and

WHEREAS, the Metro Procurement Officer believes that amending the existing contract with Recology Oregon Recovery, Inc., is in Metro’s best operational interests and that it will not harm competition; now therefore,


BE IT RESOLVED that the Metro Council acting as the Local Contract Review Board authorizes the Procurement Officer to extend the Metro Central Transfer Station Contract with Recology (#929780) for one year through December 31, 2022, with an option for one additional year through December 31, 2023.

ADOPTED by the Metro Council acting as the Local Contract Review Board this 23rd day of July 2020.



Juan Carlos Gonzalez, Deputy Council President

Approved as to Form:



Carrie MacLaren, Metro Attorney

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 20-5119, FOR THE PURPOSE OF THE METRO COUNCIL, ACTING AS THE METRO CONTRACT REVIEW BOARD, APPROVING TWO ONE-YEAR EXTENSIONS OF CONTRACT #929780 TO OPERATE METRO CENTRAL TRANSFER STATION DUE TO THE COVID-19 PANDEMIC

Date: July 23, 2020 Prepared by: Kevin Six

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 inclusion of a provision for a three year extension at Metro's sole discretion (executed in 2017), for a total of ten years, through December 31, 2019. In 2018 the Metro Council, acting as the Local Contract Review Board for Metro, authorized the Metro Procurement Officer to extend the contract for an additional two years through December 31, 2021. The additional time allowed Metro staff to focus attention on procuring new agreements for the other major solid waste contracts (transportation, landfill disposal, and operations of Metro South station).

Metro staff in early 2020 were to begin the process of developing an open solicitation for the operations of Metro Central. Ideally, such a large and complex solicitation would commence approximately two years prior to the end of the current contract, with contract signing one year before the contract transition, so the new contractor has one year to procure and take delivery of the specialized heavy equipment, to recruit and train staff, and to map out a transition plan.

In early 2020 coronavirus (COVID-19) became a global pandemic. The increased number of COVID cases prompted the Oregon Governor to issue a "Stay at Home" order in March of 2020, which immediately impacted the region. Locally and across the globe, financial and human resources have been reduced and refocused to address pandemic-critical issues. Metro and others in the solid waste industry have reprioritized to address worker and public safety during the pandemic. Corporate resources that would normally be available for new ventures are tied up responding to the pandemic. Metro staff believes that it is in the best interest of the region to extend the current operations contract at Metro Central one additional year, or two if the coronavirus persists.

An extension of the current contract will hopefully allow the region to get through the worst of the pandemic and allow time for staff to gauge any long term operational effects of COVID at the Metro transfer stations, gather input, and identify the best path for forward for operating Metro Central. Additional time will also allow potential proposers to assess their current operations and how to align with operating Metro Central.

Metro has had a good working relationship with Recology, an employee-owned company now operating at both of Metro's public transfer stations. Staff requests an additional one to two years be added to

the current contract to get through the COVID crisis and allow staff the time to conduct an excellent procurement for Metro Central if Council finds that procurement is in the best interests of the public.

Staff is proposing to extend the operations agreement with Recology at Metro Central for one year (thirteen years total), through December 31, 2022, with a provision for one additional year, at Metro's discretion, through December 31, 2023, to provide needed continuity through the pandemic.

Staff will continue to monitor the effect of the pandemic on Metro's operations and on the solid waste industry. If COVID subsides, a solicitation for competitive proposals could be ready for issue as soon as early 2021, with contract finalization by end of 2021. If COVID persists, an option for one additional year of extension would allow for that process to occur in 2022.

It is staff's goal to carry forward the progress made in the new contract for Metro South station to benefit Metro Central station: more workforce diversity, 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 safety and customer experience.

Because Metro is already operating in an extension beyond the original operations contract, any additional extension requires action by the Metro Council acting as a Local Contract Review Board.

ANALYSIS/INFORMATION

1. Known Opposition

None known. A non-Recology private firm may view the requested time extension as anti-competitive.

2. Legal Antecedents

This Contract Amendment No. 8 to Metro Contract No. 929780 modifies the current agreement through December 31, 2022, and optionally through December 31, 2023.

3. Anticipated Effects

The Contractor will continue to operate Metro Central transfer station until at least December 31, 2022, and optionally through December 31, 2023 at Metro's discretion.

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 requested contract extension