



## CITY OF HOUSTON - CITY COUNCIL

Meeting Date:

ALL

Item Creation Date: 2/24/2021

L29542 - Used and Scrap Tire Disposal Services - ORDINANCE

Agenda Item#:

### **Background:**

**Formal Bids Received on January 7, 2021 for S10-L29542 – Approve an ordinance awarding a contract to Liberty Tire Recycling, LLC in the maximum contract amount of \$2,820,000.00 for used and scrap tire disposal services for various departments.**

### **Specific Explanation:**

The Director of Solid Waste Management Department and the Chief Procurement Officer recommend that City Council approve an ordinance awarding a **three-year contract with two one-year options to Liberty Tire Recycling, LLC** on its low bid meeting specifications for used and scrap tire disposal services in the maximum contract amount of **\$2,820,000.00** for various departments.

This project was advertised in accordance with the requirements of the State of Texas bid laws. Fourteen prospective bidders downloaded the solicitation document from the Strategic Procurement Division's (SPD) e-bidding website, and two bids were received as outlined below:

<b><u>Company</u></b>	<b><u>Total Amount</u></b>
1. <b>Liberty Tire Recycling, LLC</b>	<b>\$2,820,000.00</b>
2. Yes America Now, Inc.	\$4,700,000.00

Subsequent to the receipt of bids, prospective bidders were contacted to determine the reasons for the limited interest to the solicitation and/or the variant pricing. Vendor responses ranged from preferring a per-tire unit cost over tonnage costs, to not having the capacity to accommodate the volume required by the City. In order to be more competitive, the former runner-up bidder, Liberty Tire Recycling, LLC reduced their pricing by 49% on this current bid submission from their pricing submitted in July, 2017.

The scope of work requires the contractor to provide all labor, supervision, parts, materials, tools, equipment, supplies and transportation necessary to provide collection and transporting of disposable used and scrap tires from thirty-two (32) citywide tire collection sites. The contractor shall transport the tires to its facility, where the tires are shredded, processed and distributed for after-market applications, such as fuel, highway materials, and other rubber-based products. The contractor shall be required to provide the aforementioned services in strict accordance with all requirements and be compliant with applicable laws, regulations and guidelines established by the U.S. Environmental Protection Agency, U.S. Department of Transportation, Texas Natural Resource Conservation Commission, and the City of Houston (City).

### **M/WBE Participation:**

This invitation to bid was issued as a goal-oriented contract with an 11% goal for M/WBE participation level. Liberty Tire Recycling, LLC has designated the below-named company as its certified M/WBE subcontractor:

<b>Name</b>	<b>Type of Work</b>	<b>Amount</b>	<b>%</b>
S5 Fuels LLC	Fuel Services	\$310,200.00	11%

### **Pay or Play Program:**

The proposed contract requires compliance with the City's 'Pay or Play' ordinance regarding health benefits for employees of City contractors. In this case, Liberty Tire Recycling, LLC provides health benefits to eligible employees in compliance with City policy.

### **Hire Houston First:**

The proposed contract requires compliance with the City's 'Hire Houston First' ordinance that promotes economic opportunity for Houston businesses, while supporting job creation. In this case, Liberty Tire Recycling, LLC is not a designated company and/or no HHF firms were within three/five percent of the lowest bidder; therefore, the HHF preference was not applied to the award of this contract.

### **Fiscal Note:**

Funding for this item is included in the FY2021 Adopted Budget. Therefore, no Fiscal Note is required as stated in the Financial Policies.

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*Jerry Adams*

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DocuSigned by:

*Carolyn Wright*

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3/4/2021

3/1/2021

**Jerry Adams, Chief Procurement Officer**  
**Finance/Strategic Procurement Division**

**Department Approval Authority**

<b>Estimated Spending Authority</b>			
<b>DEPARTMENT</b>	<b>FY2021</b>	<b>OUT YEARS</b>	<b>TOTAL</b>
Solid Waste Management Department	\$120,312.50	\$1,942,187.50	\$2,062,500.00
Fleet Management Department	\$63,125.00	\$694,375.00	\$757,500.00
<b>TOTAL</b>	<b>\$183,437.50</b>	<b>\$2,636,562.50</b>	<b>\$2,820,000.00</b>

**Amount of Funding:**

\$ 2,062,500.00 - General Fund (1000)

\$ 757,500.00 - Fleet Management Fund (1005)

**\$2,820,000.00 – Total****Contact Information:**

<b>NAME:</b>	<b>DEPARTMENT/DIVISION</b>	<b>PHONE</b>
Yvette Smith, Interim Division Manager	FIN/SPD	832.393.8765
Greg Hubbard, Sr. Staff Analyst	FIN/SPD	832.393.8748
Karen Bledsoe	SWM	832.393.7933

**ATTACHMENTS:****Description**

Form-A

Award Recommendation

Pay or Play

Funding Form

Tax Log

Company Drug Form Policy

Ethics Form-1295

Cover Sheet Back-up Document

Ins. ACORD, Endorsements

Conformance Contract

MWBE LOI, 11% Goal

Ownership Form

Ordinance

Certificate of Insurance

AM Best

COI, Endorse., AMB

**Type**

Backup Material

Backup Material

Backup Material

Financial Information

Backup Material

Backup Material

Backup Material

Backup Material

Backup Material

Contract/Exhibit

Backup Material

Backup Material

Ordinance/Resolution/Motion

Backup Material

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