



# Agenda Report

**MEETING DATE:** Tuesday, November 9, 2021

**TO:** City Council

**FROM:** INTERIM PUBLIC WORKS & UTILITIES DIRECTOR DI RENZO  
AND MIKE RIVERA, SOLID WASTE DIVISION MANAGER

**SUBJECT:** APPROVAL FOR PURCHASE OF 35-GALLON CARTS FROM OTTO  
ENVIRONMENTAL SYSTEMS NORTH AMERICA, INC. FOR A NOT-  
TO-EXCEED AMOUNT OF \$300,000.

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## **STATEMENT OF ISSUES:**

The City has received confirmation from the Monterey Regional Waste Management District that it will be able to commingle green waste and food organics in order to comply with SB 1383. There are approximately 6,000 residential accounts that are not currently serviced with yard waste collection therefore necessitating the procurement of carts.

## **RECOMMENDED ACTION:**

It is recommended that the City Council approve a purchase with Otto Environmental Systems North America, Inc., for the procurement of 35-gallon carts in an amount of \$287,965.50 (plus a modest 4% contingency) for a not-to-exceed amount of \$300,000.

## **DISCUSSION:**

Per California's Senate Bill No. 1383 (SB1383) requirements, the City must have an organics recycling program in place for all residents and businesses by January 1, 2022. To meet this deadline, approximately 6,000 35-gallon carts must be acquired for residents that do not currently have a yard waste cart. Beginning January 1, 2022 select residents will commingle yard waste and organic waste (i.e. food scraps) for collection in the organics/yard waste cart. Currently, yard waste is collected bi-weekly and offset on the alternate week with recycling collection. In January, the commingled yard waste/food waste cart will be collected weekly to minimize odors and vectors, and disposed at Monterey Regional Waste Management District (MRWMD) for composting. It is estimated that approximately 45% of all residential accounts have a 3-cart system already in place, facilitating an immediate transition to weekly waste collection service of trash, recycling, and yard waste/food scraps starting in January. As new carts are delivered, the City will gradually phase in the remaining accounts to be serviced by this new three-cart operation with a full Citywide rollout projected to occur by July 1, 2022.

The City currently collects 2,800 tons of yard waste. With full implementation of SB1383, projected volumes for residential food scrap collection will increase from almost none to roughly 2,800 tons per year and commercial food scraps will increase from 830 tons to

1,700 tons per year. The food scraps/yard waste program is therefore projected to generate 7,300 tons of commingled material annually, doubling the current collection. In the City's current pilot programs for food scrap collection, the average Watsonville household is generating 21 lbs. of food scraps per week.

Staff solicited quotes from vendors for the 6,000 carts. The 6,000 include 5,750 carts for immediate service plus 250 carts to retain on hand to expedite future replacements due to wear and tear.

Staff recommends that City Council approve the purchase with Otto Environmental Systems North America, Inc., which submitted the lowest bid, in an amount of \$287,965.50 (plus a modest 4% contingency for changes due to market conditions) for a not-to-exceed price of \$300,000

**STRATEGIC PLAN:**

The project is consistent with the following Strategic Plan Goal:  
03 - Infrastructure & Environment

**FINANCIAL IMPACT:**

This purchase will be paid out of CIP# 14805 Organics Waste Methane Reduction – SB1383 where there is sufficient funding.

**ALTERNATIVE ACTION:**

No alternative is recommended.

**ATTACHMENTS AND/OR REFERENCES (If any):**

- 1) Vendor quotes for residential collection carts