

**CITY OF AUSTIN – PURCHASING DEPT.  
RECOMMENDATION FOR COUNCIL ACTION  
VENDOR NAME: APPLIANCE RECYCLING CENTER OF AMERICA**

**AGENDA DATE: 12/08/2011**

**SUBJECT:** Authorize award, negotiation and execution of a 12-month requirements service agreement with **APPLIANCE RECYCLING CENTER OF AMERICA**, Minneapolis, MN to provide pick-up and recycling services of old energy inefficient appliances and the delivery and installation of new energy efficient appliances to Austin Energy customers, in an estimated amount not to exceed \$1,025,000 with three 12-month extension options in an estimated amount not to exceed \$1,025,000 per extension option, for a total estimated contract amount not to exceed \$4,100,000.

**AMOUNT & SOURCE OF FUNDING:** Funding in the amount of \$854,167 is available in the Fiscal Year 2011-2012 Operating Budget of Austin Energy. Funding for the remaining two months of the initial contract period and extension options is contingent upon available funding in future budgets.

**FISCAL NOTE:** There is no unanticipated fiscal impact. A fiscal note is not required.

**PURCHASING:** Sole proposal received.

**BOARD AND COMMISSION ACTION:** To be reviewed by the Electric Utility Commission on 11/14/2011 and the Resource Management Commission on 11/15/ 2011.

**MBE/WBE:** This contract will be awarded in compliance with Chapter 2-9C of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.

**FOR MORE INFORMATION CONTACT:** Terry V. Nicholson, Buyer Sr. /512-322-6586

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This service agreement with Appliance Recycling Centers of America, Inc. (ARCA), will provide pick-up and recycling services of energy inefficient appliances, as well as provide delivery and installation of new energy efficient appliances for participants in Austin Energy's Appliance Replacement and Recycling Program. Eligible program participants include single-family and multi-family residential home owners and tenants, as well as municipal entities. Appliances eligible for replacement include: freezers (recycling only), dish washers, window air conditioning units, clothes washers, and refrigerators. The Contractor is paid for this service based on a cost proposed for the purchase of the new appliance installed and a set cost for disposal and installation for each item.

This program is targeted for low-income Austin Energy customers and the potential participant list is derived from internal referral lists of Austin Energy customers who have received assistance with utility payments, and whose household demonstrates high levels of energy consumption. These customers are also identified by the Austin Housing Authority and outreach from social services partners. Once the target lists are developed, a direct mail-out will be sent

with information on how to participate in the program. Austin Energy has set an estimated program goal of 1,125 appliances targeted for recycling during the course of the contract period. The targets identified for each type of appliance is 625 refrigerators, 300 window air conditioning units, 50 dishwashers, 50 clothes washers and 100 gas stoves.

Since the Refrigerator Recycling Programs' inception in Oct. 2004, Austin Energy has recycled over 20,800 refrigerators. With the addition of the other appliances for replacement and recycling, Austin Energy has increased the participation in the program. The appliance replacement and recycling program also supports Austin Energy's Strategic Plan and is not only a peak-demand and energy-savings program for the utility, but it also promotes environmental responsibility in recycling hazardous materials from the recycled appliances. Materials such as metals, ozone-depleting chlorofluorocarbon (CFC) refrigerants, and foam insulation will be disposed of in an environmentally-friendly way. The amount of materials captured and recycled are equivalent to having planted 271,518 trees, removed 2,025 cars from the roads or provided electricity to 1,557 average Austin residences for a year. This program aids in reducing air emissions by reducing electric consumption in Austin Energy's service territory and educates consumers on more efficient uses of electricity by providing them with Energy Star-labeled appliances to meet their needs.

This is a rebid of the original solicitation and was done in an effort to get more vendor participation. Potential vendors were researched and contacted and there were very limited who had the capability to provide all aspects of the Scope of Work. There is also a requirement for a local presence which limited the potential respondents.

### **PRICE ANALYSIS**

- a. Sole proposal. This is a very specialized service. Potential providers of this service were contacted and the Proposal closing was extended in an attempt to get more responses without success.
- b. Seventy Five notices were sent including 8 MBEs and 1 WBE. One proposal was received, with no response from the MBE/WBEs.

### **APPROVAL JUSTIFICATION**

- a. Sole proposal received
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.