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DEPARTMENT OF  
FINANCE  
PROCUREMENT SERVICES DIVISION

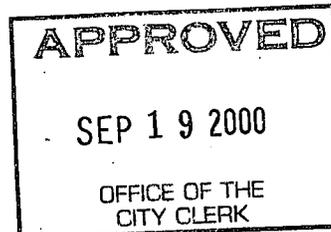
CITY OF SACRAMENTO  
CALIFORNIA

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September 1, 2000  
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City Council  
Sacramento, California



Honorable Members in Session:

**SUBJECT: UPDATE OF AUTHORIZATION FOR RECYCLED PRODUCTS PURCHASING  
BID EVALUATION PREFERENCE**

**LOCATION AND COUNCIL DISTRICT:** Citywide

**RECOMMENDATION:**

Staff recommends that the City Council adopt the attached Resolution which provides formal authorization of the policy of providing a bid evaluation preference for the purchase of recycled products. It also provides for flexibility in structuring the application of the preference by allowing incremental bid evaluation preferences up to a total not to exceed five percent, and sets an upper limit of \$50,000 per bid for the preference.

**CONTACT PERSONS:** Gary Van Dorst, Solid Waste Planning Superintendent, 264-7561

**FOR COUNCIL MEETING OF:** September 19, 2000

**SUMMARY:**

This report provides for "clean-up" and formal authorization of the use of a recycled products purchasing preference. In March, 1990, the City Council authorized the use of a five percent recycled products purchasing preference. However, the 1990 authorization was in the form of Council approval of a staff recommendation, and subsequent revision of the City Code requires that such preferences be adopted by resolution of the Council. This report provides for such resolution, and adds flexibility in structuring the application of the preference by allowing incremental bid evaluation preferences up to a total not to exceed five percent. The Resolution includes a provision limiting the maximum allowable amount of the bid evaluation preference on any single bid to a total amount not to exceed \$50,000.

## **BACKGROUND:**

In March, 1990, the City Council approved the use of a five percent preference for the purchase of recycled products. This approval was by unanimous vote of the Council in response to a staff recommendation and the recommendation of the City/County Solid Waste Advisory Committee. However, the recommendation did not include the adoption of a Resolution. A subsequent revision of Chapter 3.56 (previously Title 57) of the City Code requires that such preferences be approved by resolution of the City Council. This report is provided to "clean up" the authorization for a recycled products purchasing preference by having it adopted by resolution of the Council as required by the current City Code. The recommendation also provides for enhancing the usefulness of the preference by adding flexibility in structuring the way the preference is applied, to allow for incremental bid evaluation preferences up to a total not to exceed five percent (the previously approved preference called for application of a flat five percent preference). The addition of flexibility to allow preferences *up to* five percent will offer the opportunity, when appropriate, to build into bid solicitations incentives (e.g., "stepped" preferences) to encourage higher levels of recycled material content.

In 1992, the City Council adopted the City's Source Reduction and Recycling Element (SRRE). This plan, in conformance with State AB939, evaluated and selected 29 separate programs for implementation, of which the City's recycled products purchasing preference was an element. The plan was subsequently approved by the State and the implementation of the selected programs is necessary for the State of California's finding of City AB939 compliance.

Maintaining an official City policy of applying preferences for the purchase of recycled products is an important element of the City's overall waste reduction effort. Not only does it encourage the use of recycled products, but several grant programs in which the City currently participates require, as a condition of participation, that the City have an official policy favoring the procurement of post-consumer recycled-content products.

As noted above, this report is intended to "clean up" the City's current policy favoring recycled products through adoption of the attached Resolution, which authorizes a bid evaluation preference for the purchase of recycled products, including the flexibility to structure its application by allowing incremental bid evaluation preferences up to a total not to exceed five percent. The Resolution includes a provision limiting the maximum allowable amount of the bid evaluation preference on any single bid to a total amount not to exceed \$50,000.

## **FINANCIAL CONSIDERATIONS:**

The application of bid evaluation preferences may result in slightly higher costs paid by the City than might otherwise be the case in the absence of such preference. However, especially with the growing emphasis on recycling in our society, these relatively minor costs will tend to be offset by savings accrued in waste stream reduction and in grant monies received by the City in conjunction with various recycling programs.

**ENVIRONMENTAL CONSIDERATIONS:**

Ongoing administrative and maintenance activities, such as purchases of supplies, equipment or materials which are not made for purposes of a public works construction project, do not constitute a "project" and are exempt from the California Environmental Quality Act (CEQA). CEQA Guidelines, Sections 15061 (b)(1), 15783(b)(3).

**POLICY CONSIDERATIONS:**

This recommendation is in accordance with the provisions of City Code Section 3.56.020(C), which authorizes the City Council to adopt, by resolution, programs or procedures for providing bid price preferences. The attached Resolution is also consistent with previously adopted City Council policy establishing procurement preferences for products containing recycled content.

**ESBE CONSIDERATIONS:**

The recycled products bid evaluation preference proposed herein will be applied equally to all businesses. To the extent that emerging and/or small businesses elect to offer recycled products, they will have the opportunity to receive the benefit of the recycled products bid evaluation preference in addition to any preferences to which they may be entitled based on their business certification status.

Respectfully Submitted,



Robert B. Holbrook  
Procurement Services Manager

**RECOMMENDATION APPROVED:**



ROBERT P. THOMAS  
City Manager

1 Attachment



**RESOLUTION NO. 2000-551**

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF \_\_\_\_\_

**A RESOLUTION AUTHORIZING BID EVALUATION PREFERENCES FOR THE PURCHASE OF RECYCLED PRODUCTS**

**BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO THAT:**

1. WHEREAS, the City of Sacramento supports efforts to recycle and re-use materials where possible, and;
2. WHEREAS, the City of Sacramento approved the use of a five percent procurement preference policy in 1990 for the purpose of improving the marketability of collected recyclables; and
3. WHEREAS, the City of Sacramento selected the establishment of recycled product preferences as one alternative among many in the City's adopted Source Reduction and Recycling Element (1992) in conformance with AB939 planning requirements; and
4. WHEREAS, the City's participation in recycling grants frequently requires participating jurisdictions to document preference policies for the procurement of products manufactured from post-consumer recycled materials; now therefore
5. BE IT RESOLVED BY THE CITY COUNCIL OF SACRAMENTO that the City Council does hereby authorize the use of a bid evaluation preference for the purchase of recycled products for use by the City, including the option to allow incremental bid evaluation preferences up to a total not to exceed five percent of the total bid amount. Provided, however, that in no case shall the recycled products bid evaluation preference amount exceed \$50,000 on any single bid.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

**FOR CITY CLERK USE ONLY**

RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_

(H)