

**CITY OF ALBANY
CITY COUNCIL AGENDA
STAFF REPORT**

Agenda date: November 15, 2021
Reviewed by: NA

SUBJECT: Authorization to Sign Lease Agreement and Appropriate Funds for Bigbelly Units at the Waterfront and Taft Street Turnaround

FROM: Devora Zauderer, Program Manager
Elizabeth Carrade, Sustainability Coordinator
Mark Hurley, Public Works Director/City Engineer

SUMMARY

Staff is requesting authorization to enter into a five-year lease agreement for four (4) new Bigbelly waste receptacle stations for placement at the Albany Waterfront and the Taft Street Turnaround. Leasing the units as opposed to purchasing outright, which the City has done in the past, includes specialized maintenance services, software upgrades, and planned capital replacement as units age out.

STAFF RECOMMENDATION

That the Council adopt Resolution No. 2021-114:

1. Authorizing the City Manager to execute a five-year lease agreement with Bigbelly LLC for use of three (3) triple-stream units and one (1) double-stream unit; and
2. Appropriating \$14,000 from Measure D Waste Mitigation funds for the first year of the agreement, to be incorporated into the Public Works Operating Budget.

BACKGROUND

Bigbelly LLC deploys smart, solar-powered, sensor-equipped landfill, recycling, and organics stations that communicate real-time status to maintenance crews and provide litter abatement and proper sorting opportunities for the community.

Unlike traditional, open-top city litter cans, the Bigbelly units are completely enclosed to better prevent pests such as rats, raccoons, and birds from rummaging through the cans.

The Bigbelly stations are highly visible, and can be strategically placed throughout the City based on Bigbelly's heat mapping technology, which encourages proper disposal of waste, and increased landfill diversion. Clear signage serves as an educational tool to reinforce proper waste sorting.

Since 2012, the City has acquired approximately 60 stations in a combination of double-stream and triple-stream configurations. Bigbelly units have been installed throughout the City including on Solano and San Pablo Avenues, and in various City parks.

All purchases included the capital cost of the units as well as a five-year subscription cost for the smart software. Costs and responsibilities outside of that scope have fallen to the Public Works department to absorb into departmental bandwidth and budget, including maintenance and repair services, software subscription renewals, hardware and network upgrades, and replacement parts.

On August 12, 2021, City staff requested that the Alameda County Source Reduction and Recycling Board, which oversees Measure D (The Alameda County Waste Reduction and Recycling Initiative 1989) funding and related policies and procedures, authorize City staff to use Measure D funds to cover the costs associated with leasing Bigbelly systems. According to statutes dictating use of Measure D funds, Measure D funds cannot be used to fund a contract longer than five years, however, the Recycling Board may approve a request for a contract longer than five years, but no more than ten years. The City of Albany's request to utilize Measure D funds to pursue a five-year contract, with the option to extend the contract for another five years (for a total of 10 years) for long term leases of Bigbelly systems was approved by the Recycling Board.

DISCUSSION

Staff proposes the acquisition of four additional Bigbelly stations for placement at the Albany Waterfront and at the Taft Turnaround on Albany Hill. The areas are highly trafficked and would benefit from more a more robust litter management strategy. An additional fifth station is currently in storage at Public Works and will be deployed in tandem with the new units.

Staff proposes leasing the units from Bigbelly, as opposed to purchasing the units outright as has been done in the past. The lease program, known as Bigbelly's Connect LX, covers rental of the units with all desired physical features as well as software subscription and licensing, as does purchasing the units outright. What the lease program also includes at no additional cost (which purchasing the units outright does not) is specialized repair and maintenance of the units, annual comprehensive station cleaning and inspection, replacement of units aging out of effective usage, hardware parts warranty for the full term of the lease, network communication upgrades, and extended system training and setup. The expert maintenance and repair provided are considered to be of high value to the City, as currently all of the above items fall to Public Works to perform and coordinate with in-house staff. The proposed lease period is five (5) years, with the option to extend a further five years. During this period, the ongoing costs of the Bigbelly program will be continually assessed and incorporated into the Public Works operating budget with consideration to long-term funding needs.

SUSTAINABILITY CONSIDERATIONS

Bigbelly receptacles provide necessary opportunities for recycling and composting waste for the community. Increasing recycling and composting opportunities and reducing waste are actions

identified in the City’s Climate Action and Adaptation Plan. Further, diverting organic materials from the landfill is an important climate mitigation measure because it reduces the production of methane in the landfill, which is a key element towards meeting compliance for SB 1383: The Short-Lived Climate Pollutants Act that takes effect on January 1, 2022.

CITY COUNCIL STRATEGIC PLAN INITIATIVES

Bigbelly waste management systems support City Council Strategic Plan Initiative Goal 1: Foster a Healthy and Sustainable City.

FINANCIAL CONSIDERATIONS

The City receives quarterly disbursements of Measure D funds from the Alameda County Waste Management Authority (StopWaste). Measure D funds are the result of a per-ton disposal surcharge (currently \$8.23/ton) at the Altamont and Vasco Road landfills. The fee is applied to all solid waste tons disposed within the unincorporated county of Alameda and is paid by the landfill. Albany’s annual disbursement averages \$60,000. Cities must use Measure D funds to continue and expand innovative programs that increase recycling and waste diversion.

As noted above, the Recycling Board approved using Measure D funds to support contracts up to 10 years for Bigbelly units. The costs for entering into leases for the currently proposed units are within available balance and annual revenue programming for this fund.

Table 1 illustrates the annual operating cost of the requested four units.

	Unit Cost	Qty	Total Annual
2-Stream Unit (Landfill & Recycling)	\$ 1,920	1	\$ 1,920
3-Stream Unit (Landfill, Recycling, Organics)	\$ 2,724	3	\$ 8,172
			\$ 10,092
Shipping & Supplies			\$ 2,104
Sales tax (estimated)			\$ 1,804
			\$ 14,000

Staff proposes a new appropriation to the current Public Works Operating Budget to support the lease and delivery of the units for the first year of the agreement in the amount of \$14,000, including costs for tax and shipping. Costs for future years will be incorporated into the Public Works budget as part of the scheduled Operating Budget Updates.

ATTACHMENTS

1. Resolution No. 2021-114
2. Quote No. Q39260-1 Connect LX 60 Month Term
3. Recycling Board Funding Approval

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RESOLUTION NO. 2021-114

**A RESOLUTION OF THE ALBANY CITY COUNCIL AUTHORIZING
THE EXECUTION OF A LEASE AGREEMENT BETWEEN
THE CITY OF ALBANY AND BIGBELLY LLC**

WHEREAS, the City of Albany is invested in seeking innovative and functional solutions to waste management and landfill diversion in public spaces including in business districts and City parks and open spaces; and

WHEREAS, the City currently owns and maintains approximately 60 Bigbelly waste collection receptacles, in a combination of double-stream (landfill and recycling) and triple-stream (landfill, recycling, and organics) configurations; and

WHEREAS, these receptacles have worked well for the community, City maintenance staff, and waste hauler staff; and

WHEREAS, leasing Bigbelly stations provides additional benefits that are otherwise not accessible when receptacles are owned by the City outright, including dedicated and expert maintenance and repair; and

WHEREAS, the Alameda County Source Reduction and Recycling Board has approved and endorsed utilizing Measure D (The Alameda County Waste Reduction and Recycling Initiative 1989) funds to support up to ten-year lease periods for Bigbelly units, in service of continuing and expanding innovative programs that increase recycling and waste diversion.

NOW, THEREFORE, BE IT RESOLVED, that the Albany City Council hereby authorizes the City Manager to execute a five-year lease agreement with Bigbelly LLC for use of three (3) triple-stream units and one (1) double-stream unit; and



Executive Summary Proposal

CITY OF ALBANY, CA

Program Overview

Connect LX is Bigbelly's turnkey smart city solution which delivers a connected smart waste and recycling platform and provides Customers with a partner to help deploy, manage, and optimize their customized solution over a 60-month term. This subscription-based service was designed to deliver a flexible, scalable, smart platform that transforms waste operations today, and enables Customers to benefit from the technology innovations of the future.

Connect LX 60 Month Term		
System Software <ul style="list-style-type: none"> CLEAN Management Console Licenses for Full Term CLEAN Mobile Software Licenses for Full Term 	Automated System Monitoring <ul style="list-style-type: none"> Automated System Diagnostics and Alerts 	
Equipment/Hardware <ul style="list-style-type: none"> Custom Configuration as Detailed Below 	Cleaning and Inspection <ul style="list-style-type: none"> Annual Comprehensive Station Cleaning Annual Station Inspection 	
Station Installation <ul style="list-style-type: none"> On-Site Installation for Stations 	Warranty <ul style="list-style-type: none"> Hardware Parts Warranty for Full Term Expanded Warranty Coverage for Battery End-of-Life Replacement and Network Communication Upgrades for Full Term 	
Setup and Training <ul style="list-style-type: none"> CLEAN Software Account Setup System Training & Onboarding 	Customer Support <ul style="list-style-type: none"> Customer Support Hotline and Trained Field Service Professionals 	
Equipment/Hardware Configuration		
1	SC5/SC5 Double Station @ \$99.00 per unit	\$99.00
1	SC5/SC5 Double Station Software @ \$19.00 per unit	\$19.00
2	SC Hoppers @ \$7.00 per unit	\$14.00
2	Message Panels @ \$4.00 per unit	\$8.00
2	SC Foot Pedals @ \$10.00 per unit	\$20.00
3	SC5/SC5/SC5 Triple Station @ \$144.25 per unit	\$432.75
3	SC5/SC5/SC5 Triple Station Software @ \$23.75 per unit	\$71.25
9	SC Hoppers @ \$7.00 per unit	\$63.00
6	Message Panels @ \$4.00 per unit	\$24.00
9	SC Foot Pedals @ \$10.00 per unit	\$90.00
Total Annual System Cost		\$10,092.00

One Time Fees	
(6) Box of SC Bags (Box of 100)	\$294.00

Shipping	\$1,810.00
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¹Pricing is valid for 60 days from October 15, 2021.

²Sales Tax is NOT included in above pricing.

³Pricing is subject to Connect Program Terms and Conditions.

⁴Initial order of bags included in "One Time Fees". Please visit <https://wastezerobags.com/bigbelly/> for future orders.



DATE: August 12, 2021
TO: Alameda County Source Reduction and Recycling Board
FROM: Meri Soll, Senior Program Manager
SUBJECT: City of Albany request for long-term contract utilizing Measure D funds

SUMMARY

The Recycling Board must approve any requests by StopWaste or member agencies to utilize Measure D funds for contracts with third-party vendors for longer than five years. At its August 12 meeting, the Recycling Board will be asked to consider a request from the City of Albany to utilize Measure D funds to pursue a contract of up to 10 years (five years with the option to extend another five years for a total of 10 years) for recycling/landfill receptacles used in public community spaces.

DISCUSSION

In 1988, Resolution #98-3 (Attachment A) was adopted to develop standard findings and procedures for the receipt and evaluation of applications from member agencies requesting use of Measure D monies for contracts exceeding five years in length.

The City of Albany has selected Bigbelly Systems as its preferred vendor for recycling/landfill receptacles used in public community spaces. Consistent with Resolution #98-3, the City of Albany has provided the following information in support of their request:

1. Uses of Measure D for FY 20/21 and 21/22:

In fiscal year 2020/2021, the City spent \$86,874.85 supporting a variety of Measure D activities, including upfront costs of consultants' fees for franchise negotiations, costs related to the Alameda County Green Business Program, recycling and compost bins for City facilities, solid waste staff professional development (trainings/conferences), and hazardous waste recycling. For fiscal year 2021/2022, the City anticipates using Measure D funds to cover the same programs and upfront costs as in fiscal year 2020/2021. If the request to enter a contract longer than five years to lease Bigbelly systems is approved by the Board, the City will spend remaining Measure D funds on a contract with Bigbelly for leased systems. The City will use other available funds to cover the remaining balance of the lease contract.

2&3. Circumstances of award and the benefits necessitating a contract term longer than five years:

The City of Albany would like to utilize Measure D funds to enter into a five-year leasing contract with an option to extend to an additional five years with Bigbelly systems, which provides waste & recycling solutions for public spaces. Bigbelly systems and facilities deploy smart, solar-powered, sensor-equipped waste & recycling stations that communicate real-time status to collection crews to enable efficiencies. The City of Albany would like to use

Measure D funds to lease rather than purchase Bigbelly systems for trash, recycling, and organics receptacle infrastructure in various locations throughout the city.

If the City purchases the Bigbelly systems outright, the City would be required to cover all costs and staff time associated with repairs and maintenance (after the one-year warranty period). The long-term lease would allow the City to defray these costs for up to 10 years by having this work performed by the vendor as part of the lease agreement. Thus, the long-term leasing option is preferred by the City to minimize the cost and administrative burden of keeping these receptacles in the community. Lease option proposals and costs provided in Attachment B.

RECOMMENDATION

Approve the City of Albany's request to utilize Measure D funds to pursue a five-year contract, with the option to extend the contract for another five years (for a total of 10 years) for the long-term lease of Bigbelly systems.

Attachment A: Resolution #RB 98-3

Attachment B: Bigbelly public receptacle lease option costs

ALAMEDA COUNTY SOURCE REDUCTION AND RECYCLING BOARD

RESOLUTION #98 - 3

**MOVED: HILSON
SECONDED: GORDON**

AT THE MEETING HELD FEBRUARY 12, 1998

**POLICIES AND PROCEDURES FOR IMPLEMENTATION OF SUBSECTION
64.060(D) OF MEASURE D, RELATING TO USE OF RECYCLING FUND
MONIES FOR CONTRACTS LONGER THAN FIVE YEARS**

WHEREAS, the Source Reduction and Recycling Board is responsible for implementation of the Alameda County Waste Reduction and Recycling Initiative which calls for waste reduction programs in Alameda County in the areas of Municipal Recycling Programs, Grants To Non Profit Organizations, Source Reduction, and Recycled Product Market Development; and,

WHEREAS, Subsection 64.060(D) of the Charter Initiative states:

Contracts using Recycling Fund monies shall be made for periods of not more than five (5) years, except that, upon a finding of the Recycling Board that a longer period is necessary in order to capitalize a specific project, the Recycling Board may vote to allow a particular contract to be made for a period of not more than ten (10) years. No contract using Recycling Fund monies shall provide for an option to renew or any similar provision that would result in the extension of a contract, on a less than fully competitive basis, for a cumulative period of more than five (5) years or, in the case of a contract which the Recycling Board has authorized to be made for a longer period for purposes of capitalization, more than ten (10) years; and,

WHEREAS, the Recycling Board has received two applications to date from municipalities requesting use of Measure D monies for contracts exceeding five years in length, and it is reasonable to expect that there will be more such applications in the future; and

WHEREAS, the Board has expressed a desire to develop standard policies and procedures for the receipt and evaluation of such applications; and

WHEREAS, the Recycling Board Policy Committee has considered and discussed relevant research, information and opinions relating to these issues and has made the following recommendations to the Board;

NOW, THEREFORE, BE IT RESOLVED, that the Source Reduction and Recycling Board hereby adopts the following findings and procedures regarding applications to the Board for use of Measure D monies for contracts exceeding five years in length:

- The Board reserves the right to say "no" to any applicant.
- Every municipal applicant should submit information and data regarding:
 1. Their other uses of Measure D funds in the previous and current fiscal years, and proposed for the upcoming year, if known, including the percentage of Measure D revenues used to reduce ratepayer rates for recycling collection services.
 2. The circumstances of award of the contract under consideration.
 3. The expected benefits or factors necessitating a contract term longer than five years.
- Applicants requesting use of Measure D funds for contracts over eight years in length (and less than ten) shall also describe their good faith efforts to procure innovative services, where practical.

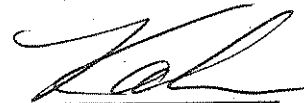
ADOPTED BY THE FOLLOWING VOTE:

**AYES: DENNIS, BURRELL, GORDON, GROULX, HILSON,
NORDMAN, SPARKS, TAM, WHITE**

NOES: NONE

ABSTAIN: NONE

ABSENT: SPRING, NADEL



Karen Smith
Executive Director