



City of Austin

Recommendation for Action

File #: 25-1500, **Agenda Item #:** 16.

8/28/2025

Posting Language

Authorize contracts for compost processing services for Austin Resource Recovery with Employee Owned Nursery Enterprises Ltd. dba Organics By Gosh, and Texas Disposal Systems Landfill, Inc. dba Texas Disposal Systems Inc., for an initial term of three years with up to two 1-year extension options in an amount not to exceed \$10,000,000 divided among the contractors. Funding: \$333,333 is available in the Operating Budget of Austin Resource Recovery. Funding for the remaining contract term is contingent upon available funding in future budgets.

Lead Department

Financial Services Department.

Client Department(s)

Austin Resource Recovery.

Fiscal Note

Funding in the amount of \$333,333 is available in the Fiscal Year 2024-2025 Operating Budget of Austin Resource Recovery.

Funding for the remaining contract term is contingent upon available funding in future budgets.

Purchasing Language:

The Financial Services Department issued an Invitation for Bids solicitation (IFB) 1500 RGW1023REBID for these services. The solicitation was issued on May 19, 2025, and closed on June 12, 2025. Of the two offers received, the recommended contractors submitted the lowest responsive offers. A complete solicitation package, including a tabulation of the bids received, is available for viewing on the City's website. This information can currently be found at

https://financeonline.austintexas.gov/af0/account_services/solicitation/solicitation_details.cfm?sid=142753.

MBE/WBE:

This contract will be awarded in accordance with City Code Chapter 2-9B (Minority-Owned and Women-Owned Business Enterprise Procurement Program). For the services required for this solicitation, there were no subcontracting opportunities; therefore, no subcontracting goals were established. However, one of the recommended contractors identified subcontracting opportunities.

For More Information:

Direct questions regarding this Recommendation for Council Action to the Financial Services Department - Central Procurement at: FSDCentralProcurementRCAs@austintexas.gov or 512-974-2500. Respondents to the solicitation and their Agents should direct all questions to the Authorized Contact Person identified in the solicitation.

Council Committee, Boards and Commission Action:

To be reviewed by the Zero Waste Advisory Commission.

Additional Backup Information:

These contracts will support the City's Zero Waste initiatives by providing compost processing services, including processing, sorting, and composting of organics, yard waste, food scraps, and food-/oil-soiled compostable paper, as well as marketing services to include detailed data reporting to support the City's residential curbside compost materials collection services.

The Austin Resource Recovery (ARR) Department's Comprehensive Plan serves as a guide for the City to achieve its Zero Waste goal of reducing the amount of trash sent to landfills by 90% by the year 2040. Zero Waste is a shift from traditional waste management to materials management, where trash is what remains once we reduce, reuse, recycle, and compost. The compost program is expected to expand from 40,846 tons collected in FY24 towards a potential of up to 60,000 tons of compost materials delivered annually. City vehicles will collect and deliver approximately 50-loads daily from current ARR residential and commercial customers with ARR carts (e.g., small businesses, food permitted businesses, etc.) participating in the services, to the contractors. The contractors shall be responsible for the environmentally sustainable and proper disposal of any waste material, including contaminated materials received by the City, generated under these contracts in accordance with federal, state, and local laws, rules, and regulations.

The contracts will replace a contract that expired on August 20, 2025. Requested authorization is based on historical spend and departmental estimates of future needs. One of the recommended contractors is the current provider for these services.

A delay in contract approval could impact the City's ability to provide composting services to ARR customers.

Contract Details:

Contract Term	Length of Term	Contract Authorization
Initial Term	3 years	\$6,000,00
Optional Extension 1	1 year	\$2,000,00
Optional Extension 2	1 year	\$2,000,00
Total	5 years	\$10,000,0

Note: Contract Authorization amounts are based on the City's estimated annual