File ID: 2026-01209 11/17/2026

[Contract Supplement] Recycling and Solid Waste Refuse Containers [Published for 10-Day Review 11/05/2026]

File ID: 2026-01209

Location: Citywide

Recommendation: Pass a **Motion** 1) authorizing the City Manager or designee to execute Supplemental Agreement No. 1 with Rehrig Pacific Company for the purchase of solid waste refuse containers in an amount not to exceed $1,573,681 for a revised not-to-exceed amount of $1,821,681 and 2) to extend the agreement through September 30, 2027.

Contact: Adam Roitman, Program Specialist, (916) 808-3508, aroitman@cityofsacramento.org; John Febbo, General Manager, (916) 808-4949, jfebbo@cityofsacramento.org; Department of Public Works

Presenter: None

Attachments:
1-Description/Analysis
2-Supplemental Agreement

Description/Analysis
Issue Detail: The Department of Public Works, Recycling and Solid Waste Division (RSW) purchases and provides residential customers with solid waste refuse containers for the disposal of garbage, recycling, and organic waste. The City's current solid waste refuse container agreement is with Formex Holdings, LLC dba Otto Environmental Systems and expires on January 30, 2027.

The City has been experiencing significant delays and non-performance under the current agreement with Formex Holdings, LLC dba Otto Environmental Systems (Otto Environmental). Otto Environmental has been unable to fulfill the City's refuse container orders in a timely and reliable manner over the course of the past year. City staff have met with representatives from Otto Environmental multiple times to express concerns regarding insufficient container inventory. To date, the concerns have not been remedied. The City continues to wait for orders that have taken 90 days or longer, even though the agreement requires deliveries within 30 days of ordering. As a result, the City's inventory of solid waste refuse containers has been substantially reduced.

The continued inability to obtain containers from the City's current vendor in a timely manner has created an urgent operational concern. Without a reliable and ongoing source of refuse containers, the City will experience significant delays in providing containers to new customers, replacing damaged or missing containers for existing customers, or maintaining normal solid waste service levels to residents.

Due to limited container inventory, the Recycling and Solid Waste Division has had to request that 311 pause container exchange requests for several months, except where otherwise directed based on operational need. Based on current inventory levels and pending service needs, container shortages are already affecting customer service and will continue to cause further issues if no action is taken.

On October 3, 2022, the Department of Public Works issued Request for Proposal No. P23155711001 for the purchase of solid waste refuse containers. Responses were evaluated by a selection committee, and Rehrig Pacific Company was the next-ranked responsive proposer after Otto Environmental. The RFP allowed the City to select one or more container providers to satisfy RSW's residential containers needs. At the time, RSW elected to only enter into an agreement with Otto Environmental to supply residential containers. Since Rehrig was the next-ranked responsive proposer after Otto Environmental, RSW contacted Rehrig about its ability and interest to timely supply residential containers. Rehrig agreed it was still willing to provide residential containers as required under the terms of the RFP.

To ensure the continuity of the supply of solid waste refuse containers, and due to the lead time from placing an order to delivery, RSW executed an agreement with Rehrig Pacific Company on October 2, 2026, for a not-to-exceed amount of $248,000 through December 31, 2026. This allowed RSW to replenish the most constrained container types and sizes for garbage, recycling, and organics due to prior orders not being fulfilled. As a result of the additional container inventory secured through this agreement, RSW was able to end the 311 container exchange restriction effective October 5, 2026.

Policy Considerations: The recommendation is consistent with Sacramento City Code Chapter 3.56 (Procurement) and the City's Procurement of Goods Policy. Pursuant to City Code Sections 3.56.090 and 3.04.020, City Council approval is required because the proposed supplemental agreement increases the contract amount to more than $250,000. City Code section 4.04.020 and City Council Rules of Procedure, Chapter 7, Section E.2.d, require agreements exceeding $1 million to be posted for public review at least 10 days before Council action, unless the posting requirement is waived by a two-thirds vote of the City Council. This item was published for 10-day review on November 5, 2026, in compliance with the City Code.

Economic Impacts: None.

Environmental Considerations:
California Environmental Quality Act (CEQA): This report concerns administrative activities and government fiscal activities that do not constitute a “project” and is not subject to the provisions of CEQA (CEQA Section 15378(b)(2)).

Sustainability: All materials used to manufacture Rehrig’s solid waste refuse containers are recyclable, including plastic resin and steel.

Commission/Committee Action: None.

Rationale for Recommendation: The purchase of refuse containers is necessary to provide solid waste services to City residential customers, including the replacement of damaged containers for existing residential customers and the provision of containers for new residential growth.

Approval of the recommended supplemental agreement with Rehrig Pacific Company will provide the City with an alternate and reliable source of solid waste refuse containers at a time when the current vendor is unable to consistently fulfill orders timely. Awarding a contract to Rehrig will allow the City to respond more quickly than initiating a new solicitation, while maintaining consistency with the prior competitive evaluation.

The recommended action is necessary to protect service continuity, maintain adequate container inventory, and reduce the risk that customers will experience delays in receiving garbage, recycling, or organic waste containers.

Financial Considerations: Expenditures under the recommended contract for solid refuse containers are estimated at $1,821,681 per year. In determining the recommended spending authority, staff reviewed the expenditure and order history for solid waste container purchases and considered future needs including new residential growth and replacements for over 400,000 solid waste containers in service throughout the City. Sufficient funding exists in the Solid Waste Container Replacement Program capital improvement project (Solid Waste Fund, Fund 6007) for purchases through June 30, 2027. Purchases after June 30, 2027, will be subject to funding availability in the budget adopted for the applicable fiscal year.

Local Business Enterprise (LBE): Rehrig Pacific Company is not an LBE. The minimum LBE participation requirement has been waived because an alternate procurement method was utilized to select a vendor.

CONTRACT #: PRC004684 | DATE: 10/06/2026
AMENDMENT #: 01 | PROJECT: #114120500
CONTRACT NAME: Solid Waste Refuse Containers | SOLICITATION: P23155711001
NOT TO EXCEED AMOUNT (INCLUDING SUPPLEMENTS): 1,821,681.00 | MOTION / DATE OR FILE ID: 2026-01209

CITY OF SACRAMENTO

CONTRACT AMENDMENT
CHANGE IN SCOPE AND NOT-TO-EXCEED AMOUNT

The City of Sacramento ("City") and Rehrig Pacific Company("Contractor"), as parties to that certain contract designated as Contract Number PRC004684, including any and all prior amendments modifying the contract (the contract and all amendments are hereafter collectively referred to as the "Contract"), hereby amend the Contract as follows:

1. The scope set forth in Exhibit A of the Contract is amended as follows:

   The time of performance is to be extended through September 30, 2027.

2. The maximum not-to-exceed amount that is specified in the Contract for payment of Contractor's fees and expenses is **increased** by $1,573,681.00, and the Contract's maximum not-to-exceed amount is amended as follows:

Contract's original not-to-exceed amount:	$248,000.00
Net change by previous amendments:	$0.00
Not-to-exceed amount prior to this amendment:	$248,000.00
Increase by this amendment:	$1,573,681.00
New not-to exceed amount including all amendments:	$1,821,681.00

3. Contractor agrees that the amount specified in section 2 above shall fully compensate Contractor under the Contract, as modified by this amendment, including any and all direct and indirect costs that may be incurred by Contractor in connection with such additional and/or revised services, and costs associated with any changes and/or delays in schedules or in the delivery of other services by Contractor.

4. Contractor warrants and represents that the person or persons executing this contract amendment on behalf of Contractor is duly authorized by Contractor to sign this amendment and bind Contractor to the terms hereof.

5. Except as specifically revised herein, all terms and conditions of the Contract shall remain in full force and effect, and Contractor shall perform as required under the Contract, as modified by this amendment.

[SIGNATURES ON FOLLOWING PAGE]

SIGNATURES

The parties have signed this Contract, effective as of the day and year first stated above.

CONTRACTOR

Under penalty of perjury, I certify that the information provided here is correct.

Signature: Eric Chambers
Eric Chambers (Oct 27, 2026 12:19:29 EDT)

Title: Vice President of Sales, ENV

Additional Signature (if required):

Title:

CITY OF SACRAMENTO

A Municipal Corporation

APPROVED AS TO FORM:

Signature:
Michael Fry (Oct 29, 2026 14:43:35 PDT)

Title: Senior Deputy City Attorney

Reviewed By:

Signature:

Title:

Approved By:

Signature:

Title:

Additional Signature (if required):

Title: