



Legislation Details (With Text)

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**Title:** Resolution to Approve a Five-Year Contract Extension with Waste Management of Michigan for Landfill Disposal Services (\$770,000.00)

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Waste Management Disposal contract renewal 2012.pdf

| Date     | Ver. | Action By    | Action   | Result |
|----------|------|--------------|----------|--------|
| 5/7/2012 | 1    | City Council | Approved | Pass   |

Resolution to Approve a Five-Year Contract Extension with Waste Management of Michigan for Landfill Disposal Services (\$770,000.00)

The attached resolution approves a five-year contract extension with Waste Management of Michigan (WMM) for the disposal of the City of Ann Arbor’s non-recoverable solid waste at the Woodland Meadows Landfill in Wayne, Michigan. City Council approved a five-year contract with WMM in June 2002, allowing for two additional five-year renewals under the same terms and conditions. In 2007, City Council approved the first five-year renewal of this contract.

WMM established a year 1 base price for landfill disposal of \$10.17 for years one and two of the agreement, with a 2.3% annual escalator thereafter. Waste Management’s prices were 13% lower than the next nearest proposal (Allied Waste). The current five-year renewal expires June 30, 2012 and requires a sixty-day notice by the City Administrator to WMM for renewal. This notice was provided by the City Administrator the week of April 16, 2012.

Following are the years 11 through 15 pricing. Current year pricing (2011/12) is at \$12.71/ton. This includes a \$.36/ton State fee on all waste entering Michigan landfills and a \$.15/ton Wayne County inspection/oversight fee.

- Year 11 (2012/13): \$12.99/ton
- Year 12 (2013/14): \$13.28/ton
- Year 13 (2014/15): \$13.57/ton
- Year 14 (2015/16): \$13.87/ton
- Year 15 (2016/17): \$14.18/ton

The City of Ann Arbor delivers approximately 62,000 tons of solid waste to the Woodland Meadows Landfill each year. In addition, the city’s street sweepings and seasonal wastewater treatment sludge and also disposed of at the Woodland Meadows Landfill.

In addition to excellent pricing, Waste Management has provided a safe and reliable site for the disposal of Ann Arbor's waste. WMM received updated contract compliance on August 2, 2011 and living wage approval on April 16, 2012.

Current funding is available in the approved Operating Budgets of the Solid Waste and Sewage Disposal Funds and the Operating Budgets of the Major and Local Street Funds. Future funding will be programmed and available, if so approved by Council in future operation and maintenance budgets.

Prepared by: Tom McMurtrie, Solid Waste Coordinator

Reviewed by: Craig Hupy, Interim Public Services Area Administrator

Approved by: Steven D. Powers, City Administrator

Whereas, The City of Ann Arbor issued RFP 531 in March 2002 to receive pricing on the disposal of solid waste for up to fifteen years;

Whereas, Waste Management of Michigan's pricing proposal was the most cost-competitive in the short and long-term;

Whereas, The original five-year contract allowed for two additional five-year renewals under the same terms and conditions;

Whereas, City Council approved the first renewal agreement on April 12, 2007 per resolution R-151-4-07;

Whereas, the City Administrator sent notice to Waste Management on April 18, 2012 of the City's intent to renew, as allowed under the original contract dated July 1, 2001;

Whereas, Current year expenses are budgeted within the approved operations and maintenance budgets within the Solid Waste, Sewage Disposal, Major, and Local Street Funds;

Whereas, Funding is incorporated and is available in future proposed Operating Budgets of the Solid Waste and Sewage Disposal Enterprise Funds and the future Operating Budgets of the Major and Local Street Funds if so approved by Council; and

Whereas, Waste Management of Michigan received updated contract compliance on August 2, 2011 and living wage approval on April 16, 2012;

RESOLVED, That City Council approves a five-year solid waste disposal contract renewal with Waste Management of Michigan effective July 1, 2012 under the terms and conditions of the original agreement that took effect on July 1, 2001, including stated pricing for years 11-15, subject to the availability of funds;

RESOLVED, That the Mayor and Clerk be authorized and directed to execute this renewal agreement after approval as to substance by the City Administrator and approval as to form by the City Attorney; and

RESOLVED, That the City Administrator be authorized to take any other necessary administrative actions to implement this resolution.