



Legislation Details (With Text)

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Title: Resolution to Appropriate Funds and Reimburse FCR LLC for Capital Maintenance at the Materials Recovery Facility (\$116,971.23) (8 Votes Required)

Sponsors:

Indexes:

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Attachments: 1. City Capital Replacement Form - 3-15-10.doc

| Date | Ver. | Action By | Action | Result |
|----------|------|--------------|----------|--------|
| 4/5/2010 | 1 | City Council | Approved | Pass |

Resolution to Appropriate Funds and Reimburse FCR LLC for Capital Maintenance at the Materials Recovery Facility (\$116,971.23) (8 Votes Required)

The city owns a materials recovery facility (MRF) that is operated by FCR LLC dba RRS Inc. ("FCR"), which is in the fourteenth year of a twenty-year agreement with the city to operate and maintain the MRF on behalf of the city. A jointly funded MRF Capitalized Renewal and Replacement Account exists within the Solid Waste Enterprise Fund to finance capital renewals and replacements as needed.

The attached resolution appropriates funds and reimburses FCR for the cost of the following capital maintenance items at the city-owned MRF:

- 1. Baler Upfeed Conveyor Replacement:** In April 2009 the baler upfeed conveyor was replaced due to normal wear and tear over the preceding several years. The belt, frame, and three support rails were failing in many areas and were replaced or upgraded. The current belt is a large improvement over the original baler upfeed conveyor system and should provide a longer life than its predecessor. Cost of project: \$74,139.99
- 2. Roofing and Siding Panels - Commercial Fiber Line:** In December 2008 the last portion of the Commercial Fiber Line Project was completed with the installation of additional roofing and side panels to fit over the portion of the Commercial Fiber Line that protruded beyond the building when it was installed. This project was necessary to protect the equipment from the weather. Cost of Project: \$7,131.24
- 3. Replacement of C604 Belt:** This request is for the replacement of the C604 belt under the Commingled Line. This belt was original to the plant and had been in service over 12 years. Cost of project: \$5,800.00
- 4. C-100 Commingle In-Feed Conveyor:** This conveyor carries the commingled (non-paper) materials from the tip floor. Long metal items such as pipe, downspouts, etc, have tended to catch on the belt and puncture it, allowing glass to permeate the roller assemblies underneath and causing premature roller wear. These repairs were completed in

September, 2009, and are expected to last 1 to 2 years, until the completion of the single stream upgrades at the MRF. Cost of project: \$29,900.00

Attached is a Capitalized Renewal and Replacement Funding Form that staff has developed, with additional details included for each of the above items, as required by contract.

Funding for these items will be provided through the Solid Waste Fund's Capital Renewal and Replacement account, which has a current balance of \$153,000.00. The Replacement account is controlled by the city and is funded by way of ongoing contributions from both the city and FCR through a calculation method established in the contract.

FCR has spent an additional \$115,300.00 on the repair of the baler at the MRF. This amount is not being submitted at this time because after reimbursement of the above noted items, insufficient funds remain in the above mentioned account to reimburse this eligible expenditure. A request for reimbursement will be submitted to Council at a future date when sufficient funds have accrued. becomes available.

The city's current operating contract with FCR is set to expire in September 2015.

Prepared by: Tom McMurtrie, Systems Planning Unit

Reviewed by: Matthew J. Kulhanek, Fleet & Facility Manager, Sue F. McCormick, Public Services Administrator

Approved by: Roger W. Fraser, City Administrator

Whereas, The city owns a materials recovery facility (MRF) that is operated by FCR LLC dba RRS Inc. ("FCR");

Whereas, FCR is in year fourteen of a twenty-year operating agreement with the city to operate and maintain the MRF on behalf of the city;

Whereas, The MRF was in need of several equipment replacement items;

Whereas, A jointly funded MRF Capitalized Renewal and Replacement Account exists within the Solid Waste Enterprise Fund to finance such expenditures;

Whereas, The operating contract agreement between the city and FCR provides for the reimbursement of expenditures made by FCR to be funded through the MRF Capitalized Renewal and Replacement Account to FCR for rolling stock and other equipment at the MRF;

Whereas, The current \$153,000.00 balance in the MRF Capitalized Renewal and Replacement Account is adequate to fund the items requested below; and

Whereas, FCR received updated Human Rights and Living Wage approval on May 10, 2009;

RESOLVED, That City Council approve the reimbursement to FCR of \$116,971.23 from the MRF Capitalized Renewal and Replacement Account for the purchase of a baler upfeed conveyor replacement, roofing and siding panels for the commercial fiber line, replacement of the C604 belt, and repair of the C-100 Commingle In-Feed Conveyor;

RESOLVED, That City Council appropriate \$116,971.23 in funding from the MRF Capitalized Renewal and Replacement Account of the Solid Waste Fund to the FY 2010 Solid Waste Operating

budget in order to finance this reimbursement request from FCR; and

RESOLVED, That City Council authorizes the City Administrator to take any necessary administrative actions to implement this resolution.