Legislation Details (With Text)

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Title: Resolution to Approve a Services Agreement with WeCare Denali, LLC for Compost Facility Operations and Management (Estimated at $92,158.00 for FY18; $184,316.00 for FY19; $192,694.00 for FY20; $196,883.00 for FY21; $201,072.00 for FY22)

Sponsors:

Indexes:

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Attachments:

Date	Ver.	Action By	Action	Result
12/4/2017	1	City Council	Approved	Pass

Resolution to Approve a Services Agreement with WeCare Denali, LLC for Compost Facility Operations and Management (Estimated at $92,158.00 for FY18; $184,316.00 for FY19; $192,694.00 for FY20; $196,883.00 for FY21; $201,072.00 for FY22)
Attached for your consideration is a resolution to approve a five-year services agreement with WeCare Denali, LLC to provide Compost Facility Operations and Management for the City, with an option to extend the contract for up to two additional five-year periods.

The City issued Request for Proposal (RFP) No. 17-25 to solicit proposals from contractors to provide Compost Facility Operations and Management for the City. More specifically, the services requested include a firm to provide the labor, equipment and materials necessary to operate and maintain the City's Compost Facility, and to market finished compost and mulch materials.

The City received proposals from two compost management companies: WeCare Denali, LLC and Cocoa Corporation. A staff review committee reviewed both teams' proposals. Following review of the proposals, the recommendation of the committee is to award the contract to WeCare Denali, LLC as their proposal meets the needs and requirements identified in the RFP, as well as the quality of their work plan and their related experience.

As further clarification concerning the differences between the proposals, the priority of the City's compost program is the management of yard waste/compost and residential foodwaste that is collected curbside, and this need was not adequately addressed within Cocoa's technical proposal responding to RFP 17-25. Cocoa presented extremely limited experience in similar compost management, with its experience being only at a single facility that processes compostable materials in large part from a limited, and consistent category of sources (large industrial food manufacturers), and only since 2015. Cocoa did not present substantive experience dealing with curbside residential yard waste/compost collection as a major component of their process.

In addition, Cocoa's proposal noted that there would be "15+ employees at scale, most of whom will be operators" with no additional explanation or detail as to the role and need of this number of employees at the site. Comparatively, WeCare Denali, LLC has been operating the City's Compost Facility for the past six-plus years with two full-time, on-site personnel and a regional manager assigned to manage its contract operations of the facility, and included a similar staffing level in their proposal. WeCare Denali, LLC's staffing level is consistent with the City's when it operated the site. Assuming that Cocoa's proposed fifteen-plus employees would be paid at an "operators" wage, or even at the living wage minimum required by the contract, Cocoa's proposal would not have been price competitive and would have severe budgetary impacts to the operation of the compost facility.

Overall, the quality of Cocoa's proposal did not respond to or satisfy the City's needs for operation of the City's municipal composting facility. The committee scored the proposals:

Cocoa Corporation: Total Composite 30
WeCare Denali, LLC: Total Composite 68

Because the selection committee found Cocoa's proposal to be technically insufficient, it did not open the fee proposal submitted by Cocoa and did not hold an interview with Cocoa. As provided in the RFP Document, interviews are held solely at the discretion of the selection committee and may be waived.

Budget/Fiscal Impact
Funding for these services is available in the approved FY18 in the Solid Waste Operation and Maintenance Budget. Funding for subsequent years will be included in the budget submittals for those fiscal years.

Sustainability Framework
The work under this contract is essential to supporting the Responsible Resource Use and Sustainable Systems goals of the City's Sustainability Framework.
Prepared by: Christina Gomes, Solid Waste & Recycling Program Coordinator
Reviewed by: Craig Hupy, Public Services Area Administrator
Approved by: Howard S. Lazarus, City Administrator
Whereas, Compost Facility Operations and Management is a need of the City's solid waste program and has a significant beneficial impact on waste diversion from landfills;

Whereas, The guiding principles for Ann Arbor's solid waste program focus on providing services that are cost-efficient and customer-friendly;

Whereas, Compost Facility Operations and Management is necessary to continue uninterrupted solid waste services the citizens of Ann Arbor desire and expect;

Whereas, WeCare Denali, LLC was selected to manage the City's Compost Facility as requested in the City's Request for Proposal (RFP) No. 17-25;

Whereas, These services will be provided for a period of five (5) years, with the City reserving an option to extend the contract term for up to two additional five-year periods;

Whereas, City Council wishes to grant the City Administrator authority to extend the Agreement for up to two five-year periods;

Whereas, Funding for these services is available in the approved FY18 Operation and Maintenance budget of the Solid Waste Fund; and

Whereas, WeCare Denali, LLC complies with the City's Non-Discrimination and Living Wage Ordinances;

RESOLVED, That City Council approves a Contract with WeCare Denali, LLC, for Compost Facility Operations and Management for five years, subject to the availability of funding, and including a provision that the agreement may be extended for up to two five-year periods, subject to the availability of funding;

RESOLVED, That the Mayor and City Clerk be authorized and directed to execute said extension of the Agreement after approval as to form by the City Attorney and approval as to substance by the City Administrator;

RESOLVED, That City Council authorizes the City Administrator to approve up to two five-year extensions of the Agreement; and

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

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