



Legislation Text

File #: 17-1900, **Version:** 1

Resolution to Increase the Not-to-Exceed Limit for FY 2018 and for Subsequent Renewal Periods for the Contract with Bell Equipment for Rental of Refuse Trucks (NTE \$150,000.00, plus a \$20,000.00 Contingency)

On September 21, 2015, City Council approved a contract with Bell Equipment Company for the rental of refuse trucks (Resolution R-15-312). The approved agreement had an initial term of 31-months, with the option of three additional one-year renewal periods.

In its approval, City Council authorized an annual maximum each year for the contract, including a 3% annual escalation after the second year, with a total not-to-exceed amount over the life of the contract, including the three renewal periods, of \$874,622.00. These maximums were based on an estimated eight weeks (plus a contingency of two additional weeks) that refuse-truck rental would be required to complete compost collection season. The contract limit set for FY 2018 was \$136,856.00.

Due to increased service requirements of Art Fair and fueling difficulties of our CNG refuse trucks, additional rentals are required to efficiently deliver service. Current estimates for FY 2018 rental costs are approximately \$150,000.00. Therefore, we request an increase of the not-to-exceed amount for FY 2018 to \$150,000.00, with the 3% escalation amount for each renewal period after FY 2018 to be calculated starting with the \$150,000.00 amount. We also request authorization of a \$20,000.00 contingency, available to be spent as needed for this contract, in addition to the \$150,000.00, in the event that our estimate remains low. Neither the contingency, nor dollar amounts remaining under the not-to-exceed limits, will carry over or accrue from year to year. Finally, we also request that the not-to-exceed amount for the life of the contract be adjusted based on the increased annual amounts, plus contingency amounts actually spent.

Budget/Fiscal Impact

The funding for the additional rental costs are available in the FY 2018 approved Solid Waste Fund Operations and Maintenance Budget.

Bell Equipment Company complies with the City's requirements of the City's non-discrimination ordinance.

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Reviewed by: Craig Hupy, Public Services Area Administrator

Approved by: Howard S. Lazarus, City Administrator

Whereas, The City of Ann Arbor issued ITB#4401 to secure the ability to rent refuse trucks to address high service need situations including fall compost collection;

Whereas, On September 21, 2015 City council approved Resolution R-15-312 authorizing a 31-month contract with Bell Equipment Company with a FY 2018 limit of \$136,856.00;

Whereas, Due to the inability to fuel our CNG refuse trucks and increased service requirements, rental of additional refuse trucks is necessary; and

Whereas, Compensation due to Bell Equipment Company under the terms and conditions of the contract by the end of the current fiscal year are estimated to be approximately \$150,000.00, which exceeds the \$136,856.00 not-to-exceed amount for FY 2018;

RESOLVED, That the Mayor and City Council increase the FY 2018 not-to-exceed limit on the Bell Equipment Company contract and purchase order from \$136,856.00 to \$150,000.00, and authorize the 3% escalation of the annual not-to-exceed amount for each renewal period to start based on the \$150,000.00 amount for FY 2018;

RESOLVED, That the Mayor and City Council authorize, in addition, a \$20,000.00 contingency, available to be spent as needed for this contract, in addition to the not-to-exceed limit, which contingency (like dollar amounts remaining under not-to-exceed limits) may not carry over or accrue from year to year;

RESOLVED, That the total not-to-exceed amount for the life of the contract be adjusted based on the increased annual amounts plus contingency amounts actually spent; and,

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