



Legislation Text

File #: 22-2042, **Version:** 1

Resolution to Approve Contract Amendment Number 9 to the Service Contract with Recycle Ann Arbor for Municipal Resource Recovery Services for an Extension of One 2-month Period, (estimated \$207,773.00 for 2 Months of the Contract)

Attached for your consideration is a resolution to approve Amendment Number 9 to extend the Service Contract between The City of Ann Arbor and Recycle Ann Arbor (RAA) for Municipal Resource Recovery Services for the City of Ann Arbor for one 2-month period at an 8.5% price increase from the current per cart tip fee price for a total estimated amount of \$207,773.00 (based on the current City multifamily units of eleven (11) units or greater, commercial, and civic 32, 64, and 96-gallon cart count).

On December 15, 2003 City Council approved a ten-year contract with RAA for collection of recyclable materials throughout the City by approving Resolution R-517-12-03. On March 15, 2010 this contract was extended for an additional five years until June 30, 2018 as part of Amendment 2 which was approved by Resolution R-10-071. On June 4, 2018 this contract was extended two additional years until June 30, 2020, by Resolution R-18-218. On June 3, 2019, the contract was extended through June 30, 2020 with a City option to extend through June 30, 2021 by Resolution R-19-256. On June 21, 2021 the contract was extended through December 31, 2022 with a mutual option to extend through December 31, 2023 by Resolution R-21-247.

Under this proposed Amendment Number 9, RAA will continue to collect recycling from the accounts currently serviced under this Agreement in the City with 32, 64, or 96-gallon curb carts. These accounts include multifamily homes of eleven units or greater, commercial establishments, and civic units (for example, municipal parks) where curb carts are appropriate. The contract is based on a per cart tip fee.

RAA now provides their own collection truck fleet for these services, and the City no longer provides collection trucks, fuel, repair, or maintenance of recycling trucks.

The City will continue to provide recycling carts for customers' use. The City will continue to provide recycling collection services for all accounts serviced with recycling dumpsters, and pedestrian cans.

RAA is a non-profit based in Ann Arbor, MI with a mission to develop and operate innovative reuse, recycling, and zero-waste programs that improve the environmental quality of our community. In addition to recycling collection services, RAA also provides recycling processing to the City of Ann Arbor.

The City timely notified Recycle Ann Arbor in a letter dated June 28, 2022 of its desire to exercise the mutual agreement one-year extension provided in Amendment Number 8 to the Service Contract for Municipal Resource Recovery Services. Recycle Ann Arbor responded with a letter dated July 18, 2022, noting that "while the Contract indicates that an extension will be under the terms and

conditions as exists in the current Contract, there have been considerable national and global circumstances that necessitate a price adjustment.” City Staff and Recycle Ann Arbor staff met on July 22, 2022 to discuss the requested price adjustment, and have met several times since then, but the parties have been unable to reach agreement on a price adjustment for a longer-term extension.

The short two-month extension with an 8.5% increase to the current per cart tip fee (\$11.07/cart tip) provided for in Amendment Number 9, is intended to provide time for further negotiation and resolution of a longer-term solution. The new per cart tip fee will be \$12.01/cart tip.

Budget and Fiscal Impact: Total estimated contract costs, based on current City multifamily units of eleven (11) units or greater, commercial, and civic 32, 64, and 96-gallon cart count residential customer counts (8,650) are estimated to be \$207,773.00.

The funding for the services provided by this contract are available in the FY23 Solid Waste Operating Budget.

Prepared by: Sarah Mason, Resource Recovery Manager

Reviewed by: Molly Maciejewski, Public Works Unit Manager

Reviewed by: Brian Steglitz, Interim Public Services Area Administrator

Approved by: Milton Dohoney Jr., City Administrator

Whereas, On December 15, 2003 City Council approved a ten-year contract with RAA for collection of recyclable materials throughout the City by approving Resolution R-517-12-03. On March 15, 2010 this contract was extended for an additional five years until June 30, 2018 as part of Amendment Number 2 which was approved by Resolution R-10-071. On June 4, 2018 this contract was extended two additional years until June 30, 2020, by Resolution R-18-218. On June 3, 2019, the contract was extended through June 30, 2020 with a City option to extend through June 30, 2021 by Resolution R-19-256; On June 21, 2021, the contract was amended and extended through December 31, 2022 with a mutual option to extend through December 31, 2023;

Whereas, The City and Recycle Ann Arbor have begun discussions for a longer-term extension and price adjustment reflecting market conditions but will be unable to complete an agreement before the approaching December 31, 2022 deadline;

Whereas, Approving the proposed Amendment Number 9 to extend the current Municipal Resource Recovery Services Contract for an additional two-month period should provide sufficient time for the City and Recycle Ann Arbor to complete their negotiations for a mutually agreeable extension;

Whereas, The funding for the 60-day extension in Amendment No. 9 to allow the parties more time for discussions is available in the FY23 Solid Waste Operating Budget;

Whereas, the City seeks to have RAA continue to collect recycling from the accounts currently serviced in the City with 32, 64, or 96-gallon curbside carts under an extension of the 2003 Service Contract for Municipal Resource Recovery Services;

Whereas, The City will continue to provide recycling collection services for all accounts serviced with recycling dumpsters, and pedestrian cans;

Whereas, RAA will provide their own collection truck fleet for these services, as well as fuel, repair, or maintenance of collection trucks; and

Whereas, The City will continue to provide recycling carts for customers' use;

RESOLVED, That City Council approve Amendment Number 9 to the service contract with Recycle Ann Arbor for Municipal Resource Recovery Services amending Article III and Attachment A, Article A -2 to provide for an additional two-month period;

RESOLVED, That the Mayor and City Clerk be authorized and directed to execute the Amendment 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 the necessary administrative actions to implement this resolution.

Sponsored by: Mayor Taylor