



Legislation Details (With Text)

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**Title:** Resolution to Amend and Extend the Service Contract for Municipal Resource Recovery Services for the City of Ann Arbor between The City of Ann Arbor and Recycle Ann Arbor for One 18-month Term, with Mutual Option for a One-year Extension (estimated \$1,641,528.00 for 18 Months of the Contract with an Estimated Total Contract Value of \$30,059,406.00 from FY06 through FY23)

**Sponsors:** Christopher Taylor

**Indexes:**

**Code sections:**

**Attachments:** 1. Amendment 8 to Recycling Service Contract \_Clean\_06.15.21.pdf, 2. AMENDMENT - 7 RAA curbside contract.pdf, 3. AMENDMENT - 6 for RECYCLE ANN ARBOR - PUBLIC WORKS 6-24-2019.pdf, 4. MRR Amendment Number 5\_Executed.pdf, 5. raa amendment 4.pdf, 6. raa amendment 3.pdf, 7. raa amendment 2.pdf, 8. raa amendment 1.pdf, 9. raa curbside 2003 contract signed.pdf, 10. Bill of Sale - City - RAA trucks 6.15.21.pdf

Date	Ver.	Action By	Action	Result
6/21/2021	1	City Council	Approved	Pass

Resolution to Amend and Extend the Service Contract for Municipal Resource Recovery Services for the City of Ann Arbor between The City of Ann Arbor and Recycle Ann Arbor for One 18-month Term, with Mutual Option for a One-year Extension (estimated \$1,641,528.00 for 18 Months of the Contract with an Estimated Total Contract Value of \$30,059,406.00 from FY06 through FY23)

Attached for your approval is a resolution to amend and extend the Service Contract for Municipal Resource Recovery Services for the City of Ann Arbor between The City of Ann Arbor and Recycle Ann Arbor (RAA) for one 18-month term in the estimated amount of **\$1,641,528.00** (based on the current City multifamily units of eleven (11) units or greater, commercial, and civic 32, 64, and 96-gallon cart count), with the mutual option for one one-year extension.

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. The City issued Invitation to Bid (ITB) #4623 for Residential Customer Recyclables Collections on April 6, 2020 to identify the best means of providing residential recycling collections in Ann Arbor and subsequently exercised its option to extend the existing recycling collections contract with RAA until June 30, 2021. On March 15, 2021 City Council approved a five-year contract with RAA for Residential Customer Recyclables Collections to begin on July 1, 2021 by approving R-21-099 as amended and restated.

Under this amended and extended contract, in addition to collecting residential recycling under the separate Residential Customer Recyclables Collections contract, RAA will continue to collect recycling from all other accounts in the City serviced 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). The contract is based on a per cart tip fee and there are an estimated 2,500 locations that have roughly 8,400 carts.

As detailed in the Amendment, RAA will provide their own collection truck fleet for these services and the City will no longer provide collection trucks, fuel, repair, or maintenance of recycling trucks.

Through a related Bill of Sale, the City intends to sell RAA the following collection vehicles for use servicing multifamily homes of eleven units or greater, commercial establishments, and civic units (for example, municipal parks):

Asset #	Year	Make	Model	Body Serial #	Vin #
8644	2014	Mack	LEU613 Refuse Truck	EX13115VED	1M2AU04C3EM007985
8690	2014	Mack	LEU613 Refuse Truck	EX13115VGE	1M2AU04C8EM007979
8692	2014	Mack	LEU613 Refuse Truck	EX13115VEA	1M2AU04C5EM007986

These vehicles are currently in use by RAA as part of the Service Contract for Municipal Resource Recovery Services for the City of Ann Arbor.

The City is selling City recycling collection trucks 8644, 8690, and 8692 to RAA for \$100,000. The City determined the value of the three trucks by comparing these trucks to the final price of similar City operated trucks recently sold at auction. City trucks of similar make, model, and age recently sold for up to \$70,000 per truck at auction. However, in identifying the total value of 8644, 8690, and 8692, the City also considered the following factors:

- 1) The recycling collection trucks the City is selling to RAA have been in service longer, are in worse condition and require more repair than similar trucks recently sold at auction; and
- 2) In this case, the City is selling trucks to a service provider for use in providing continued services to the City. If we were to increase the sales price of the trucks, the service price for the contract would increase to be commensurate with the increased price of the trucks.

For these reasons, City staff thought it prudent to offer all three trucks for \$100,000.

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. On July 20, 2020, City Council approved R- 20-281 for a ten-year Services Agreement for recyclables transloading and processing.

In the Solid Waste Resource Management Plan: 2019-2023 (SWRMP), completed in November 2019 and approved by City Council on October 5, 2020 R-20-395, the City discusses proposed changes and improvements to solid waste collection in the City. Now, as part of these improvements, it is City staff's intention to pursue a long-term strategy of consolidating all recyclables collection and processing services in the City of Ann Arbor under one service provider. City staff anticipate that pursuing this strategy will provide consistency and efficiency in collection services, simplify the customer service experience, and leverage the service-provider's expertise and investment in recyclables collection and processing. Amending and extending the 2003 Service Contract for Municipal Resource Recovery Services for an additional 18-month term will allow City staff to implement this longer-term plan.

**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 (8,400) are itemized below:

Contract Year (Fiscal Year)		Estimated Cost
Year 1	July 1, 20	\$1,083,600.00
Year 2	July 1, 20	\$557,928.00
	<b>Total (18</b>	<b>\$1,641,528.00</b>
Year 2	*Extension	\$557,928.00
Year 3	*Extension	\$574,560.00
	<b>GRAND T</b>	<b>\$2,774,016.00</b>

\* At mutual Option

The contract price will increase at the beginning of every fiscal year by three (3) percent over the total life of the contract.

The funding for the services provided by this contract are available in the FY22 Solid Waste Operating Budget and will be available in subsequent annual operating budgets if so approved by council.

Prepared by: Eileen Naples, Resource Recovery Manager  
 Reviewed by: Molly Maciejewski, Public Works Unit Manager  
 Reviewed by: Craig Hupy, Public Services Area Administrator  
 Approved by: Tom Crawford, 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;

Whereas, The City exercised its option to administratively extend the contract with Recycle Ann Arbor for one (1) additional year, ending on June 30, 2021;

Whereas, On March 15, 2021 City Council approved a five-year contract with RAA for Residential

Customer Recyclables Collections to begin on July 1, 2021 by approving R-21-099 as amended and restated;

Whereas, In addition to collecting residential recycling under the separate Residential Customer Recyclables Collections contract to begin on July 1, 2021, the City seeks to have RAA continue to collect recycling from all other accounts in the City serviced with 32, 64, or 96-gallon curb carts under an amendment and extension of the 2003 Service Contract for Municipal Resource Recovery Services;

Whereas, The funding for the services provided by this contract are available in the FY22 Solid Waste Operating Budget and will be available in subsequent annual operating budgets if so approved by council.

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

Whereas, The City has historically provided RAA with collection vehicles, fuel, as well as maintenance and repair for the Service Contract for Municipal Resource Recovery Services;

Whereas, Under the proposed amendment and extension of the 2003 Service Contract for Municipal Resource Recovery Services RAA will provide their own collection truck fleet for these services, as well as fuel, repair, or maintenance of collection trucks;

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

Whereas, Through a related Bill of Sale, the City intends to sell RAA three collection vehicles currently in use by RAA-- 8644, 8690, and 8692-to service approximately recycling carts at multifamily homes of eleven units or greater, commercial establishments, and civic units (for example, municipal parks);

Whereas, On July 20, 2020, City Council approved R-20-281 for a ten-year Services Agreement for recyclables transloading and processing;

Whereas, City Council approved the Solid Waste Resource Management Plan: 2019-2023 (SWRMP) on October 5, 2020 R-20-395;

Whereas, The SWRMP discusses proposed changes and improvements to solid waste collection in the City;

Whereas, As part of these improvements, it is City staff's intention to pursue a long-term strategy of consolidating all recyclables collection and processing services in the City of Ann Arbor under one service provider;

Whereas, City staff anticipate that pursuing this strategy will provide consistency and efficiency in collection services, simplify the customer service experience, and leverage the service-provider's expertise and investment in recyclables collection and processing; and

Whereas, Amending and extending the 2003 Service Contract for Municipal Resource Recovery Services for an additional 18-month term will allow City staff to implement this longer-term plan;

RESOLVED, That City Council approve Amendment Number 8 to the contract with Recycle Ann Arbor for Municipal Resource Recovery Services amending Articles II, V, VIII, IX, XIV, and Attachment B, Articles B-4, B-6, and B-7;

RESOLVED, That City Council approves selling Recycle Ann Arbor 3 used City trucks for \$100,000 through a separate Bill of Sale for use in connection with the amendment and extension;

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;

RESOLVED, That the City Administrator be authorized to extend the agreement for a one-year period providing both parties agree to an extension and subject to the annual appropriation of funds; and

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

Sponsored by: Mayor Taylor