



Legislation Details (With Text)

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**Title:** Resolution to Award a 5-Year Service Contract to Recycle Ann Arbor for the Residential Customer Recyclables Collections (estimated \$7,039,862.40) with City Option for one 2-Year Extension (estimated additional \$3,043,149.60) (ITB 4623)

**Sponsors:** Christopher Taylor, Kathy Griswold

**Indexes:**

**Code sections:**

**Attachments:** 1. ITB 4623 Bid Summary.pdf, 2. ITB\_4623\_Compiled Documents.pdf, 3. RecyclingResidentialCustomers\_Citywide.pdf, 4. Resid Curbside Recyclables Collection Contract ITB 4623 City 2-18-21 FINAL.pdf

Date	Ver.	Action By	Action	Result
3/1/2021	1	City Council	Approved	Pass

Resolution to Award a 5-Year Service Contract to Recycle Ann Arbor for the Residential Customer Recyclables Collections (estimated \$7,039,862.40) with City Option for one 2-Year Extension (estimated additional \$3,043,149.60) (ITB 4623)

Attached for your approval is a resolution to enter into a five-year service contract commencing on July 1, 2021 with Recycle Ann Arbor (RAA) for Residential Customer Recyclables Collections (ITB 4623) in the estimated amount of \$7,039,862.40 (based on the current City residential customer count) with a City option for one two-year extension.

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.

Under this contract, RAA will collect residential recycling from single-family homes or multifamily homes of ten units or fewer with individual 32, 64, or 96-gallon curb carts serviced from driveways or street curbs. As specified in the ITB, RAA will provide their own collection truck fleet while the City will continue to provide the recycling carts for residential customers' use.

The City's Solid Waste Program aims to maximize waste diversion and to minimize landfilling. In FY 2020, the City diverted 12,542 tons of recycling, or 17 percent of all material, from the landfill. The City is also interested in improving the quality of our recycling stream by reducing contamination and moisture. In FY2019 (data is not available for FY2020 due to COVID health and safety measures), the City achieved an 11 percent recycling contamination rate. As identified in the Residential Customer Recyclables Collections contract, RAA will help the City achieve these goals by tagging recycling carts that contain improper material, and by providing tracking data on unserviceable containers to help the City better target education and outreach efforts.

The City published the bid documents and contract specifications through its procurement website and MITN.info and received three bids on July 1, 2020. RAA was the lowest responsible bidder at: \$1,346,008.80 for year 1; \$7,039,862.40 over the requested five-year term; and, a grand total of \$10,083,012.00 with the potential two-year extension at the City’s option (all based on the current City residential customer count). Due to the length of the contract negotiation and finalization process, and market factors including the price of steel for trucks, RAA’s cost to acquire trucks has increased since bids were received, and the City will submit an amendment to seek approval for an increase in the contract price for the increased truck cost.

RAA submitted all required Non-Discrimination, Prevailing Wage, Living Wage, and Conflict of Interest Disclosure forms and complies with the City’s Non-Discrimination and Living Wage ordinances.

Due to the impact of the COVID-19 pandemic on bidders’ ability to procure trucks, the City moved the initial start date of the contract from July 1, 2020 to July 1, 2021. The current curbside collection contract with RAA was extended through June 30, 2021 to allow uninterrupted collection services until this contract becomes effective.

Budget and Fiscal Impact: Total estimated contract costs, based on current City residential customer counts (28,550 Households; 70 Special Set-Outs), are itemized below.

<b>Contract Year (Fiscal Year)</b>	<b>Estimated Cost</b>
Year 1 (FY22)	\$ 1,346,008.80
Year 2 (FY23)	\$ 1,376,985.60
Year 3 (FY24)	\$ 1,407,970.80
Year 4 (FY25)	\$ 1,438,956.00
Year 5 (FY26)	\$ 1,469,941.20
<b>TOTAL</b>	<b>\$ 7,039,862.40</b>
*Extension Year 1 (FY27)	\$ 1,504,360.80
*Extension Year 2 (FY28)	\$ 1,538,788.80
<b>GRAND TOTAL</b>	<b>\$10,083,012.00</b>

\*At City’s Option

The year-over-year percentage contract increases average 2.23% for the five-year term, and 2.26% over the total life of the contract if the City exercises its option for a two-year extension.

The services provided by this contract will be 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, The City’s Solid Waste Resources Management Plan recommends undertaking a competitively procured pricing process to identify the best means of providing residential recycling collections in the City, either by City resources or contracted services;

Whereas, With ITB 4623, the City sought recycling collection services at single-family and multi-

family homes with individual 32, 64, or 96-gallon curb carts serviced from driveways or street curbs, with the Contractor to provide their own collection truck fleet, and the City providing recycling carts for residential customers' use;

Whereas, Competitive bids were received by the City Procurement Unit on July 1, 2020 (ITB 4623) and Recycle Ann Arbor (RAA) was the lowest responsible bidder at \$7,039,862.40 for the requested five-year contract term and a grand total of \$10,083,012.00 if the City exercises its option for one two-year extension;

Whereas, Recycle Ann Arbor will help the City increase recycling collection and increase recycling contamination by tagging recycling carts that contain improper material, and by providing tracking data on unserviceable containers to help the City better target education and outreach efforts;

Whereas, Recycle Ann Arbor has submitted all required Non-Discrimination, Prevailing Wage, Living Wage, and Conflict of Interest Disclosure forms and complies with the City's Non-Discrimination and Living Wage Ordinances; and

Whereas, Funding for this work will be available in the FY22 Solid Waste Operating Budget and will be available in subsequent annual operating budgets if so approved by City Council;

RESOLVED, That Council approve the five-year service contract with Recycle Ann Arbor for the Residential Customer Recyclables Collections (ITB 4623) in the estimated amount of \$7,039,862.40 (based on current City residential customer count), commencing July 1, 2021, including provisions that the contract may be extended administratively for one two-year period if desired by the City with the estimated grand total (based on current City residential customer count) being \$10,083,012.00;

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

RESOLVED, That the City Administrator be authorized to renew the agreement for a one 2-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 including administrative approvals to allow the work of the project to proceed without delay.

Sponsored by: Mayor Taylor and Councilmember Griswold