



Legislation Text

File #: 10-1006, **Version:** 1

Resolution to Appropriate Funds to the Approved FY2011 Solid Waste Capital Budget (\$102,000.00) and Approve Contract Amendment #10 with FCR LLC for MRF Single Stream Recycling Upgrades and Processing Changes (\$102,000.00) **(8 Votes Required)**

The attached resolution authorizes and approves contract amendment #10 with FCR LLC, d/b/a RRS, Inc. (FCR), the operator of the City owned Material Recovery Facility (MRF) and Transfer Station (TS). On November 5, 2009 City Council approved Amendment #8 for the MRF Single Stream Upgrades in the amount of \$3,250,000.00, and on July 6, 2010 City Council approved Amendment #9 in the amount of \$250,000.00 for additional work required for the MRF Single Stream Upgrade.

There are two major items being requested in this amendment. One is for unanticipated costs related to the MRF fire suppression sprinkler system. The second is for costs related to the addition of an incoming materials tipping door and outgoing materials loading dock.

Fire Suppression Sprinkler System Costs

Of the total funding requested with this change order, \$31,163.00 is for unanticipated costs related to the MRF fire suppression sprinkler system. The reasons for the additional expenses are as follows:

- The existing fire suppression sprinkler system was in poorer condition than the original evaluation indicated.
- During the system retrofit, contractors needed to remove certain portions of the existing system that had not been anticipated.
- The original bid drawings for the fire suppression sprinkler system were incomplete, leading to bids that were unrealistically low. The fire suppression company that completed the bid drawings went out of business shortly after bids were received.

FCR has been acting as General Contractor for this project. In recognition for its shared responsibility regarding this issue, FCR is contributing \$5,000.00 towards this project, as detailed in the attached memorandum from FCR dated September 28, 2010.

Incoming Materials Tipping Door

The Ann Arbor MRF has experienced at least a 60% increase in tons over the projected tonnage for the MRF since the single stream program started. While this is certainly a positive situation for Ann Arbor in regards to higher revenue shares and higher Capital Replacement Fund Contributions, this has also caused the MRF operations to experience some delays in tipping onto a tip floor that is now reduced to two tipping doors for single stream materials. The previous two stream system had three tip doors, and it had been hoped that the new single stream system would only need two because of more efficient unloading.

Under the new system the eastern tipping door is immediately adjacent to the hopper that feeds the

entire single stream line. That hopper must be filled every three to five minutes by a loader in order to continue operating. If a recycling truck using that eastern tip door is tipping onto the floor, the loader cannot load the hopper. When that happens, the hopper runs dry and the entire single stream line shuts down.

Since most of increased tonnage is from the Toledo and Lansing areas, a minimum of 170 additional loads come into the Ann Arbor MRF that were not projected in year one. The tonnage from these communities is brought into the plant via large trailers that have "walking floors". These walking floors take approximately 20 minutes to tip in ideal situations. If one of these large trailers is in one tip door, and the loader is operating out of the other, a bottleneck often occurs that creates excessive waits for the recycling trucks. Complicating the issue is the fact that the tonnages are not delivered evenly over the day; over 50 percent of the material is usually delivered in the last few hours of the day.

It is recommended that a third tip door be added to the facility. This will require filling in the existing loading dock area for dock #4 and moving that dock to the other end of the building, adjacent to the bale storage addition currently under construction. This change will provide safe and efficient operations with the current tonnage. The bale storage addition is being financed by FCR, as agreed in Amendment #9.

The cost to add a third door for the inbound tip floor is \$34,900.00. We believe that this allows for the increase in inbound tonnage and also alleviates the possible bottlenecks caused by walking floors, route trucks and loaders working on the tip floor at the same time.

The cost to relocate the fourth outbound loading dock for the Ann Arbor MRF is \$31,520.00. We believe that this is necessary to continue shipping materials in a safe fashion at the current run rate while allowing for at least one trailer to be dropped by mills/customers. Currently, the fourth outbound loading dock is adjacent to the tip floor, and outbound deliveries must also be carefully orchestrated to avoid delays due to that issue.

Although the total cost for these change orders is \$66,420.00, it is anticipated that the increased tonnage will allow for higher revenue share than projected in years 1-3 that should offset this initial cost. The higher merchant tonnages that are being brought to the facility will actually decrease the 7.1 year payback on the project by .2 years, factoring the additional costs from amendment #10 in total.

Lighting Costs

An additional amount of \$4,417.00 is being requested in this amendment to complete unanticipated additional upgrades in the lighting system in the MRF in order to assure adequate lighting levels on the reconfigured operating floor. FCR will be contributing the labor costs for installing these lights.

It is expected that this will be the final amendment requested for the single stream MRF upgrade.

Prepared by: Tom McMurtrie, Systems Planning Unit

Reviewed by: Sue F. McCormick, Public Services Administrator

Approved by: Roger W. Fraser, City Administrator

Whereas, Implementation of upgrades to the Material Recovery Facility (MRF) to accept single

stream recycling provides a number of benefits to the City, including a cleaner community, greater operating efficiencies, overall increases in recycling and rewards to City's residents for recycling;

Whereas, The Ann Arbor MRF has experienced at least a 60% increase in tons over the projected tonnage for the MRF since the single stream program started;

Whereas, City Council previously approved Contract Amendments #8 and #9 with FCR LLC, d/b/a RRS, Inc. (FCR), for single stream MRF upgrades;

Whereas, Amendment # 10 is needed to address additional items of work related to the fire suppression sprinkler system, the addition of a third incoming materials tipping door, the relocation of a fourth outbound loading door, and upgraded lighting at the MRF;

Whereas, The combined total of Contract Amendments #9 and #10 is \$352,000.00, representing 10.8 percent of the original \$3,250,000.00 project budget, which is within the range of a typical project contingency;

Whereas, The additional tonnages being brought to the MRF will decrease the 7.1 year payback by .2 years, even with the additional expense of Amendment #10;

Whereas, Funds for this amendment are available in the Solid Waste Fund Balance; and,

Whereas, FCR received HR approval on June 3, 2010;

RESOLVED, That \$102,000.00 be appropriated from the Solid Waste Fund Balance to the Solid Waste Capital Budget for the purpose of Single Stream Recycling upgrades and be available for the life of the project;

RESOLVED, That Council approve contract amendment #10 with FCR in the amount of \$102,000.00 to complete the upgrade of the MRF for single stream recycling;

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

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