



Legislation Text

File #: 12-0858, Version: 1

Resolution to Appropriate Funds and Reimburse FCR LLC for Capital Expenditures at the Materials Recovery Facility (\$26,678.88) **(8 Votes Required)**

The city owns a materials recovery facility (MRF) that is operated by FCR LLC dba RRS Inc. ("FCR"), which is in the sixteenth year of a twenty-six year agreement with the city to operate and maintain the MRF on behalf of the city. A jointly funded MRF Capitalized Renewal and Replacement Account exists within the Solid Waste Enterprise Fund to finance capital renewals and replacements as needed at the facility.

The attached resolution appropriates funds and reimburses FCR for the cost of replacement molded rubber tires for the current John Deere 544 Loader leased by the City of Ann Arbor and reimbursed out of the MRF Capitalized Renewal and Replacement Account.

The following vendors provided prices for four molded rubber tires for the John Deere 544 loader:

HPS	\$25,734.44
Setco	\$26,024.12
Brawler	\$26,678.88
Main Industrial Tire	\$26,746.00
Tiremax	\$28,796.00

FCR is recommending the Brawler tire due to the fact that they have had better experience with the longevity of that tire compared with the other brands. The current tires on the loader are close to failure, which would cause the loader to be inoperable.

Funding for these items will be provided through the Solid Waste Fund's Capital Renewal and Replacement account, which has a balance of \$311,905.47 as of April 30, 2012. The Replacement account is controlled by the city and is funded by way of ongoing contributions from both the city and FCR through a calculation method established in the contract.

The city's current operating contract with FCR is set to expire in September 2021.

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Reviewed by: Matthew J. Kulhanek, Fleet & Facility Manager
Craig Hupy, Interim Public Services Administrator

Approved by: Steven D. Powers, City Administrator

Whereas, The city owns a materials recovery facility (MRF) that is operated by FCR LLC dba RRS Inc. ("FCR");

Whereas, FCR is in year sixteen of a twenty-six year operating agreement with the city to operate and maintain the MRF on behalf of the city;

Whereas, The MRF John Deere 544 Loader is in need of new tires;

Whereas, A jointly funded MRF Capitalized Renewal and Replacement Account exists within the Solid Waste Enterprise Fund to finance such expenditures;

Whereas, The operating contract agreement between the city and FCR provides for the reimbursement of expenditures made by FCR to be funded through the MRF Capitalized Renewal and Replacement Account to FCR for rolling stock and other equipment at the MRF;

Whereas, The current \$311,905.47 balance in the MRF Capitalized Renewal and Replacement Account is adequate to fund the requested new tires; and

Whereas, FCR received updated Human Rights on August 22, 2011 and Living Wage approval on May 1, 2012;

RESOLVED, That City Council approve the reimbursement to FCR of \$26,678.88 from the MRF Capitalized Renewal and Replacement Account for the purchase of four molded rubber Brawler tires for the MRF John Deere 544 Loader;

RESOLVED, That City Council appropriate \$26,678.88 in funding from the MRF Capitalized Renewal and Replacement Account of the Solid Waste Fund to the FY13 Solid Waste Operating budget in order to finance this reimbursement request from FCR; and

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