



Legislation Text

File #: 15-0772, **Version:** 1

Resolution to Authorize Contract Amendment Number 4 with Recycle Ann Arbor for Municipal Resource Recovery Services

The attached resolution approves and authorizes amendment number 4 to the contract with Recycle Ann Arbor (RAA) for Municipal Resource Recovery Services. City Council approved a ten-year contract with RAA for collection of recyclable materials throughout the City by Resolution R-517-12-03 on December 15, 2003. This contract was extended for an additional five years as part of Amendment Number 2 by City Council Resolution R-10-071 on March 15, 2010. This contract includes an Annual Recycling Collection Cost Adjustment Factor, which is a provision for RAA's compensation to be adjusted annually for increases in various line items specifically associated with the curbside recycling service. This includes items such as driver wages, benefits, business insurance, pollution coverage, building costs, and other relevant overhead (administration, accounting, etc.) to support the service. The Annual Recycling Collection Cost Adjustment Factor does not include any corporate expenses or other business unit expenses that are not directly relevant to curbside service.

In the current contract, the Annual Recycling Collection Cost Adjustment Factor is based on indices from the United States Department of Labor, Bureau and Statistic (BLS) Employment Cost Index, specifically the Service Producing Industries Series. A portion of these indices needed for this annual adjustment is now obsolete, requiring a change to how the adjustment is determined. This contract amendment will result in the use of a 4% flat adjustment for the final three years of the contract, and eliminating the use of a calculated Annual Recycling Collection Cost Adjustment Factor that is dependant on outside data and factors.

Budget/Fiscal Impact

As the annual adjustments have been anticipated and budgeted annually, and this amendment is modifying the specific methodology of the adjustment calculation and not materially affect the anticipated adjustment amount, there will be no budget impacts as a result of this amendment.

Sustainability Framework

The work completed under this contract furthers the Safe Community, Economic Vitality and Responsible Resource Use goals of the City's Sustainability Framework.

Prepared by: Christina Gomes, Systems Planning Unit

Reviewed by: Craig Hupy, Public Services Area Administrator

Approved by: Steven D. Powers, City Administrator

Whereas, On December 15, 2003 City Council approved Resolution R-517-12-03 authorizing a 10-year contract with Recycle Ann Arbor (RAA) to provide complete Municipal Resource Recovery Services within the City, which was extended five years until June 30, 2018 as part of Contract Amendment Number 2 approved by City Council Resolution R-10-071 on March 15, 2010;

Whereas, This contract includes an Annual Recycling Collection Cost Adjustment Factor, which utilizes indices from the United States Department of Labor, Bureau and Statistic (BLS) Employment

Cost Index, specifically the Service Producing Industries Series; and

Whereas, A portion of this information, specifically BLS Series ID: ECS121021, is now obsolete, thus necessitating a modification to the calculation methodology for the Annual Recycling Collection Cost Adjustment Factor;

RESOLVED, That City Council approves Amendment 4 to the Municipal Resource Recovery Services contract with RAA which provides a 4% annual fee adjustment; and

RESOLVED, That the City Administrator be authorized to take all necessary administrative actions to implement this resolution, including the authority to approve changes and/or amendments.