



Legislation Text

File #: 10-0102, **Version:** 1

Resolution to Authorize a Contract Amendment with Recycle Ann Arbor for Single Stream Collection
The attached resolution approves and authorizes a contract amendment with Recycle Ann Arbor (RAA) for collecting single stream recyclable materials through the City's curbside collection program. The current contract is a long-term (10-year) performance based contract that rewards RAA on the recycling tonnages that they collect, as well as paying them a per-service unit fee. The contract currently pays \$19.30 to \$102.58 per ton (depending on the annual tons), as well as \$2.41 per service unit, with a total of 48,886 service units.

The proposed amendment modifies the provisions for compensation to RAA and extends the contract for five additional years. The amendment will pay a revised rate of \$18.74 to \$30.00 per ton, as well as \$3.25 per cart, which will replace the per service unit fee. The number of carts in the city will be lower than the number of service units because most multi-family service units will share carts. It is estimated that the new program will start with 32,800 recycle carts.

The following resolutions were recommended for implementation of the new single stream recycling program and have been approved or submitted for considered by Council:

- Contract amendment with FCR for MRF upgrades (passed 11-5-09)
- Purchase of four automated recycling trucks (passed 12-21-09)
- Purchase of 33,000 Toter recycling carts (passed 12-21-09)
- Contract amendment with Recycle Ann Arbor (3-15-10 Agenda)
- Contract with RecycleBank (3-15-10 Agenda)

RAA has a long and successful history of providing a high quality recycling collection service to the City of Ann Arbor. What started as a volunteer organization in the 1970's providing monthly curbside collection to a limited number of homes on the Old West Side has grown to a service that provides weekly collection to every home and many businesses within Ann Arbor.

The introduction of carts to all customers city-wide will allow a transition to an automated collection system for recyclables, similar to what is currently used by City crews to collect refuse and compostable material. The first four trucks being purchased by the City will be hybrid trucks. Hybrid trucks have been shown to be a very appropriate application for solid waste and recyclables collection because of the frequency of starts and stops. These will be the first hybrid recyclables collection vehicles that the City has purchased.

With the change to single stream collection incentivized by the RecycleBank program, it is expected that recycling will increase from 357 pounds per household per year to 752 pounds. This estimate is based on an analysis of similar RecycleBank communities, as shown on the attached graph.

The RAA contract amendment is proposing to make the following adjustments to the current contract:

- **Tonnage compensation:** The amendment lowers the per-ton compensation to RAA in recognition of the increased efficiencies gained by the automated collection program.
- **Per unit charge:** The amendment also switches from a payment per dwelling unit to a payment per cart, due to the fact that the city has access to a more accurate number for this count.
- **Contract term:** The amendment adds five years to the current contract term, moving the expiration date from 2013 to 2018.

Given these changes in compensation to RAA, the City's payment to RAA is expected to decrease slightly in FY11, even though tonnages are expected to increase.

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Reviewed by: Sue F. McCormick, Public Services Administrator

Approved by: Roger W. Fraser, City Administrator

Whereas, City Council previously authorized the preparation of a business case analysis for single stream recycling in Ann Arbor, which documented savings to the City by completion of the upgrades;

Whereas, City Council previously adopted resolutions to purchase 33,000 single stream recycling carts and 4 automated recycling trucks, as well as to fund single stream capital upgrades to the City's Material Recovery Facility;

Whereas, The Recycle Ann Arbor (RAA) has had a long and positive history of providing quality recycling services to the City of Ann Arbor:

Whereas, The cost per ton for collection will decrease under the new program because of the conversion to an automated collection system;

Whereas, Funds for this contract are available in the FY 2010 Solid Waster Operations and Maintenance Budget and planned future budgets if so approved by Council; and

Whereas, Recycle Ann Arbor received HR approval on August 11, 2009;

RESOLVED, That City Council hereby authorize a contract amendment with Recycle Ann Arbor substantially in the form as shown in Attachment A;

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

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