



Legislation Text

File #: 22-2130, **Version:** 1

Resolution to Approve Contract Amendment Number 1 with WeCare Denali LLC for Operation and Management of the City's Compost Facility for a 3-year Contract Extension, with an Option for Two 3-year Renewals (Estimated Cost \$953,337.61 for the Initial 3-year Contract Term: \$297,795.24 for Year 1, \$317,486.86 for Year 2, and \$338,055.50 for Year 3)

Attached for your review and approval is a resolution to approve Contract Amendment Number 1 with WeCare Denali LLC. This Amendment is to the Agreement between the City of Ann Arbor and WeCare Denali LLC for Operation and Management of the City of Ann Arbor Compost Facility at 4170 Platt Road. This Agreement is set to expire on January 29, 2023. Amendment Number 1 provides for a three-year contract term, with an option to extend the contract for up to two additional three-year periods.

WeCare Denali LLC, the operator for the City's Compost Facility, has been operating and managing the City's Compost Facility for over ten years. WeCare Denali LLC has been providing the labor, equipment, and materials necessary to operate and maintain the City's Compost Facility, and to market finished compost and mulch materials.

This Amendment provides for an increase in the City's "Yard Waste and Leaves Tip Fee" (from \$24.00/ton to \$28.00/ton) for the first year of the Contract term. For each additional Contract Year, the annual tipping fees and the City's revenue share credits (Merchant Organics Credit and Compost/Mulch Sales Credit) will be adjusted annually for inflation. This Amendment also outlines a procedure for removing and disposing of contamination found in City loads. This Amendment provides a plan to minimize contamination at the Compost Facility through City-wide education programs such as (1) Visual audits of curbside collections; (2) Curbside compost cart-tagging campaigns; and (3) City-wide messaging programs through established channels (such as direct mail campaigns, educational videos, and community presentations). In addition to these education programs, the City will conduct a comprehensive audit of the compost stream at a frequency that accounts for the seasonality of the material collected. Finally, this Amendment provides a plan to remove legacy contaminated organics that have accumulated at the Compost Facility over the past several years.

The Contract with WeCare Denali LLC also provides many Programs that are beneficial to Ann Arbor residents: (1) Free Finished Compost/Mulch Pick-Up (up to one cubic yard) for residents on Saturday mornings from April to July; (2) Free Leaf Drop-Off from October to December for residents and their contracted landscapers; and (3) Free Yard Waste Drop-Off for residents (up to one cubic yard per day).

WeCare Denali LLC 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.

Budget/Fiscal Impact: Funding for these services is available in the approved FY23 in the Solid

Waste Operation and Maintenance Budget. Funding for subsequent years will be included in the budget submittals for those fiscal years.

Prepared by: Tom Oldakowski, Contract Specialist

Reviewed by: Sarah Mason, Resource Recovery Manager

Reviewed by: Molly Maciejewski, Public Works Manager

Reviewed by: Brian Steglitz, Public Services Area Administrator

Approved by: Milton Dohoney Jr., City Administrator

Whereas, The guiding principles for Ann Arbor's solid waste program focus on providing services that are cost-efficient and customer-friendly;

Whereas, Compost Facility Operations and Management is necessary to continue uninterrupted solid waste services the citizens of Ann Arbor desire and expect;

Whereas, WeCare Denali LLC has a history of successfully managing and operating the City's Compost Facility;

Whereas, WeCare Denali LLC is uniquely qualified for operating and managing the City's Compost Facility because of their extensive knowledge and experience;

Whereas, These services will be provided for a period of three (3) years, with the City reserving an option to extend the contract term for up to two additional three-year periods;

Whereas, City Council wishes to grant the City Administrator authority to extend the Agreement for up to two three-year periods;

Whereas, Funding for these services is available in the approved FY23 Operation and Maintenance budget of the Solid Waste Fund; and

Whereas, WeCare Denali LLC complies with the City's Non-Discrimination and Living Wage Ordinances;

RESOLVED, That City Council approve Amendment Number 1 to the Operating and Management Contract with WeCare Denali LLC, subject to the availability of funding, to allow for Operation and Management of the City of Ann Arbor Compost Facility at 4170 Platt Road (Estimated Cost \$953,337.61 for the initial 3-year contract extension), and including a provision that the agreement may be extended for up to two three-year periods, subject to the availability of funding;

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

RESOLVED, That City Council authorizes the City Administrator to approve up to two three-year extensions of the Agreement; and

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