



Legislation Details (With Text)

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**Title:** Resolution to Approve Contract Amendment Number 10 to the Service Contract with Recycle Ann Arbor for Municipal Resource Recovery Services for an Extension of One Three-year and Four-month Period with Annual Increases for Inflation every July 1st (limited to the percentage change in the Consumer Price Index (CPI) for the previous contract year, or 6%, whichever is less), (estimated cost of \$4,534,303.00 for three-years and four months of the Contract)

**Sponsors:** Lisa Disch

**Indexes:**

**Code sections:**

**Attachments:** 1. RAA\_MultiFamily\_Amendment10\_updated 3-2-23.pdf

Date	Ver.	Action By	Action	Result
3/6/2023	1	City Council		
3/6/2023	1	City Council	Approved	Pass

Resolution to Approve Contract Amendment Number 10 to the Service Contract with Recycle Ann Arbor for Municipal Resource Recovery Services for an Extension of One Three-year and Four-month Period with Annual Increases for Inflation every July 1st (limited to the percentage change in the Consumer Price Index (CPI) for the previous contract year, or 6%, whichever is less), (estimated cost of \$4,534,303.00 for three-years and four months of the Contract)

Attached for your consideration is a resolution to approve Amendment Number 10 to extend the Service Contract between The City of Ann Arbor and Recycle Ann Arbor (RAA) for Municipal Resource Recovery Services for the City of Ann Arbor for one three-year and four-month period. For the first four months of this extension, March 1 to June 30, 2023, RAA will be paid fixed monthly fee of \$101,905.00 for the services provided. Once conversion of three thousand (3,000) monthly cart tips to dumpster collection has been completed, the monthly fixed fee will be reduced by \$10,000.00. Beginning on July 1, 2023, and thereafter every July 1st for the duration of this Agreement, the Contractor fixed monthly fee shall be adjusted annually for inflation. Adjustment for inflation shall be limited to the percentage change in the Consumer Price Index (CPI), including energy, for the previous contract year, or 6%, whichever is less. The total estimated Contract amount is \$4,534,303.00.

This Service Contract for Municipal Resource Recovery Services for the City of Ann Arbor has a long history, with the original Agreement being approved on December 15, 2003, by Resolution R-517-12-03. The most recent Amendment Number 9 was approved on December 19, 2022, by Resolution R-22-402.

In this proposed Amendment Number 10, RAA will continue to collect recycling from the accounts to

be serviced under this Agreement in the City with 32, 64, or 96-gallon curb carts. These accounts include multi-family homes of eleven units or greater, commercial establishments, mixed unit buildings, and civic units (for example, municipal parks) where curb carts are appropriate. This Contract is based on a fixed monthly fee.

The City will continue to provide recycling carts for customers' use. The City will continue to provide recycling collection services for all accounts serviced with recycling dumpsters as well as pedestrian cans.

RAA is a non-profit based in Ann Arbor, MI with a mission to develop and operate innovative reuse, recycling, and zero-waste programs that improve the environmental quality of our community. In addition to recycling collection services, RAA also provides recycling processing to the City of Ann Arbor. RAA has been a key community partner in the establishment, growth, and success of the City's recycling programs.

The current database that RAA uses in order to determine what properties are serviced (including number of carts per location and how many days of service per week), has not been updated since 2018, so a large portion of the data is inaccurate (for instance, many commercial buildings are now vacant due to the economic impact of the coronavirus pandemic). To gather current and accurate data for these locations, City staff will undertake an extensive data collection and compilation effort for all the properties serviced under this Agreement, including but not limited to, service location, number of carts, and current days of collection. RAA will allow City employees to follow behind ("shadow") RAA's trucks so that City staff will be able to collect and verify data in order to update route maps, service lists, quantity of service, and identify efficiencies which will help to lower the cost of service for the City long-term. Once collected and compiled, the data will be shared with RAA for review and feedback. Having this accurate data will serve to benefit both parties by allowing for a better and more accurate understanding of the services provided, and to allow for the City to work towards right-size recycling collections for commercial and multi-family locations within the City of Ann Arbor in order to provide the most efficient and cost-effective service. This will include converting some cart collections to recycle dumpsters instead as opportunities for efficiency are identified.

Budget/Fiscal Impact: Total estimated contract costs are \$4,534,303.00. The funding for the services provided by this contract is available in the FY23 Solid Waste Operating Budget and will be included the FY24-FY26 Solid Waste Operating Budgets if so approved by Council.

Prepared by: Tom Oldakowski, Contract Specialist  
Reviewed by: Sarah Mason, Resource Recovery Manager  
Reviewed by: Molly Maciejewski, Public Works Unit Manager  
Reviewed by: Brian Steglitz, Public Services Area Administrator  
Approved by: Milton Dohoney Jr., City Administrator

Whereas, This Service Contract for Municipal Resource Recovery Services for the City of Ann Arbor has a long history, with the original Agreement being awarded on December 15, 2003, by Resolution R-517-12-03;

Whereas, The most recent Amendment Number 9 was approved on December 19, 2022, by Resolution R-22-402;

Whereas, In this proposed Amendment Number 10, RAA will continue to collect recycling from the accounts to be serviced under this Agreement in the City with 32, 64, or 96-gallon curb carts;

Whereas, The term for this Amendment is three-years and four-months, ending June 30, 2026;

Whereas, The current database that RAA uses in order to determine what properties are serviced (including number of carts per location and how many days of service per week), has not been updated since 2018, so a large portion of the data is inaccurate;

Whereas, City staff will undertake an extensive data collection and compilation effort for all the properties serviced under this Agreement, including but not limited to, service location, number of carts, and current days of collection;

Whereas, RAA will allow City employees to follow behind (“shadow”) RAA’s trucks so that City staff will be able to collect and verify data in order to update route maps, service lists, quantity of service, and identify efficiencies which will help to lower the cost of service for the City long-term;

Whereas, Having this accurate data will serve to benefit both parties by allowing for a better and more accurate understanding of the services provided, and to allow for the City to work towards right-size recycling collections for commercial and multi-family locations within the City of Ann Arbor in order to provide the most efficient and cost-effective service;

Whereas, This will include converting some cart collections to recycle dumpsters instead as opportunities for efficiency are identified;

Whereas, The funding for Amendment Number 10 is available in the FY23 Solid Waste Operating Budget and will be included the FY24-FY26 Solid Waste Operating Budgets if so approved by Council;

Whereas, Under Amendment Number 10, RAA will be paid a fixed monthly fee, subject to adjustments, for services provided which will be the services it has provided for the past 18 plus months under Amendment Number 8 and Number 9;

Whereas, Once conversion of three thousand (3,000) monthly cart tips to dumpster collection has been completed, the monthly fixed cost shall thereafter be reduced by \$10,000.00;

Whereas, The City will continue to provide recycling collection services for all accounts serviced with recycling dumpsters as well as pedestrian cans; and

Whereas, The City will continue to provide recycling carts for customers’ use;

RESOLVED, That City Council approve Amendment Number 10 to the service contract with Recycle Ann Arbor for Municipal Resource Recovery Services amending Article III, Attachment A (Article A-2), Attachment A (Article A-6), and Attachment D (Article D-4) to provide for an additional three-year and four-month period with annual increases for inflation every July 1st (limited to the percentage change in the Consumer Price Index (CPI) for the previous contract year, or 6%, whichever is less);

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

and

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

Sponsored by: Councilmember Disch