Legislation Details (With Text)

File #:	23-0360	**Version:**	1	**Name:**	3/20/23 - Commercial Solid Waste Franchise Collection Agreement
Type:	Resolution			**Status:**	Passed
File created:	3/20/2023			**In control:**	City Council
On agenda:	3/20/2023			**Final action:**	3/20/2023
Enactment date:	3/20/2023			**Enactment #:**	R-23-104

Title: Resolution to Approve a General Services Agreement between Waste Management of Michigan, Inc. and the City of Ann Arbor for Commercial Solid Waste Franchise Collection. (Estimated Cost for the City $733,000.00, Total Estimated Contract Value $14,660,000.00)

Sponsors: Christopher Taylor

Indexes:

Code sections:

Attachments: 1. COMBINED GSA WM FRANCHISE 3.20.23.pdf, 2. Totals by Vendor for RFP 22-44.pdf

Date	Ver.	Action By	Action	Result
3/20/2023	1	City Council	Approved	Pass

Resolution to Approve a General Services Agreement between Waste Management of Michigan, Inc. and the City of Ann Arbor for Commercial Solid Waste Franchise Collection. (Estimated Cost for the City $733,000.00, Total Estimated Contract Value $14,660,000.00)
Attached for your review and approval is a resolution to approve a General Services Agreement for Commercial Solid Waste Franchise Collection (“Agreement”) with Waste Management of Michigan, Inc (“WM”). The current Agreement with WM is set to expire on June 30, 2023. By your approval of this Agreement, WM will become the City’s franchised hauler under Title II, Chapter 26 of the City of Ann Arbor Code of Ordinances. Therefore, WM will be the exclusive service provider responsible for refuse collection and disposal from all commercial properties and some collections and disposal at multi-family properties within the City of Ann Arbor.

This recommended Agreement with WM results from an extensive competitive procurement (RFP# 22-44) that consisted of a pre-proposal meeting with vendors and local stakeholders, responses from four companies (WM, GFL Environmental, Republic Services, and Priority Waste), a vendor proposal clarification process, two firm proposals, and two detailed interviews that has resulted in the final Agreement that is attached. The primary work to be completed under this Agreement is the collection of refuse from all commercial locations within the city limits of Ann Arbor.

Of the four responses, two proposals were received on July 14th, 2022. The proposals were reviewed and evaluated using the following criteria:

-	Professional Qualifications	20%	
-	Proposed Work Plan		20%
-	Customer Service Plan		20%
-	Sustainability Plan	15%	
-	Fee Proposal	25%	

After review, staff ranked the responding firms in the following order:

1. Waste Management of Michigan, Inc.
2. GFL Environmental Inc.

Prior to procurement, staff engaged with local stakeholders through meetings, presentations, and a customer satisfaction survey. The stakeholder feedback was very valuable in drafting the Request for Proposal ("RFP").
Benefits of a franchised waste hauler in the commercial sector include cost savings for businesses, improved customer service, and improved contractor accountability. In addition, having a franchised waste hauler will also reduce truck traffic, noise, and wear and tear on City streets and alleys. Greenhouse gas emissions will also be reduced, positively contributing to the City's A2ZERO carbon neutrality goal.

WM has satisfactorily provided commercial solid waste franchise collection for the City since 2009. WM has experience servicing Downtown Ann Arbor and its alleys, as well as the areas outside of the Downtown District. WM will partner with My Green Michigan (MGM) to provide an optional subscription-based compost and food scrap collection for commercial and multi-family customers. MGM will not be a franchised hauler and therefore will not be the exclusive provider for compost collection services within the City of Ann Arbor. In addition, this Agreement also allows for collection of as-needed bulky item waste and illegal dumping from commercial locations and multi-family locations within City limits.

Under this Agreement, WM will bill each customer directly on a monthly basis. WM will also handle customer service issues and all past-due bills. WM will pay an administrative fee to the City to cover oversight expenses (such as dealing with unresolved billing issues, escalated customer service issues, coordinating with WM to provide services under the Agreement, etc.). The administrative fee will be a percentage of the bill and set annually by City Council approval via the City's normal fee schedule process.

The City will have a cost under this Agreement as the City will be a customer for some collections at City properties and at residential customers and multi-family unit customers in the downtown area. Most residential customers in the downtown area share dumpsters/compactors with commercial businesses. The total contract value is estimated at $14,660,000.00 with 5%, or $733,000.00, of the total estimated to be the City's responsibility.

This Agreement has an initial term of five years, with one additional five-year extension on the same terms, conditions, and pricing at the City's option, for a possible total of ten years. Approval of the Agreement at this time will provide approximately three months for Waste Management to prepare for this July 1, 2023 service transition.

During both the initial five-year term and the optional five-year extension, continuation is subject to the appropriation of sufficient funds in the budget.

WM 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: Estimated funding for these services will be included in future Solid Waste Fund Operating and Maintenance 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 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, A comprehensive procurement was completed (RFP# 22-44) for Commercial Refuse Collection Services, with business community input in the vendor selection process;

Whereas, The procurement process resulted in the recommendation to execute a contract with Waste Management of Michigan, Inc. ("WM") as the most competent, best qualified, and lowest priced vendor;

Whereas, WM has a history of satisfactorily providing commercial solid waste franchise collection in Downtown Ann Arbor and its alleys, as well as the areas outside of the Downtown District;

Whereas, The City Administrator and Solid Waste staff have prepared a commercial solid waste refuse collection franchise contract with WM;

Whereas, WM will become the City's franchised hauler under Title II, Chapter 26 of the City of Ann Arbor Code of Ordinances, and thus WM will be the exclusive service provider responsible for refuse from all commercial properties and some collections and disposal at multi-family locations within the City of Ann Arbor;

Whereas, WM will partner with My Green Michigan in order to provide optional subscription-based compost and food scrap collection for commercial and multi-family customers;

Whereas, The City will have a cost under this Agreement as the City will be a customer for some collections at City properties and at residential customers and multi-family unit customers in the downtown area;

Whereas, These services will be provided for a period of five (5) years, with the City reserving an option to extend the contract term for one additional five-year period subject to the same terms, condition, and pricing;

Whereas, City Council wishes to grant the City Administrator authority to extend the Agreement for one additional five-year period;

Whereas, The funding for the services provided by this contract is available in the FY23 Solid Waste Operating Budget; and

Whereas, Waste Management of Michigan, Inc. complies with the City's Non-Discrimination and Living Wage Ordinances;

RESOLVED, That City Council approve the General Services Agreement between Waste Management of Michigan, Inc. and the City of Ann Arbor for Commercial Solid Waste Franchise Collection, subject to the availability of funding with and estimated City spend of $733,000.00 and

estimated total contract value of $14,660,000.00;

RESOLVED, That City Council grant Waste Management of Michigan, Inc. a franchise under Title II, Chapter 26 of the City of Ann Arbor Code of Ordinances making it the City's franchised hauler and thus it will be the exclusive service provider for the collection and disposal of solid waste for commercial and multi-family locations in the City of Ann Arbor;

RESOLVED, That the Mayor and City Clerk be authorized and directed to execute the said 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 one five-year extension of the Agreement on the same terms, conditions, and pricing at the City's option, subject to the availability of funding; and

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

Sponsored by: Mayor Taylor