



Legislation Text

File #: 13-1420, **Version:** 1

Resolution to Approve Contract Amendment Number 2 with WeCare Organics to Allow Expanded Food Composting (\$14,950.00), Approve Selling Compost Carts for \$25.00 and to Appropriate \$64,550.00 from the Solid Waste Enterprise Fund Balance **(8 Votes Required)**

The City of Ann Arbor Solid Waste Resource Plan includes expanded food waste composting as a goal. As a first step towards implementing that goal, staff is proposing expansion of the existing seasonal composting collection program to include expanded food waste composting.

WeCare Organics, the City's compost facility operator, will accept all residential plate scrapings, as allowed under Michigan Department of Environment regulations. Plate scrapings include meats and cooked or processed foods that are not currently accepted at the compost facility. To process this material, WeCare will need to grind and mix the material on a daily basis into the compost windrow piles. Currently, WeCare allows incoming material to stockpile, then periodically brings in a machine to grind the material before placing it in the windrows. Under the new process, WeCare will need to bring a machine to the site and operate it daily, which will entail a significant additional cost for the company.

Following City Council direction for implementation of the expanded food waste composting to be financially feasible for the City, WeCare has priced this service to be roughly equivalent to the City's cost of transfer and disposal of refuse. The result is there will be no net additional cost to the City for the expanded food waste processing program. Currently, the City pays \$25.90 per ton for transfer and disposal of refuse. In comparison, the City currently pays WeCare \$18.00 per ton for processing compostable materials, for a difference of \$7.90 per ton. WeCare is offering to process expanded food waste at the city's compost site for \$14,950.00 per calendar year. City staff estimates that the program will collect an additional 2,100 tons per year when fully implemented, for an annual additional unit cost of \$7.12 per ton for this expanded service.

WeCare will be taking steps to blend the incoming material into windrows at the compost site on a daily basis, as a way to minimize any potential odors from the food waste. In addition, the City will conduct an education campaign to let residents know how to manage food waste on their property and minimize odors. This education campaign will be conducted in-house within the existing approved budget.

The expanded compost processing program will be continued based on mutual agreement of both the City and WeCare Organics. The program will be evaluated on an ongoing basis through monthly inspections. The current contract with WeCare, which started on January 28, 2011, is a five-year contract with an option to renew for two additional years. WeCare received HR Contract Compliance on August 13, 2013 and Living Wage approval on April 18, 2013.

To encourage this expanded food waste composting, the City will give away up to 6,000 Sure-Close kitchen composters to residents who currently have compost carts and to those who purchase compost carts. These 1.9 gallon units sit on the kitchen counter to collect food waste before it is

transferred to the compost cart. The units have been very successful at promoting food waste composting in other communities. The City will purchase up to 6,000 units at a cost of \$4.10 each, for a total of \$24,600.00.

Staff is recommending a subsidized price of \$25.00 for compost carts, as recommended in the approved Solid Waste Resource Plan as a way to encourage residents to use the expanded food waste program. Currently, the compost carts are sold for \$50, which is roughly the cost of the carts. At this time, there are approximately 12,000 compost carts in use, which means that about half of the single-family homes in Ann Arbor do not yet have carts. Under the \$25.00 pricing, it is estimated that the city will sell 1,000 compost carts per year, at a net cost to the city of \$25,000.00 per year.

It is estimated that each compost cart can produce \$48.00 in savings over its 15-year life in tip fees alone (see attached document "Compost Cart estimated landfill savings") and increase operational efficiencies and improve employee safety. The attached chart shows the gradual downward trend in worker compensation incidents that has occurred since the City introduced the refuse cart program in 2003. The savings from the compost carts will offset the subsidy that is being provided.

Prepared by: Tom McMurtrie, Systems Planning Unit

Reviewed by: Craig Hupy, Public Services Area Administrator

Approved by: Steven D. Powers, City Administrator

Whereas; On December 6, 2010, City Council approved resolution R-10-1097 approving a five-year contract with WeCare Organics to operate the City Compost Facility;

Whereas; The recently approved City of Ann Arbor Solid Waste Resource Plan includes expansion of food waste collection as one of its primary recommended actions to reduce landfill costs and help the City reach its Sustainability Goals;

Whereas; WeCare Organics has agreed to accept all food waste at the Ann Arbor compost site as allowed by the MDEQ for an additional fee of \$14,950.00 per year;

Whereas; WeCare received HR Contract Compliance on August 13, 2013 and Living Wage approval on April 18, 2013;

Whereas; WeCare Organics will take additional steps at the compost site to blend the incoming daily materials into windrows on a daily basis to control odor;

Whereas; The City of Ann Arbor will conduct an education campaign to promote the expanded food waste program and educate residents on how to manage food waste and minimize odors;

Whereas; The City of Ann Arbor will provide Sure-Close kitchen composters to residents with compost carts as a way to promote food waste composting; and

Whereas; The sale of compost carts at a subsidized price of \$25.00 per cart will help promote the food waste composting;

RESOLVED; That City Council approves contract amendment number 2 with WeCare Organics;

RESOLVED; That the Mayor and City Clerk be authorized and directed to execute this contract amendment after approval as to form by the City Attorney and approval as to substance by the City

Administrator;

RESOLVED; That the City sell compost carts to Ann Arbor residents and businesses for a subsidized price of \$25.00 per cart, not-to-exceed one cart per parcel per year, with additional carts available at \$50.00 per cart;

RESOLVED; That City Council authorize the appropriation of \$64,550.00 from the Solid Waste Fund Balance to fund the WeCare Organics amendment number 2 (\$14,950.00), the purchase of Sure-Close kitchen composters (\$24,600.00) and the subsidy of compost carts sales(\$25,000.00); and

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