



Legislation Text

File #: 17-0459, **Version:** 1

Resolution to Extend the General Services Agreement with Waste Management of Michigan, Inc. for Short-Term Operations of Ann Arbor Material Recovery Facility (MRF) and Waste Transfer Station Attached for your review and approval is a resolution to extend the Short-Term Operation Services Agreement with Waste Management of Michigan (WMM), which will provide for continued recycling and waste transfer services for the Ann Arbor Community during the transition from the existing Short-Term Operations of the City's Materials Recovery Facility (MRF) and Waste Transfer Station to the Interim Operations Service Agreement for the MRF and the new long-term agreement for solid waste transfer, transport and disposal.

The current Short-Term Operations Services Agreement with WMM was approved by City Council Resolution R-16-360 on September 6, 2016. At that time, Request for Proposal (RFP) No. 980 had been issued to select a contractor through a competitive procedure to perform interim operations of the MRF and Waste Transfer Station until the City completes a thorough and well-defined process to procure a long-term, multi-year operator for the services at the MRF and Waste Transfer Station. (Subsequent to this procurement process, with the upcoming expiration of the City's long-term landfill disposal contract on 6/30/17, the City issued RFP No. 17-05 seeking a long-term contract place for solid waste transfer, transport and disposal). At the time R-16-360 was approved, it was anticipated that the procurement process for RFP No. 980 would be completed and an interim operator in place by January 2017. Therefore, the Short-Term Contract with WMM was written with an expiration date of April 1, 2017, though subject to termination before then, provided termination would not be before January 28, 2017. The contract also stated it could be extended for an additional period, or periods, by mutual agreement by both parties, but authorization by Council for such an extension was not expressly included in Resolution No. R-16-360.

The procurement process for RFP No. 980 has resulted in the approval by City Council of Resolution No. R-17-070 on March 6, 2017 that directed the City Administrator to negotiate with Recycle Ann Arbor to reach an agreement by March 31, 2017 on a contract with specific terms identified in that resolution for Interim Operations of the MRF. The resolution further stated that if these negotiations were successful, staff is to bring the interim operation services agreement to City Council for its review and approval no later than the second meeting in April 2017; and, that if an agreement with Recycle Ann Arbor is not reached by March 31, 2017, then staff is to bring an interim operations services agreement with Waste Management of Michigan to City Council for its review and approval no later than the second meeting in April 2017. This would result in an Interim Operations contract for the MRF and Waste Transfer Station being executed and in place, and the resulting transition from the Short-Term Operations contract to the Interim Operations contract taking place in May 2017 at the earliest, well after the current expiration date of the Short-Term Operations contract.

The City has received proposals in response to RFP No. 17-05 for a long-term contract for Solid Waste Transfer, Transport and Disposal. A recommendation on the award of that contract will be brought to City Council, probably in May, for services to begin July 1, 2107. Recognizing that implementing an Interim Operations Contract for both the MRF and Waste Transfer Station before

July 1, 2017 would result in less than two months of interim operations at the Waste Transfer Station under that contract and also result in two almost immediate transition periods, City and Recycle Ann Arbor staff have determined that if agreement is reached on a contract between the two parties it will not include operations at the Waste Transfer Station and will commence on July 1, 2017.

Thus, this extension of WMM's contract is necessary to ensure uninterrupted recycling and waste transfer services to the Ann Arbor community.

Budget Impact

Resolution No. R-17-070 appropriated additional funds from the Solid Waste Fund fund balance to fund continued operations at the MRF for the remainder of FY17 based on the current average monthly costs under the Short-Term Operations contract. Funding for operations of the MRF in FY18 are included in the upcoming budget submittal.

WMM complies with the requirements of the nondiscrimination and living wage ordinances.

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Reviewed by: Craig Hupy, Public Services Administrator

Approved by: Howard S. Lazarus, City Administrator

Whereas, Recycling processing is a component of the Solid Waste Resource Plan and is a valued service of the community;

Whereas, The operation of the Ann Arbor Material Recovery Facility (MRF) and processing of the City's recyclables are necessary to provide the current recycling program in the City of Ann Arbor;

Whereas, Operation of the City's Waste Transfer Station is necessary for proper transfer and disposal of the solid waste collected in the City;

Whereas, Waste Management of Michigan (WMM) has been performing operational services for the City at the MRF and Waste Transfer Station under a Short-Term Operation Services Agreement approved by Council Resolution R-16-360;

Whereas, The current contract sets forth the services to be performed by Waste Management of Michigan and the payments to be made by the City therefore, all of which are agreeable to the City;

Whereas, Council Resolution R-17-070 approved by City Council on March 6, 2017 directed the City Administrator to negotiate with Recycle Ann Arbor (RAA) to reach an agreement by March 31, 2017 on a contract with specific terms identified in that resolution for Interim Operations of the MRF, and that if these negotiations were successful to bring the interim operation services agreement to City Council for its review and approval no later than the second meeting in April 2017, and if agreement with RAA is not reached by March 31, 2017 to bring an interim operations services agreement with WMM to City Council for its review and approval no later than the second meeting in April 2017;

Whereas, Execution and implementation of an interim operation services agreement resulting in the transition from the Short-Term Operation Services contract to the Interim Operation Services contract could not take place until May 2017 or later;

Whereas, The current Short-Term Operation Services Agreement with WMM expires on April 1, 2017;

Whereas, The Short-Term Operation Services Agreement includes the option for the contract to be extended for an additional period or periods of time by mutual agreement by both parties and City Council wishes to extend the Agreement to June 30, 2017, to provide uninterrupted recycling and waste transfer services to the Ann Arbor community during the transition from the current Short-Term Operations Services Agreement to the new Interim Operations Services Agreement;

Whereas, City Council wishes to grant the City Administrator authority to extend the Agreement, or the MRF operation part of the Agreement for 30-day periods if needed to provide uninterrupted recycling and waste transfer services to the Ann Arbor community during the transition from the current Short-Term Operations Services Agreement to the new Interim Operations Services Agreement for the MRF and the long-term contract for Solid Waste Transfer, Transport and Disposal;

Whereas, The City of Ann Arbor Solid Waste Fund includes sufficient funds for the services under this extended contract; and

Whereas, Waste Management of Michigan complies with the requirements of the Nondiscrimination and Living Wage Ordinances;

RESOLVED, That an extension to June 30, 2017 of the Short-Term Operation Services Agreement for the Ann Arbor Material Recovery Facility (MRF) and Waste Transfer Station with Waste Management of Michigan be approved, including a provision that the Agreement or the MRF operation part of the Agreement may be extended in 30-day increments until December 31, 2017, by mutual agreement of both parties;

RESOLVED, That the Mayor and City Clerk be authorized and directed to execute said extension of the Agreement 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 30-day extensions of the Agreement or the MRF operation part of the Agreement after June 30, 2017, if necessary to provide continued recycling and/or solid waste services to the community; and

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