



## Legislation Text

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**File #:** 18-0755, **Version:** 2

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Resolution to Authorize Contract Amendment Number 5 with Recycle Ann Arbor for Municipal Resource Recovery Services and Appropriate \$65,000.00 from the Solid Waste Fund Fund Balance for Collection Truck Leasing **(8 Votes Required)**

Attached for your review and consideration is a resolution to approve and authorize Amendment Number 5 to the contract with Recycle Ann Arbor (RAA). On December 15, 2003 City Council approved a ten-year contract with RAA for collection of recyclable materials throughout the City by approving Resolution R-517-12-03. On March 15, 2010 this contract was extended for an additional five years until June 30, 2018 as part of Amendment Number 2 which was approved by Resolution R-10-071.

Amendment Number 5 will set the termination date of the contract to June 30, 2019, with the City having an option to extend the contract for up to two additional five-year terms if it elects to do so. This termination date will align with the termination date of the City's Commercial Solid Waste Franchise Contract with Waste Management and allow for the potential of moving to a single consolidated contract for all collections within the City's solid waste program areas. The method(s) of service delivery for solid waste is being examined as part of the Solid Waste Resources Management Plan which was approved by City Council on April 16, 2018 by Resolution R-18-138.

In addition, this amendment includes provisions for leasing of collection vehicles by RAA as needed to perform maintenance and repairs to the City's collection vehicles that are utilized by RAA through the current contract. The current contract calls for the City to provide ten trucks for use by RAA, with seven of those trucks for collection routes and the other three being reserves in case the route trucks need to be repaired. RAA has modified their operations such that all ten trucks are used for daily collections, thus there is a need to have additional trucks to allow for repairs to be performed on the City's trucks. As stated in the amendment, RAA will lease trucks to allow for needed repairs to the City trucks and the City will reimburse RAA for the lease payments. The term of the lease period is four months, at \$7,900/month in FY18 and an estimated \$8,137/month in FY19. One four-month term is anticipated spanning the end of FY18 into FY19, but funding for up to two four-month terms is being requested in the event a second lease is needed for future repairs before the termination of the contract.

### Budget/Fiscal Impact:

Funding for these collection services is included in the proposed FY19 Solid Waste operating budget. Funding for the leasing of collection vehicles is not currently budgeted, thus an appropriation of \$65,000.00 from the Solid Waste Fund fund balance is being requested.

### Sustainability Framework

This amendment furthers the Responsible Resource goals of the City's Sustainability Framework.

Prepared by: Cresson Slotten, P.E., Systems Planning Unit Manager

Reviewed by: Craig Hupy, Public Services Area Administrator

Approved by: Howard S. Lazarus, City Administrator

Whereas, On December 15, 2003 City Council approved Resolution R-517-12-03 authorizing a ten-year contact with Recycle Ann Arbor (RAA) to provide Municipal Resource Recovery Services within the City, and then on March 15, 2010 approved Resolution R-10-071 authorizing Amendment Number 2 to this contract extending the term for five years;

Whereas, The City's separate Commercial Waste Collection Franchise contract will terminate on June 30, 2019;

Whereas, The City is undertaking a Solid Waste Resources Management Plan, which includes an examination and recommendation of the most effective service delivery method(s) for collections across the full Solid Waste Program area, including municipal solid waste, recycling and compost/organics;

Whereas, Aligning the termination dates of RAA's Municipal Resource Recovery Services contract with the termination of the Commercial Waste Collection Franchise contract will provide the greatest flexibility in development of the new collection service delivery method(s) going forward; and

Whereas, In order to continue RAA's Municipal Resource Recovery Services operations it is necessary for RAA to lease collection trucks to allow for repairs to the City trucks RAA operates;

RESOLVED, That City Council approve Amendment Number 5 to the contract with Recycle Ann Arbor for Municipal Resource Recovery Services to extend the current contract to June 30, 2019, with the City having an option to extend the contract for up to two additional five-year terms if City Council elects to do so;

RESOLVED, That \$65,000.00 be appropriated from the Solid Waste Fund fund balance to the FY18 Solid Waste Operating Budget (\$23,700.00) and the FY19 Solid Waste Operating Budget (\$41,300.00) for leasing collection trucks to facilitate repairs to City collection trucks;

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.

**As Amended and Approved by Ann Arbor City Council on June 4, 2018**