



Legislation Text

File #: 19-0855, **Version:** 1

Resolution to Approve Amendment Number 4 to Contract with Recycle Ann Arbor for Interim Operations of the Ann Arbor Material Recovery Facility (MRF) (estimated \$2,300,000.00) Attached for your review and consideration is a resolution to approve an amendment to the City's contract with Recycle Ann Arbor for Interim Operations of the Ann Arbor Material Recovery Facility (MRF) for processing recyclable materials in the City. This amendment will extend the contract for an additional year with an option for one more one-year renewal.

The current contract, as well as another contract with Recycle Ann Arbor for Municipal Resource Recovery Services and one with Waste Management of Michigan, Inc. for Commercial Refuse Collection Services, will expire on June 30, 2019. A task included in the Solid Waste Resources Management Plan (SWRMP) project that began in 2018 and is anticipated to be concluded in July, 2019 calls for that project's consultant team to assist City staff in developing a Request for Proposals (RFP) to procure contractor services to replace these expiring contracts.

During the first meeting of the SWRMP Advisory Committee on November 14, 2018, a question was raised by some of the participants as to whether or not this RFP should be delayed until after the SWRMP is completed. Then on December 6, 2018, the Environmental Commission passed a resolution requesting that the City Council have the City Administrator consider not issuing the RFP until the SWRMP process is complete. The City Administrator determined that this RFP process would be delayed until the completion of the SWRMP. This necessitates the extension of the existing contract(s) to allow for these services to continue through FY20 while the replacement contract(s) are procured. This determination was communicated to City Council in a memorandum from the City Administrator dated December 19, 2018, which is attached to this agenda item.

Recycle Ann Arbor has requested that in addition to the extension, the amendment also modify the contract requirement for maintaining a performance bond for the contract reducing the amount of the bond to cover 100% of the direct recycling transfer costs incurred by Recycle Ann Arbor rather than 50% of the costs of all services under the contract including their subcontractors. Staff is amenable to this provided that Recycle Ann Arbor's subcontracts are assignable to the City for its use or that of another contractor in the event of default by Recycle Ann Arbor. All other terms of the contract remain in place, including an annual escalator of 3% on the Base Fees.

Budget/Fiscal Impacts: The funding for this contract is included in the approved FY20 Solid Waste Fund operating budget.

Sustainability Framework

The work performed under this contract furthers the Economic Vitality, Sustainable Systems, Clean Air and Water, and Responsible Resource Use goals of the City's Sustainability Framework.

Prepared by: Cresson Sloten, Public Services Area

Reviewed by: Craig Hupy, Public Services Administrator

Approved by: Howard S. Lazarus, City Administrator

Whereas, The City's contract with Recycle Ann Arbor for Interim Operations of the Ann Arbor Material Recovery Facility (MRF) will expire on June 30, 2019;

Whereas, The City's Solid Waste Resources Management Plan (SWRMP) is examining the City's service delivery methods for the various aspects of the City's solid waste programs, and will be providing recommendations on these methods as part of the project's deliverables;

Whereas, The SWRMP is scheduled to be completed in July, 2019 allowing for its recommendations related to service delivery methods to be utilized in the procurement of necessary contracted services to replace the existing Interim Operations of the Ann Arbor Material Recovery Facility (MRF) contract;

Whereas, The procurement, contract award and contractor lead time for equipment and staffing to begin service delivery is anticipated to result in the replacement contract services commencing on July 1, 2020;

Whereas, It is desired to continue to utilize the currently contracted collection services by Recycle Ann Arbor without interruption until the replacement services commence;

Whereas, These services will be provided for an additional period of one (1) year from the expiration of the current contract, with the City reserving an option to extend the agreement term for one additional one-year period;

Whereas, Recycle Ann Arbor has satisfactorily performed its existing contract with the City and provided the services the City required and is best qualified and competent to continue on through these short extensions, the terms of which are fair and reasonable, and which are deemed practical and reasonable for the City to enter; and

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

RESOLVED, The City Council approves Amendment Number 4 to the contract with Recycle Ann Arbor for Interim Operations of the Ann Arbor Material Recovery Facility (MRF) extending the contract term for one year in the estimated amount of \$2,300,000.00 funded by the FY20 Solid Waste Fund, and including a provision that the agreement may be extended for an additional one-year period, subject to availability of funding;

RESOLVED, That funding for the agreement in the FY20 and subsequent budgets be made available without regard to fiscal year;

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

RESOLVED, That the City Council authorizes the City Administrator to approve an additional one-year extension of the agreement; and

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