



Legislation Text

File #: 19-0854, **Version:** 1

Resolution to Approve Amendment Number 2 to Contract with Waste Management of Michigan, Inc. for Commercial Refuse Collection Services (estimated \$1,850,000.00)

Attached for your review and consideration is a resolution to approve an amendment to the City's contract with Waste Management of Michigan, Inc. for Commercial Refuse Collection Services. 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 two other contracts with Recycle Ann Arbor for recycling collections and recycling processing 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.

Waste Management has agreed to extend the contract under the current terms, including the annual Price Adjustment of 2.5% to 72% of the pricing, resulting in a 1.8% adjustment to the overall pricing.

Budget/Fiscal Impact: 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 Safe Community, Economic Vitality, Integrated Land Use, and Clean Air and Water goals of the City's Sustainability Framework.

Prepared by: Cresson Slotten, Public Services Area

Reviewed by: Craig Hupy, Public Services Area Administrator

Approved by: Howard S. Lazarus, City Administrator

Whereas, The City's contract with Waste Management of Michigan, Inc. for Commercial Refuse Collection Services as authorized by Chapter 26 of the City Code 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 Commercial Refuse Collection Services 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 Waste Management of Michigan, Inc. 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, Waste Management of Michigan, Inc. 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 approve Amendment Number 2 to the contract with Waste Management of Michigan, Inc. for Commercial Refuse Collection Services extending the contract term for one year in the estimated amount of \$1,850,000.00 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 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 authorize 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.