



Legislation Text

File #: 21-0483, Version: 2

Resolution to Amend and Restate the 5-Year General Service Agreement Between Recycle Ann Arbor and the City of Ann Arbor for the Residential Customer Recyclables Collections (estimated \$7,392,746.00 as amended) with the Option for one 2-Year Extension (estimated additional \$3,193,892.00 as amended) (ITB-4623)

Attached for your approval is a resolution to approve the First Amended and Restated five-year General Services Agreement commencing on July 1, 2021 with Recycle Ann Arbor (RAA) for Residential Customer Recyclables Collections (ITB 4623).

On March 1, 2021 City Council approved Resolution R-21-083 in the estimated amount of \$10,083,012.00 (based on the current City residential customer count), including an initial five-year General Service Agreement and one two-year extension option. The amended and restated agreement would increase the compensation to Recycle Ann Arbor for the same term and conditions by five percent above the initial bid price, to \$10,586,637.00, to address increased costs for collection vehicles.

Recycle Ann Arbor’s cost to acquire collection vehicles to perform the residential customer recycling service has increased since July 2020, when it submitted its initial bid to the City. Recycle Ann Arbor has requested an amendment to increase its initial bid price for ITB 4623 - Residential Recycling by five percent to accommodate the increased vehicle cost. Market factors including the price of steel for collection vehicles, as well as the length of the initial contract negotiation process, contributed to the vehicle price increase. Recycle Ann Arbor has provided the City with documentation that explains the difference in collection vehicle prices between April 2020, when it obtained its initial quote, and February 2021, when it received the final quote prior to City Council approval of Resolution R-21-083 on March 1, 2021.

Recycle Ann Arbor submitted all required Non-Discrimination, Prevailing Wage, Living Wage, and Conflict of Interest Disclosure forms and complies with the City’s Non-Discrimination and Living Wage ordinances.

Budget/Fiscal Impact: Total estimated contract costs, based on current City residential customer counts (28,550 Households; 70 Special Set-Outs), are itemized below.

Original RAA Bid Submission Pricing

Contract Year (Fiscal Year)	Estimated Cost
Year 1 (FY22)	\$1,346,008.80
Year 2 (FY23)	\$1,376,985.60
Year 3 (FY24)	\$1,407,970.80
Year 4 (FY25)	\$1,438,956.00
Year 5 (FY26)	\$1,469,941.20

<b>TOTAL</b>	<b>\$7,039,862.40</b>
*Extension Year 1 (FY27)	\$1,504,360.80
*Extension Year 2 (FY28)	\$1,538,788.80
<b>GRAND TOTAL</b>	<b>\$10,083,012.00</b>

\*At City's Option

Amend and Restate five percent increase from RAA Original Bid Submission

<b>Contract Year (Fiscal Year)</b>	<b>Estimated Cost</b>
Year 1 (FY22)	\$1,414,529.00
Year 2 (FY23)	\$1,445,508.00
Year 3 (FY24)	\$1,476,490.00
Year 4 (FY25)	\$1,510,502.00
Year 5 (FY26)	\$1,545,317.00
<b>TOTAL</b>	<b>\$7,392,746.00</b>
*Extension Year 1 (FY27)	\$1,579,735.00
*Extension Year 2 (FY28)	\$1,614,157.00
<b>GRAND TOTAL</b>	<b>\$10,586,637.00</b>

\*At City's Option

The year-over-year percentage increase averages two percent for the five-year term, and two percent over the total life of the contract, if the City exercises its option for a two-year extension.

The funding for this agreement will be provided in the FY22 Solid Waste Operating Budget and will be available in subsequent annual budgets, through the term of the contract, if so approved by City Council.

Prepared by: Eileen Naples, Resource Recovery Manager  
 Reviewed by: Molly Maciejewski, Public Works Unit Manager  
 Reviewed by: Craig Hupy, Public Services Area Administrator  
 Approved by: Tom Crawford, City Administrator

Whereas, On March 1, 2021 City Council approved Resolution R-21-083 and a General Services Contract with Recycle Ann Arbor for Residential Customer Recyclables Collections with an initial 5-year term (estimated \$7,392,746.00) with the Option for one 2-Year Extension (estimated additional \$3,193,892.00) (ITB 4623) under which Recycle Ann Arbor will provide recyclables collection services to single-family and multi-family homes with individual 32, 64, or 96-gallon curb carts serviced from driveways or street curbs, with Recycle Ann Arbor to provide their own collection truck fleet, and the City providing recycling carts for residential customers' use;

Whereas, Since obtaining its original quote for the purchase of collection vehicles in spring 2020, Recycle Ann Arbor's vendor for procuring collection vehicles has increased its pricing by 5 percent.

Whereas, Recycle Ann Arbor provided documentation showing collection vehicle price increases from April 2020 to February 2021.

Whereas, Recycle Ann Arbor and the City desire to amend and restate their General Services Agreement for Residential Customer Recyclables Collections, approved by City Council on March 1, 2021 by Resolution R-21-083 to amend the compensation to address the increased costs to Recycle Ann Arbor for the purchase of collection vehicles needed to provide the service;

Whereas, If amended, the amount for the contract will be \$7,392,746.00 for the requested five-year contract term and a grand total of \$10,586,637.00 if the City exercises its option for one two-year extension;

Whereas, Recycle Ann Arbor has submitted all required Non-Discrimination, Prevailing Wage, Living Wage, and Conflict of Interest Disclosure forms and complies with the City's Non-Discrimination and Living Wage Ordinances; and

Whereas, Funding for this work will be available in the FY22 Solid Waste Operating Budget and will be available in subsequent annual operating budgets if so approved by City Council;

RESOLVED, That City Council approves the First Amended and Restated General Services Contract with Recycle Ann Arbor for Residential Customer Recyclables Collections (ITB 4623) with an initial 5-year term to commence on July 1, 2021 and an option for one 2-year extension with amended compensation, based on current City residential customer count, in an estimated amount of \$7,392,746.00 for the initial 5-year term and an additional estimated \$3,193,892.00 if the option to extend for 2 years is exercised (estimated grand total of \$10,586,637.00);

RESOLVED, That the Mayor and City Clerk be authorized and directed to execute said First Amended and Restated General Services Agreement after approval as to form by the City Attorney, and approval as to substance by the City Administrator;

RESOLVED, That the City Administrator be authorized to renew the agreement for a one 2-year period providing both parties agree to an extension and subject to the annual appropriation of funds; and

RESOLVED, That the City Administrator be authorized to take the necessary administrative actions to implement this resolution including administrative approvals to allow the work of the project to proceed without delay.

Sponsored by: Mayor Taylor