

AGENDA REPORT

TO: Mayor & City Commission
FROM: Jeremy Howard – City Manager
DATE: November 14, 2024
RE: Residential Solid Waste Contract Extension – GFL

For the Agenda of November 18, 2024

Background. The City’s current contract for residential waste services with GFL Environmental expires at the end of June, 2025. City staff have worked with GFL to allow the city to continue these services for our residents under contract extension language in the current contract (*att’d*). The City Commission is asked to consider approving the 5-year contract extension and continue the services contract for trash, recycling, and yard waste pickup with GFL Environmental, based out of Harrison here in Clare County. GFL has submitted a proposal (*att’d*) for said five-year extension with a proposed fee schedule through June, 2030. The cost increase per year will remain the same as the existing contract at 3% per year. Executing this contract extension with GFL is in the best interest of the City of Clare due to the excellent performance they have provided the city as well as the historical knowledge that they have of our system and the city.

Issues & Questions Specified. Should the City Commission accept the proposed 5-year contract extension received from GFL to continue residential waste services for the city for the next 5 years?

Alternatives.

1. Approve the contract extension for these services.
2. Reject the proposal received and not award the contract extension for these services.
3. Direct that additional proposals/bids be requested.
4. Set the matter aside for further consideration and deliberation at a subsequently scheduled public meeting.

Financial Impact. Funds are included in the City’s Fiscal Year Budget for the services and will be budgeted for future years.

Recommendation. I recommend the City Commission accept the contract extension proposal received, and award the residential waste services contract to GFL Environmental by adoption of Resolution 2024-090.

Attachments.

1. GFL Environmental Contract – Current.
2. Residential Waste Services Extension Proposal.
3. Resolution 2024-090.

AGREEMENT

THIS AGREEMENT is made on this 1 day of July, 2022 by and between the City of Clare , a Michigan Municipal Corporation, of 202 W 5th Street Clare, Michigan, hereinafter referred to as "City"; and GFL ENVIRONMENTAL INC, a Michigan Corporation, 4102 Industrial Pkwy, P.O Box 621, Harrison, Michigan, hereinafter called the CONTRACTOR.

WHEREAS, the Contractor is a corporation authorized by law to engage in the business of collecting and disposing of household garbage and trash hereinafter called solid waste.

NOW THEREFORE, it is agreed as follows:

That the Contractor will, in a sanitary manner, without litter, collect and dispose of all solid waste and recycling, with the exceptions hereinafter set forth, from each residential unit within the City, on a not less than weekly basis.

ARTICLE I - RESIDENTIAL COLLECTION

Section 1. - Solid Waste, Yard Waste and Recycling Collection

The Contractor shall collect no less than once per week unlimited household Solid Waste, and Single Stream recycling from each residential unit on Thursday, Single Stream Recycling weekly from City, all solid waste, and recycling which is properly prepared and placed. The Contractor shall not be required to collect or dispose of residential solid waste which is not placed by the roadside in an approved manner such as tied plastic bags, not to exceed 35 gallons, in contractor provided 95-gallon curb tote, or resident

provided tote. Single Stream Recycling in a contractor provided 95-gallon tote. Yard waste shall be collected once a week on Friday, from April 1st – November 30th. All Yard waste is unlimited and must be placed in biodegradable Kraft paper bags or place in container not weighing over 35 pounds and clearly marked "Yard Waste". Additional equipment and services at no charge, see attachment A&B.

Section 2. - Large Item Collection

The Contractor is required to collect and dispose of one large item from a residential property weekly. Residents will be required to adhere to the following large item guidelines:

Large items include:

- A. Household furniture such as a chair, couch, mattress, table, etc.
- B. Appliances such as a stove, hot water tank, microwave, refrigerator, air conditioner, dehumidifier, freezer, etc. Any appliances that contained or once contained HFC's or CFC's like Freon, must have these chemicals extracted by a certified contractor and provide proof of extraction prior to collection.
- C. Vinyl flooring and carpeting must be dry, cut into lengths of six feet or less, rolled, and securely tied.
- D. One boxed, bagged, or securely bundled item(s) not exceeding 35 pounds total.

Large items do not include:

- A. Any containers containing chemicals or liquids such as gasoline, oil, antifreeze, un-solidified paint, or other hazardous liquids.
- B. Broken glass unless prepared as defined in (D.) above.
- C. Building or remodeling materials unless prepared as defined in (D.) above.
- D. Yard waste such as leaves brush, grass, branches, or garden plant waste.
- E. Flammables and explosives.
- F. Burning barrels full of cold or hot ashes.

- G. Appliances that contain or once contained HFC's or CFC's like FREON without the proper extraction certification.
- H. Wet carpeting or carpet pad.
- I. Automotive components.
- J. Tires.
- K. Items banned from disposal per state or federal statute.

In an effort to recycle and avoid equipment damage, the Contractor reserves the right to collect certain large items with a separate truck no later than one day later than normal residential trash collection. These items will be tagged notifying the resident.

Section 3. - Special Collection Requests

The Contractor shall respond to a special collection requested by the City. For example, a collection that is necessary to address a code enforcement issue. The Contractor shall invoice the City for all costs associated with the service based on a mutually agreed upon fee schedule.

Section 4. - Collection Schedule

The Contractor shall collect and dispose of all solid waste and Single Stream Recycling from each residential unit on Thursday of each week, Yard Waste on Friday from April 1st to November 30th, Contractor will follow guidelines from City of Clare RFP Section C Route & Schedule unless otherwise mutually agreed upon.

A. Collection Times-Residential

One day per week scheduled collection services shall be made in residential areas beginning not earlier than 6:00 am and completed no later than 6:00pm, with no scheduled services on Saturday's or Sundays. The contractor shall not conduct residential collection services on City Holidays unless requested of and approved by the City.

B. Routes and Schedules

The Contractor will provide the City with schedules of collection routes and keep such information current at all times. For temporary route changes to accomplish collections on holidays, the Contractor shall notify the City in writing of his proposed changes at least one week in advance.

All other changes in routes or collection schedule and/or changes of a permanent nature shall be made only after a formal request to the City and the City's approval and response at least (15) days in advance of the proposed change. If the City will publicize the new schedule, with all publication cost to be deducted from the monthly payment to Contractor.

In the event of emergency changes in routes and/or schedules due to weather, etc, the contractor shall notify the City immediately that they are ceasing collection for a temporary time frame; and the date they intend to replace service with (within 48 hours of missed service).

Section 5. - Accessibility.

The Contractor will not be required to collect or dispose of household solid waste and large items which are not placed at the curb of a City and/or County maintained road unless mutually agreed upon and the necessary property damage waivers have been executed regarding each specific driveway(s) and/or private road(s).

Section 6. - Holiday Service.

In the event one of the following holidays occurs on or before the normal collection day, service will be delayed one day. For the purposes of this contract, holidays are: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

Section 7. - Severe Weather.

If severe weather conditions prevent the Contractor from servicing all or a portion of the City, the Contractor will collect all solid waste the next day or the following weeks collection day depending on the severity of the weather-related road conditions. In the event this situation should occur, GFL will contact City to discuss and decide on what will be in the best interest of both parties regarding safety and service.

ARTICLE II - Billing and Rate Adjustments

Section 1. - Charges and Rates.

The Contractor will invoice the City \$15,975.00 which is based on 900 homes at \$17.75. This monthly cost shall include all costs associated with collection, disposal, processing of waste and single stream recycling.

Section 2.- Rate Adjustments.

A. Waste/Single Stream Recycling

- 2023/24-\$18.28 per Unit.
- 2024/25-\$18.83 per Unit.

B. 8% administrative fee shall be deducted from total paid to the contractor by the City for the monthly bill.

Section 3. - Fuel Surcharge Rate Adjustments.

If applicable a Fuel Surcharge will not be imposed unless diesel prices rise above \$4.00 per gallon as reported by EIA. U.S. Energy Information Administration Diesel Fuel Prices Midwest (PADD2). The contractor will be entitled to apply fuel surcharge rate in the rate of \$.01 for every \$.04 of diesel over \$4.00 per gallon in each month.

ARTICLE III - Indemnification and Insurance Requirements

Section 1. - Indemnity.

The Contractor will hold the City harmless from liability or claims arising from Contractor's operation or conduct under this agreement and further, the Contractor shall procure and maintain during the life of this contract, except where indicated, the following insurance coverage:

- A. **Worker's Compensation Insurance, including employer's liability to cover employee injury or disease compensated under the Worker's Compensation Statutes of the State of Michigan.**
- B. **Comprehensive General Liability Insurance, to cover bodily injury to persons other than employees and for damage to tangible property, including loss of use thereof, and including the following exposures:**
 - 1. **Bodily injury or property damage in the amount of \$1,000,000; per occurrence/\$2,000,000 aggregate.**
 - 2. **Premise and operations coverage of like limits.**
- C. **Comprehensive Automotive Liability Insurance, to cover Michigan No-fault liability, residual bodily injury liability and property damage with coverage limits outlined in Section B-1 above and such policy covering all occurrences arising out of the ownership, maintenance or use of any owned, non-owned, or hired motor vehicle.**
- D. **Comprehensive Excess Liability. Policy to cover excess liability for bodily injury or property damage in the amount of \$1,000,000.**
- E. **Additional Insured. City of Clare must be named as an additional insured on all policies providing coverage under Sections B and C.**
- F. **Notice of Cancellation. All policies affording the various coverage required shall be endorsed to provide ten-day prior written notice to be delivered to the City before any of the coverage afforded by these policies are either reduced or cancelled.**

ARTICLE IV - OTHER CONDITIONS

Section 1. - Compliance with Local, State, and Federal Laws

The Contractor shall comply with all applicable state, county, and municipal regulations; and the City shall retain jurisdiction over the health and safety standards of the Contractor's vehicles and their operation. The Contractor will be responsible for maintaining, including proper safety placards, all containers supplied by him.

Section 2. - Service Complaints

- A. **An employee of the Contractor will be available to answer questions and resolve service issues between the hours of 8:00am and 5:00p Monday**

through Friday excluding holidays at 989-588-6000. An answering service or recorder may be used to record messages received between the hours of 5:00p and 8:00a. Prompt action shall be taken to remedy any condition, which constitutes a failure to fulfill the terms of this contract. The City Manager or a designee will respond to any complaints that are not resolved to the customer's satisfaction by the Contractor to fulfill the terms of this contract and resolve disputes concerning services provided under this contract. The City Manager or designee's decision shall be final and binding upon both the City and the Contractor.

- B. The City may, at its discretion, after providing the Contractor with at least one full working day to respond to the complaint, take whatever actions are necessary to remedy the situation and charge the Contractor for the costs incurred by the City in time and equipment.

Section 3. -- Contractor Failure/City Options

If the Contractor fails to provide collection services for the City on a City-wide basis for three or more consecutive scheduled service days, or if the Contractor fails (provided such failure is not due to war, insurrection, riot, Act of Nature, or other justifiable cause beyond the Contractor's control) to provide the contracted services in a satisfactory manner in accordance with the terms of this contract, the City may take one or more of the following actions:

1. Temporarily contract with another contractor for a period of up to thirty calendar days, the cost of which shall be borne by the current Contractor.
2. If the Contractor is unable for any cause or reason to resume Contract performance at the end of the thirty-day period, the City may deem the Contract terminated and the City shall be free to negotiate with other Contractors for the operation of collection services. Such operation with another Contractor shall not release the Contractor herein of his liability to the City for breach of this Contract.
3. If there are more than three separate interruptions of service as described above within any twelve-month period, the City may deem the contract terminated, and the City shall be free to negotiate with other Contractors for the operation of collection services. Such operation with another Contractor shall not release the Contractor herein of his ability to the City for breach of this Contract.

Section 4. - Bankruptcy

If the Contractor should be adjudged bankrupt or if it should make a general assignment for the benefit for his creditors or if a receiver should be appointed on account of its insolvency or if it should persistently or repeatedly refuse to supply enough labor, material, or equipment to maintain the established schedules or collections or if it should fail to make prompt payment for materials or labor or persistently disregard laws of the State of Michigan and ordinances of the City of Clare or otherwise be guilty of substantial violation of any provision of the contract, then the City may, without prejudice to any other right or remedy, terminate the contract and release the same.

Section 5. - Assignment

The Contractor shall not assign the contract or sublet as whole or in part, without the written consent of the City. Such consent does not release the Contractor from any of these obligations and liabilities under the contract. Violations of this specification shall result in instant forfeiture.

Section 6. - Entire Agreement

The parties agree that this document incorporates their entire agreement, and that no other promises, whether written or oral, exists. All such prior discussions are superseded by this agreement and shall be considered non-binding upon the parties.

Section 7. - Severability

If any other provision of this document is rendered void by acts of any legislature or the courts, this agreement shall be construed as if the offending portion had been omitted.

Section 8. - Changes and Modifications

No change or modification of this agreement shall be valid unless the same be in writing and signed by all parties hereto.

Section 9. - Choice of Law & Forum

This agreement shall be governed by the laws of the State of Michigan. The parties hereby irrevocably and absolutely consent and submits to the jurisdiction of the courts of the State of Michigan, United States of America and waives all recourse that might exist in any United States Federal Court.

Section 10. - Parties Bound

This agreement shall be binding not only upon City of Clare and GFL Environmental, but also their respective heirs, successors, and assigns.

ARTICLE V - TERM OF AGREEMENT

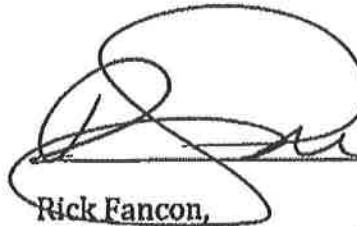
Section 1. - Terms of Contract

The contract term shall be for a period beginning July 1, 2022, and expiring June 30, 2025.

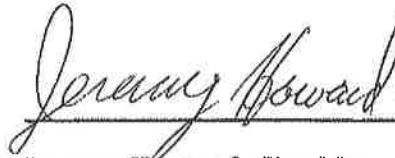
Section 2. Agreement Extensions

A 2-year contract extension of the agreement in effect may be considered by the City provided that the contractor submits a written notice of their desire to extend the current contract no later than January 30, 2025. Any additional contract extensions beyond the first extension shall be agreeable by both parties.

IN WITNESS THEREOF, the parties have executed this Agreement, the day and year first above written.

 Date 5/09/2022
Rick Fancon,

General Manager, GFL Environmental

 Date 5/9/2022
Jeremy Howard, City Manager
City of Clare

 Date 5/9/22
Luke Potter, DPW Superintendent

City of Clare

Solid Waste Bid

10/18/2024

Mary,

Thank you and the residents of the City of Clare for the privilege of servicing your solid waste and single stream recycling curbside disposal. Below is our proposal for the 5 year contract extension, Any questions please contact me at 989-240-0142 or rfancon@gflenv.com.

Solid Waste/Yard Waste

1. 2025- \$19.39 per household.
 2. 2026- \$19.97 per household.
 3. 2027- \$20.57 per household.
 4. 2028-\$21.19 per household.
 5. 2029-\$21.83 per household.
- 8% administration fee shall be deducted from total paid to contractor by the City for monthly billing.
 - Extend yard waste to second Friday of December, weather permitting.

Best Regards



Rick Fancon
General Manager

RESOLUTION 2024-090

A RESOLUTION OF THE CLARE CITY COMMISSION APPROVING THE CONTRACT EXTENSION PROPOSAL RECEIVED BY GFL ENVIRONMENTAL OF HARRISON, MICHIGAN SOLID WASTE SERVICES FOR THE CITY OF CLARE.

WHEREAS, the City of Clare is currently under contract with GFL Environmental for solid waste services and collection; and

WHEREAS, the contract for these services is set to expire in June, 2025; and

WHEREAS, per our current contract, a five-year contract extension was received and evaluated by the City staff; and

WHEREAS, the City Commission has received and has determined that the contract extension proposal from GFL Environmental is financially prudent and in the best interest of the city.

NOW THEREFORE BE IT RESOLVED THAT the Clare City Commission hereby approves a five-year contract extension per the existing contract and financial terms document as proposed with GFL Environmental to continue to fulfill the city's solid waste service needs.

ALL RESOLUTIONS AND PARTS OF RESOLUTIONS INSOFAR AS THEY CONFLICT WITH THE PROVISIONS OF THIS RESOLUTION BE AND THE SAME ARE HEREBY RESCINDED.

The Resolution was introduced by Commissioner _____ and supported by Commissioner _____.
The Resolution declared adopted by the following roll call vote:

YEAS:

NAYS:

ABSENT:

Resolution approved for adoption on this 18th day of November, 2024.

Diane Lyon, City Clerk