

Request for Committee Action

To: Transportation & Public Works
Date: 7/12/2016
Referral: Ways & Means
From: Public Works Department
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File type: Action
Subcategory: Contracts & Agreements

Subject:

Contract amendment with Minneapolis Refuse, Inc. (MRI) for Automated Vehicle Locator (AVL) telematics and day certain disposal of collected material.

Description:

Authorizing an amendment to contract C-39564 with Minneapolis Refuse, Inc. to provide Automated Vehicle Locator (AVL) telematics in all collection vehicles with standard reporting capabilities; and day-certain disposal of collected material, increasing MRI's annual service expenses from approximately \$8.93M annually, to \$8.99M the first year, for one-time equipment and labor costs, and first year support fees, and to \$8.96M each subsequent year for on-going support costs. MRI's annual service expenses will continue to increase within the year, and in consecutive years based on factors provided in the current agreement.

Previous Actions:

March 24, 2015

Execution of a new contract with Minneapolis Refuse, Inc. (MRI) for the collection of garbage, recycling, problem materials, large items, mattresses, yard waste and source separated organics.

December 10, 2014

Direction to provide City-wide, opt-in, source separated organics collection was provided to the Department of Public Works, Division of Solid Waste and Recycling through the 2015 Council Adopted budget.

September 10, 2013

Authorization to negotiate and execute an agreement with Minneapolis Refuse, Inc. for the collection of garbage, recycling, problem materials, and yard wastes for approximately one-half of the city's dwelling units.

Ward/Neighborhood/Address:

All Wards

Background/Analysis:

Minneapolis Refuse Inc. (MRI) is currently operating under a five (5) year agreement with SW&R to provide collection of garbage, recycling, organics, problem materials, large items, mattresses and yard waste for ½ of the City serviced dwelling units. MRI is paid a service fee for each dwelling unit actively serviced by MRI and a per-piece fee for each mattress collected. The fees increase throughout the term of the Agreement on a calendar driven cycle using the Consumer Price Index (CPI). The current agreement commenced on August 31, 2015 and will expire August 30, 2020.

Solid Waste and Recycling (SW&R) would like to amend the current agreement to require the implementation of Automatic Vehicle Location (AVL) telematics capability in all MRI collection vehicles with storage of transmitted data. This new service would match the capability of SW&R collection vehicles which received AVL installations in 2015-2016. MRI would be responsible for unit purchase, support costs, installation and maintenance, as well as standard reporting such as stop, travel path, tip counts, and vehicle idle time reporting. To achieve the AVL telematics capability a small device would be installed in each of the MRI vehicles to track a full set of vehicle information with on-demand and scheduled reporting of this information to SW&R. Implementing the AVL telematics capability is intended to provide a host of benefits to both MRI and SW&R such as:

- Reduced fuel consumption (idling)
- Accident Reduction
- Preventative Maintenance / reduced unscheduled maintenance
- Route planning and management
- Emergency response
- Improved accident investigation
- Reduced fraudulent accident claims
- Reduced complaints or improper service investigations
- Set-out rate calculations by service type

In addition to AVL, SW&R would like to amend the agreement to require daily disposal of collected materials. Daily disposal will aid in identifying miscoded material weights, and ensure all material weights are recorded in the proper calendar month. Material weights are a significant part of the SW&R industry. Accurate weight data is necessary for proper business management and reporting.

It is anticipated that these additional requirements would increase MRI's annual service expenses by \$68,000 or about 1% the first year, for one-time equipment and labor costs, and first year support fees, with an increase of \$24,000 each subsequent year, or 0.03% for on-going support costs.

Financial Review:

No additional appropriation required, amount included in current budget.

Future budget impact anticipated.

Approved by the Permanent Review Committee.

Meets Small and Underutilized Business Program goals.