



CITY of NOVI CITY COUNCIL

Agenda Item 1
April 22, 2013

SUBJECT: Approval of a 5-year agreement with the Resource Recovery and Recycling Authority of Southwest Oakland County (RRRASOC) to maintain the regional recycling drop-off center at the Field Services Complex on Lee BeGole Drive.

SUBMITTING DEPARTMENT: Department of Public Services *BS*

CITY MANAGER APPROVAL: *[Signature]*

BACKGROUND INFORMATION:

The City of Novi has been a member of the Resource Recovery and Recycling Authority of Southwest Oakland County (RRRASOC) since 1997, and has maintained a regional recycling drop-off center ever since. The current agreement between RRRASOC and the City of Novi expires this fiscal year. The attached agreement would cover the next 5-year period.

In 2012, there were over 824 tons of materials dropped-off at and ultimately processed from the Novi center – a 37.4% increase from 2011. The attached graphic from RRRASOC illustrates what this equates to in terms of reduced environmental impact, including over 6,100 trees saved.

Key components of the agreement include:

- Recycling of specific recyclable materials will continue at the existing drop-off center located at the north end of Lee BeGole Drive.
- In consideration for operating and maintaining the drop-off center, the City of Novi will receive from RRRASOC an annual host fee of \$16,000.
- RRRASOC will provide a sufficient number of drop-off containers, and will haul full containers to its Material Recovery Facility (MRF) for processing.
- RRRASOC will not be obligated to pick-up material that cannot be processed at its MRF.
- Novi shall maintain appropriate property insurance and public liability coverage for the site.

The City Attorney's office has reviewed the agreement and finds it to be in an acceptable form with the insertion of the suggested indemnification language cited in Beth Saarela's March 15, 2013 letter (attached).

RECOMMENDED ACTION: Approval of a 5-year agreement with the Resource Recovery and Recycling Authority of Southwest Oakland County (RRRASOC) to maintain the regional recycling drop-off center at the Field Services Complex on Lee BeGole Drive.

	1	2	Y	N
Mayor Gatt				
Mayor Pro Tem Staudt				
Council Member Casey				
Council Member Fischer				

	1	2	Y	N
Council Member Margolis				
Council Member Mutch				
Council Member Wrobel				

**City of Novi
Recycling Drop-Off Center
2012 Recycling Dashboard Metrics**

Materials Recycled (tons)	824.1
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Environmental Impact ¹	
Energy Saved (million Btu)	8,175.5
Energy Saved (annual household equivalents)	80.9
Reduced Airborne Pollution Emissions (tons)	916.9
Reduced Waterborne Pollution Emissions (tons)	3.4
Mined Resource Savings (tons)	49.7
Number of Trees Saved	6,121,4

¹ Lifecycle analyses of materials allows for the comparison of recycling materials to the use of virgin materials for industrial feedstock.





R·R·R·A·S·O·C

20000 W. 8 Mile Rd., Southfield, MI 48075-5708
Office: 248.208.2270 Fax: 248.208.2273
Website: www.RRRASOC.org

March 4, 2013

Rob Hayes
Director of Public Services
City of Novi

Dear Rob:

Attached for the City's review and approval is an "Agreement to Maintain a Regional Recycling Drop-Off Center." The current 5-year agreement, effective as of July 7, 2008, contains provisions to extend the agreement for five (5) years. The RRRASOC Board of Directors approved such an extension at its February 28, 2013 Regular Meeting.

The recycling drop-off center in Novi continues to grow in popularity, with more than 824 tons of material being collected at the site in 2012, representing a 37.4% increase from the prior year. In addition to the environmental benefits of recycling, that material is an important recycled material feedstock, with which continued value-added activity can take place, contributing to Michigan's economic growth.

We look forward to working with the City to maintain this popular service. Please let me know if you have any comments or questions.

Sincerely,
Michael J. Csapo
Michael J. Csapo
General Manager

Member Communities

•Farmington •Farmington Hills •Novi •South Lyon •Southfield •Walled Lake •Wixom

AGREEMENT TO MAINTAIN A REGIONAL RECYCLING DROP-OFF CENTER

THIS AGREEMENT, amended as of _____, is between the CITY OF NOVI, a Michigan municipal corporation whose address is 45175 W. Ten Mile Road, Novi, Michigan 48375-3024 ("Novi") and the RESOURCE RECOVERY AND RECYCLING AUTHORITY OF SOUTHWEST OAKLAND COUNTY, a Michigan public body corporate whose address is 20000 W. Eight Mile Road, Southfield, Michigan 48075-5708 ("RRRASOC").

WHEREAS, RRRASOC has been incorporated by its constituent municipalities (the "Member Communities"), including Novi, to provide regional recycling programs and services in a cost-effective manner; and

WHEREAS, RRRASOC has previously identified an opportunity to improve the recycling drop-off services provided to the residents of Novi and the residents of the other RRRASOC member communities while providing significant cost savings through economies of scale and combining the resources available to RRRASOC; and

WHEREAS, RRRASOC has established a regional recycling drop-off center at the site of the Novi Department of Public Works;

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. The "RRRASOC/Novi Regional Recycling Drop-Off Center" (the "Center") established at the site of the Novi Department of Public Works shall continue. The Center shall be available to all residents of RRRASOC Member Communities.
2. The recyclable materials collected at the Center are described in Exhibit A. Additional material types permitted for collection at the Center may be recommended by RRRASOC from time to time, but no such additional material types shall be permitted to be collected at the Center without the prior approval of Novi, and Novi shall not be responsible for any additional costs associated with the drop-off and collection of such additional materials. Novi shall use its reasonable discretion in considering any recommendation from RRRASOC as to additional material types.
3. Novi shall retain day-to-day site management responsibility and operating costs of the Center, including staffing, maintenance, insurance and contacting haulers/vendors designated by RRRASOC to collect and process recyclable materials. Hours of operation of the Center shall be unchanged from the hours of operation identified in Exhibit A unless changed by agreement between Novi and RRRASOC.
4. RRRASOC shall pay Novi an annual Host Community Management Fee (the "Host Fee") of Sixteen Thousand Dollars (\$16,000). The amount of the Host Fee will be reviewed annually by the Novi City Council. The Host Fee shall be payable annually on or before June 30th. Payment shall be made by check or draft payable to the City of Novi, and shall be delivered either in person or by first class mail, to the Treasurer of the City.
5. RRRASOC shall be responsible for all equipment rental costs, hauling costs, processing fees, and residual disposal costs attributable to the operation of the Center. RRRASOC shall provide sufficient containers to permit the orderly operation of the Center. RRRASOC will ensure that all containers that are at least half full are emptied each Friday.
6. RRRASOC shall be responsible for monitoring all recyclable materials marketing by designated haulers/vendors and shall be entitled to all revenue generated by the sale of marketed recyclable material. Only recyclable materials that can be processed at RRRASOC's Materials Recovery Facility (the "MRF") shall be required to be picked up by RRRASOC, and RRRASOC shall have no responsibility for the collection or disposal of any materials that cannot be processed at the MRF.
7. During the term of this Agreement, Novi shall continuously maintain property insurance and public liability coverage, either from private carriers or on a self-insured basis, on the Center as part of Novi's standard coverage of its municipal facilities. Such policies of insurance and public liability coverage shall name RRRASOC and its officers, employees and agents as an additional insured party as their interests may appear. Novi shall

AGREEMENT TO MAINTAIN A REGIONAL RECYCLING DROP-OFF CENTER

provide RRRASOC not less often than annually with evidence that such policies of insurance and public liability coverage remain in force and effect. To the extent permitted by law, and without waiving government immunity the City would be entitled to as a result of the conduct or actions of the City or its officers, agents, employees or contractors that is the subject of any claim or action resulting from the obligations under this agreement, Novi shall indemnify and hold harmless RRRASOC and its agents against claims asserted by or on behalf of any person or entity arising or resulting from the operation of the Center, only to the extent of the degree of fault of the City or its officers, employees, agents, or contractors. Likewise, to the extent permitted by law, RRRASOC shall indemnify and hold harmless the City of Novi and its City Council, officers, employees, agents and contractors against claims asserted by or on behalf of any person or entity arising or resulting from the actions or inactions of RRRASOC and its employees, agents or contractors with respect to the operation of the Center, only to the extent of the degree of fault of RRRASOC or its employees, agents or contractor. RRRASOC maintains and shall maintain property insurance and public liability coverage, either from private carriers or on a self-insured basis, for its operations at the MRF. Such policies of insurance and public liability coverage shall extend to RRRASOC's operations, either acting itself or through RRRASOC's vendors or agents, at the Center. RRRASOC may satisfy the obligations of this section by causing its private vendor to extend insurance coverage in accordance with the terms of this section. Proof of such insurance, whether provided by RRRASOC or its private vendor, shall be provided to Novi on an annual basis.

8. The initial term of this Agreement shall be for five (5) years, with the option to extend the Agreement for an additional term of five (5) years. Novi and RRRASOC shall monitor the operation of the Center and determine annually on or before each January 1 whether the terms of the Agreement should be modified. Novi and RRRASOC each agree to use their reasonable discretion in considering any proposal for amendments to this Agreement made by the other party.

9. This Agreement may be terminated for any reason by either party, upon 120 days written notice given to the other party.

10. RRRASOC shall make available to Novi legal and technical advice relating to the operation of the Center, which advice will be provided on a reasonable basis and upon Novi's request.

IN WITNESS WHEREOF, Novi and RRRASOC have executed this Agreement as of the date first above written.

CITY OF NOVI

By _____
Mayor

By _____
City Clerk

RESOURCE RECOVERY AND RECYCLING AUTHORITY OF SOUTHWEST OAKLAND COUNTY

By _____

AGREEMENT TO MAINTAIN A REGIONAL RECYCLING DROP-OFF CENTER

Michael J. Csapo
General Manager

Attachment A



In Novi

The drop-off area is open during daylight hours, seven days a week.
The following items may be deposited, unsorted, into on-site receptacles:



- Magazines
- Newspapers
- Plastic Containers (both narrow-neck and wide-neck containers; #1, #2, #4 - #7)
- Bulky #2 Plastics (like cat litter buckets and kids' molded furniture)
- Glass Bottles and Jars
- Catalogs, Junk Mail, & Phonebooks
- Household Metals (including pans and small scrap metal)
- Garden Plastics
- Paper Drink Cartons
- Boxboard
- Cardboard



JOHNSON ROSATI SCHULTZ JOPPICH PC

34405 W. Twelve Mile Road, Suite 200 ~ Farmington Hills, Michigan 48331-5627
Phone: 248.489.4100 | Fax: 248.489.1726

Elizabeth Kudla Saarela
esaarela@jrsjlaw.com

www.johnsonrosati.com

March 15, 2013

Rob Hayes, Public Services Director
City of Novi, Department of Public Services
Field Services Complex
26300 Lee BeGole Drive
Novi, MI 48375

Re: **Resource Recovery and Recycling Authority of Southwest Oakland County**
Agreement to Maintain a Regional Recycling Drop-Off Center

Dear Mr. Hayes:

We have received and reviewed the proposed Agreement to Maintain a Regional Recycling Drop-Off Center between the City of Novi and the Resource Recovery and Recycling Authority of Southwest Oakland County (RRRASOC) for the upcoming five (5) year term. The terms of the Agreement are the same terms as the 2008 Agreement between the City and RRRASOC.

Though the Agreement is in the same format as the 2008 and previous versions of the Agreement, we note that we would recommend certain modifications to the indemnity provision included in Paragraph 7 of the Agreement based on recent case law that makes these types of provisions more enforceable against the City. *See Detroit Edison Company v City of Detroit*, 2009 WL 1830740 (Mich.App.), in which the Court held that the immunity from tort liability established by MCL 691.1407 does not extend to contract actions. Based on the above decision, we recommend the following revisions to Paragraph 7:

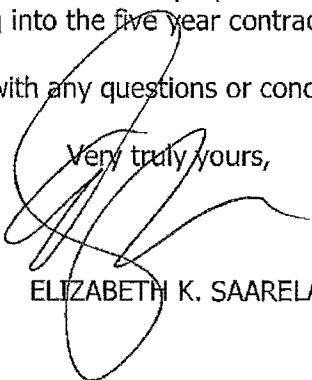
7. During the term of this Agreement, Novi shall continuously maintain property insurance and public liability coverage, either from private carriers or on a self-insured basis, on the Center as Novi's standard coverage of its municipal facilities. Such policies of insurance and public liability coverage shall name RRRASOC and its officers, employees and agents as an additional insured party as their interests may appear. Novi shall provide RRRASOC not less often than annually with evidence that such policies of insurance and public liability coverage remain in force and effect. To the extent permitted by law, and without waiving governmental immunity the City would be entitled to as a result of the conduct or actions of the City or its officers, agents, employees or contractors that is the subject of any claim or action resulting from the obligations under

this agreement. - Novi shall indemnify and hold harmless RRRASOC and its agents against claims asserted by or on behalf of any person or entity arising or resulting from operation of the Center, only to the extent of the degree of fault of the City or its officers, employees, agents or contractors, excepting willful or reckless misconduct by RRRASOC or its Agents. Likewise, to the extent permitted by law, RRRASOC shall indemnify and hold harmless the City of Novi and its City Council, officers, employees, agents and contractors against claims asserted by or on behalf of any person or entity arising or resulting from the actions or inactions of RRRASOC and its employees, agents or contractors with respect to the operation of the Center, only to the extent of the degree of fault of RRRASOC or its employees, agents or contractor. RRRASOC maintains and shall maintain property insurance and public liability coverage shall extend to RRRASOC's operations, either acting itself or through RRRASOC's vendors or agents at the Center. RRRASOC may satisfy the obligations of this section by causing its private vendor to extend insurance coverage in accordance with the terms of this section. Proof of such insurance, whether provided by RRRASOC or its private vendor, shall be provided to Novi on an annual basis.

Subject to the above modification of the proposed indemnity provision, we see no legal impediment to the City entering into the five year contract.

Please feel free to contact me with any questions or concerns in regard to this matter.

Very truly yours,



ELIZABETH K. SAARELA

EKS

Enclosures

C: Maryanne Cornelius, Clerk (w/ Enclosures)
Thomas R. Schultz, Esquire (w/Enclosures)