



Legislation Details (With Text)

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Title: Substitute resolution authorizing the Department of Public Works to amend a lease agreement with Miller Compressing Company for a portion of the City Tow Lot for the preparation of vehicles for recycling and to amend a contract with Miller Compressing Company for the processing, transporting and recycling of all vehicles scheduled for recycling by the City of Milwaukee.

Sponsors: ALD. DONOVAN

Indexes: AGREEMENTS, MOTOR VEHICLES, RECYCLING

Attachments: 1. Fiscal Note, 2. Fiscal Analysis, 3. Miller Compressing Contract Amendment.pdf, 4. Miller Compressing Lease Amendment.pdf, 5. Exhibit A - Miller Compressing Lease Final.pdf, 6. Cover Letter, 7. Hearing Notice List

Date	Ver.	Action By	Action	Result	Tally
4/14/2009	0	COMMON COUNCIL	ASSIGNED TO		
4/16/2009	0	PUBLIC SAFETY COMMITTEE	HEARING NOTICES SENT		
4/17/2009	1	CITY CLERK	DRAFT SUBMITTED		
4/23/2009	0	PUBLIC SAFETY COMMITTEE	RECOMMENDED FOR ADOPTION	Pass	4:0
5/5/2009	1	COMMON COUNCIL	ADOPTED	Pass	15:0
5/13/2009	1	MAYOR	SIGNED		

..Number
081747
SUBSTITUTE 1
030527
ALD. DONOVAN

Substitute resolution authorizing the Department of Public Works to amend a lease agreement with Miller Compressing Company for a portion of the City Tow Lot for the preparation of vehicles for recycling and to amend a contract with Miller Compressing Company for the processing, transporting and recycling of all vehicles scheduled for recycling by the City of Milwaukee.

This resolution authorizes the Department of Public Works to amend a lease agreement with Miller Compressing Company for a portion of the City Tow Lot for the preparation of vehicles for recycling. The lease amendment is expanded to include 7,800 sq. ft. of undeveloped land to be used as an employee parking lot for Miller Compressing Company employees. The lease of the additional land is contingent upon approval by Milwaukee Metropolitan Sewerage District. Lease payments will be increased in direct proportion to the area utilized.

This resolution also authorizes the Department of Public Works to amend a contract with Miller Compressing Company for the processing, transporting and recycling of all vehicles scheduled for recycling by the City of Milwaukee. The contract amendment adds two price incentives to the existing contract:

1. The base price (per vehicle price paid to the city) is increased by \$12, from \$4 to \$16 for each vehicle delivered through October 13, 2013 and from \$6 to \$18 for the balance of the term of this agreement. This is a non-variable price increase.
 2. The price per vehicle is increased or reduced by \$1.50 for each \$50 change from the agreed auto scrap value of \$250/ton. This is a variable 1-2% increase or decrease based on the quarterly auto scrap price.
- Disposal related transportation and processing costs remain fixed throughout the contract term.

Whereas, On October 14, 2003, the Common Council adopted Resolution File Number 030527, authorizing the Department of Public Works to enter into a lease agreement with Miller Compressing Company for a portion of the City Tow Lot for the preparation of vehicles for recycling, and to enter into a contract with Miller Compressing Company for the processing, transporting and recycling of all vehicles scheduled for recycling by the City of Milwaukee; and

Whereas, Since 1996 the City of Milwaukee has had a contract with Miller Compressing Company for the processing and recycling of all vehicles delivered to Miller and has been operating on a 10-year contract with an option for 3 additional years since 2003; and

Whereas, Miller Compressing contacted DPW seeking to extend the contract length and modify the lease agreement in order to amortize their capital investment of \$1.7 million in site improvements provided by the original contract, and the City is amenable to such request; and

Whereas, Since 2004 the City of Milwaukee has delivered approximately 40,000 vehicles to Miller Compressing Company for processing and recycling for city revenues exceeding \$5,000,000; and

Whereas, Under the terms of both the lease amendment and contract amendment, both will continue until October 13, 2023 unless otherwise agreed to by the parties, provided that the contract will automatically terminate upon expiration or termination of the lease; and

Whereas, Per the lease amendment, Miller Compressing Company will have the option to lease an additional 60 foot by 130 foot area of land that overlaps with a right-of-way held by Milwaukee Metropolitan Sewerage District (MMSD), contingent upon agreement with MMSD; and

Whereas, Per the contract amendment, the City will receive an increase of \$12 in base price per vehicle and the price per vehicle will be adjusted based upon the quarterly auto scrap price; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that the Common Council approves an amendment to the lease agreement with Miller Compressing for a portion of the City Tow Lot for the preparation of vehicles for recycling, and an amendment to the contract with Miller Compressing for the processing, transporting and recycling of all vehicles scheduled for recycling by the City; and, be it

Further Resolved, That the proper City officers are authorized and directed to execute a lease amendment and a contract amendment between the City and Miller Compressing Company in substantially the form contained in the attachment to this file.

LRB09159-2
RTW