



Legislation Text

File #: 030527, **Version:** 1

030527
SUBSTITUTE 1

THE CHAIR

Substitute resolution 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.

This resolution authorizes 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.

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 month to month contract since 2000; and

Whereas, Miller Compressing Company has the financial capability, physical resources and proximity, appropriate permits and licenses and a good track record of complying with environmental regulations for processing and recycling large volumes of vehicles; and

Whereas, In 2002 the City of Milwaukee delivered 16,423 vehicles to Miller Compressing Company for processing and recycling; and

Whereas, Due to the large number of scrap vehicles the City of Milwaukee processes on an annual basis, the City is attempting to maximize revenues while minimizing costs in an increasingly volatile scrap market; and

Whereas, The terms of both the lease agreement and contract is for 7 years and shall be extended for an additional 3 years unless otherwise agreed to by the parties, provided that the contract will automatically terminate upon expiration or termination of the lease; and

Whereas, Miller Compressing Company will pay the City \$10,000 annually to rent a portion of the City Tow Lot located at 3811 W. Lincoln Avenue for the preparation of vehicles for recycling and will also be responsible for associated utility costs; and

Whereas, Miller Compressing Company will be responsible for paying for capital improvements to the leased portion of the Tow Lot, including preparing the site, grading, laying asphalt and installing fluid collection tanks; and

Whereas, Miller Compressing Company is required to furnish the labor, equipment and material necessary at the City Tow Lot to remove CFC refrigerants, fuel, fluids, batteries and tires from vehicles scheduled for recycling, in accordance with all environmental regulations; and

Whereas, Miller Compressing Company is required to process the scrap vehicles at the leased premises and transport the vehicles within 3 working days of delivery, except as otherwise permitted under the contract with provisions if the City delivers fewer than an average of 45 scrap vehicles per day in any working week; and

Whereas, Miller Compressing Company is required to keep hours of operation at the leased premises as specified under the contract, but in the event of a declared snow emergency, Miller will modify its hours of operation to accommodate the City's salvage needs; and

Whereas, Miller Compressing Company is required to recycle the vehicles by shredding but may sell parts or components of the vehicles; and

Whereas, The City of Milwaukee agrees to supply Miller Compressing Company with 80% of all scrap vehicles disposed of in a calendar year; and at least 75% of all scrap vehicles disposed of in a calendar month; and at least 80% of all scrap vehicles disposed of during the period from January 1 through September 30 in a calendar year; and at least 98% of unclaimed health nuisance tows disposed of in a calendar year; and

Whereas, The scrap vehicles must have all components, parts and accessories that were present on the vehicles when they were towed by the City, other than complete vehicles in excess of 19 model years of age and seized, confiscated or evidence vehicles; and

Whereas, The City will receive a base price (\$77.77 per each scrap vehicle not including health nuisance tows) adjusted quarterly based on a scrap index as prescribed in the contract plus \$4.00 per each scrap vehicle, and the City will pay Miller Compressing Company \$37.00 for fluid/freon evacuation and transportation to Miller's Bruce Street facility, the rate which is fixed for the life of the contract; and

Whereas, The City will receive the base price (\$77.77 per each health nuisance vehicle) adjusted quarterly based on a scrap index plus \$4.00 for each health nuisance vehicle that is delivered by the City directly to Miller's Bruce Street facility, and the City will pay Miller Compressing Company \$23.50 for fluid/freon evacuation, the rate which is fixed for the life of the contract; and

Whereas, During September of each year, all scrap vehicles and health nuisance vehicles will be weighed, and if the average per vehicle weight is at least 1% greater or less than the starting weight, then the base price will be adjusted accordingly on the first day of the next calendar year; and

Whereas, Miller Compressing Company is required to conduct all operations in a secure and nuisance-free manner and in compliance with all federal, state and local laws and ordinances including obtaining a storm water permit; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that the Department of Public Works is authorized to enter into a lease agreement with Miller Compressing for a portion of the City Tow Lot for the preparation of vehicles for recycling and to enter into a 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 and a contract between the City and Miller Compressing Company in substantially the form contained in the attachment to this file.

DPW-Administrative Services

LRB03434-2

TWM/cac

9/23/2003