



City of Grand Island

Tuesday, June 26, 2012

Council Session

Item G7

#2012-160 - Approving Agreement for Administrative Services & Development of Promotional Materials Regarding MEAN Nebraska Refrigeration Recycling Program

Staff Contact: Tim Luchsinger, Utilities Director

Council Agenda Memo

From: Timothy Luchsinger, Utilities Director
Jason Eley, City Attorney/Purchasing

Meeting: June 26, 2012

Subject: Agreement for Administrative Services and Development of Promotional Materials Regarding MEAN Nebraska Refrigeration Recycling Program

Item #'s: G-7

Presenter(s): Timothy Luchsinger, Utilities Director

Background

The City of Grand Island is a member of the Municipal Energy Agency of Nebraska (MEAN), who has teamed with other state power suppliers and the Nebraska Department of Environmental Quality to form the Nebraska Refrigerator Recycling Program. This program is funded in part by the NDEQ's Litter Reduction Grant Program, and other participating utilities include Omaha Public Power District, Nebraska Public Power District, and the Utilities Departments in Hastings, Fremont, Nebraska City, and Falls City. In all, approximately 87% of electric customers in Nebraska could be eligible for this conservation/recycling program.

The program allows a customer of a participating utility to contact a third-party contractor to schedule a pick-up of an old refrigerator or freezer, which must be in working condition, and receive \$35 for up to two units per household. The contractor will properly remove any Freon, mercury, and other hazards and recycle the metals and plastics. This will ensure proper disposal of the unit and potentially reduce electric demand. The cost to the utility is \$50 per unit and includes administrative and advertising costs as well as the utility's share of the recycling and incentive costs. Details of the program can be viewed at http://www.nmppenergy.org/energysmart/refrigerator_rebate .

Discussion

This program would provide Grand Island's electric customers a rewarding method to dispose of their old refrigerators and freezers in an environmentally correct manner, and allow the City to avoid dealing with units that may have been left in roadsides or other improper sites. MEAN has proposed the attached Service Agreement which will allow

Grand Island to recycle up to 65 units, with a potential cost of \$3,250. Department staff has reviewed this agreement and recommends its approval.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

Recommendation

City Administration recommends that the Council approve the Agreement for Administrative Services and Development of Promotional Materials Regarding MEAN Nebraska Refrigeration Recycling Program.

Sample Motion

Move to approve the Agreement for Administrative Services and Development of Promotional Materials Regarding MEAN Nebraska Refrigeration Recycling Program.

**AGREEMENT FOR
ADMINISTRATIVE SERVICES AND DEVELOPMENT OF PROMOTIONAL MATERIALS
REGARDING MEAN NEBRASKA REFRIGERATION RECYCLING PROGRAM**

This Agreement for Administrative Services and Development of Promotional Materials is made this _____ day of _____, 20____, between the Municipal Energy Agency of Nebraska, a political subdivision of the State of Nebraska, hereinafter called "MEAN", and the Grand Island Utilities, acting for and on behalf of the City of Grand Island, Nebraska, hereinafter called "Municipality".

RECITALS:

MEAN's Nebraska Refrigeration Recycling Program (the "Recycling Program") is offered within the State of Nebraska to participating municipalities and their local utility customers.

MEAN, in conjunction with the Recycling Program, has initiated a service designed to assist members in communicating with their local utility customers, promoting the benefits of the Recycling Program through materials such as brochures, posters and media releases.

Municipality is a member of MEAN and recognizes the importance of offering and promoting the Recycling Program to Municipality's customers.

In consideration of the mutual promises contained herein, MEAN and Municipality agree as follows:

1. Term

1.1 This Agreement shall become effective upon execution and shall continue in effect through December 31, 2012.

2. Services to be Provided and Responsibilities of the Parties

2.1 MEAN will designate Municipality as a participant in the Recycling Program. MEAN will coordinate with the third-party contractor responsible for recycling services under the Recycling Program to ensure Municipality's customers have an opportunity to participate by calling the contractor's call center. Municipality will provide to MEAN zip codes of all retail customers in Municipality's service territory. Municipality will report to MEAN any problems customers have with the contractor. Municipality may advertise the availability of the Recycling Program to its customers in 2012, including placing a link on Municipality's website that links to the contractor's website.

2.2 MEAN will provide the following materials ("Materials") for use by Municipality in promoting the Recycling Program to Municipality's customers:

- a. Brochures (50 copies included in base fee; additional copies available upon request at a cost as set forth in Section 3.1 below)
- b. Posters (10 copies included in base fee; additional copies available upon request at a cost as set forth in Section 3.1 below)

- c. Sample media release (one copy)
- d. Sample bill stuffer (one copy)

2.3 Municipality may request, and MEAN may agree, to develop additional promotional materials for an additional fee as set forth in Section 3.1 below.

2.4 Distribution of the materials to third parties, including without limitation Municipality's customers, will be the responsibility of the Municipality.

2.5 Municipality is responsible for all administrative costs of its participation in the Recycling Program, including without limitation costs of the following: distribution of Materials, providing zip codes to MEAN, and hosting the Municipality's website on which the link to the contractor's website resides.

3. Payment

3.1 Municipality will pay MEAN:

- a. Base fee of \$50.00 per refrigerator or freezer unit recycled in accordance with the Program terms, and
- b. MEAN's cost, as determined by MEAN in MEAN's sole discretion and communicated in advance to Municipality, for any additional copies of brochures requested pursuant to Section 2.2 above, and
- c. MEAN's cost, as determined by MEAN in MEAN's sole discretion and communicated in advance to Municipality, for any additional copies of posters requested pursuant to Section 2.2 above, and
- d. \$130.00 per hour for development of additional promotional materials requested pursuant to Section 2.3 above.
- e. Fees set forth above in subsection a. and subsection d. are subject to change upon fifteen (15) days advance written notice from MEAN.

3.2 Bills for materials and services shall be rendered by MEAN monthly, and shall be paid by Municipality within thirty (30) days after the date the bill is rendered. If any bill is not paid in full within thirty (30) days, it shall be deemed delinquent and interest shall accrue at the rate of 1.25% per month, or fraction thereof, on any unpaid amount from the date the bill becomes delinquent until payment is made.

4. Indemnification; Limitation of Liability

4.1 MEAN shall have no responsibility or liability for the services of the third-party contractor responsible for recycling services under the Recycling Program. MEAN MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, REGARDING THE RECYCLING PROGRAM, CONTRACTOR'S SERVICES OR AS TO THE ACCURACY OR COMPLETENESS OF ANY MATERIALS OR THEIR CONTENTS. Notwithstanding any other provision of this Agreement, MEAN's total liability to Municipality for any loss or damage, including, but not limited to, special and/or consequential damages arising out of or in connection with the

performance of services or any other cause shall not exceed the compensation received by MEAN from Municipality under this Agreement, and Municipality hereby releases and will hold harmless MEAN from any liability above such amount. Municipality further agrees, to the fullest extent permitted by law, to defend, indemnify and hold harmless MEAN and its officers, employees and agents from and against all claims, damages, losses and expenses, direct or indirect, or consequential damages including, but not limited to, attorney's fees arising out of or resulting from the performance of MEAN's services or the delivery of Materials hereunder.

5. General

5.1 This Agreement does not and is not intended to confer any rights or remedies upon any person other than the Parties.

5.2 Neither Party shall have the right to assign this Agreement without the consent, in writing, of the other Party.

5.3 This Agreement shall be governed by the laws of the State of Nebraska.

5.4 This Agreement embodies all of the terms binding between the Parties hereto and replaces all provisions, representations or proposals not embodied herein.

5.5 Any waiver in regard to the performance of this Agreement shall operate only if in writing.

5.6 In the event any provision of this Agreement shall be held invalid and unenforceable, the remaining provisions shall be valid and binding upon the Parties.

IN WITNESS WHEREOF, MEAN and Municipality have caused this Agreement for Administrative Services and Development of Promotional Materials to be duly executed by their authorized officers.

MUNICIPAL ENERGY AGENCY OF
ON NEBRASKA

GRAND ISLAND UTILITIES, ACTING FOR AND
BEHALF OF THE CITY OF GRAND ISLAND,
NEBRASKA

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

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RESOLUTION 2012-160

WHEREAS, the City of Grand Island is a member of the Municipal Energy Agency of Nebraska (MEAN) who has teamed with other state power suppliers and the Nebraska Department of Environmental Quality to form the Nebraska Refrigerator Recycling Program; and

WHEREAS, the program allows a customer of a participating utility to contact a third-party contractor to schedule a pick-up of an old refrigerator or freezer, which must be in working condition to receive \$35 for up to two units per household; and

WHEREAS, this incentive program will allow proper disposal of the units and potentially reduce electric demand; and

WHEREAS, the Service Agreement will allow Grand Island to recycle up to 65 units, at a potential cost of \$3,250.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, the Agreement for Administrative Services and Development of Promotional Materials Regarding MEAN Nebraska Refrigeration Recycling Program is hereby approved.

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Adopted by the City Council of the City of Grand Island, Nebraska, June 26, 2012.

Jay Vavricek, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form	▣ _____
June 26, 2012	▣ City Attorney