



CITY OF NOVI CITY COUNCIL
JUNE 17, 2024

SUBJECT: Consideration of Resolution Approving Assignment of Waste Hauling Agreement from GFL Environmental to Priority Waste LLC. subject to the Transfer Agreement between GFL and Priority Waste begin finalized and Priority Waste providing insurance to the City.

SUBMITTING DEPARTMENT: City Manager

BACKGROUND INFORMATION:

GFL sent a letter to the City on June 6, 2024, requesting the City to approve the assignment of its waste hauling agreement with the City, to Priority Waste. The agreement provides that an assignment of the responsibilities under the agreement will not be effective unless it is approved by the City. The City's approval of an assignment cannot be unreasonably withheld. GFL indicated that it plans to close on its Transfer Agreement with Priority Waste on June 30, 2024.

The Resolution indicates that approval of the assignment is contingent upon the Transfer Agreement being finalized between GFL and Priority Waste and if that does not occur, the City's approval will be null and void and GFL will continue as the provider. If the Transfer Agreement is approved, the Resolution requires Priority Waste to provide the City with an insurance certificate with the coverages indicated in the agreement and to execute an amendment to the agreement to update their contact and notice information.

RECOMMENDED ACTION: Approval of Resolution Consenting to the Assignment of the City's waste hauling agreement from GFL Environmental to Priority Waste.



June 4, 2024

Via Email

City of Novi
45175 Ten Mile Rd
Novi, MI 48375

Attention: Victor Cardenas

Re: Priority Waste Purchase of Southeast Michigan Residential Business from GFL

Dear Valued Customer:

We are writing to you in connection with your residential collection services contract with GFL Environmental USA Inc. (“GFL”) (the “Agreement”).

We are excited to announce that GFL has agreed to sell the assets used in its Southeast Michigan residential solid waste collection business to Priority Waste LLC (“Priority”) (such sale, the “Transaction”).

In connection with and conditioned upon closing of the Transaction, it is contemplated that Priority will acquire the Agreement by way of an assignment of the Agreement by GFL to Priority, effective at the closing of the Transaction (the “Agreement Transfer”). We anticipate that the closing of the Transaction and the Agreement Transfer will occur on June 30, 2024, assuming all conditions to closing are satisfied or waived.

We are certain that Priority will continue to meet the high service standards you have come to expect from dealing with GFL and we and Priority are coordinating the transition of the business to ensure there is no disruption in service. GFL will continue to perform its obligations under the Agreement until the closing of the Transaction. Please continue to remit payment to GFL until you are instructed otherwise.

We would ask that you please return a countersigned copy of this letter by email at your earliest convenience. By signing this letter, you consent to the Agreement Transfer, waive any notice period or any other requirement in the Agreement with respect to the Agreement Transfer and agree that, notwithstanding the closing of the Transaction, the Agreement will survive and continue in full force and effect without any further action by you or GFL. Your consent will be effective as of the date of closing of the Transaction.

Please reach out to one of us personally with any questions you may have. On behalf of all of us at GFL, thank you for your business.

Very truly yours,

Rick Vannan ((947) 241-4395 or rvannan@gflev.com)
Don Barretta ((586) 933-3812 or dbarretta@gflev.com)
Sam Caramagno ((734) 812-5732) or scaramagno@gflev.com)

City of Novi

By: _____

Name: _____

Title: _____

CITY OF NOVI
COUNTY OF OAKLAND, MICHIGAN

CITY OF NOVI RESOLUTION
CONSENTING TO THE ASSIGNMENT OF ITS WASTE HAULING
SERVICES AGREEMENT FROM GFL ENVIRONMENTAL
TO PRIORITY WASTE LLC

Minutes of a Meeting of the City Council of the City of Novi, County of Oakland, Michigan, held in the City Hall of said City on June 17, 2024, at 7 o'clock P.M. Prevailing Eastern Time.

PRESENT: Councilmembers _____

ABSENT: Councilmembers _____

The following preamble and Resolution were offered by Councilmember _____ and supported by Councilmember _____.

RECITALS:

WHEREAS, the City of Novi, ("City") entered into an agreement with GFL Environmental, ("GFL") requiring GFL to pick up residential waste and recycling materials within the City; and

WHEREAS, the agreement provides that it may not be assigned to another waste hauler without the City's consent, which cannot be unreasonably withheld; and

WHEREAS, GFL has announced that it intends to sell its residential solid waste collection business in southeast Michigan to Priority Waste LLC, ("Priority") effective upon finalizing an Agreement Transfer between GFL and Priority scheduled to occur on June 30, 2024; and

WHEREAS, GFL has provided a letter to the City requesting that it sign prior to June 30, 2024, to approve the assignment to Priority; and

WHEREAS, City Council will consent to the assignment of its waste hauling contract from GFL to Priority contingent upon the conditions in this Resolution. However, if the Agreement Transfer does not take place, the City's consent shall be null and void.

NOW, THEREFORE, BE IT HEREBY RESOLVED AS FOLLOWS:

1. City Council hereby consents to the assignment of its residential waste hauling agreement from GFL to Priority Waste and authorizes the City Manager to sign the consent letter provided by GFL.
2. The consent of City Council to the assignment is contingent upon the closing and execution of the Agreement Transfer between GFL and Priority, which is scheduled to occur on June 30, 2024. In the event that the Agreement Transfer fails to close, this consent shall be null and void and the agreement between the City and GFL shall not be assigned to Priority.
3. This consent is also conditioned upon Priority: (i) providing a certificate of insurance to the City in accordance with the terms of the GFL waste hauling agreement; (ii) signing an amendment to the GFL waste hauling agreement confirming its assumption of all the obligations under the agreement and updating its contact and notice information. All these conditions must be satisfied prior to July 31, 2024, or this Resolution shall be null and void.
4. The City Council further resolves to authorize the City Manager to take the necessary actions to finalize the assignment of the waste hauling services to Priority, should the Agreement Transfer take place.
5. All resolutions and parts of resolutions insofar as they conflict with the provisions of this Resolution are rescinded.

AYES:

NAYS:

RESOLUTION DECLARED ADOPTED.

Cortney Hanson, City Clerk

CERTIFICATION

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council of the City of Novi, County of Oakland, and State of Michigan, at a regular meeting held this 17th day of June, 2024, and that public notice of said meeting was given pursuant to and in full compliance with Act No. 267, Public Acts of Michigan,

1976, and that the minutes of said meeting have been kept and made available to the public as required by said Act.

Cortney Hanson, City Clerk
City of Novi