

**Indian River County, Florida
Solid Waste Disposal District
Board Memorandum**

Date: June 2, 2022

To: Jason E. Brown, County Administrator

From: Sean C. Lieske, Director of Utility Services

Prepared By: Himanshu H. Mehta, PE, Managing Director, Solid Waste Disposal District

Subject: Request by Waste Management to Modify Franchise Agreement

Descriptions and Conditions:

On April 21, 2015, the Indian River County (IRC) Solid Waste Disposal District (SWDD) Board entered into a Franchise Agreement with Waste Management, Inc., of Florida (WMIF) for the Solid Waste and Recyclables Collection (the “Franchise Agreement”). On October 1, 2015 (“Commencement Date”), WMIF started providing contractual services detailed below. The First Amendment to the Franchise Agreement, which related to the annual Consumer Price Index (CPI) adjustment process with an annual cap of 3%, was approved by SWDD on October 4, 2016.

The initial term of the Franchise Agreement is for a period of seven (7) years beginning on the Commencement Date and terminating on September 30, 2022. At the sole option of SWDD, the Franchise Agreement may be renewed for one (1) additional term of three (3) years under the same terms and conditions as the initial term, including amendments. SWDD had to notify WMIF by September 30, 2021, of the intent to renew or not renew the Franchise Agreement. SWDD staff issued our intent to renew on September 20, 2021.

The Franchise Agreement grants WMIF exclusive collection service for residential and commercial solid waste collection within unincorporated IRC, the exclusive collection of residential recyclables within the recycling franchise area (which includes unincorporated IRC, City of Sebastian, City of Fellsmere, City of Vero Beach, and the Town of Orchid), and an exclusive collection of Construction and Demolition (C&D) debris in containers fifteen cubic yards and greater (≥ 15 CY) in size within unincorporated IRC.

In addition to the exclusive collection of C&D in ≥ 15 CY containers, the Franchise Agreement grants WMIF the non-exclusive collection of C&D in containers less than fifteen cubic yards (< 15 CY) in size within unincorporated IRC. WMIF is also able to provide recycling services to commercial properties, but this is considered an open market service by the State of Florida, and as such, it is not exclusive to WMIF.

On May 9, 2022, staff received the attached letter from WMIF requesting the modification of the franchise agreement to remove Article 3.1 (c) for the exclusive collection of C&D in ≥ 15 CY containers.

The purpose of this agenda item is to obtain SWDD Board direction on the modification to the WMIF Franchise Agreement.

Analysis:

The general difference in the exclusive and non-exclusive treatment of C&D debris is how the franchise fee is handled by the landfill. Since WMIF was granted the exclusive franchise, they pay a tip rate of \$30 per ton at the landfill for disposal and pay a 6% franchise fee separately to IRC on a monthly basis. The non-exclusive C&D debris haulers pay a tip rate of \$31.80 per ton and do not pay a separate franchise fee to IRC. The landfill calculates the \$1.80 per ton revenue on a daily basis and transfers that to IRC.

The request by WMIF to remove the exclusivity of the C&D in ≥ 15 CY containers does allow local contractors to equally compete for this type of service. There are approximately 45 non-exclusive franchise haulers registered with the landfill.

Staff supports the request by WMIF to remove the exclusive nature of C&D from our franchise agreement.

Funding:

This is an update to the SWDD Board and does not require any funding approval.

Recommendation:

Staff is requesting that the Board approve the following:

1. Approve the request by Waste Management, Inc., of Florida to remove Article 3 (c) for the exclusive collection of C&D debris in containers 15 cubic yards and greater; and
2. Authorize the County Attorney to modify the County Ordinance to effectuate the change through a duly noticed public hearing process; and
3. Direct staff to return with an Amendment to the Franchise Agreement for Board approval at the time of the public hearing.

Attachments:

1. Letter by WMIF

EXHIBIT A

SUMMARY OF RATES BY WASTE MANAGEMENT

Residential Unit	FY2015/16 Rate	FY2016/17 Rate	FY2017/18 Rate	FY2018/19 Rate	FY2019/20 Rate	FY20/21 Rate
CPI Adjustment	N/A	N/A	1.51%	1.88%	1.31%	N/A
Single Family Subscription	\$9.68	\$9.68	\$9.83	\$10.01	\$10.14	\$10.14
Single Family Universal/mo. *	\$7.73	\$7.73	\$7.85	\$8.05	\$8.19	\$8.19
Billed Cubic Yard	\$4.73	\$4.73	\$4.80	\$4.89	\$4.95	\$4.95
Billed Cart Service	\$9.46	\$9.46	\$9.60	\$9.78	\$9.91	\$9.91
Container Maintenance Fee	\$100.00	\$100.00	\$101.51	\$103.42	\$104.77	\$104.77
15 Yard Open Top Per Pull *	\$155.00	\$155.00	\$157.34	\$160.30	\$162.40	\$162.40
20 Yard Open Top Per Pull *	\$170.00	\$170.00	\$172.57	\$175.81	\$178.11	\$178.11
30 Yard Open Top Per Pull *	\$205.00	\$205.00	\$208.10	\$212.01	\$214.79	\$214.79
40 Yard Open Top Per Pull *	\$235.00	\$235.00	\$238.55	\$243.03	\$246.21	\$246.21
Compactor - 20 cubic yards *	\$245.00	\$245.00	\$248.71	\$253.38	\$256.70	\$256.70
Compactor - 30 cubic yards *	\$245.00	\$245.00	\$248.71	\$253.38	\$256.70	\$256.70
Compactor - 40 cubic yards	\$245.00	\$245.00	\$248.71	\$253.38	\$256.70	\$256.70
Single Family Recycling/mo.	\$2.55	\$2.55	\$2.59	\$2.64	\$2.67	\$2.67
Multi-Family Recycling/mo.	\$2.04	\$2.04	\$2.07	\$2.11	\$2.14	\$2.14
Commercial Compactor	\$14.19	\$14.19	\$14.40	\$14.67	\$14.86	\$14.86
Exchange Solid Waste Cart	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00
Additional Solid Waste Cart	\$60.00	\$60.00	\$60.00	\$60.00	\$60.00	\$60.00
Reinstate Service Charge	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00
* Per the Agreement, after October 1, 2018, the rates for Universal Collection listed are calculated at 100% of the change in CPI.						