

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

Date: August 7, 2020
To: Jason E. Brown, County Administrator
From: Vincent Burke, PE, Director of Utility Services
Prepared By: Himanshu H. Mehta, PE, Managing Director, Solid Waste Disposal District
Subject: Request by Republic Services to bring City of Palm Bay Recyclables

Descriptions and Conditions:

On August 5, 2020, Republic Services of Florida, LP (Republic Services) submitted the attached letter requesting to bring the City of Palm Bay Recyclables to the Indian River County (IRC) Recycling Transfer Facility starting October 1, 2020.

Specifically, Republic Services is requesting approval by the Solid Waste Disposal District (SWDD) of the following terms, subject to a mutually agreeable final contract agreement:

- The price per ton for receiving the recyclable material would be \$90.00 per ton. The approximate tonnages of recyclable materials from the City of Palm Bay are 8,000 tons annually, which escalate yearly.
- Contaminated loads would be assessed at \$40.00 per ton and delivered to IRC's landfill, located at 1325 74th Avenue SW, Vero Beach, FL 32968.
- The preferred length of the contract would be five years with a five-year bi-lateral renewal to run concurrently with Republic Services' existing 10-year contract with the City of Palm Bay, contingent on an approved amendment between IRC and St. Lucie County.
- Republic Services supports the need to upgrade the IRC Transfer Station to a more permanent facility to avoid the loss of materials due to weather. Republic Services is open to discussing some transition cost assistance with the relocation of the existing single stream transfer station. Understanding that the operations of the new facility will require a contract amendment to cover the additional services.

The purpose of this agenda item is to request SWDD Board approval on the request by Republic Services.

For background purposes, Republic Services currently operates the IRC Recycling Transfer Facility under the Solid Waste Operations and Maintenance Agreement (Agreement) which expires on December 31, 2024. Republic Services transfers the recyclables to St. Lucie County at a current rate of \$13.70 per ton under a purchase order that was issued on April 1, 2020. This remains in effect through September 30, 2020 and is renewed annually through September 30, 2025. The recyclables are processed by St. Lucie

County through an Interlocal Agreement between SWDD and St. Lucie County with an initial term that expires on September 30, 2025, with an automatic five (5) year extension, unless properly noticed.

Analysis:

Staff has reached out to St. Lucie County and has obtained written acknowledgement of their willingness to accept the additional tons from the City of Palm Bay via Indian River County at a processing rate of \$45 per ton and a mutual approved amendment to the Interlocal Agreement between SWDD and St. Lucie County. This has the potential to provide St. Lucie County with \$360,000 per year in revenue.

The following table illustrates the financial impact to SWDD:

Source	Tons	Rate (per ton)	Revenue
Republic Services via City of Palm Bay	8,000	\$90	\$720,000
Processing Share to St. Lucie County	8,000	-\$45	-\$360,000
Transportation Cost to St. Lucie County	8,000	-\$13.70	-\$109,600
Net Revenue from Republic Services:			\$250,400

Current Transportation Cost to St. Lucie County	20,000	\$13.70	\$274,000
Net Revenue from Republic Services			-250,400
Reduction in Costs to SWDD:			\$23,600

Currently, SWDD expends \$274,000 to transport recyclables to St. Lucie County. The additional revenue from Republic Services would reduce our cost to \$23,600.

Staff supports the request by Republic Services (per bullet one and bullet three above) to bring the recyclables from the City of Palm Bay as it would bring additional revenue to SWDD and help offset the transportation costs to St. Lucie County. Additionally, there is an opportunity in a positive market to obtain an increase in revenue from St. Lucie County from the processing of additional tons.

In the event that there is a disruption to the recycling operations at the St. Lucie County facility, the agreement by Republic Services to pay a \$40 per ton contamination fee (per bullet two above) would be utilized to dispose of the materials into the IRC Landfill.

Finally, staff supports the preliminary framework established in bullet four above for Republic Services to support the relocation of our existing recycling transfer facility as it is currently in the way of the new household waste/recycling transfer facility that is under design. The specific details are to still in the design phase; however, there could be some additional services that may be required of Republic Services in the new facility and that is why Republic Services referenced a possible future contract amendment to cover these new services.

Funding:

This is primarily an additional revenue source to SWDD and will overall help reduce our costs; however, from an operating budget perspective, the acceptance of additional tons from the City of Palm Bay will result in an increase in the transportation costs to St. Lucie County.

Funding for the SWDD Recycling services is budgeted at \$300,000 and available in the SWDD recycling account, which is funded from SWDD assessments and user fees.

Description	Account Number	Amount
Other Contractual Services	41125534-033490	\$383,600

The approval of a final agreement with Republic Services will request authorization to increase funding in this account.

Recommendation:

Solid Waste Disposal District (SWDD) staff recommends the following for Board review and approval:

1. Acknowledge the request by Republic Services to bring recyclables from the City of Palm Bay to the Indian River County Recycling Transfer Facility starting on October 1, 2020;
2. Authorize staff to negotiate a formal agreement with Republic Services for SWDD Board approval at a future public meeting; and
3. Authorize staff to negotiate an amendment to the Interlocal Agreement with St. Lucie County for the acceptance of the additional recyclables at their St. Lucie County Recycling Facility.

Attachment:

1. Request from Republic Services to bring City of Palm Bay Recyclables