



INDIAN RIVER COUNTY
SOLID WASTE DISPOSAL DISTRICT
BOARD MEMORANDUM



Date: August 19, 2018
To: Jason E. Brown, County Administrator
From: Vincent Burke, P.E., Director of Utility Services
Prepared By: Himanshu H. Mehta, P.E., Managing Director, Solid Waste Disposal District
Subject: Approval of 2018 CPI Adjustment Request by Republic Services

DESCRIPTIONS AND CONDITIONS:

On November 16, 2010, the Solid Waste Disposal District (SWDD) Board authorized the Solid Waste Operations and Maintenance Agreement with Republic Services of Florida, LP (Republic Services). The agreement is for the operation and maintenance of the county’s Class 1 landfill as well as non-Class 1 landfill services. The contract began January 1, 2011, with an initial term of seven (7) years with an option for one (1) renewal term of seven (7) years. On February 21, 2017, the SWDD Board approved the Ninth Amendment and Extension to contract agreement with Republic Services extending the agreement for another seven (7) years beginning on January 1, 2018 and expiring on December 31, 2024.

In accordance with the approved rates in the renewal agreement, Republic Services is compensated for the Class 1 landfill operations and maintenance including the landfill gas system at a rate of \$13.25 per ton. The Fiscal Year (FY) 17/18 expenditures to date for the first 10 months are \$2,271,453 out of a total fiscal year budget of \$2,600,000. For the non-Class 1 landfill services including the operation of the five customer convenience centers, Republic Services is compensated \$2,974,004.79 per year. The FY17/18 expenditures to date for the first 10 months are \$2,477,410 out of a total fiscal year budget of \$3,000,000. Section 4 of this agreement includes an Annual Escalation provision allowing 100% change in the Consumer Price Index (CPI) with the maximum rate adjustment set to 3.0%.

On May 21, 2018, Republic Services submitted an annual rate adjustment request of 1.82% to be effective January 1, 2019. This agenda item is requesting SWDD Board approval for the 2018 CPI adjustment request by Republic Services.

ANALYSIS:

Staff has reviewed, verified and recommends the approval of the request by Republic Services of 1.82% of the Class 1 landfill rate and the Non-Class 1 landfill rate. In summary, here are the changes:

Services	Calendar Year 2018 Rate	Calendar Year 2019 Rate	Change from Prior Year	% Change
Class 1 Landfill	\$13.25 per ton	\$13.49 per ton	\$0.24	1.82%
Non-Class 1 Landfill	\$2,974,004.79 per year	\$3,028,056.48 per year	\$54,051.69	1.82%

FUNDING:

Funding for the SWDD Class 1 landfill services is budgeted and available in the SWDD landfill account, and the funding for the SWDD non-Class 1 landfill services is budgeted and available in the SWDD recycling account. Both are funded from SWDD assessments and user fees.

Based on the FY17/18 expense projections, the SWDD Class 1 landfill services may require a budget amendment.

Below are the proposed funding allocations for FY18/19:

Description	Account Number	Amount
Landfill – Contractual Services	41121734-033489	\$2,700,000
Recycling – Contractual Services	41125534-033489	\$3,100,000

RECOMMENDATION:

SWDD staff recommends the following for Board review and approval:

1. Approve the request for a 1.82% rate adjustment by Republic Services of Florida, LP and authorize the County Administrator to take any necessary actions to effectuate the change.
2. Authorize the Office of Management and Budget to prepare a budget amendment for FY17/18, if needed, to cover any expenses exceeding the budget of \$2,600,000 for the Class 1 landfill services.

ATTACHMENT:

Rate Adjustment Letter from Republic Services