

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

Date: August 9, 2021

To: Jason E. Brown, County Administrator

From: Matthew Jordan, Interim Director of Utility Services

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

Subject: Update on Generation Study and Non-Ad Valorem Rate Analysis by Kessler Consulting, Inc.

Descriptions and Conditions:

The Solid Waste Disposal District (SWDD) is operated as an enterprise fund with the two primary sources of revenue being the solid waste disposal rates (tipping fees) charged at the Indian River County (IRC) Landfill and the fees collected through the non-ad valorem special assessment for improved residential and commercial properties throughout IRC. These fee structures were originally established through a rate resolution for the tipping fees and an ordinance for the assessment fees. These rates were established in 1995 through a waste composition study. There have been some minor clarifications and adjustments throughout the years; however, the overall structure remains the same.

Due to the continued need to increase the annual non-ad valorem special assessment to keep up with the increased operational costs, staff is needing to re-examine our tipping fees and the overall assessment program in an effort to reevaluate and modernize the financial strength of SWDD.

On July 7, 2020, staff presented a summary of the tipping fee rate survey performed by Kessler Consulting, Inc. (KCI), and the SWDD Board approved staff recommendation to bring back a proposal for a full solid waste rate analysis. On December 1, 2020, the SWDD Board approved the proposal from KCI to perform Phase I of the project to review and analyze existing data and to select field-based methodologies for measuring waste generation. A future Phase 2 project would provide on-site and analytical testing services to complete the rate study. Specifically, the SWDD Board approved staff recommendation to waive the bid process and authorize the Purchasing Manager to issue a purchase order of \$24,950 to KCI for Phase 1 and to issue a purchase order for Phase 2 for a combined total of \$150,000 to perform the solid waste non-ad rate analysis. There is \$1,700 remaining on the current purchase order, or in other words, \$23,250 has been spent so far for Phase 1.

KCI has completed Phase 1; however, due to Covid, KCI recommended waiting to initiate Phase 2 until now. Staff has received the attached updated proposal from KCI to complete the project.

Analysis:

KCI has prepared the proposal detailing the scope of work, budget, and schedule for each of the tasks. The tasks are listed below showing the estimated fees based on a time and materials (T&M) basis.

TASK	DESCRIPTION	AMOUNT
Task 1	Determine residential and commercial waste generation rates	\$128,300 – T&M
Task 2	Conduct a cost of service and rate analysis	\$ 38,000 – T&M
TOTAL =		\$ 166,300

The final rate study is anticipated for SWDD Board review in April 2022, which will provide direction to staff on the Fiscal Year (FY) 2022/23 budgetary process.

Based on the completed work of \$23,250 and the additional work of \$166,300, the total project cost is \$189,550. Staff recommends directing the Purchasing Manager to approve issuing a purchase order for Phase 2 with the total costs not exceeding \$166,300. Please note this includes the purchase and installation of two truck scales at a total cost of \$28,000.

Funding:

Funding for the SWDD Solid Waste Rate Survey is budgeted and available in the Other Professional Services account in the SWDD Landfill Fund (41121734-033190), which is funded from SWDD assessments and user fees. Since this project spans the current and next fiscal year, the funding is split as shown below. Please note, the capital purchase was included in the proposed FY21/22 budget under Professional Services; however, it has been correctly broken out separately below.

Description	Account Number	Amount
Other Professional Services (FY 20/21)	41121734-033190	\$ 31,300
Other Professional Services (FY 21/22)	41121734-033190	\$ 107,000
Capital – Other Machinery and Equipment	41121734-066490	\$ 28,000
TOTAL =		\$ 166,300

Recommendation:

Solid Waste Disposal District staff recommends that the Board waive the requirement for bids and authorize the Purchasing Manager to issue a purchase order to Kessler Consulting, Inc. for Phase 2 to not exceed a combined total of \$166,300 to perform a solid waste rate study.

Attachments:

1. Solid Waste Generation and Non-Ad Valorem Rate Analysis proposal from Kessler Consulting, Inc.