

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

**Date:** June 22, 2019

**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:** Approval of 2019 CPI Adjustment Request by Mr. Mulch

**Descriptions and Conditions:**

On March 7, 2017, the Solid Waste Disposal District (SWDD) Board authorized the Yard Waste Processing and Disposal Services Agreement (Agreement) with Russell Payne, Inc. d/b/a Mr. Mulch, Inc. (Mr. Mulch). The agreement approved the processing of yard waste at a rate of \$11.19 per ton, and the transportation and disposal of the yard waste a rate of \$9.48 per ton. The agreement commenced on April 1, 2017, for one (1) year with an option to exercise up to six (6) extensions of one (1) year terms. On February 6, 2018, the SWDD Board approved the First Amendment to the Agreement to clarify the annual rate adjustment process. In accordance with the Agreement, the Indian River County Purchasing Manager issued a one (1) year extension to the Agreement for the period of April 1, 2018, through March 30, 2019 and then an additional one (1) year extension for the period of March 31, 2019, through March 30, 2020.

On May 17, 2018, in accordance with the agreement, Mr. Mulch submitted an annual rate adjustment request of 1.88% to be effective October 1, 2018. The SWDD Board approved this request on September 11, 2018, for the processing of yard waste at a rate of \$11.40 per ton, and the transportation and disposal of the yard waste at a rate of \$9.66 per ton.

The Fiscal Year (FY) 18/19 expenditures to date for the first eight months include processing approximately 48,812 tons of incoming material, and transporting and disposing of approximately 21,272 tons, at a total cost of \$761,944 out of a total fiscal year budget of \$1,300,000. Article 4 of the Agreement includes an Annual Escalation provision allowing a 75% change in the Consumer Price Index (CPI) with the maximum rate adjustment set to 3.0%.

On May 20, 2019, Mr. Mulch submitted an annual rate adjustment request of 1.31%, to be effective October 1, 2019. This agenda item is requesting SWDD Board approval for the 2019 CPI adjustment request by Mr. Mulch.

**Analysis:**

Staff has reviewed, verified, and recommends the approval of the request by Mr. Mulch of 1.31% of the yard waste processing and disposal services rates. In summary, here are the changes:

## SWDD Item

Services	FY2017/18 Rate (per ton)	Existing FY2018/19 Rate (per ton)	Proposed FY2019/20 Rate (per ton)	Change from Prior Year (per ton)	% Change
Processing	\$11.19	\$11.40	<b>\$11.55</b>	\$0.15	1.31%
Disposal	\$ 9.48	\$ 9.66	<b>\$ 9.79</b>	\$0.13	1.31%

### Funding:

Funding for yard waste processing is budgeted and available in the Other Professional Services account in the SWDD Recycling fund, which is funded through user assessment fees.

Below is the proposed funding allocation for FY 19/20:

Description	Account Number	Amount
Recycling – Other Professional Services	41125534-033190	\$1,500,000

Please note, the SWDD Board has directed staff to issue a Request for Proposals (RFP) for Yard Waste Processing and Recycling Services which is currently pending. The financial impact of this RFP is unknown at this time, therefore staff has projected a higher budgetary amount for Fiscal Year 2019/2020.

### Recommendation:

Solid Waste Disposal District staff recommends that the Board approve the request for a 1.31% rate adjustment by Russell Payne, Inc. d/b/a Mr. Mulch, Inc., and authorize the County Administrator to take any necessary actions to effectuate the change.

### Attachment:

1. Rate Adjustment Letter from Mr. Mulch