

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

Date: November 13, 2019

To: Jason E. Brown, County Administrator

From: Vincent Burke, PE, Director of Utility Services
Kristin Daniels, Director, Office of Management and Budget
Jennifer Hyde, Purchasing Manager

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

Subject: Yard Waste Processing and Recycling Services Agreement with Atlas Organics, Inc.

Descriptions and Conditions:

On October 22, 2019, the Indian River County (IRC) Solid Waste Disposal District (SWDD) Board approved the selection committee's final ranking of firms for Yard Waste Processing and Recycling services in accordance with Request for Proposals (RFP) #2019045 and authorized negotiations with the top ranked firm, Atlas Organics, Inc. of Spartanburg, South Carolina.

Analysis:

Staff successfully reached an agreement on the terms on November 13, 2019, with Atlas Organics, Inc. Please note, Atlas Organics, Inc. has now established Atlas Organics Indian River, LLC (a Delaware limited liability company) (Contractor) to operate and manage the project in Indian River County. Staff now presents the Agreement to the SWDD Board for ratification and formal execution of the Agreement by the Chairman.

The primary elements that were finalized/negotiated with the Contractor and that have been incorporated into the Agreement are as follows:

1. Contract Term: 10 years
2. Contract Price:
 - a. \$11.49/TON Process (Receive, Grind, Screen and Load) Yard Waste
 - b. \$12.45/TON Transport and Recycle Mulch
 - c. \$12.45/TON Rebate for Daily Cover and Other Beneficial Use of Mulch
 - d. An annual Consumer Price Index (CPI) approval procedure has now been included in the Agreement.
3. Yard Waste: In replicating the terminology from the Agreement, the following terms are being used: In-County = Intra. Out of County = Inter. Contractor will not accept any Intra-County Yard Waste at the Compost Facility. This is to ensure that all Yard Waste is coming through the SWDD Scalehouse and that the Contractor is not setting up a competing rate at the Compost Facility.

4. Out of County Yard Waste, Inside and Outside County Food Waste and Biosolids: SWDD and Contractor shall in good faith continue to develop and discuss these opportunities and formalize a separate agreement for these items as an amendment to this Agreement, to be approved by SWDD at a future Board meeting.

5. As proposed by the Contractor in their RFP response, the Contractor is committed to making improvements on the SWDD property at an approximate value of \$250,000 to be made within the first 12 months from the Commencement Date, which is the date that the Contractor begins the processing at the Yard Waste Facility. These improvements will improve working conditions at the facility and include such projects as applying crushed concrete to low areas that can create wet/muddy conditions for the public, stabilizing roads, and ensuring that there is proper drainage to the existing swale ditches/canals located on the property.

6. Storm Debris: Due to concerns expressed by the Contractor related to the FEMA-required provision for Termination for Convenience, staff has negotiated that if SWDD would terminate the Agreement within first 12 months from the Commencement Date, then SWDD would reimburse the Contractor for the actual cost of the infrastructure improvements as referenced in Item 5 above at the time of termination.

Funding:

Funding for the SWDD Yard Waste Processing and Recycling services is budgeted and available in the SWDD recycling account, which is funded from SWDD assessments and user fees.

Description	Account Number	Amount
Recycling – Other Professional Services	41125534-033190	\$1,359,750

The current contract with Mr. Mulch for Fiscal Year 2019/2020 was projected to be approximately \$1,300,000 based on the existing processing fee of \$11.55 per ton and a disposal fee of \$9.79 per ton. Based on the pricing from the Contractor and the estimated annual tons, the Contractor’s annual cost of \$1,359,750 is under the current approved fiscal year 2019/2020 budget of approximately \$1,500,000.

Recommendation:

Staff recommends the Board approve the Yard Waste Processing and Recycling Agreement with Atlas Organics Indian River, LLC and authorize the Chairman to execute the Agreement after approval by the County Attorney as to form and legal sufficiency, receipt and approval of the performance bond by the County Attorney and approval of the required insurance by the Risk Manager.

Attachments:

Yard Waste Processing and Recycling Agreement with Atlas Organics Indian River, LLC