



INDIAN RIVER COUNTY
SOLID WASTE DISPOSAL DISTRICT
BOARD MEMORANDUM



Date: December 12, 2016
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: Eighth Amendment to 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), which includes the operation and maintenance of the Indian River County Class 1 Landfill as well as non-Class 1 Landfill services. This includes but is not limited to the management of the Municipal Recovery Facility, the Small Load Drop-off Area, the Waste Tire Facility, the Metal Storage Area, the Household Hazardous Waste Facility, the Clean Concrete Storage Area as well as the operations and maintenance of the five (5) Customer Convenience Centers. The contract was effective January 1, 2011, for a base seven (7) year period expiring on December 31, 2017. The term of the contract may be extended for one (1) additional period of seven (7) years at the mutual agreement of both parties. SWDD has to notify Republic Services no later than December 31, 2016, of its intent to renew or not to renew the contract. Currently, Republic Services is paid \$14.86 per ton for materials disposed in the Class 1 Landfill, resulting in an approximate annual amount of \$2.55 million using an average of 14,300 tons per month. For the non-Class 1 Landfill services, Republic is paid a total annual amount of \$2,970,094.10.

ANALYSIS:

Republic Services continues to meet the requirements of the contract and continues to keep the site and all of the facilities in compliance with local, state and federal requirements. Staff and Republic Services began negotiations, and Republic Services expressed a strong interest to renew the contract. Republic Services has offered a 10.8% decrease to the Class 1 Landfill rate from \$14.86 per ton to \$13.25 per ton. Republic Services has also agreed to negotiate in good faith in the future for reductions in costs for any efficiencies that SWDD makes to the operations of the Customer Convenience Centers or at the landfill.

Staff and Republic Services have mutually agreed to consider the Eighth Amendment as our notification of intent to renew the contract for the additional seven (7) year period, beginning

January 1, 2018 and ending December 31, 2024. However, both parties will continue to negotiate provisions that will apply in the renewal period on or before February 28, 2017. If both parties are unable to mutually agree on the terms then SWDD has a right to withdraw our intent to renew by March 10, 2017.

Using a monthly average of 14,300 tons per month, the 10.8% reduction in the disposal fee charged by Republic Services equates to a savings of approximately \$276,276 per year. Staff supports this renewal process as an attractive option of the contract with no disruption of services and reduced operating costs for at least 12 months in advance of any bid process, which could very well go up or down depending on solicitation responses.

FUNDING:

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

Description	Account Number	Amount
Landfill - Contractual Services	41121734-033489	\$2,700,000
Recycling - Contractual Services	41125534-033489	\$2,996,000

RECOMMENDATION:

SWDD staff recommends that its Board approve the following:

- a. Approve the Eighth Amendment to Republic Services as a notification of SWDD’s intent to renew the Solid Waste Operations and Maintenance contract for an additional period of seven (7) years beginning January 1, 2018 through December 31, 2024, at the negotiated rate of \$13.25 per ton for the Class 1 landfill to begin on January 1, 2018.
- b. Authorize the Chairman to execute the same, as presented.

ATTACHMENT(s):

- 1) Eighth Amendment to Republic Services