



**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 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 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.

In accordance with the approved rates in the agreement, Mr. Mulch is compensated for the processing of yard waste at a rate of \$11.19 per ton and a rate of \$9.48 per ton for the transportation and disposal of the yard waste. The Fiscal Year (FY) 17/18 expenditures to date for the first ten months include processing approximately 62,310 tons of incoming material, and transporting and disposal of approximately 29,175 tons at a total cost of \$973,820 out of a total fiscal year revised budget of \$1,155,800. Article 4 of the Agreement includes an Annual Escalation provision allowing 75% change in the Consumer Price Index (CPI) with the maximum rate adjustment set to 3.0%.

On May 17, 2018, Mr. Mulch submitted an annual rate adjustment request of 1.88% to be effective October 1, 2018. This agenda item is requesting SWDD Board approval for the 2018 CPI adjustment request by Mr. Mulch.

**ANALYSIS:**

Staff has reviewed, verified and recommends the approval of the request by Mr. Mulch of 1.88% of the yard waste processing and disposal services rates. In summary, here are the changes:

Services	Existing FY2017/18 Rate	Proposed FY2018/19 Rate	Change from Prior Year	% Change
Processing	\$11.19 per ton	\$11.40 per ton	\$0.21	1.88%
Disposal	\$9.48 per ton	\$9.66 per ton	\$0.18	1.88%

Based on the proposed pricing and the projected incoming tonnages of 75,000 and outgoing tonnages of 40,000, it is estimated that \$1,300,000 in funding will be needed for FY 18/19.

**FUNDING:**

Funding for yard waste processing is budgeted and is 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 18/19:

<b>Description</b>	<b>Account Number</b>	<b>Amount</b>
Recycling – Other Professional Services	41125534-033190	\$1,300,000

**RECOMMENDATION:**

Solid Waste Disposal District staff recommends that the Board approve the request for a 1.88% 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:**

Rate Adjustment Letter from Mr. Mulch