

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

Date: September 2, 2020

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: First Amendment to the Interlocal Agreement with St. Lucie County

Descriptions and Conditions:

On November 19, 2019, the Indian River County (IRC) Solid Waste Disposal District (SWDD) and St. Lucie County (SLC) entered into an Interlocal Agreement for Recycling Services. The Interlocal Agreement formalized the process whereby SWDD is responsible for the transportation cost for delivering recyclables that are generated in IRC to SLC and for SLC to accept the IRC recyclables for sorting, processing, bailing, marketing and selling by SLC. The Interlocal Agreement has an initial term that expires on September 30, 2025, with an automatic five (5) year extension, unless one party gives notice to the other party that it does not wish to extend the Interlocal Agreement.

On February 18, 2020, the SWDD Board awarded Bid No. 2020028 for the Transportation of Recyclables from IRC to SLC to Republic Services. Republic Services transfers the recyclables to SLC at a current rate of \$13.70 per ton under a purchase order that was issued on April 1, 2020. This transportation agreement remains in effect through September 30, 2020, and can be renewed annually through September 30, 2025, upon satisfactory performance by the transportation vendor.

Republic Services currently operates the IRC Recycling Transfer Facility under the Solid Waste Operations and Maintenance Agreement (O&M Agreement) which expires on December 31, 2024.

On August 18, 2020, the IRC SWDD Board acknowledged the request by Republic Services seeking to bring recyclables from the City of Palm Bay through the IRC Recycling Transfer Facility and then unto SLC for processing starting on October 1, 2020. The SWDD Board authorized staff to negotiate a formal agreement with Republic Services for SWDD Board approval at a future public meeting. The SWDD Board also directed staff to negotiate an amendment to the Interlocal Agreement with St. Lucie County that would allow SLC to accept additional recyclables at their recycling processing facility.

Staff has received and reviewed the attached First Amendment to the Interlocal Agreement with St. Lucie County and recommends approval by the SWDD Board.

Analysis:

The First Amendment to the Interlocal Agreement includes a single new section, which states that IRC shall pay a fee of \$45 per ton to SLC for each ton of recyclables that are generated from the City of Palm Bay and that are weighed and brought through the IRC Transfer Facility to the SLC Facility.

SWDD Item

Based on an average estimate of 8,000 tons per year, it is estimated that IRC will pay SLC approximately \$360,000 per year for this material.

However, since IRC will be paid \$90 per ton by Republic Services for the recyclables that are generated in the City of Palm Bay, overall, this will be a net neutral impact to IRC.

Although IRC is also responsible for the transportation of the estimated 8,000 tons per year at a cost of \$13.70 per ton or \$109,600, this will also be a net neutral impact to IRC as the revenue from Republic Services will offset these costs.

The following table illustrates the potential financial impact to SWDD:

Source	Tons	Rate (per ton)	Revenue
Republic Services via City of Palm Bay	8,000	\$90	\$720,000
Processing Share to St. Lucie County	8,000	-\$45	-\$360,000
Transportation Cost to St. Lucie County	8,000	-\$13.70	-\$109,600
Net Revenue from Republic Services:			\$250,400
Current Transportation Cost to St. Lucie County	20,000	\$13.70	\$274,000
Less Net Revenue from Republic Services			-250,400
Revised SWDD Current Transportation Cost:			\$23,600

Based on historical data, SWDD anticipates expending roughly \$274,000 to transport IRC recyclables to St. Lucie County. The potential additional revenue from Republic Services would reduce those cost to \$23,600, thus creating a net savings of \$250,400.

Staff supports and recommends approval of the attached Recyclables Transfer and/or Disposal Procurement Agreement with Republic Services.

Funding:

This is primarily a potential revenue source to SWDD and will overall help reduce costs; however, from an operating budget perspective, the acceptance of additional tons from the City of Palm Bay will result in an increase in the transportation costs to St. Lucie County. Specifically, using 28,000 tons per year time \$13.70 per ton results in a total transportation cost of \$383,600. Additionally, SWDD will need to pay St. Lucie County a rate of \$45 per ton or approximately \$360,000 per year for the processing of the approximately 8,000 tons of recyclables from the City of Palm Bay.

For Fiscal Year 2020/21, Funding for the SWDD Recycling services in the amount of \$300,000 is proposed in the SWDD recycling account, which is funded from SWDD assessments and user fees.

Description	Reason	Account Number	Amount
Other Contractual Services	Transportation	41125534-033490	\$109,600
Other Contractual Services	Processing	41125534-033490	\$360,000
Total =			\$469,600

The approval of a recyclables transfer/disposal agreement with Republic Services and approval of the First Amendment to the Interlocal Agreement with St. Lucie County will require a budget amendment to increase funding in this account by \$469,600. However, as stated above these additional funds will be covered by the additional potential revenues and will not impact the SWDD assessments and user fees.

Recommendation:

Solid Waste Disposal District (SWDD) staff recommends that the SWDD Board approve the First Amendment to the Interlocal Agreement for Recycling Services with St. Lucie County; and authorize the Chair to execute the Amendment after review and approval by the County Attorney and upon legal review and approval of the Amendment by the St. Lucie County Board of County Commissioners.

Attachment:

1. First Amendment to the Interlocal Agreement for Recycling Services with St. Lucie County