

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

**Date:** June 21, 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 Republic Services

**Descriptions and Conditions:**

On November 16, 2010, the Solid Waste Disposal District (SWDD) Board authorized the Solid Waste Operations and Maintenance Agreement (Agreement) with Republic Services of Florida, LP (Republic Services). The agreement is for the operation and maintenance of the County’s Class 1 landfill as well as non-Class 1 landfill services. The contract began January 1, 2011, with an initial term of seven (7) years with an option for one (1) renewal term of seven (7) years. On February 21, 2017, the SWDD Board approved the Ninth Amendment and Extension to contract agreement with Republic Services extending the agreement for another seven (7) years beginning on January 1, 2018 and expiring on December 31, 2024.

In accordance with the approved rates in the renewal agreement, Republic Services is compensated for the Class 1 landfill operations and maintenance including the landfill gas system at a rate of \$13.49 per ton. The Fiscal Year (FY) 18/19 expenditures to date for the first 8 months are \$1,816,998.35 out of a total fiscal year budget of \$2,710,052. For the non-Class 1 landfill services, primarily the operation of the five customer convenience centers, Republic Services is compensated \$3,028,056.48 per calendar year. The FY18/19 expenditures to date for the first 8 months are \$2,005,191.39 out of a total fiscal year budget of \$3,100,000. Section 4 of this agreement includes an Annual Escalation provision allowing 100% change in the Consumer Price Index (CPI) with the maximum rate adjustment set to 3.0%.

On June 10, 2019, Republic Services submitted an annual rate adjustment request of 1.16% to be effective January 1, 2020. This agenda item is requesting SWDD Board approval for the 2019 CPI adjustment request by Republic Services.

**Analysis:**

Staff has reviewed, verified and recommends the approval of the request by Republic Services of 1.16% of the Class 1 landfill rate and the Non-Class 1 landfill rate. In summary, here are the changes:

Services	Calendar Year 2019 Rate	Calendar Year 2020 Rate	Change from Prior Year	% Change
Class 1 Landfill	\$13.49 per ton	\$13.65 per ton	\$0.16 per ton	1.16%
Non-Class 1 Landfill	\$3,028,056.48 per year	\$3,063,181.94 per year	\$35,125.46	1.16%

**Funding:**

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

Below are the proposed funding allocations for FY19/20 which are expected to be sufficient for the recommended CPI increase:

<b>Description</b>	<b>Account Number</b>	<b>Amount</b>
Landfill – Contractual Services	41121734-033489	\$2,900,000
Recycling – Contractual Services	41125534-033489	\$3,100,000

**Recommendation:**

SWDD staff recommends the following for Board review and approval:

1. Approve request for a 1.16% Consumer Price Index rate adjustment by Republic Services of Florida, LP and authorize the County Administrator to take any necessary actions to effectuate the change.

**Attachment:**

1. Rate Adjustment Letter Request from Republic Services