

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

Date: February 6, 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: Final Payment to Mr. Mulch for the Yard Waste Processing Services

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, and then an additional one (1) year extension for the period of March 31, 2019, through March 30, 2020.

On September 30, 2019, SWDD received a 90-day notice of termination from Mr. Mulch. The effective date for discontinuing their services was December 30, 2019.

On November 19, 2019, the SWDD Board executed a Yard Waste Processing and Recycling Agreement with Atlas Organics Indian River, LLC, to process, transport and recycle yard waste on the landfill property. Atlas Organics began receiving and processing yard waste materials on January 2, 2020.

In order to allow for a smooth transition between vendors, Mr. Mulch was asked to process all the materials received through December 30, 2019. It then completed the process on February 5, 2020.

This agenda item is requesting SWDD Board approval for payment of the final invoice, submitted by Mr. Mulch, in the amount of \$64,209.09.

Analysis:

As part of the project close out process, staff reviewed the contractual provisions of the agreement with Mr. Mulch related to final payment of the agreement. Staff identified that the agreement stipulated a three-year tail coverage for Environmental Impairment insurance. Mr. Mulch has provided the necessary documentation to Indian River County Risk Management and to our broker, Arthur Gallagher, to confirm

that the Environmental Impairment insurance that was in place during the term of the agreement was based on an “occurrence” basis. This means that the policy would respond to an incident that “occurred” during the policy term, but reported after the policy term. Based on this confirmation, the requirement for a three-year tail coverage for Environmental Impairment insurance is unnecessary.

Funding:

Funding for yard waste processing is budgeted and available in the Other Professional Services account in the SWDD Recycling fund, which is funded through user assessment fees.

Description	Account Number	Amount
Recycling – Other Professional Services	41125534-033190	\$64,209.09

Recommendation:

Solid Waste Disposal District staff recommends that the Board approve the final payment of \$64,209.09 request to Russell Payne, Inc. d/b/a Mr. Mulch, Inc., and waive the requirement for a three-year tail coverage for Environmental Impairment insurance.

Attachment:

1. Final Invoice from Mr. Mulch & Insurance Back-Up