



INDIAN RIVER COUNTY
SOLID WASTE DISPOSAL DISTRICT
BOARD MEMORANDUM



Date: August 2, 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 Interlocal Agreement and a Memorandum of Understanding with the Town of Indian River Shores for Recycling Services

DESCRIPTIONS AND CONDITIONS:

The Town of Indian River Shores (Town) voluntarily joined the Indian River County Solid Waste Disposal District (SWDD) in 1987 in order for SWDD to provide efficient and acceptable means of disposal of solid waste generated in the Town. Subsequently, the Town and SWDD entered into Interlocal Agreements for SWDD to provide a recycling collection program within the Town.

From 1992 through September 30, 2015, SWDD, through its franchise agreement with Republic Services, provided for the collection of recyclables within the Town. This arrangement was convenient for the Town as Republic Services provided the solid waste collection within the Town at that time.

After a Request for Proposal (RFP) process, on April 21, 2015, the Indian River County Solid Waste Disposal District (SWDD) Board entered into a Franchise Agreement for the Solid Waste and Recyclables Collection with Waste Management Inc. of Florida to be effective October 1, 2015. The franchise area for recycling services included the Town; however, the Town informed SWDD on April 29, 2015 that they wished to continue utilizing Republic Services for both solid waste and recycling collection within the Town. The Town acknowledged that Republic Services agreed to continue to provide recycling services at no increase in cost to the Town or its residents. The Town also acknowledged that SWDD will be unable to pay Republic Services for the recycling services.

Recently, the Town has issued an Invitation to Bid for an exclusive Residential Recycling Collection franchise. As part of this process, the Town and SWDD staff have jointly collaborated on an updated Interlocal Agreement (ILA) and corresponding Memorandum of Understanding (MOU) to provide a mechanism for SWDD to work with the Town on a comprehensive recycling program within the Town. The Town Council approved both the ILA and the MOU at their July 26, 2018 public meeting.

This agenda item is requesting SWDD Board approval for the ILA and MOU with the Town.

ANALYSIS:

The following summarizes the key provisions for the ILA and MOU between the Town and SWDD:

1. The term of the ILA is for 20 years.

2. The Town will utilize an independent and exclusive franchise recycling collector to provide recycling services that are consistent with SWDD's recycling program for all residential units, public buildings, public parks, and public beach access points located within the Town and encourage single stream recycling for all commercial businesses located within the Town.
3. The Town is responsible for directing all solid waste and residential single stream recyclables collected within the Town to be delivered to SWDD.
4. The Town and the SWDD agree that there are 1,643 single family residential units and 1,691 multi-family residential units within the Town as of January 2018. These numbers will be adjusted up or down based on monthly certificates of occupancy or certificates of demolition provided by the Town to SWDD.
5. Upon execution of the MOU, the SWDD will pay the Town a rate of \$2.03 per month per single family residential units and pay a rate of \$1.53 per month per multi-family residential units. The SWDD shall adjust these rates on an annual basis based on the actual assessment approved by the SWDD Board. The first adjustment, if any, will apply as of October 1, 2019 and annually thereafter.
6. The Town shall use the funds provided by SWDD to compensate their franchised collector for base recycling services. If the Town elects to have recycling collection services above and beyond this compensation, the Town's franchised collector is to collect the fees for those additional services at the direction of the Town.
7. The SWDD will provide 3,000 standard 64-gallon blue recycling carts to the Town at the inception of the single stream carted program. This is anticipated to start on November 1, 2018.

We have reached out to Waste Management to purchase 3,000 standard 64-gallon blue recycling carts as they have extra in inventory. Waste Management has agreed to sell the carts to SWDD for their original 2015 purchase cost of \$112,093.20. This is approximately \$37.36 per cart which includes the RFID tag and the In-Mold Label. We also reached out to Otto which is the original manufacturer for the carts. The total current cost from Otto including delivery comes out to \$131,790.00 which is approximately \$43.93 per cart. Staff is recommending purchasing the carts from Waste Management at a total cost of \$112,093.20.

FUNDING:

PAYMENT TO TOWN:

The payment for the residential base recycling services is to be paid to the Town by SWDD. The funding for these recyclables collection services are in the SWDD recycling account under Other Contractual Services, Account No. 41125534-033490, which is funded from SWDD assessments and user fees. Based on the calculation in the MOU, the estimated total monthly costs are \$5,920.14 and the estimated annual costs are \$71,041.71. It is estimated that approximately \$9,000 will be paid to the Town for the remaining month and half of the 2017/2018 fiscal year. The estimated annual cost of the recycling services to be paid to the Town for the 2018/2019 fiscal year is estimated at \$72,000. Since this is a new expense, a budget amendment will be required for both 2017/2018 fiscal year and 2018/2019 fiscal year.

CART PURCHASE:

The purchase of the carts from Waste Management would come from Other Operating Supplies, Account No. 41125534-035290, which is funded from SWDD assessments and user fees. The purchase of 3,000 standard 64-gallon blue recycling carts at a cost of \$37.36 per cart is \$112,093.20. The funding for the cart purchase was not included in the 2017/2018 fiscal year budget. Therefore, a budget amendment will be required this fiscal year to cover the actual expenditure.

Description	Account Number	Amount
Other Contractual Services (Fiscal Year 2017/2018)	41125534-033490	\$9,000
Other Operating Supplies (Fiscal Year 2017/2018)	41125534-035290	\$112,093.20
Other Contractual Services (Fiscal Year 2018/2019)	41125534-033490	\$72,000

RECOMMENDATION:

Solid Waste Disposal District (SWDD) staff recommends the following for Board review and approval:

1. The Board approve the Interlocal Agreement and Memorandum of Understanding between SWDD and the Town of Indian River Shores (the Town).
2. The Board approve the purchase of 3,000 standard 64-gallon blue recycling carts from Waste Management, Inc. (WM) of Florida via a purchase order in the total amount of \$112,093.20.
3. Authorize the Office of Management and Budget (OMB) to prepare a budget amendment for Fiscal Year 2017/2018 in the amount of \$121,093.20 to cover the payment to the Town for recycling services and the purchase of the carts from WM.
4. Authorize OMB to prepare a budget amendment for Fiscal Year 2018/19 in the amount of \$72,000 to cover the payment to the Town for recycling services.

ATTACHMENT:

1. Interlocal Agreement
2. Memorandum of Understanding