



## Interoffice Memorandum

November 19, 2020

TO: Mayor Jerry L. Demings  
-AND-  
County Commissioners

**FR**

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SUBJECT: Approval of Amendment No. 9, Contract Y3-1021, Transfer, Processing, and Marketing of Recyclables

### ACTION REQUESTED:

Approval of Amendment No. 9, Contract Y3-1021, Transfer, Processing, and Marketing of Recyclables, with Waste Management Inc. of Florida, in the not-to-exceed annual amount of \$6,000,000 for a two-year term. Further request authorization to renew the contract for two additional one-year terms.

### PURPOSE:

The amendment modifies the price paid to the Company for acceptable recyclable materials delivered by the County. The processing fee is changed to \$114 per ton less the average market value of recyclables delivered from a flat rate of \$50.48 per ton with no credit for the value of recyclables delivered. This amendment also increases the percentage of contamination that the Company will accept from 15 percent to 30 percent, which is expected to significantly increase the percentage of incoming loads that will be accepted for processing. Provisions are added to the Contract to address transferring recyclables through the McLeod Road Transfer Station and to address the limitation, assessment, and management of contaminated recyclable material as required by changes to Florida Statutes effective in 2020. This amendment extends the contract term for one two-year period with two one-year renewal options. All other terms and conditions of Contract Y3-1021 remain the same.

### FUNDING:

Funds are available in account number 1006-038-1210-3197.

### DISCUSSION:

This amendment is necessary because the current agreement expires on December 31, 2020, and this service is needed to provide the County continuous processing of collected recyclables, while staff completes solicitation document development, solicitation and

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The cost justification for this amendment is verified by similar service solicitation completed by other local governments.

- Seminole County – September 2020 – County operates transfer station, contractor transports and processes recyclables – prices received \$125 to \$205 per ton processing fee, less revenue share.
- City of Lakeland – April 2020 – City collects recyclables and delivers to contractor MRF - \$115 per ton processing fee, less revenue share.
- Sarasota County – October 2020 – County contracts recyclables and delivers to MRF - \$125 per ton processing fee, less revenue share.

The following are the previous contract actions:

**Original Contract: BCC Approval: 4/22/03 Amount: Estimated annual revenue of \$3,000,000**

Provided the County with the Transfer, Processing, and Marketing of Recyclables in addition to a minimum commitment of recyclables and solid waste. The contract term was for seven years with an option for an additional seven years.

**Amendment No. 1: BCC Approval: 6/29/04 Amount: \$3,881,000**

The contract includes a provision for the County to modify the existing MRF from a dual stream to a single stream facility. The contract includes a provision granting the County the right not to make the modifications if the cost exceeds \$3.5 million and grants either party to the contract the right to terminate the contract if the County decides not to proceed with the conversion. This amendment shifted the responsibility for this modification from the County to the operator and increased the cost of the project from \$3.5 million to \$3.881 million. This provided the County a host fee of \$7.50 a ton on incoming tonnage from other entities recycling collected by Waste Management and processed at the MRF with estimated recycling revenue of \$200,000 annually. Also, Class I tonnage revenue is estimated to yield \$19.6 million over the seven-year contract term. The investment of \$3.881 million will ensure the continuity of projected revenue streams of approximately \$21 million to the County under this contract.

**Amendment No. 2: BCC Approval: 11/17/09 Amount: \$77,337.80**

Exercised the option to extend the contract for a period of seven years effective July 1, 2010. Included in the amendment was a revised Schedule 3, Host Fee Obligation and Revised Schedule 8, Guaranteed Solid Waste Tonnage Amount.

**Amendment No. 3: BCC Approval: 05/30/17 Amount: \$250,000**

Extended the existing contract for a six-month period and allowed the contractor to charge a \$42 per ton processing fee and to continue paying the County a \$7.50 host fee.

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**Amendment No. 4: BCC Approval: 05/30/17** **Amount: \$250,000**

Extended the existing contract for a six-month period from January 1, 2018 to June 30, 2018.

**Amendment No. 5: BCC Approval: 04/24/18** **Amount: \$4,000,000**

Extended the existing contract two one-year periods, not to exceed \$2 million per year. Amendment No. 5 allowed Waste Management to charge the County a \$47.50 per ton processing fee and to continue paying the County a \$7.50 host fee.

**Amendment No. 6: Procurement Action: 03/29/18** **Amount: \$550,000**

Increased estimated annual contract amount by \$550,000, per year.

**Amendment No. 7: Procurement Action: 02/25/19** **Amount: No Change**

Renewed contract for one additional term as described in the contract and increased per ton Processing Fee from \$47.50 to 49.26, per the Consumers Price Index (CPI).

**Amendment No. 8: BCC Approval: 06/2/20** **Amount: \$1,000,000**

Extended the existing contract for a six-month period from July 1, 2020 to December 31, 2020 and increased per ton Processing Fee from \$49.26 to \$50.48, per the CPI.