



Interoffice Memorandum

May 30, 2017

TO: Mayor Teresa Jacobs  
and the Board of County Commissioners

FROM: *Carrie Woodell* Carrie Woodell, Manager, Procurement Division

CONTACT: James Becker, Manager, Solid Waste Division  
407-254-9660

SUBJECT: Approval of Amendment No. 3, Contract Y3-1021, Transfer,  
Processing and Marketing of Recyclables

**ACTION REQUESTED**

Approval of Amendment No. 3, Contract Y3-1021, Transfer, Processing and Marketing of Recyclables with Waste Management, Inc. of Florida in the amount of \$250,000 to extend the contract term for six months. Further request authorization for the Procurement Division to extend the contract for six additional months for an additional \$250,000. The contract may be cancelled with a 60 day notification.

**PROCUREMENT**

The purpose of this amendment is to extend the contract to allow sufficient time for the current solicitation to be evaluated and awarded and to provide continued uninterrupted service to the recycling program.

**FUNDING**

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

**DISCUSSION**

The following are the previous contract actions:

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

Provides the County with the Transfer, Operation, and Marketing of Recyclables in addition to a minimum commitment of recyclables and solid waste. The contract term is 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 Material Recovery Facility (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 shifts the responsibility for this modification from the County to the operator, WMI, and increases the cost of the project from \$3.5 million to \$3.881 million. This provides 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 an estimated recycling revenue of \$200,000 annually. Class I tonnage revenue is estimated to yield \$19.6 million over the 7-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**

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

**Amendment No. 3:**

This amendment extends the existing contract with modifications to allow an Invitation For Bids for Transfer, Processing and Marketing of Recyclables to be evaluated and awarded and to provide continued uninterrupted recycling processing service to 210,000 homes in unincorporated Orange County. The recycling industry has been adversely impacted by low commodity prices that have resulted in recycling processors charging a fee for processing. Amendment No. 3 allows the contractor to charge a \$42 per ton processing fee and to continue paying the County a \$7.50 host fee.