



# Ocala

## Legislation Text

110 SE Watula Avenue  
Ocala, FL 34471

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File #: 2023-0612

Agenda Item #: 8a.

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Submitted By: Danielle Phillips

Presentation By: Darren Park

Department: Public Works

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### **STAFF RECOMMENDATION (Motion Ready):**

Approve five-year renewal with Waste Pro of Florida, Inc., for single-stream curbside recycling with a contract expenditure of \$8,439,862

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### **OCALA'S RELEVANT STRATEGIC GOALS:**

Quality of Place, Operational Excellence

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### **PROOF OF PUBLICATION:**

N/A

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### **BACKGROUND:**

The Public Works Sanitation Division has been providing single-stream curbside recycling services for residential and multi-family complexes within the city limits since April 2012.

On December 15, 2017, the City issued its Invitation to Bid (ITB) No.: PWD/18-014 for single-stream curbside recycling. Waste Pro of Florida, Inc. (“Waste Pro”) was the sole bidder at \$332.00 per ton. On May 15, 2018, City Council approved the award of Contract No.: PWD/18-014 with Waste Pro of Florida, Inc. for a five-year term in the amount of \$6,308,000. The agreement included one (1) optional, (5) five-year renewal period with an annual Consumer Price Index for All Urban Consumers (CPI-U) adjustment of not more than three percent (3%) per year.

The First Amendment to the Agreement for a CPI-U rate increase to \$337.98 per ton was approved by the Assistant City Manager effective December 30, 2019. The Second Amendment to the Agreement for a CPI-U rate increase to \$342.04 per ton was approved by the Assistant City Manager effective October 1, 2020. The Third Amendment to the Agreement for a CPI-U rate increase to \$352.30 per ton was approved by the Assistant City Manager effective October 1, 2021.

Due to increased processing, labor, recycling, and disposal expenses, Waste Pro requested, and City Council approved via a Fourth Amendment to the Agreement, a CPI-U rate increase to \$362.87 per ton effective October 1, 2022. This amendment also revised Exhibit A (Scope of Services).

## **FINDINGS AND CONCLUSIONS:**

Waste Pro and City staff met to discuss renewal terms in a very challenging recycling market. To cover expenditures related to increased collection costs (fuel and equipment), processing, labor, recycling, and disposal costs, Waste Pro is requesting a renewal term rate increase from \$362.87 to \$391.90 per ton, an 8% increase, effective October 1, 2023. The annual amount of the increase would cost approximately \$110,314 (\$1,489,220 [\$391.90 per ton multiplied by 3,800 tons] minus \$1,378,906 [\$362.87 per ton multiplied by 3,800 tons] = \$110,314). The contract guarantees 3,800 tons annually. Last year, our highest to date, Waste Pro collected 3,300 tons of recyclables. Additionally, a CPI-U for the following four (4) years could increase a maximum of 5% per year.

City staff requested the contract contamination rate be increased from 10% to 25%. Averaged over the five-year contract period, the City will have spent approximately \$42,200 annually on contamination (\$211,000 / 5 years = \$42,200 with a 26.3% contamination rate). In 2020, the State of Florida passed a law requiring any future renewals or new recycling contracts define a contaminated recyclable material rate appropriate for the local community. This would reduce the City's annual contamination costs by approximately \$36,837.50 (\$42,200 average annual recycling contamination cost minus \$5,362.50 new annual average contaminated recyclables cost [3,300 tons scale weight multiplied by 1.3% {26.3% five-year average minus 25% new allowable contamination rate} multiplied by \$125 per ton disposal of contaminated recyclables] = \$5,362.50).

City staff and Waste Pro are both amenable to these terms.

Public Works Residential Sanitation Division staff recommends approval of the five-year renewal term under the agreement with Waste Pro of Florida, Inc. for the period of October 1, 2023, through September 30, 2028.

## **FISCAL IMPACT:**

Funding for this contract will be budgeted in account 453-023-326-534-53-34010 for FY23/24 in the amount of \$1,531,420, FY24/25 in the amount of \$1,605,881, FY25/26 in the amount of \$1,684,065, FY26/27 in the amount of \$1,766,158 and FY 27/28 in the amount of \$1,852,356.

## **PROCUREMENT REVIEW:**

These services were procured in compliance with the City's Procurement Policy.

## **LEGAL REVIEW:**

This Agreement will be reviewed and approved for form and legality by City Attorney, William E. Sexton.

## **ALTERNATIVE:**

- Approve with Changes
- Table
- Deny