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# CITY OF OCALA

## CITY COUNCIL REPORT

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Council Meeting Date: 12/21/21

Subject: First Amendment PWD/17-032 Solid Waste Disposal

Submitted By: Darren Park

Department: Public Works

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**STAFF RECOMMENDATION** (Motion Ready): Approve Agenda Item (ID # 16295) extension of agreement and price adjustment for solid waste disposal services with GFL Solid Waste Southeast LLC. with an estimated expenditure of \$6,099,000

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**OCALA'S RELEVANT STRATEGIC GOALS:** Operational Excellence, Quality of Place

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**PROOF OF PUBLICATION:** N/A

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### BACKGROUND:

In our current contract, valid through September 30, 2023, the disposal cost per ton is \$42. The proposed agreement would increase the cost per ton to \$45 and extend the agreement through September 30, 2025, an additional two years.

The proposed rate of \$45 per ton is less than it was in 2012 when it was \$45.51 per ton, excluding Class III waste which was \$23.11 per ton. Of the roughly 64,000 tons of solid waste we collect annually, approximately 61,000 tons is Class I (96%) and 3,000 tons is Class III (4%). The current gate rate at the Baseline Landfill is \$45 per ton and that facility is 3.6 miles further away. Thus, disposing at GFL Solid Waste Southeast LLC.'s facility would be less expensive than taking it to the Baseline Landfill.

### FINDINGS AND CONCLUSIONS:

On June 19, 2018 the Ocala City Council approved a five-year agreement, Contract PWD/17-032, with Advanced Disposal Services, Inc. in the amount of \$11,550,000. This contract had the option for one, five-year renewal period. In November 2020, GFL Environmental bought Advanced Disposal Services Solid Waste Southeast Inc. and assumed the current contract #PWD/17-032 under its subsidiary GFL Solid Waste Southeast LLC.

Below is the City's historical cost per ton since 2011.

Year	Class I	Class III
2012	\$45.51	\$23.11
2013	\$45.51	\$23.11
2014	\$45.51	\$23.11
2015	\$45.51	\$23.11
2016	\$45.51	\$23.11
2017	\$45.51	\$23.11
2018	\$42.00	\$23.11
2019	\$42.00	\$42.00
2020	\$42.00	\$42.00
2021	\$42.00	\$42.00

Due to the request of extending the current contract PWD/17-032 that expires on September 30, 2023, the amendment changes the compensation from \$42 per ton to \$45 per ton effective December 22, 2021 through September 30, 2025. This pricing adjustment ensures level costs through September 30, 2025.

Year	Dates	Tons		Current Price Per Ton	New Price Per Ton	Difference
FY21/22	12/22/21-9/30/22	49,000	x	\$42.00	\$45.00	\$147,000
FY22/23	10/1/22-9/30/23	64,000	x	\$42.00	\$45.00	\$192,000
FY23/24	10/1/23-9/30/24	64,000	x	N/A	\$45.00	\$2,880,000
FY24/25	10/1/24-9/30/24	64,000	x	N/A	\$45.00	\$2,880,000
Total		241,000				\$6,099,000

#### **FISCAL IMPACT:**

Additional funding for this contract has been budgeted in 453-023-325-534-53-34010 for FY21/22 in the amount of \$109,560, and will be budgeted for FY22/23 in the amount of \$143,100, FY23/24 in the amount of \$2,146,500 and FY24/25 in the amount of \$2,146,500 for Commercial Sanitation.

Additional funding for this contract has been budgeted in 453-023-326-534-53-34010 for FY21/22 in the amount of \$37,440, and will be budgeted for FY22/23 in the amount of \$48,900, FY23/24 in the amount of \$733,500 and FY24/25 in the amount of \$733,500 for Residential Sanitation.

#### **PROCUREMENT REVIEW:**

This contract has been reviewed and approved for compliance with the City's procurement policies.

#### **LEGAL REVIEW:**

The contract has been reviewed and approved for form and legality by the City Attorney, Robert W. Batsel, Jr.

#### **ALTERNATIVE:**

- Deny
- Amend
- Table

#### **SUPPORT MATERIALS:**

Class 1 and III Rates 2003-2021 (PDF)

PARTIALLY EXECUTED - First Amendment - Assignment and Pricing Increase - GFL Environmental Inc (PWD-17-032) (PDF)

Contract PWD 17-032(PDF)