



City of Pembroke Pines, FL

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Agenda Request Form

Agenda Number: 34.

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**Agenda
Section:**

In Control: City Commission

File Created: 07/08/2021

Short Title: Proposed Resolution 2021-R-32: Interlocal Agreement
with Broward County / Wheelabrator Solid Waste
Disposal Services

Final Action: 08/04/2021

Title: MOTION TO ADOPT PROPOSED RESOLUTION 2021-R-32.

PROPOSED RESOLUTION 2021-R-32 IS A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF PEMBROKE PINES, FLORIDA, APPROVING AND AUTHORIZING THE EXECUTION OF THE ORIGINAL AGREEMENT AND FIRST AMENDMENT TO THE INTERLOCAL AGREEMENT WITH BROWARD COUNTY FOR SOLID WASTE DISPOSAL AND SUPPORT SERVICES, FOR THE PURPOSE OF UTILIZING WASTE-TO-ENERGY SERVICES PROVIDED BY WHEELABRATOR ENVIRONMENTAL SYSTEMS, INC., ATTACHED HERETO AS EXHIBITS "A" AND "B", RESPECTIVELY; PROVIDING FOR CONFLICTS; PROVIDING FOR SEVERABILITY; PROVIDING AN EFFECTIVE DATE.

***Agenda Date:** 08/04/2021

Enactment Date: 08/04/2021

Agenda Number: 34.

Enactment Number: 3759

Internal Notes:

Attachments: 1. Proposed Resolution 2021-R-32, 2. Exhibit A - Original Agreement - Broward County Interlocal Agreement for Solid Waste Disposal and Support Services, 3. Exhibit B - First Amendment to the Interlocal Agreement for Solid Waste Disposal and Support Services, 4. Broward County - 02-27-2018 Agenda 58, 5. June 2012 Agreement Between Wheelabrator Environmental Services Inc. and the County for Solid Waste Disposal Services, 6. May 2015 Global Amendment to the June 2012 Agreement between Wheelabrator Environmental Services and the County for Solid Waste Disposal Services

1 City Commission 08/04/2021 adopt

Pass

Action Text: A motion was made by Commissioner Castillo, seconded by Commissioner Siple, to adopt Proposed Resolution 2021-R-32 approving and authorizing the execution of the original agreement and first amendment to the inter-local agreement with Broward County for solid waste disposal and support services for the purpose of utilizing waste-to-energy services provided by Wheelabrator Environmental Systems, Inc. The motion carried by the following vote:

Aye: - 5 Mayor Ortis, Vice Mayor Good Jr., Commissioner Castillo,
Commissioner Siple, and Commissioner Schwartz

Nay: - 0

PROCUREMENT PROCESS TAKEN:

- Chapter 35 of the City's Code of Ordinances is titled "PROCUREMENT PROCEDURES, PUBLIC FUNDS."**
- Section 35.18 of the City's Code of Ordinances is regarding "COMPETITIVE BIDDING OR COMPETITIVE PROPOSALS REQUIRED; EXCEPTIONS."**
- Section 35.18(C) states, "Only the following situations are exempt from the competitive bid and competitive proposal requirements of this section:"**
- Section 35.18(C)(5) states, "Commodities or services that are the subject of contracts with the state its political subdivisions or other governmental entities including the United States Government, are exempt from the competitive procurement process."**
- Section 35.21 of the City's Code of Ordinances is titled "AWARD OF CONTRACT."**
- Section 35.21(A) of the City's Code of Ordinances is titled "City Commission approval."**
- Section 35.21(A)(1) states, "An initial purchase of, or contract for, commodities or services, in excess of \$25,000, shall require the approval of the City Commission, regardless of whether the competitive bidding or competitive proposal procedures were followed."**

SUMMARY EXPLANATION AND BACKGROUND:

Current Agreement with Reuter Recycling of Florida, Inc.

1. On June 16, 2004, the City Commission approved a host fee agreement with Reuter Recycling of Florida, Inc. that commenced on June 17, 2004 and continues through January 1, 2022. Upon expiration of the initial term, this agreement may be renewed for additional terms by mutual written agreement of the parties.
2. Per the agreement, the City is required to have all acceptable waste, including municipal solid waste and curbside recyclables that are generated within the City limits, delivered to the Reuter Facility. The initial rates were \$67.69 per ton of Acceptable Waste and \$35.00 per ton of Unprocessed Construction and Demolition Debris (C&D). In addition, the rates are adjusted automatically on October 1st of each year based on a calculation on indices. The current rates are \$84.75 per ton of Acceptable Waste and \$43.83 per ton of Unprocessed Construction and Demolition Debris (C&D) for the 2020-21 fiscal year. In addition, per the agreement, on October 1, 2021 the rates will be adjusted to \$86.92 per ton of Acceptable Waste and \$44.95 per ton of Unprocessed Construction and Demolition Debris (C&D).

Broward County Interlocal Agreement with Wheelabrator Environmental Systems

3. On June 26, 2012, Broward County ("County") and Wheelabrator Environmental Systems ("Wheelabrator") entered an Agreement for Solid Waste Disposal Services, which Broward County afforded municipalities in Broward County to utilize through an Interlocal Agreement with Broward County.

4. The County agreement with Wheelabrator became effective on July 3, 2013, where Wheelabrator would accept all of the County's processable waste. The agreement is for a five (5) year period through July 2, 2018, with up to three (3) additional successive five year terms.

5. The initial Disposal Services Fees outlined in the agreement included three Fee options, however Option A was already phased out and Option B is being phased in 2023, leaving only Option C (aka Option 3), which was \$42.00 per ton. In addition, in the initial agreement, pricing for optional yard waste, bulk trash, and C&D services were at the same rate.

6. Pursuant to Section 4.2 of the agreement, on each October 1st after the one year anniversary of the Disposal Commencement Date, the Disposal Services Fee shall be subject to adjustment with a cap not to exceed 5% for any year and a floor of not less than 1%, by multiplying the Disposal Services Fee by the 12 month change from March of each year in the Bureau of Labor Statistics Index Series ID CUUR0000SA0, Consumer Price Index - All Urban Consumers.

7. The agreement also includes a "most favored pricing" clause, that states that if Wheelabrator enters into an agreement for a term of more than 12 months for waste generated anywhere in Broward, Miami-Dade, or Palm Beach County that has a Net Disposal Fee less than the current agreement, the Disposal Services Fee shall be automatically be reduced for all Participating Communities to match the lower Net Disposal Fee in the Eligible Agreement.

8. On May 19, 2015, Wheelabrator and the County amended the Wheelabrator Agreement in a "Global Amendment" that, among other things, modified the County's future right to renew. Instead of the second renewal term requiring mutual consent, the Global Amendment grants the County a second unilateral right to renew (starting in July 2023) provided the two following conditions are met:

- First, during the first renewal term that commences July 3, 2018, a minimum of 425,000 tons of contracted processable waste must be delivered each year to Wheelabrator pursuant to written contractual commitments in effect for the entire first renewal term (July 3, 2018 to July 2, 2023).

- Second, there must be binding written commitments for the entire Second Renewal Term from governmental entities within the County whose residents and businesses have annually generated at least 500,000 tons of waste that such entities will deliver all of their contracted processable waste to a specified Wheelabrator facility.

9. On February 27, 2018, the Broward County Commission approved the First Amendment to the September 1, 2012 Interlocal Agreement with the Participating Communities. This

Amendment eliminated one of the payment options for a Participating Community to pay Wheelabrator for disposal services, and extended the term of the Interlocal Agreement to July 2, 2023.

10. The current, and upcoming, per ton Disposal Services Fees for Option C (aka Option 3) are:

Waste Type	10/01/2020 - 09/30/2021	10/01/2021 - 09/30/2022
Residential / Commercial Waste	\$46.57	\$47.79
Yard Waste	\$30.32	\$31.11
Bulk Trash / C&D	\$37.05	\$38.02

11. By entering into the interlocal agreement, the City will be required to have all of its Residential Waste and Commercial Waste collected, transported, delivered and deposited at Wheelabrator's facilities during the term of the agreement, except for waste or recycling material that is transported outside of the state of Florida.

12. In addition, the City may elect to also have Yard Waste, Bulk Trash and Construction and Demolition Debris included in the agreement.

13. The County also offers two optional services in which the City may choose to participate in, which are also adjusted annually based on CPI:

- Optional Centralized Billing Services: Broward County will review and process invoices and timely pay Wheelabrator, process billing statements to haulers, and handle other services relating to payments and billing relating to disposal of solid waste. Broward County charges a fee based upon the tonnage generated by the Participating Community, \$0.174/ton of waste (effective October 1, 2021).

- Optional County Flow Control Enforcement: Broward County will oversee the haulers to ensure that they honor the requirements of delivering waste to Wheelabrator. Broward County charges a fee based upon the tonnage generated by the Participating Community, \$0.426/ton of waste (effective October 1, 2021).

14. The City's Administration recommends for the City to:

- Enter into the interlocal agreement with Broward County for Solid Waste Disposal and Support Services, for the purpose of utilizing waste-to-energy services provided by Wheelabrator Environmental Systems, Inc.
- Utilize price option C for the per ton Disposal Services Fees
- In addition to the use of the Interlocal Agreement for Disposal Services for Residential Waste and Commercial Waste, elect to use it for Yard Waste, Bulk Trash and Construction and Demolition Debris.
- Elect not to participate in the County's Optional Centralized Billing Services and Optional County Flow Control Enforcement.

15. Recommend the City Commission to adopt Proposed Resolution No. 2021-R-32 approving and authorizing the execution of the original agreement and first amendment to the interlocal agreement with Broward County for Solid Waste Disposal and Support Services, for the purpose of utilizing waste-to-energy services provided by Wheelabrator Environmental Systems, Inc.

FINANCIAL IMPACT DETAIL:

a) Initial Cost: The cost of solid waste and recycling collection and disposal services are paid by the residents and business owners in Pembroke Pines. The rates, effective October 1, 2021, in the current Reuter Recycling of Florida, Inc. agreement \$86.92 per ton of Acceptable Waste and \$44.95 per ton of Unprocessed Construction and Demolition Debris (C&D). However, the rates effective October 1, 2021 in the County's Interlocal agreement with Wheelabrator are \$47.79 per ton of Residential / Commercial Waste, \$31.11 per ton of Yard Waste, and \$38.02 per ton of Bulk Trash and/or C&D.

b) Amount budgeted for this item in Account No: Not Applicable.

c) Source of funding for difference, if not fully budgeted: Not Applicable.

d) 5 year projection of the operational cost of the project: Not Applicable.

e) Detail of additional staff requirements: Not Applicable.