

CITY COUNCIL RESEARCH DIVISION

LEGISLATIVE SUMMARY



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Bill Type and Number: 2020-205

Introducer/Sponsor(s): Council President at the request of the Mayor

Date of Introduction: April 14, 2020

Committee(s) of Reference: TEU, F

Date of Analysis: April 15, 2020

Type of Action: Contract agreement amendment authorization and designation of oversight agency

Bill Summary: This bill approves and authorizes the second amendment to the contract between the City of Jacksonville and Advanced Disposal Services, Jacksonville, LLC (ADS). This will be the second amendment to the amended and restated contract with Advanced Disposal Services, Jacksonville, LLC. The following terms will be amended: 1. the monthly base rate paid per premise; 2. the fuel caps for FY19-20, FY20-21, and FY21-22; 3. the premise count effective retroactively to October 1, 2019; 4. the hourly rate to be used in case of a disposal site change; 5. the section regarding the rate (per ton) to be paid for collection of storm yard waste, if and when the Mayor declares a storm emergency event; and 6. Restated language regarding liquidated damages that will be enforced if the Jacksonville Area Residential (JAR) facility is not used in accordance with the amended agreement. The Solid Waste Division of the Department of Public Works will provide oversight.

Background Information: The purpose of this legislation is to approve the Residential Waste and Recycling Collection and Transportation Contract terms established through the Council Rate Review Process; and authorization to execute a contract amendment for same pursuant to Chapter 382, Part 3, *Ordinance Code*. The Council Auditor and Administration performed a rate review of the compensation previously paid and projected to be paid to ADS for residential waste (garbage, yard waste, tires, and white goods) and recycling collection and transportation services to the City. Commencing October 1, 2019, the Monthly Base Rate Component shall be \$10.34. The monthly base rate component of \$10.34 represents a mark-up of 17.5% from agreed upon operating expenses of \$7,803,754.00 before profit, interest expenses, and corporate taxes. The City and ADS agree to a dual use of the JAR Facility with terms and conditions. The fuel cap numbers set forth shall be 337,983 gallons for fiscal year 2019/2020, 341,427 gallons for fiscal year 2020/2021 and 344,906 gallons for fiscal year 2021/2022. City and Contractor agree that the hourly rate per route is deemed to be \$116 from October 1, 2019 through September 30, 2020; the rate per ton applicable to the terms of Section 20.2 is adjusted to \$102 per ton.

Policy Impact Area: Solid Waste hauler contact terms

Fiscal Impact: The hourly rate per route is \$116 from October 1, 2019 through September 30, 2020; the rate per ton applicable to the terms of Section 20.2 is adjusted to \$102 per ton. The 17.50% markup on agreed expenses will yield a lower cost of approximately \$420,000 for the contract year for ADS.

Analyst: Hampsey