



Staff Analysis

Solid Waste Partnership Update

Presented by:

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CITY OF GAINESVILLE STAFF ANALYSIS

Legistar No: 160186

Title: Solid Waste Partnership with Alachua County

Sponsor: Public Works Department

City Staff Contact: Steve Joplin, Solid Waste Manager

Summary of Issue

The City of Gainesville and Alachua County entered into an Interlocal Agreement for Solid Waste Disposal in 1998. The Agreement has been amended three times since then and is set to expire at the end of 2018. That expiration date coincides with the expiration of the County's disposal contract with New River Landfill. The City also has a separate contract with Alachua County for the processing of recyclables which expires this year. The County would like to continue to receive the City's waste at its transfer station, and is currently looking at several long term options including continuing to contract with New River, contracting with another landfill, or creating a solid waste authority. Staff seeks direction from the City Commission as to whether to continue the partnership with Alachua County; and whether the City should take steps to achieve Flow Control over its own waste.

History/Background Information

Collection of Residential Refuse, Recycling & Yard Trash

Since 1989 the City and County have agreed to bid jointly for residential collection services, maintaining separate but nearly identical contracts with the winning bidder. In 1994 the residential collection contract was bid as a once-a-week Pay-As-You-Throw program. In January 2014 the City and County renewed their current residential collection contract with WCA of Florida through September 30, 2021.

Processing of Recyclable Materials

From 1994 – 2009 the City/County residential collection contract required the hauler to take responsibility for the processing & marketing of recyclables generated by the program. The hauler sub-contracted the processing of recyclables to a company called SP Recycling, and the City, the County, the hauler and the sub-contractor split the recycling revenues. When the County built the Materials Recovery Facility (MRF) at Leveda Brown, the sub-contractor moved in and leased space from the county. With the advent of a new residential collection contract in 2009 the City and County contracted directly with SP for processing; with the revenues split

between the three using a sliding scale based upon the weighted average of a blended ton of all the recyclables collected each month. In 2015, after filing for Chapter 11 protection, SP agreed to assign the remaining term of their processing agreement to Alachua County, and the County agreed to take over the processing and marketing of those recyclables. That agreement expires September 30, 2016. Alachua County has proposed a modification to the blended rate and potential revenue share such that based on the past 20 months of activity in the recycling market the City's cost would have increased from \$291,642 to \$292,792. Over the past 12 months the proposed rate would have decreased the city's cost from \$173,424 to \$153,808. The County is proposing to absorb for the first year the additional operating costs projected to result from the \$12 Living Wage ordinance which goes into effect October 1.

Disposal

The City-County Interlocal Agreement for Solid Waste Disposal of May 12, 1998, First Amendment dated September 28, 2004, Memorandum of Understanding dated November 23, 2004, and the Second Amendment dated October 23, 2007 obligates the City to require its residential solid waste contractor to deliver all acceptable waste, collected within the City, to the County's designated facilities. The City and County further agreed to implement contractual flow-control to the extent allowed by law within their jurisdictions; to fund care of identified closed landfills through cooperative funding mechanisms; and to share expertise on proper maintenance of closed landfills. In return the County agreed to provide environmentally responsible solid waste management services; to allow the City to utilize any County owned and/or operated recovered materials processing facility for the processing of the City's recyclables; and that the City Manager or designee will be included in any substantive discussions relating to the solid waste management system for the purpose of receiving the City's input and recommendations prior to the County approving or amending any agreement with any third party that provides services to or for the system.

In a joint City/County Commission meeting on March 18, 2008 the two commissions instructed City/County staff to continue to work together on solid waste issues, to develop and implement ordinances that direct the flow of solid waste to the County's publicly-owned transfer station, and to keep open the option of one or more exclusive franchises should that approach become necessary.

The Third Amendment to the Interlocal Agreement effective October 1, 2009 was written in order to extend the term of the agreement to December 31, 2018; resolve conflicts between the reporting requirements of the original agreement and the Memorandum of Understanding; affirm a commitment by the City to develop and implement contractual flow-control within its jurisdiction, to the extent allowed by law, to direct franchised haulers to deliver solid waste generated within the city limits to the County's Transfer Station; and to establish an agreement between the City and County to share expertise and costs associated with the maintenance of identified closed landfills within the City limits. The County assisted in the disposal of 110.94 Tons of tires at an estimated savings to the City of \$12,400 from the Airport Landfill and provided technical expertise during the design phase of the remediation project.

The term of the Third Amendment coincides with the remaining term of the County's contract to haul its waste to New River Landfill, which ends December 31, 2018.

New River Disposal Agreement

In 1998 the County entered into a 20 year agreement with the New River Regional Landfill in Union County for disposal of all the waste delivered to the County's Transfer Station through 2018. The New River Landfill is a bioreactor landfill publicly owned and operated by Union, Baker & Bradford counties, which has been visited by solid waste experts from around the world.

Alachua County is actively considering several alternatives for contract disposal including the creation of a solid waste authority, continue to utilize New River Landfill under a negotiated contract extension or find another landfill to contract with for disposal. New River Landfill has expressed an interest in negotiating a contract extension with Alachua County.

Options

A. Initiate contract negotiations with Alachua County to extend the Interlocal Agreement with the County beyond 2018.

Pros

- Supports the County's disposal and waste diversion programs.
- Combining the City's and County's waste together should provide greater opportunities for achieving competitive disposal rates.
- City and County continue to partner on solid waste issues.
- City's disposal and recycling arrangements remain the same, with the City's only fiscal impact occurring whenever the County raises its tipping/processing fees.

Cons

- Unless there is a provision in the Interlocal Agreement Extension the City may have limited input into how the county contracts for disposal, or how much the City is charged.
- City would be obligated to pay the County's tipping/processing fees for the term of the agreement, regardless of whether the rates are competitive or not.
- If the County acquires Flow Control, the City may lose flexibility in the future for choosing alternative means for waste disposal.
- While the basis of the Interlocal Agreement has often times been referred to as a partnership the City has mostly been placed in a position of a contractual customer.

B. Approve an Interlocal Agreement with Alachua County for processing recyclables for a term to expire in 2018 to coincide with the existing Interlocal Agreement with Alachua County for waste disposal.

Pros

- City and County will continue the partnership for recycling processing with more competitive opportunities than if the City were to contract elsewhere for this service.

Cons

- Rates for processing recycling may not be as competitive in the longer term.

C. Establish one or more exclusive commercial franchises within the city which, combined with our residential exclusive franchise would give the City control over all waste in the City and protect the City's ability to negotiate processing and disposal services either with the County or any other public or private organization in the future.

Pros

- City would have control over collection and disposal of all waste generated within the City.
- Exclusive franchises could result in more efficient routing of commercial collection vehicles, reducing truck traffic and wear on city streets.
- City is able to collect accurate data on waste and recycling streams.
- City negotiates the lowest possible rates for all commercial waste & recycling customers.
- City controls all aspects of collection including equipment used, dumpster color and signage, and maintenance of containers and vehicles.
- City has greater ability to facilitate efficient and cost-effective recycling as do a number of the other municipalities in the County.
- City has much more accountability over franchised haulers through exclusive contracts.
- City has ability to ensure consistency in service and rates established by haulers.

Cons

- Establishing exclusive franchises could displace one or more commercial haulers currently operating in Gainesville.
- Businesses would not be able to negotiate their solid waste services and rates.
- City would be more involved in resolving commercial complaints and negotiating rates.

D. Hire a consultant to identify and evaluate the City's options of managing the collection and disposal of solid waste and recycling services.

Pros

- Acquire current, objective information comparing the City's various options for hauling, processing and disposing of solid waste.

Cons

- Cost and time associated with acquiring the services of consultant.

Alternatives Moving Forward

The above options are not necessarily mutually exclusive, and could be combined to achieve a desired result. If the City's priority is to control the waste stream and ensure continued ability to negotiate the best processing and disposal options, staff recommends moving forward with Option C. Establishing exclusive commercial franchises may be the most effective way to control the City's waste stream and assist the City in our attempt to achieve a 75% waste diversion rate.

If maintaining a relationship with Alachua County for solid waste management is a priority staff recommends Option A. Staff recommends that the negotiations with Alachua County include provisions to ensure the City has a strong voice in the County's disposal arrangements, and provides a maximum tipping fee for the term of the agreement to allow the City some control over future disposal costs.

Staff Recommendation:

Staff recommends that the City obtain the services of a solid waste consultant to assist in evaluating the cost/benefit of solid waste management options that might be available to the City to ensure we are obtaining a competitive rate whether we continue partnering with Alachua County or decide to pursue alternatives.

Attachments/References

- A. Agreement and Amendments-Alachua County S.W. Services
- B. SP Recycling Agreement (now assigned to County)
- C. Local Waste Responsibilities F.S.S. 403.706 (highlighted areas)
- D. Resource Recovery F.S.S. 403.713 (highlighted areas)
- E. Resource Recovery Definition F.S.S. 403.703 (28)
- F. SWM Rate History Graph
- G. Proposed 2016-17 SWM Assessment Rates Comparison
- H. Tipping Rate History
- I. Recycling Comparison Index (Commodities Prices past 2 years)
- J. Recyclables Prices '85-'16 (Shows price trends over past 31 years)