

**SEMINOLE COUNTY GOVERNMENT
AGENDA MEMORANDUM**

SUBJECT: UPDATE ON RESIDENTIAL SOLID WASTE COLLECTION FRANCHISES

DEPARTMENT: Environmental Services DIVISION: Solid Waste Management

AUTHORIZED BY: *Robert G. Adolphe* CONTACT: *David Gregory* EXT. 2022
Robert G. Adolphe, P.E. David Gregory

Agenda Date 07-27-04 Regular Consent Work Session Briefing
Public Hearing – 1:30 Public Hearing – 7:00

MOTION/RECOMMENDATION:

Authorize staff to finalize a Residential Solid Waste Collection Franchise Agreement with Republic Services for Service Area 3.

BACKGROUND:

At the July 13, 2004 Board of County Commissioners (BCC) meeting, Republic Services asked that staff's request for BCC direction concerning Residential Solid Waste Collection in Franchise Area 3 be continued until the July 27, 2004 BCC meeting. Republic asked that it be allowed some time to work out pricing issues related to its new negotiated Franchise Agreement for Service Area 3.

Attached is a letter from Republic Services, dated July 20, 2004, advising the County that it can honor its previously negotiated price for residential collection services if minor changes are made in the negotiated Franchise Agreement. The changes are:

1. The allowed annual Consumer Price Index (CPI) rate increase cap is to be set at 4.75 percent annually, with any CPI over 4.75 to be carried forward to subsequent years. That is, the rate increase may be equal to the annual CPI (plus any carry forward), but it will never be more than 4.75 percent in any year.
2. The first annual CPI increase will be effective in January 2006.
3. Two trucks assigned to the contract, as well as two back-up trucks, will be allowed to be older than 6 years at the start of the contract. These trucks will be replaced when they are 10 years old.

These minor changes do not substantially affect the Franchise Agreement.

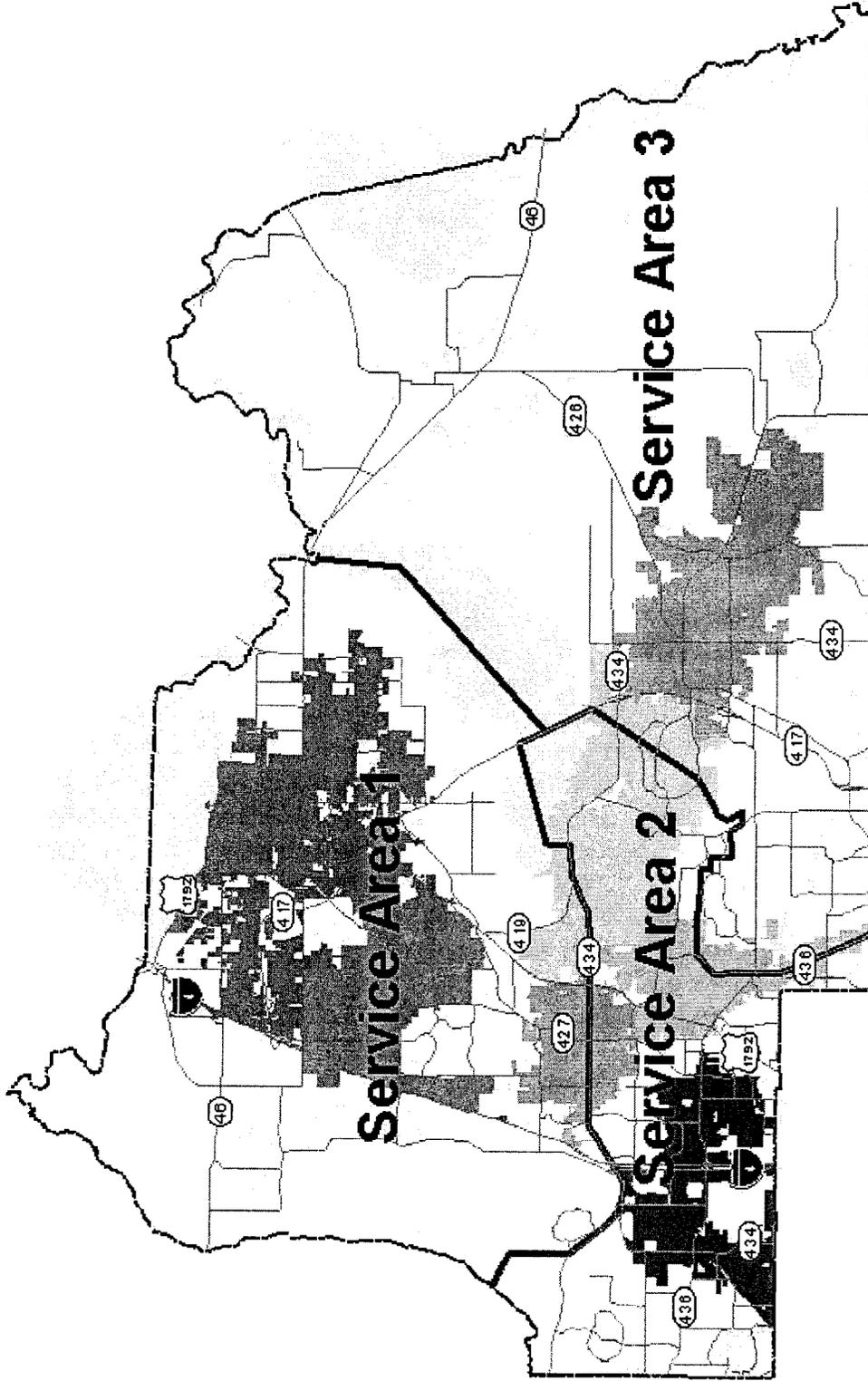
The agreed changes will be made in the recently negotiated Amended Residential Solid Waste Collection Franchise Agreements with Waste Management, Inc. for Area 1, Florida Recycling Services, Inc. (Waste Services, Inc.) for Area 2, and Republic Services, Inc. for Area 3. Staff will finalize these agreements, and present signed documents for approval at an upcoming Board of County Commissioners meeting.

Reviewed by: _____
Co Atty: _____
DFS: N/A
Other: N/A
DCM: *[Signature]*
CM: *[Signature]*

File No. RESSO1

Exhibit A

Residential Solid Waste Collection Franchise - Service Boundaries



**REPUBLIC
SERVICES****NORTH-CENTRAL FLORIDA AREA**

8619 Western Way • Jacksonville, FL 32256
(904) 732-3204 • Fax (904) 732-3261

July 20, 2004

VIA FACSIMILE 407.324.5731

ORIGINAL VIA U.S. MAIL

David Gregory, Solid Waste Manager
Seminole County Environmental Services Department
Solid Waste Management Division
1950 State Road 419
Longwood, Florida 327520-3769

RE: Negotiated Franchise Agreement-Seminole County

Dear Mr. Gregory:

We are in receipt of your letter of July 16, 2004. We greatly appreciate your continued interest in finalizing the above-referenced agreement and your flexibility and dedication to helping to find a solution that is beneficial to Seminole County, its taxpayers, and Republic Services.

To confirm our recent conversations, this letter shall confirm that Republic is in agreement to move forward under the negotiated prices in the renewal contract, subject to the implementation of the contractual modifications set forth below. It is our understanding that you and the Solid Waste Management Division will recommend to the Seminole County Board of County Commissioners at its July 27, 2004 meeting the following contractual modifications:

- (1) The annual increase provision in Section 13 of the contract (based upon the Consumer Price Index for All Urban Consumers ("CPI-U")) will be revised to reflect an annual cap on CPI-U-driven increases of 4.75%, with any annual CPI-U driven increase above 4.75% to be carried forward to the next year;
- (2) An annual CPI-U-driven increase, based upon one hundred percent of the annual percentage change in the CPI-U, shall be available during the life of the contract, with the first such increase to be effective January, 2006, based upon the CPI-U increase from January, 2004 to December, 2004, and with the next CPI-U-driven increase to be effective January, 2007, based upon the CPI-U increase from January, 2005 to December, 2005, and so on;

- (3) Republic's service truck numbers 318, 335, 341, and 345 (two of which are back-up vehicles) will be permitted to service Seminole County residents under the contract; while these trucks are (or will be in January, 2005) in excess of six (6) years old, they are in excellent condition and will be removed from service under the Seminole County contract at such time as they are in excess of ten (10) years old.

We look forward to finalizing the contract, and we greatly appreciate the courtesies and cooperation you have extended during this process.

Best regards.

Sincerely,

REPUBLIC SERVICES, INC.

A handwritten signature in black ink, appearing to read "Guy Thompson", with a long horizontal flourish extending to the right.

Guy Thompson
Area President

cc: Brian Short
Michael A. O'Quinn, Esquire