



WASTE MANAGEMENT INC. OF FLORIDA
3401 NW 110th Street
Miami, FL 33167

April 2, 2021

Mr. Gregory W. Veliz
City Manager
City of Key West
1300 White Street
Key West, FL 33040

Re: City of Key West Contract to Provide Solid Waste Collection and Processing Services and Operation of the Transfer Station

Dear City Manager Veliz:

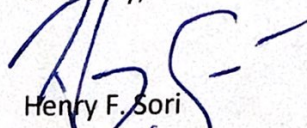
Waste Management Inc. of Florida (WMIF) has had the privilege of servicing the City of Key West with its Solid Waste needs for the past 21 years. WMIF values this long-standing relationship, we have not only been providing great service to the residents and businesses of the City but have been part of the community fabric throughout these past decades. Our Senior District Manager, Greg Sullivan, together with City Elected Officials, Staff and the community-at-large have weathered hurricanes, pandemics, Fantasy Fest and New Year's crowds. This is a relationship we wish to continue and foster.

To that effect, as you are aware, the current Contract expires December of this year and it contains a four (4) year extension option. In order for WMIF to continue providing the excellent service the City deserves and to assure that the Contract is on solid ground moving forward, we respectfully request the following modifications to the Contract:

- A modest increase of \$1.70 per home to the residential line of business (in the past six plus years the residential rate has only increased by .80 cents per month -- \$13.51 to \$14.31).
- A 5% increase to the commercial line of business (in the past six plus years per yard rates have only increased \$.52 cents per yard average -- \$8.55 to \$9.07).
- Conversion of the CPI-U Index to the Water Sewer & Trash (WST) Index -- unlike more general CPI indices, WST is specific to the services provided in the Waste Industry -- which involves labor, transportation vehicles, parts, disposal, processing and environmental compliance/protection. In addition, WST helps stabilize rates.
- A transportation and processing fee for commercial recycling equal to 90% of what the commercial per yard disposal rate is. Given that these materials are transported and processed much like MSW the costs are the same or higher. The recycling market has changed dramatically since 2014, in order to maintain the current program of materials for residential and commercial accounts these fees are necessary.

Please advise if you would like to meet to further discuss or have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read 'HFS', with a horizontal line extending to the right.

Henry F. Sori
Government Affairs Manager

cc: Greg Sullivan
Senior District Manager, WMIF