



THE CITY OF KEY WEST

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MEMORANDUM

TO: Jim Scholl, City Manager
Greg Veliz, Assistant City Manager

FROM: John Paul Castro, Utilities Director

DATE: February 22, 2016

SUBJECT: Amendment # 2 to the City's Solid Waste Hauling and Disposal Contract with Waste Management Inc.

Action Statement:

This resolution will approve amendment # 2 to the City of Key West's contract for municipal solid waste (MSW) hauling and disposal with Waste Management.

Background:

On February 19, 2004 the City Commission approved a 20-year contract establishing Waste Management to provide municipal solid waste hauling and disposal services for the City of Key West. (Resolution 04-082). This contract governs the hauling of the City's solid waste from the Transfer Station in Rockland Key, to approved disposal sites where the waste is typically converted to energy, with limited waste landfilled. The contract has an initial 7-year term, a renewal 7-year term, and a final 6-year renewal term.

This contract was initiated after the City made the decision to close the former Waste-to-Energy site on Stock Island, and convert the facility to a temporary transfer station while the new site on Rockland Key was being constructed. The RFP for this contract was developed in conjunction with the City's Solid Waste Technical Advisory Committee, which sought to develop a solid waste site for a minimum 20-year period. The City's comprehensive plan also requires the City to provide solid waste collection, hauling, and disposal services to our residential and commercial customers, and our capacity and ability to provide solid waste services is a key concurrency requirement to accommodate development plans.

Section 5.6 of this contract allows Waste Management to dispose of all such Acceptable Waste at one or more of the following Disposal Facilities: (a) the waste-to-energy facility that is operated by Wheelabrator Technologies, Inc. ("Wheelabrator"), and located at 4400 South State Road 7 in Fort Lauderdale, Florida; (b) the waste-to-energy facility that is operated by Wheelabrator and located at 2600 N.W. 48th Street in Pompano Beach, Florida; (c) the Contractor's Central Landfill, which is located at 2700 N.W. 48th Street in Pompano Beach, Florida; (d) the Contractor's Medley Landfill, which is located at 9350 N.W. 89th Avenue, in

Key to the Caribbean – Average yearly temperature 77° F.

Medley, Florida; and (e) the Contractor's Okeechobee Landfill, which is located at 10800 N.E. 128th Avenue, Okeechobee, Florida. The Contractor shall not take the City's Acceptable Waste to any other facility unless the Commission gives its prior written approval for the use of a different Disposal Facility. The Commission may withhold its approval of any other Disposal Facility, at its sole discretion.

Waste Management is requesting to add a third waste-to-energy facility to the list of approved Disposal Facilities, the Palm Beach Renewable Energy Facility No. 2.

Purpose and Justification:

City staff recognizes that the current facilities cannot always handle the full capacity of material from the City of Key West and that the Solid Waste Authority of Palm Beach County has a new state of the art waste-to-energy facility. Adding the extra facility helps ensure the solid waste material headed for disposal from the City of Key West becomes a renewable energy.

The amendment shall now read as follows:

Section 5.6

The Disposal Facility

The Contractor shall accept all of the Acceptable Waste delivered to the Transfer Station and shall dispose of all such Acceptable Waste at one or more of the following Disposal Facilities: (a) the waste-to-energy facility that is operated by Wheelabrator Technologies, Inc. ("Wheelabrator"), and located at 4400 South State Road 7 in Fort Lauderdale, Florida; (b) the waste-to-energy facility that is operated by Wheelabrator and located at 2600 N .W. 48th Street in Pompano Beach, Florida; (c) the Palm Beach Renewable Energy Facility No.2 located at 7501 N. Jog Road, West Palm Beach, FL 33412 (d) the Contractor's Central Landfill, which is located at 2700 N.W. 48th Street in Pompano Beach, Florida; (e) the Contractor's Medley Landfill, which is located at 9350 N .W. 89th A venue, in Medley, Florida; and (f) the Contractor's Okeechobee Landfill, which is located at 10800 N.E. 128th Avenue, Okeechobee, Florida.

The Palm Beach Renewable Energy Facility No. 2 was just added to the acceptable facilities by Monroe County. Wheelabrator is experiencing capacity loads at times and WMI is being rerouted to other disposal facilities. Pursuant to section 5.6 of the contract WMI must give the City 6 months' notice to change Disposal Facility's. Staff and WMI request the Commission waive this 6 month lead time allowing the City's waste to be hauled to the Palm Beach Renewable Energy Facility No. 2 immediately.

Financial Impact

There will be no additional costs to the City.

Recommendation:

City Staff recommends allowing Waste Management, Inc. to add Palm Beach Renewable Energy Facility No. 2 to the list of approved disposal facilities as long as there are no additional costs to the City.