



Legislation Details (With Text)

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Title: MOTION TO APPROVE EXTENSION TO THE EXCLUSIVE FRANCHISE AGREEMENT BETWEEN THE CITY OF DELRAY BEACH AND WASTE MANAGEMENT INC. OF FLORIDA FOR SOLID WASTE AND RECYCLING COLLECTION SERVICES.

Sponsors: Purchasing Department, Neighborhood & Community Services

Indexes:

Code sections:

Attachments: 1. Agenda Cover Report, 2. 2015-03-09 Exclusive Franchise Agt between the City and SWS LLC, 3. Amendment No. 5 to Exclusive Franchise Agreement - Solid Waste & (2), 4. Res. No. 165-22_No Franchise_Admin Fees

Date	Ver.	Action By	Action	Result
1/17/2023	1	City Commission	approved	Pass

TO: Mayor and Commissioners
FROM: Sammie L. Walthour, Neighborhood and Community Services Director
THROUGH: Terrence R. Moore, ICMA-CM
DATE: January 17, 2023

MOTION TO APPROVE EXTENSION TO THE EXCLUSIVE FRANCHISE AGREEMENT BETWEEN THE CITY OF DELRAY BEACH AND WASTE MANAGEMENT INC. OF FLORIDA FOR SOLID WASTE AND RECYCLING COLLECTION SERVICES.

Recommended Action:

Motion to approve extension to the Exclusive Franchise Agreement between the City of Delray Beach and Waste Management Inc. of Florida for Solid Waste And Recycling Collection Services and authorize the City Manager to exercise renewal options, in the amounts below, contingent upon appropriation of funds.

Background:

On March 9, 2015, the City of Delray Beach (“City”) entered into an Agreement with Southern Waste Systems, LLC, for the Collection of Solid Waste and Recycling Materials (Agreement). Southern Waste Systems, LLC, assigned the Agreement to Waste Management Inc. of Florida (“Waste Management”) on December 14, 2015. The initial term of the Agreement commenced on March 9, 2015, and runs through September 30, 2022. Section 3.2 of the Agreement provided the City the right to renew the Agreement for an additional one-year period by providing written notice to Waste Management no later than April 1, 2022, unless Waste Management provided the City written notice it was not willing to renew the agreement on or before October 5, 2021.

On July 19, 2022, Amendment No. 5, was approved to allow the City to extend the Agreement through April 30, 2023 and provide the City with a one-time option to extend the Agreement for an

additional five (5) months, through September 30, 2023, by providing Waste Management written notice no later than ninety (90) calendar days before the expiration of the extension period.

Staff is requesting to exercise the Final Extension Period of this Agreement pursuant to the terms outlined in Amendment No. 5. The rates applicable for the Final Extension Period would commence on May 1, 2023 and run through September 30, 2023, and increase the monthly service residential total fees from \$13.39 to \$19.45, and provide a corresponding rate increase for all other services, pursuant to the Agreement.

On September 19, 2022, City Commission approved Resolution No. 165-22 which suspended the franchise as well as administrative fees for residential and commercial customers. Staff would like direction on whether to re-instate these fees. If not re-instated, the projected revenue loss through the end of the fiscal year will be approximately \$652,371

City Attorney Review:

Approved as to legal form and legal sufficiency

Finance Department Review:

Finance recommends approval.

Funding Source:

No fiscal impact/To be funded within Sanitation Division.

Attachments:

Original Franchise Agreement
Amendment No. 5
Resolution No. 165-22