

STATEMENT OF BUDGET IMPACT
(Policy Number 94-45)
Budgetary Review of Proposed Resolution &
Ordinances with Financial Implication.

Date: August 16, 2016

BIS 16 – 244

FILE: TMP-2016-390

Proposed Legislation:

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF HOLLYWOOD, FLORIDA, APPROVING AND AUTHORIZING THE EXECUTION BY THE APPROPRIATE CITY OFFICIALS OF THE ATTACHED SECOND AMENDMENT TO THE COMMINGLED WASTE DISPOSAL SERVICES AGREEMENT BETWEEN THE CITY OF HOLLYWOOD AND WASTE MANAGEMENT, INC. OF FLORIDA; AND APPROVING AND AUTHORIZING THE ISSUANCE OF THE ATTACHED BLANKET PURCHASE ORDER INCREASING THE ESTIMATED ANNUAL EXPENDITURE FOR SAID SERVICES TO AN ESTIMATED ANNUAL AMOUNT OF \$862,000.00 FOR THE REMAINDER OF THE INITIAL FIVE YEAR CONTRACT TERM (JULY 14, 2018.)

Statement of Budget Impact:

1. No Budget Impact associated with this action;
2. Sufficient budgetary resources identified/available;
3. Budgetary resources not identified/unavailable;
4. Potential Revenue is possible with this action;
5. Will not increase the cost of Housing;
6. May increase the cost of Housing; (CDAB review required)

Explanation:

This Resolution seeks authorization for the appropriate City Officials to issue the attached Blanket Purchase Order (BPO) to Waste Management, Inc. of Florida to increase the contract by \$179,500.00 to an annual contract amount of \$862,000.00 and to transfer funds within the Fiscal Year 2016 Department of Public Works Environmental Services Division Operation Budget.

On June 19, 2013, the City Commission passed and adopted Resolution Number R-2013-168 which authorized the issuance of Blanket Purchase Order number B002496 to Waste Management Inc. of Florida for Commingled Waste Disposal Services, in

accordance with Bid F-4365-13-IS, for an initial five (5) year term for an annual estimated expenditure amount of \$487,500.00 with the option to renew for two (2) additional five (5) year periods. In June 2015, the Department of Public Works determined that the estimated conversion factor from cubic yard to tons utilized did not accurately reflect the actual tonnage quantities being disposed, and so staff recommended the original estimated annual tonnage amount of 15,000 tons commingled waste disposal be adjusted by 6,000 tons to an estimated annual tonnage of 21,000 tons for the remainder of the initial five year contract term. On July 8, 2015, the City Commission passed and adopted Resolution Number R-2015-207 which approved and authorized the execution of the first amendment to the Commingled Waste Disposal Services Agreement to reflect the estimated increased tonnage of 21,000 and the estimated annual amount of \$682,500.00 for the remainder of the initial five (5) year term.

The estimated BPO amount of \$682,500.00 represents an anticipated amount on prior year's collections which can fluctuate from year to year due to variations in disposal tonnages. The current overage from the BPO is up considerably with increases ranging from \$1,000 to \$21,000 monthly compared to FY15. In addition, commingled disposal for the months of February, March and April totaled over \$61,000 over the FY15 February, March and April. This can be attributed to increased brush disposal due to the February 16th storm that resulted in extensive brush damage throughout the City.

With these increases the Department of Public Works is requesting the transfer of \$350,000.00 as described in Exhibit 1 to update the current Fiscal Years operating expenditures. Funds will then be available in FY 2016 Operations Budget in the Department of Public Works Environmental Services Division Account Number 45.5121.00000.534.004360 – Waste Disposal and will be budgeted in subsequent fiscal years operating budget subject to passage and adoption of each subsequent fiscal year's Operating Budget by the City Commission.

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