

December 21, 2022

Russell Mackie
Regional Vice President
Waste Pro USA
4100 Selvitz Road
Fort Pierce, FL 34981

Re: Collection of Liquidated Damages for Service Violations

Dear Mr. Mackie,

The City of Hollywood ("City") entered its current 10-year contract with Waste Pro USA in October, 2019 ("Contract"), following a competitive bidding process. This Contract succeeded the City's first 10-year contract with Waste Pro USA, during which concerns were raised by the Hollywood City Commission and City staff about recurring complaints from residents about Waste Pro USA's service. Due to these concerns, the City and Waste Pro USA agreed to increase the amount of liquidated damages that City staff may assess to Waste Pro USA for confirmed service violations during the Contract period.

Shortly after the commencement of the Contract, the COVID-19 pandemic negatively impacted both the City's and Waste Pro USA's ability to conduct their respective operations. Despite the challenges faced during the pandemic, the City has continued to meet all of its responsibilities and has paid 100 percent of the agreed contractual payment amount to date. However, Waste Pro USA has continued to generate service violations as defined in the Contract. In accordance with Exhibit "B," Section I of the Contract, the City described service violations during the four-month period from October, 2019, to January, 2020 in a letter dated June 1, 2020 from former City Public Works Director Peter Bieniek (attachment). During that four-month period, service violations were identified in an amount totaling \$223,579.54 in liquidated damages imposed by the City against Waste Pro USA pursuant to the Contract. To date, those liquidated damages have not been paid by Waste Pro USA to the City.

Should Waste Pro USA desire not to pay the amount in a single lump sum, the City is willing to work with Waste Pro USA on a payment plan to incrementally collect the past due amounts, which are currently in arrears, over the next several months. Additionally, moving forward, each month's service payment by the City will deduct any liquidated damages for service violations that have been identified and unresolved from the prior month, as is provided for in the Contract. By subtracting any liquidated damages for service violations from the monthly service invoice, the City will remain current in payments for services on a month-to-month basis pursuant to the Contract.

2600 Hollywood Boulevard
P.O. Box 229045
Hollywood, Florida
33022-9045

hollywoodfl.org

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Should you desire any additional discussion on this matter, please do not hesitate to contact me at 954-967-4563.

Sincerely,



Annalie Holmes

Interim Director

Department of Public Works

cc: Dr. Wazir Ishmael, City Manager
Douglas R. Gonzales, City Attorney
George R. Keller, Jr., CPPT, Deputy City Manager
Gus Zambrano, Assistant City Manager
Adam Reichbach, Assistant City Manager
Jaime Hernandez, Emergency and Governmental Affairs Manager
Damaris Henlon, Deputy City Attorney