

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

Date: February 7, 2018

File: BIS 18 – 187

File: TMP-2018-305

Proposed Legislation:

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF HOLLYWOOD, FLORIDA, APPROVING AND AUTHORIZING THE APPROPRIATE CITY OFFICIALS TO EXECUTE THE ATTACHED THIRD AMENDMENT TO THE COMMINGLED WASTE DISPOSAL SERVICES AGREEMENT WITH WASTE MANAGEMENT, INC.

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 the approval of and authorization for the appropriate City Officials to enter into the third amendment to the commingled waste disposal services agreement with Waste Management, Inc. Previously on July 3, 2013 the City Commission via Resolution R-2013-168 approved the issuance of a blanket purchase order to Waste Management for commingled waste disposal services for an initial 5 year term with an option to renew for 2 additional 5 year renewal periods at the initial, estimated annual cost of \$487,500.00. Subsequently, the estimated annual cost has been adjusted on two occasions, First, Resolution R-2015-207 approved and adopted by the City Commission on July 8, 2015 adjusted the anticipated annual tonnage to be collected to 21,000 tons for an estimated annual cost of \$682,500.00. Subsequently, on August 31, 2016, the City Commission adopted and approved Resolution R-2016-249 authorizing the 2nd amendment to the agreement and approving an increase to the estimated annual expenditure to \$862,000.00.

Since the approval of the 2nd amendment, the Public Works Department has been directed to conduct a solid waste service analysis for solid and commingled waste collection services provided to City residents. The current contract will expire on July 14, 2018 unless renewed for the 1st of 2 renewal options.

The City has engaged an outside consultant to review and analyze the existing service contracts between the City and various waste collection services to determine the best options for the City for waste collection services. Rather than renewing the existing commingled waste collection services agreement, the City and Waste Management have worked out an interim agreement to continue commingled waste collection services through July 31, 2019 to provide sufficient time for the outside consultant to complete its study without having to lock the City into a 5 year renewal period.

The interim agreement will provide the same level of commingled waste collection services provided currently to the City. However, the estimated annual commingled waste collection fees will be increased from the current \$862,000.00 to \$908,090.00 (inclusive of the CPI adjustment) or an increase of \$46,090, a 5.3% increase over the current estimated annual charges.

Funding for the projected costs to provide commingled waste collection services under the interim agreement for the balance of FY 2018 is available in accounts #45.5121.00000.534.004360 and #45.5121.00000.534.004631. Funding for the continuation of the interim agreement into FY 2019 will be requested as part of the FY 2019 operating budget for the Sanitation Enterprise Fund (45), subject to the approval of the City Commission.

PREPARED AND APPROVED BY:

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