

# REQUEST FOR BOARD ACTION / CONTRACT CONTROL FORM

Tracking Number:

12.

**Date of Request:** June 24, 2008

**Title:**

**Contact Phone:**

910.259.1570

**Board Meeting Date Requested:** July 7, 2001

**Contact Fax:**

**Short Title:** Resolution Authorizing Eight (8) Year Extension Of Existing Waste Industries Contract (To June 20, 2018) And Approving Purchase Order For FY 08/09: \$3,755,437.00

**Background:** In 2005, Pender County entered into a contract with Waste Industries to manage all solid waste and recycling at the County-owned convenience centers and Transfer Station for a period of five (5) years. The contract has a provision for costs to be adjusted annually according to the Transportation subcategory of the Federal Consumer Price Index. Largely due to the cost of fuel increasing over 35% in the last year, Waste Industries is contractually eligible for a 9.4% increase for the FY 08-09 budget year. In addition, the Federal Minimum Wage is to increase by \$0.40/hours on July 24, 2008 and the State of North Carolina General Assembly will impose a \$2.00/ton excise tax ratified in the The Solid Waste Management Act of 2007 and effective July 1, 2008. Staff has worked diligently negotiating with Waste Industries to keep the cost to the residents as low as possible. As part of the negotiations, Waste Industries offered to provide a rebate on incremental cost components included in the net per ton cost of hauling and disposal. In return, they have requested an 8-year extension to the current contract that would provide Pender County guaranteed availability in the Sampson County Landfill through 2018. While the overall cost of solid waste management will increase by approximately \$320,000 (9.4%) in FY 08-09, this figure is over \$86,000 less than before the negotiations and could save the County \$1.3 million over the next ten years. Therefore, the solid waste management cost increase for FY 08-09 will result in the Transfer Station tipping fee increasing from \$64/ton to \$70/ton to keep pace with the increased hauling, labor and excise tax costs; the User fee of \$137/year for household waste disposal and recycling will increase by \$1.00 per month to \$149/year; and the User fee of \$62/year for household recycling only will increase by \$1.00 per month to \$74/year.

Staff recommends the eight (8) year extension to Waste Industries solid waste management contract and requests authorization for a Purchase Order in the amount of \$3,755,437 for their services this fiscal year.

**Specific Action Requested:** The Board of Commissioners is requested to approve the contract amendment and authorize a Purchase Order to Waste Industries in the amount of \$3,755,437.

Requested by: Michael G. Mack  
Department: Utilities Director

# REQUEST FOR BOARD ACTION / CONTRACT CONTROL FORM

Date Request Received: June 24, 2008

Board Meeting Date Assigned: July 7, 2008

**Request Status:**

- Request is proceeding to Board of Commissioners
- More information is needed – see attached
- Request on hold – no further information needed
- Other:

*(Administrative Use Only)*

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**CONTRACT TYPE**

- Renewal
- For Service(s)
- Intergovernmental – County as Grantee
  - Federal Grantor
  - State Grantor
  - Grantor
- County as Grantor
  - County Funds
  - Other Funds:
- Revision
- For Equipment

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**PURCHASING** Budgeted Item:  Yes  No  
Date Rec'd:  Reviewed and Approved  
 Comments on Reverse

Date Sent: Signed:

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**ATTORNEY**  Reviewed and Approved  
Date Rec'd:  Legal Problem(s)  
 Comments on Reverse

Date Sent: Signed:

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**FINANCE** Sufficient Funds  Available  
Date Rec'd:  Not Available  
 Budget Amendment Necessary  
 Budgeted Amendment is Attached  
 Comments on Reverse

Date Sent: Signed:

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**CLERK** Signature(s) Required:  
 Board Chairman/County Manager  
 Other:

Date Rec'd Approved by Board:  Yes  No  
At meeting on





**STATE OF NORTH CAROLINA  
COUNTY OF PENDER**

**AMENDMENT OF SOLID WASTE AND RECYCLING COLLECTION,  
TRANSPORTATION, AND DISPOSAL AGREEMENT BETWEEN COUNTY OF  
PENDER AND WASTE INDUSTRIES, LLC.**

This is an Amendment of the original Agreement made between the County of Pender and Waste Industries, LLC dated July 1, 2005:

**Section 2: Term**

Upon finding that the Contractor's performance is satisfactory and that it is in the mutual interest of the County and Waste Industries, LLC to continue this Agreement beyond the original agreement term for the promise of future landfill space at a negotiated lower price per ton, the parties hereto agree to extend the term of the Agreement for an additional eight (8) year period ending June 30, 2018.

**Section 5.2: Rates**

Compensation payable to the Contractor hereunder will automatically be adjusted on July 1, 2009 and July 1 of each subsequent year, effective as of each such date, to reflect the percent change in the Consumer Price Index (CPI-U) – Urban-Unadjusted-Water and Sewer and Trash Collection Services for the period December to December of each previous calendar year.

In witness thereof, the County of Pender and Waste Industries, LLC have executed this contract amendment as of this the \_\_\_\_\_ day of July, 2008:

**WASTE INDUSTRIES, LLC**

**COUNTY OF PENDER**

By: \_\_\_\_\_  
Thomas Winstead, Division VP

By: \_\_\_\_\_  
Paul Parker, Interim County Manager

ATTEST:

ATTEST:

\_\_\_\_\_  
Robert Lohr, Division Controller

\_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

# **PENDER COUNTY SOLID WASTE MANAGEMENT**

## **FY 2008-2009 RATE AND FEE SCHEDULE**

(Effective July 1, 2008)

<b><u>TRANSFER STATION TIPPING FEE</u></b>		<b>\$70.00 per TON</b>
<b><u>USER FEE</u></b>	~ Household waste disposal and recycling	<b>\$149.00 per year</b>
<b><u>AVAILABILITY FEE</u></b>	~ Recycling Only	<b>\$74.00 per year</b>