



January 31, 2022

Mr. Brian Wintjen  
Northeast Florida Region RVP  
Waste Pro

Re: Response Regarding Contract Extension for Residential Solid Waste Services

Dear Brian,

This letter is written in response to your letter dated January 14, 2022, regarding the City of Palm Coast (City) request for a one-year extension of the current collection services agreement with an original expiration date of May 31, 2022. As you are aware, the current rate per household is \$20.16, without the \$0.20 administrative fee. Waste Pro's request of \$33.80 (also without the \$0.20 administrative fee) would represent a 68% increase in the per household rate. While the City understands the equipment and staffing challenges described in your letter, a 68% increase appears unreasonable based upon the following considerations:

- In researching the impact that a CPI adjustment would have had on rates, specifically the CPI for All Urban Consumers (CPI-U), series title "Garbage and trash collection in U.S. city average, all urban consumers, seasonally adjusted", the impact on the rate every year for the last five years, where the changes in this CPI ranged from 2.3% to 4.1% increases per year (June to June) would have resulted in a rate of \$23.80 for contract year 2021, an 18% increase over the current rate. Even assuming another arbitrary rate increase of 5% to account for recent inflation would result in a rate of \$24.99, a 24% increase over the current rate.
- In Waste Pro's response to RFP-CE-21-42 for the scenario that most closely resembles the current services, Waste Pro proposed a per household rate of \$26.47, which would be a 31% increase over the current rates. With an additional CPI index increase of 1.6% in the last quarter cited in your letter, this rate would be \$26.89. The City acknowledges that these services did not include the current recycling rewards program, or the curbside household hazardous waste (HHW) collection service and included more limitations on the amount of yard waste and bulky items a resident could set out each week compared to current services. (Specifically, the current contract limits yard waste to 4 cubic yards per set out and there are no cubic yard limits on the amount of bulky items that can be set out; the services described in RFP-CE-21-42 would have imposed a limit of 2 cubic yards of yard waste per set out and 3 cubic yards of bulky items per set out.)

Given these facts, the City proposes a maximum rate of \$26.89 along with the suspension of the recycling rewards program and the HHW collection service and adjusting limitations on yard waste per set out to 2 cubic yards (instead of 4) and bulky items per set out to 3 cubic yards during the term of the one year extension.

In regard to the additional conditions Waste Pro requested in the letter dated January 14, 2022, shown in the bullets below, the City has the following responses, shown as sub-bullets to each item:

- “Force majeure language shall be adjusted/removed to reflect that Waste Pro shall not be responsible for payment or compensation to any subcontractor or other contractor under any claimed Force Majeure conditions. Waste Pro would only be paid for services performed.”
  - **City response:** It is not clear what language in the current agreement Waste Pro is referring to; please indicate the specific section(s) of the current agreement this request relates to in order for the City to consider this request.
- “Early termination language must be removed, including any “termination for cause” language.”
  - **City response:** No, the City will not consider removing termination for cause language.
- “The city shall waive the age requirement of contractor vehicles.”
  - **City response:** The City will agree to remove the age requirement of contractor vehicles.
- “The city shall not assess any fines against Waste Pro upon signing and throughout the extension period.”
  - **City response:** While the City will not consider removing fines or liquidated damages entirely, the City would consider reducing the dollar amounts associated with liquidated damages listed in the current agreement to half the current stated dollar amounts.

Because City staff is to provide an update to the City Council on February 15<sup>th</sup>, 2022, a response from Waste Pro **within three business days of receipt of this letter** is imperative. Please also plan to attend the Council meeting on February 15, 2022 at 9:00 a.m. to answer questions that the Council may have regarding this matter.

We look forward to your timely response to this letter so that we may continue to work in good faith to arrive at a fair and equitable agreement for the one-year extension.

Sincerely,



Cynthia Schweers  
Director of Citizen Engagement  
City of Palm Coast  
386-986-2364