

46372

April 24, 2015

To: The Honorable Board of Acquisition and Contract

From: Thomas J. Lauro, P.E.
Commissioner of Environmental Facilities

Re: Authority to enter into a fourth amendment to the agreement with City Carting of Westchester, Inc. for Solid Waste Transfer Stations and Materials Recovery Facility Management and Operations, and Solid Waste Disposal, Composting and Miscellaneous Services, in order to: restore four years to the County's second renewal option for the period August 1, 2015 through July 31, 2019, and authorize the County's exercise of the renewal; eliminate the 2015 and the 2016 CPI increases in the management fee; and require City Carting to purchase and install a paper screen system, eddy current machine and other equipment.

In 2004, the County of Westchester, on behalf of Refuse Disposal District No. 1 ("the County"), concluded a Request for Proposals ("RFP") process conducted pursuant to Section 120-w of the New York General Municipal Law in order to procure a contractor to provide Solid Waste Transfer Stations and Materials Recovery Facility Management and Operations, and Solid Waste Disposal, Composting and Miscellaneous Services (the "Services"). On July 8, 2004, your Honorable Board adopted a Resolution authorizing an agreement with City Carting of Westchester, Inc. ("City Carting") to provide the Services for a five year period commencing August 1, 2004 and ending July 31, 2009, with three (3) renewals of five (5) years each exercisable at the County's option (the "Agreement"). Payment in the first year of the Agreement was in an amount not to exceed \$16,917,300.00 payable according to specified fees, which were subject to an annual adjustment factor commencing in the second year of the contract equal to 0.75 times the percentage change in the Consumer Price Index ("CPI") for All Urban Consumers for New York, New York - Northeastern New Jersey as published by the U.S. Department of Labor, Bureau of Labor Statistics.

On December 14, 2006, your Honorable Board adopted a Resolution authorizing a first amendment to the Agreement which permitted the County to exercise its option to renew the term for the period August 1, 2009 through July 31, 2014, in an amount not to exceed \$20,896,536, or less based on the actual CPI for the period in question for the first year of the renewal term payable at the fees set forth in the Agreement, subject to the Agreement's annual

adjustment factor equal to 0.75 times the percentage change in the CPI. In addition, the first amendment required City Carting to replace a paper baler and conveyors at the Materials Recovery Facility ("MRF"), as well as fencing at the Mount Vernon Transfer Station. The first amendment was executed.

On August 2, 2007, your Honorable Board adopted a Resolution authorizing a second amendment to the Agreement to increase the contract amount for year three of the Agreement from \$18,051,214 to \$20,000,000 and to continue the annual adjustment factor as agreed upon through July 21, 2009, due to an increase in Municipal Yard Waste Recycling. The second amendment was executed.

On November 8, 2012, your Honorable Board adopted a Resolution authorizing a third amendment to the Agreement in order to: exercise the County's option to renew the Agreement for the term August 1, 2014 through July 31, 2019; eliminate the 2011-2012 CPI increase in the management fee; reduce the management fee for the remainder of the term; and require the County, on behalf of Refuse Disposal District No. 1, to purchase diesel fuel necessary for City Carting to fulfill its obligations pursuant to the contract with a full reimbursement of the purchase price of the fuel to the County. However, that third amendment was not executed.

On July 22, 2014, your Honorable Board adopted a Resolution rescinding the November 8, 2012 Resolution and authorizing the County to enter into a third amendment to the Agreement in order to amend the County's second five-year renewal option to be a one-year renewal option from August 1, 2014 through July 31, 2015 in an estimated amount not to exceed \$22,883,484, and to authorize the exercise of such amended renewal option.

Authority of your Honorable Board is now requested to enter into a fourth amendment to the Agreement in order to: restore four years to the County's second renewal option for the period from August 1, 2015 through July 31, 2019, and authorize the County's exercise of the renewal; eliminate the 2015 and the 2016 CPI increases in the management fee; and require City Carting to purchase and install a paper screen system and other equipment. Payment under the amended Agreement will be in an estimated amount not to exceed \$91,277,369.

In consideration of the County's renewal of this agreement, City Carting will forgo the annual CPI escalator in its management fee from August 1, 2015 through July 31, 2016 and August 1, 2016 through July 31, 2017. Assuming an average CPI increase of 3% per year and an average escalator of 2.25% per year this will result in estimated savings for the County of \$3,637,480 over this four year extension period. As additional consideration, City Carting will purchase and install a paper screen system (estimated cost of \$1,000,000) and eddy current machine (estimated cost of \$65,000) at the MRF, pay for repair of the existing eddy current system (estimated cost of \$15,000) and replace several rubber conveyor belts (estimated cost of \$20,000). Thus, it is anticipated that the County will save approximately \$4,737,480 over the four-year period of this renewal, plus any additional revenue derived from increased material recovery. All other terms and conditions of the Agreement, as previously amended, will remain unchanged.

This amendment will serve a public purpose by providing the County with uninterrupted and reliable transfer station operations and solid waste and recyclables hauling services. This Agreement will be tracked and monitored by the Department of Environmental Facilities to evaluate the success or failure of this Agreement by continual oversight of operations at the Material Recovery Facility and the County transfer stations.

Accordingly, I recommend the adoption of the annexed Resolution authorizing the County, on behalf of the District, to enter into a fourth amendment to the Agreement with City Carting of Westchester, Inc., and to exercise the amended renewal option. The Agreement shall be subject to annual appropriation by the Board of Legislators. All other terms and conditions of the current Agreement, as previously amended, shall remain unchanged.

TJL/dlv
Attachment

APPROVED BOARD OF ACQUISITION & CONTRACT - 05/28/2019
SONIA VEIRA, SECRETARY

RESOLUTION

Upon a communication from the Commissioner of the Department of Environmental Facilities, be it hereby

RESOLVED, that the County of Westchester, acting on behalf of Refuse Disposal District No. 1, is hereby authorized to execute a fourth amendment to the agreement with City Carting of Westchester, Inc. ("City Carting") for Solid Waste Transfer Stations and Materials Recovery Facility Management and Operations, and Solid Waste Disposal, Composting and Miscellaneous Services (the "Agreement") in order to: restore four years to the County's second renewal option for the period August 1, 2015 through July 31, 2019, in an amount not to exceed \$91,277,369; eliminate the 2015 and the 2016 CPI increases in the management fee; and require City Carting to purchase and install a paper screen system, eddy current machine and other equipment; and be it further

RESOLVED, that the County, acting on behalf of Refuse Disposal District No. 1, is further authorized to exercise such amended renewal option; and be it further

RESOLVED, that all other terms and conditions of the Agreement, as previously amended, shall remain unchanged; and be it further

RESOLVED, that the Agreement shall be subject to annual appropriation by the Board of Legislators; and be it further

RESOLVED, that the County Executive or his duly authorized designee is authorized to execute any documents and take any actions necessary to effectuate the purposes hereof.

Account to be Charged/credited
 Estimated NTE 2014-2015*
 All other years**

Fund	Dept	Major Program, Program & Phase Or Unit	Object/ Sub Object	Trust Account	Dollars
251	60	Various	4380		\$22,437,863*
					Inc by the CPI**

Budget Funding Year(s) 2015-2019 Start Date 8/1/2015 End Date 7/31/2019
 (must match resolution)

Funding Source Tax Dollars 100%
 State Aid _____
 \$ 22,437,863 Federal Aid _____
 (must match resolution) Other _____

APPROVED BOARD OF ACQUISITION & CONTRACT - 05/28/2015 - JOHANN VERA, SECRETARY