

## CITY OF HALLANDALE BEACH, FLORIDA

Renewal of Agreement for Transfer and Disposal of  
Solid Waste and Processing of Single Stream Recyclables

This renewal is entered into this 1<sup>st</sup> day of January, 2012, by and between the City of Hallandale Beach, a political subdivision of the State of Florida (hereinafter referred to as "City"), and Choice Recycling Services of Broward, Inc. (hereinafter referred to as "Contractor").

## WITNESSETH:

**WHEREAS**, on December 6, 2010, the City and Contractor entered into an Agreement for Transfer and Disposal of Solid Waste and Processing of Single Stream Recyclables (hereinafter referred to as "Agreement"); and

**WHEREAS**, Article 2 of the Agreement provided that the initial term of the Agreement was to expire on December 31, 2011; and

**WHEREAS**, The terms of the December 6, 2010 Agreement is hereby renewed and amended to incorporate the following terms which shall apply to the renewal period of January 1, 2012 to December 31, 2016. All other terms and conditions of the December 6, 2010 Agreement not in conflict with this renewal and amendment shall remain in full force and effect.

**WHEREAS**, Article 2 provides that "At the option of the City, and with the concurrence of the Contractor, this Agreement may be renewed for a successive five (5) year term ("Renewal Term"), under mutually agreed upon terms and conditions, provided the Commission approves the renewal at least sixty (60) days prior to the end of the Initial Term"; and

**WHEREAS**, the City and the Contractor are satisfied with the arrangement they currently enjoy under the Agreement; and

**WHEREAS**, the City has performed due diligence and market research necessary to make a determination that it would be in the best interest of the City to renew the Agreement, and the Contractor wishes to continue the business arrangement as set forth in the Agreement, so that both the City and Contractor wish to extend the Agreement to December 31, 2016.

**NOW, THEREFORE**, in consideration of the foregoing Recitals, and other good and valuable consideration, the receipt, and sufficient of which, is hereby mutually acknowledged, the City and the Contractor agree as follows:

1. The foregoing Recitals are true and correct and are incorporated by reference herein.
2. In keeping with Article 2 of the Agreement, the City hereby exercises its right to renew the Agreement for a Renewal Term of five (5) years. This is the final renewal term of this Agreement.

3. The terms of the December 6, 2010 Agreement is hereby renewed and amended to incorporate the following terms which shall apply to the renewal period of January 1, 2012 to December 31, 2016. All other terms and conditions of the December 6, 2010 Agreement not in conflict with this renewal and amendment shall remain in full force and effect.
4. The City and Contractor agree to amend Article 5.2 "Administrative Fee" as follows:

**5.2 Administrative Fee and Single Stream Recyclables Rebate**

The Contractor shall pay to the City an Administrative Fee per Ton for all Licensed Hauler Tons delivered to the Facility that originated within the municipal boundaries of the City, as stipulated in Exhibit 1 of the Agreement.

After each Operating Month, the Contractor shall pay to the City a Single Stream Recyclables Rebate as stipulated in Exhibit 3 of this Amendment. The Single Stream Recyclables Rebate will be paid to the City by the Contractor for each Ton of inbound Single Stream Recyclables accepted by the Contractor at the Facility pursuant to this Agreement, as recorded by the Contractor's scale house.

5. The City and Contractor agree to amend Article 5.5 "Procedures for Payment of Administrative Fee" as follows:

**5.5 Procedures for Payment of Administrative Fee and Single Stream Recyclables Rebate**

The Contractor shall calculate the amount of the Administrative Fee and Single Stream Recyclables Rebate that is owed to the City at the end of each month and shall pay the City that amount no later than forty-five (45) days from last day of every month for activity during that month.

6. The City and Contractor agree to amend Article 5.7 "Service Fee Adjustments" as follows:

On January 1, 2013 and January 1 of each subsequent Contract Year of this Agreement, the Contractor's Per Ton Service Fees may be adjusted according to the following methodology as further explained in Exhibit 2: ninety-five percent (95%) of the Per Ton Service Fees shall be adjusted based on seventy-five percent (75%) of the percentage change in the Consumer Price Index for All Urban Consumers South Urban for all items, not seasonally adjusted, published by the Bureau of Labor Statistics, U.S. Department of Labor, 1984-82 = 100 (CPI) for the twelve (12) months ending on the preceding September 30<sup>th</sup>.

Five percent (5%) of the Per Ton Service Fees shall be adjusted annually based on the percent change in the Lower Atlantic (PADD 1C) No. 2 Diesel Ultra Low Sulfur (0-15 ppm) Retail Sales by All Sellers (Cents per Gallon) Fuel Index, published by the U.S. Department of Energy (DOE) for the previous twelve (12) months ending on the preceding September 30<sup>th</sup>.

The total Per Ton Service Fee adjustments each year for the City's Acceptable Waste may not exceed three percent (3%) of the previous year's Per Ton Service Fees. The total Per Ton Service Fee adjustments each year for Licensed Hauler's Acceptable Waste and the Administrative Fee Paid to City by Contractor may not exceed five percent (5%) of the previous year's Per Ton Service Fees.

If the CPI or U.S. DOE Fuel Index is discontinued or substantially altered, the City and Contractor may mutually select another relevant price and/or fuel index published by the United States Government or by a reputable publisher of financial and economic indices.

7. The City and Contractor agree to the addition of the following to Article 6 "Default and Termination" as follows:

"During the last two (2) years of this Agreement, beginning January 1, 2014 through December 31, 2016, the City may terminate this Agreement at any time for any reason by giving at least ninety (90) days notice in writing to the Contractor. If the Agreement is terminated by the City as provided herein, the Contractor will be paid for all work invoiced and completed as of the date of termination.

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8. The City and Contractor agree to amend Exhibit 1 "Price Per Ton Service Fees" as follows:

**EXHIBIT 1**

**PRICE PER TON SERVICE FEES**

Material	Per Ton Service Fees
City's Acceptable Waste	\$61.50 per Ton
Licensed Hauler's Acceptable Waste	\$74.16 per Ton
Administrative Fee Paid to City by Contractor	\$7.00 per Ton

**PRICE PER CUBIC YARD SERVICE FEES**

Material	Per Cubic Yard Service Fees
City's Yard Trash	\$7.75 per cubic yard

9. The City and Contractor agree to amend Exhibit 2 "Calculation of CPI and Fuel Index Adjustments to the Per Ton Service Fees" as follows:

**EXHIBIT 2**

**CALCULATION OF CPI AND FUEL INDEX ADJUSTMENTS TO THE PER TON SERVICE FEES**

On January 1, 2013 and January 1 of each subsequent Contract Year of this Agreement, the Contractor's Per Ton Service Fees may be adjusted according to the following methodology: ninety-five percent (95%) of the rates shall be adjusted based on seventy-five percent (75%) of the percentage change in the CPI for the twelve (12) months ending on the preceding September 30<sup>th</sup> and five percent (5%) of the rates shall be adjusted based on the percent change in the U.S. DOE Fuel Index for the previous

twelve (12) months ending on the preceding September 30<sup>th</sup>. The total rate adjustment each year for the City's Acceptable Waste may not exceed three percent (3%) of the previous year's rate. The total rate adjustment each year for Licensed Hauler's Acceptable Waste and the Administrative Fee paid to City by Contractor may not exceed five percent (5%) of the previous year's rate.

$$\text{New Contractor's Rate} = [95\% \times \text{T\&D} \times (1 + (75\% \times ((\text{CPI2}-\text{CPI1})/\text{CPI1})))] + [5\% \times \text{T\&D} \times (\text{FI2}/\text{FI1})]$$

"T&D" = Contractor's current Per Ton Service Fees

"CPI" = Consumer Price Index for the South Urban Region, All Items - All Urban Consumers, published by the United States Department of Labor, Department of Labor Statistics  
([http://data.bls.gov/PDQ/servlet/SurveyOutputServlet?data\\_tool=dropmap&series\\_id=CUUR0300SA0,CUUS0300SA0](http://data.bls.gov/PDQ/servlet/SurveyOutputServlet?data_tool=dropmap&series_id=CUUR0300SA0,CUUS0300SA0).)

"CPI1" = average CPI for the 12 month period ending September 30 of the previous year

"CPI2" = average CPI for the 12 month period ending September 30 of the current year

"FI" = Fuel Index is the Lower Atlantic (PADD 1C) No. 2 Diesel Ultra Low Sulfur (0-15 ppm) Retail Sales by All Sellers (Cents per Gallon), U.S. Department of Energy, Energy Information Administration  
([http://www.eia.gov/dnav/pet/pet\\_pri\\_gnd\\_a\\_EPD2DXL0\\_pte\\_dpgal\\_w.htm](http://www.eia.gov/dnav/pet/pet_pri_gnd_a_EPD2DXL0_pte_dpgal_w.htm).)

"FI1" = average Fuel Index for the 12 month period ending September 30 of the previous year

"FI2" = average Fuel Index for the 12 month period ending September 30 of the current year

#### SAMPLE CALCULATION

Assumptions: T&D = \$61.50  
CPI1 = 207.845  
CPI2 = 208.261  
FI1 = 266.1  
FI2 = 277.2

$$\text{New Per Ton Service Fee Calculation} = [95\% \times \$61.50 \times (1 + (75\% \times ((208.261 - 207.845)/207.845)))] + [5\% \times \$61.50 \times (297.2/266.1)]$$

$$\text{New Per Ton Service Fee} = [\$58.5127] + [\$3.434386] = \$61.95$$

10. The City and Contractor agree to the addition of Exhibit 3 "Single Stream Recyclables Revenue Share" as follows:

### EXHIBIT 3

#### SINGLE STREAM RECYCLABLES REVENUE SHARE

Contractor shall pay the City monthly for each Ton of in-bound Single Stream Recyclables delivered to the Facility, as recorded by the Contractor's scale house. The payment per Ton shall be calculated as follows:

- (a) At the beginning of each quarter, January, April, July, and October, the Contractor shall calculate the Average Market Value (AMV) of the City's Single Stream Recyclables, defined as the sum of regional average commodity prices (U.S. Dollar per Ton) posted on the first week of the month for the Southeast USA in SecondaryMaterialsPricing.com and SecondaryFiberPricing.com multiplied by the composition percentages of the City's Single Stream Recyclables, as defined in this Exhibit 3. The resulting AMV shall be used for the quarter for which it is calculated. For example, January's AMV will be used for the months of January, February, and March, etc. This Exhibit 3 provides a sample calculation of the AMV based on the defined market indexes during the first week of August 2011.
- (b) A Contractor's Fee of seventy dollars (\$70.00) shall be deducted from the AMV, and Contractor shall pay the City 50 percent (50%) of the remaining amount for each Ton of inbound Single Stream Recyclables delivered to the Facility each month. At no time shall the City make payment to the Contractor for Single Stream Recyclables, regardless of the AMV.
- (c) The Contractor may request a study to obtain a more accurate and current measurement of the composition of the City's Single Stream Recyclables utilized to calculate the AMV, such request being subject to approval by the City. If the City approves such study, the final methodology and selection of an Independent Third Party to conduct the study must be approved by the City. The cost of such study shall be the Contractor's responsibility unless otherwise agreed upon by the City. Study results are subject to final approval by the City. If approved, adjustments to the composition percentages provided in this Exhibit 3 shall become effective for the following quarter and the remainder of the Agreement, or until further adjusted in a future composition study.

**SAMPLE AVERAGE MARKET VALUE (AMV) CALCULATION**

<b>Material</b>	<b>Index Description *</b>	<b>Market Index (August 2011) *</b>	<b>Market Value (\$/Ton) *</b>	<b>Material %</b>	<b>Average Market Value (\$/Ton)</b>
Newspaper (ONP)	PS 8 baled, F.O.B. seller's dock	147.5	\$147.50	38.0%	\$56.05
Corrugated cardboard (OCC)	PS 11 baled, F.O.B. seller's dock	172.5	\$172.50	13.0%	\$22.43
Mixed paper	PS 1 baled, F.O.B. seller's dock	145.0	\$145.00	8.0%	\$11.60
Aseptic containers	N/A	0.0	\$0.00	0.0%	\$0.00
Aluminum cans (UBC)	Cents/lb., sorted, baled and delivered	90.5	\$1,810.00	2.0%	\$36.20
Steel cans	\$/Ton, sorted, baled and delivered	117.5	\$117.50	3.0%	\$3.53
PET	Cents/lb., baled and picked up	31.0	\$620.00	4.0%	\$24.80
Natural HDPE	Cents/lb., baled and picked up	35.5	\$710.00	2.0%	\$14.20
Colored HDPE	Cents/lb., baled and picked up	17.5	\$350.00	2.0%	\$7.00
Mixed cullet	\$/Ton, loose, delivered	5.0	\$5.00	24.0%	\$1.20
Contamination	N/A	0.0	\$0.00	4.0%	\$0.00
				100.0%	\$177.00

\* Market indexes to be used are SecondaryFiberPricing.com and SecondaryMaterialsPricing.com. Prices to be used are the Regional Average prices for the Southeast USA during the first week of the month.

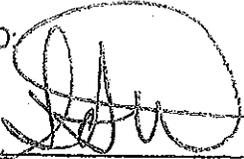
Assumptions for Sample Revenue Share Calculation:

Contractor Fee per Ton = \$70.00  
 Percentage Revenue Share = 50%  
 Revenue per Ton of Inbound Single Stream Recyclables = \$53.50 = (\$177 - \$70.00) \* 50%

Except as amended by this Addendum, the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals, and such of them as are corporations have caused those present to be signed by their duly authorized officers intending to be legally bound, the parties have caused their authorized representatives to execute this Amendment as of the date first above written,

ATTESTED:



Jim Buschmann  
City Clerk

~~SHENA D. JAMES~~

~~BOARD OF CITY COMMISSIONERS~~  
CITY OF HALLANDALE BEACH, FLORIDA

By:

Mark Antonio

Title: CITY MANAGER

Date:

WITNESS:



Grant Smith

President/Owner CEO

By:

Title: CEO

Date: 12-7-11

Approved as to Form  
and Sufficiency

Edward A. Brown

City Attorney

