

RESOLUTION NO. 2016- 266

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF ST. JOHNS COUNTY, FLORIDA, AUTHORIZING THE COUNTY ADMINISTRATOR TO GRANT EXTRAORDINARY RELIEF TO REPUBLIC SERVICES OF FLORIDA, LP AS PERMITTED BY THE FRANCHISE EXTENSION AGREEMENT FOR THE COLLECTION AND TRANSPORTATION OF SOLID WASTE AND WAIVING THE FUEL ADJUSTMENT FEE REQUIRED TO BE PAID TO THE COUNTY.

WHEREAS, St. Johns County (County) and Republic Services of Florida, LP (RSF) entered into a Franchise Extension Agreement (Agreement), as amended, for the collection and transportation of residential solid waste in St. Johns County, Florida, on behalf of St. Johns County;

WHEREAS, section 9.11 of the Agreement requires RSF to pay a Fuel Adjustment Fee to the County when the FDOT index price less the Monthly Base Fuel Price results in a negative Unfunded Cost;

WHEREAS, section 9.3 of the Agreement provides that RSF may petition the County for a rate adjustment based on extraordinary changes supported by appropriate documentation and an audited statement fully explaining and supporting any claim for a Rate adjustment and documenting the extraordinary changes;

WHEREAS, on December 15, 2015, the County approved Resolution 2015-385 regarding an extraordinary rate adjustment for fuel relief requested by RSF;

WHEREAS, the fuel differential paid to the County was waived commencing on October 1, 2015 until such time as the County's Compressed Natural Gas (CNG) Fueling Facility was operational, but no more than six months at which time this request could be reevaluated;

WHEREAS, the County estimated the construction and operation of the CNG Fueling Station by October 1, 2015, however the proposed CNG Fueling Station was not operational at that time;

WHEREAS, RSF purchased collection vehicles using CNG for fuel in anticipation of the completion and operation of the County-sponsored Fueling Station;

WHEREAS, RSF has requested that the County consider waiving the fuel differential for April-June 2016 for up to nine (9) of its collection vehicles due to the CNG Fueling Facility not being operational during those months, and has submitted to the County appropriate documentation and an audited statement to fully explain and support its request and to document the extraordinary changes;

WHEREAS, the Contract Administrator has reviewed and recommended approval of the requested relief;

WHEREAS, the Board of County Commissioners, at its sole discretion, approves this request and has determined that relief should be granted based on the documented extraordinary changes and costs;

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. JOHNS COUNTY, FLORIDA, THAT:

1. The above recitals are hereby adopted as findings of fact.
2. Pursuant to section 9.3 of the Franchise Extension Agreement, the Board of County Commissioners hereby grants the request for relief subject to the following conditions:
 - a. The invoice for April-June 2016, RSF is not required to pay a Fuel Adjustment Fee to the County for up to nine (9) of its collection vehicles under the provisions of section 9.11 of the Agreement.
 - b. No other rate adjustment waiver, or waiver of any other provision of the Agreement is granted.
3. To the extent that there are typographical and/or administrative errors and/or omissions that do not change the tone, tenor, or context of this Resolution, then this Resolution may be revised without subsequent approval of the Board of County Commissioners.

PASSED AND ADOPTED by the Board of Board of County Commissioners of St. Johns County, Florida this 6 day of September 2016.

ATTEST: Hunter S. Conrad, Clerk

By: Pam Halterman
Deputy Clerk

Rendition Date: 9/8/16

BOARD OF COUNTY COMMISSIONERS
OF ST. JOHNS COUNTY, FLORIDA

By: Jeb S. Smith
Jeb S. Smith, Chair

Effective Date: 9/6/16



Res 2014-142

**AMENDED AND RESTATED
FRANCHISE AGREEMENT
FOR THE COLLECTION
AND TRANSPORTATION
OF RESIDENTIAL WASTE**

BETWEEN

ST. JOHNS COUNTY, FLORIDA

AND

**REPUBLIC SERVICES OF FLORIDA,
LIMITED PARTNERSHIP**

CPI 2 is the CPI index number for April in the year before CPI 1 (e.g., April 2013)

Notwithstanding the foregoing provisions of this Section 9.2, the CPI adjustments that shall take effect on October 1, 2015, 2016, and 2017, shall be calculated in a different manner. The CPI adjustments for October 1, 2015, 2016, and 2017 shall be calculated in accordance with the normal procedures described above, and then the amount of the increase or decrease in the Rates shall be reduced by an additional two percent (2%). For example, if the CPI adjustment for October 1, 2015 is calculated to increase the Rates by three percent (3%), the actual CPI adjustment shall increase the Rates by only one percent (1%). Similarly, if the CPI adjustment for October 1, 2015 is calculated to increase the Rates by one-half of one percent (0.5%), the actual CPI adjustment shall reduce the Rates by one and one-half percent (1.5%).

9.3 Extraordinary Rate Adjustment

Once each year, the Contractor may petition the County for a Rate adjustment, based on extraordinary changes in the cost of providing services under this Agreement. The Contractor shall submit appropriate documentation to fully explain and support any claim for a Rate adjustment. The Contractor's request shall include an audited statement that documents the extraordinary changes in the Contractor's costs. The Contract Administrator shall review and recommend approval or denial of the Rate adjustment. The Board shall consider the Contractor's request for a Rate adjustment at a duly noticed public meeting. At its sole discretion, the Board may approve or deny the request. If the request is granted, the Board shall have the right to reduce the Contractor's Rates when the cost of the Contractor's operations returns to normal. Every six (6) months after a request is granted, the Board shall have the right to request, and the Contractor shall prepare, an updated audit to demonstrate why the extraordinary Rate adjustment should remain in effect.

9.4 Contractor's Invoices

The Contractor shall prepare and submit a monthly invoice to the County for the work that was performed during the preceding month. The invoice shall identify the number of Customers that were served, the Rate that should be charged for each Customer, and the total payment due to the Contractor. The first invoice shall cover the period from the Effective Date until the end of the calendar month that includes the Effective Date. Thereafter, each invoice shall cover the work performed during the preceding calendar month.

9.5 Payment Time

The Contractor shall be paid all undisputed amounts within forty-five (45) days after the County receives a proper invoice for the work performed by the Contractor during the preceding month.

appropriate information, in the format requested by the Contract Administrator, to determine whether the Person should be added to the County's Customer list. If the Contract Administrator verifies that the Person should be added to the County's Customer list, the County shall pay the Contractor for the Regular Services provided to the Customer. If the County overpays the Contractor for any reason, the Contractor shall promptly notify the Contract Administrator, and the County shall adjust its monthly payments to the Contractor to offset any prior overpayments.

Notwithstanding anything else contained herein, the County shall have no obligation to pay the Contractor for services rendered by the Contractor more than one (1) calendar month before the Contractor notifies the Contract Administrator that the Contractor has been providing its service to a Person or Residential Property that was omitted from the County's list of Customers. The Contractor hereby waives its right to payment for services provided more than one (1) calendar month prior to its notice to the Contract Administrator. For example, if the Contractor gives notice in October that the Contractor has provided service to a Customer since June, the Contractor shall receive payment for the services it provided in September and October, but the Contractor shall not be entitled to any payment for services it rendered prior to September.

9.11 Diesel Fuel Adjustment Fee

The County shall pay an additional fee (i.e., "the Fuel Adjustment Fee") to the Contractor, and the Contractor shall pay a Fuel Adjustment Fee to the County, when required by the provisions of this Section 9.11. The Fuel Adjustment Fee shall be invoiced quarterly in arrears. The Fuel Adjustment Fee shall reflect the monthly changes in the price of Number 2 Diesel, as reported in the FDOT Fuel and Bit Price Index (FDOT Index) (<http://www.dot.state.fl.us/construction/fuel&bit/Fuel&Bit.shtm>).

The Fuel Adjustment Fee shall be paid for diesel fuel that is used by the Contractor's collection vehicles, but only when such vehicles are used to collect and transport the County's Residential Waste in St. Johns County in compliance with this Agreement. The Contractor shall compile and maintain accurate records demonstrating that the Contractor has complied with the requirements in this Section 9.11. The County may withhold payment of any invoice from the Contractor for the Fuel Adjustment Fee until the Contractor provides adequate documentation to support the invoice. At any time the County may monitor and audit the fuel consumption records of the Contractor for the collection and transportation of the County's Residential Waste.

The "Base Fuel Price" (BFP) will be set at \$3.2251 per gallon, beginning April 1, 2014. The Base Fuel Price shall be adjusted each month thereafter, based on the change during the preceding month in the Consumer Price Index published by the United States Department of Labor, Bureau of Labor Statistics, for all items in the wage earners and clerical workers (CPI-W) category for the South Urban Area. This CPI adjustment will establish a "Monthly Base Fuel Price" (MBFP).

The MBFP will be subtracted from the FDOT Index Price for that month to derive the "Price Differential" per gallon of diesel fuel for the subject month. This Price Differential will then be multiplied by the number of gallons consumed by the Contractor during the month for the collection and transportation of the County's Residential Waste in the County in compliance with this Agreement. The resulting value is the amount of the Fuel Adjustment Fee for that month.

When the FDOT Index Price is greater than the Base Fuel Price, the Fuel Adjustment Fee will be paid by the County to the Contractor. When the FDOT Index Price is less than the Base Fuel Price, the County will deduct the Fuel Adjustment Fee from the County's payments to the Contractor.

The Fuel Adjustment Fee shall be calculated by using the following formulas:

$$\text{BFP} \times \text{Monthly CPI Adjustment} = \text{MBFP}$$

$$\text{FDOT Index} - \text{MBFP} = \text{Price Differential (Per Gallon of Diesel Fuel)}$$

$$\text{Gallons Used by Contractor} \times \text{Price Differential} = \text{Fuel Adjustment Fee}$$

The following hypothetical examples use hypothetical values to demonstrate how the Fuel Adjustment Fee will be calculated:

Example No. 1:

$$\$3.2251 \text{ (BFP)} \times 1.003 \text{ (CPI Adjustment)} = \$3.2348 \text{ (MBFP)}$$

$$\$3.2348 \text{ (MBFP)} - \$3.1818 \text{ (FDOT Index)} = \$0.053 \text{ (Price Differential)}$$

$$1,000 \text{ Gallons (Fuel Used)} \times \$0.053 \text{ (Price Differential)} = \$53.00 \text{ (Fuel Adjustment Fee to be paid by the Contractor to the County)}$$

Example No. 2:

$$\$3.2251 \text{ (BFP)} \times 0.995 \text{ (CPI Adjustment)} = \$3.2089 \text{ (MBFP)}$$

$$\$3.3311 \text{ (FDOT Index)} - \$3.2089 \text{ (MBFP)} = (\$0.1222) \text{ (Price Differential)}$$

$$1,000 \text{ Gallons (Fuel Used)} \times (\$0.1222) \text{ (Price Differential)} = \$122.20 \text{ (Fuel Adjustment Fee to be paid by the County to the Contractor)}$$

9.12 Right to Verify Payments

The County's acceptance of any payment from the Contractor and the County's deduction of any amount from any payment due to the Contractor shall not be construed



August 8, 2016

Neal Shinkre
St. Johns County
Public Works Director
1625 State Road 16
St. Augustine, FL 32084

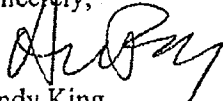
Dear Mr. Shinkre:

Republic Services respectfully requests relief by waiving the fuel differential for April 2016- June 2016. We are very appreciative of the 6 month fuel relief previously granted however the relief expired in March and the station was still not complete. As such, we have suffered additional fuel costs due to the inability to transition to CNG trucks.

The deferral for the requested fuel relief time period has cost us approximately \$20,951.26 in additional fuel costs for Q2 of this year. The requested amount can be found below and the complete calculation can be found on the attached document.

Republic Services is committed to providing CNG trucks in accordance with its current contract with Saint John's County and is considering purchasing trucks over and above our contractual requirement in 2017. Republic Services is committed to our long term partnership with Saint John's County. Your support is greatly appreciated.

Sincerely,



Andy King
General Manager



NOTE: Please send to cstewart@sjcfl.us and jatkins@sjcfl.us
 445A International Golf Parkway, St. Augustine, FL 32095

INVOICE

FUEL PRICE ADJUSTMENT

FOR

April, May, and June 2016

Resolution # 2005-0390

St Johns County
 Acct # 1409244

MONTH	NUMBER OF GALLONS	INDEX PRICE (Number 2 Diesel)	BASE	RATE PER GALLON	AMOUNT DUE
April	20,450.40	1.2755	2.9189	(1.6434)	\$ (33,608.19)
May	20,474.10	1.4627	2.9316	(1.4689)	\$ (30,074.41)
June	20,040.20	1.6045	2.9446	(1.3401)	\$ (26,855.87)
Original Amount Due					\$ (90,538.47)

MONTH	NUMBER OF GALLONS	INDEX PRICE (Number 2 Diesel)	BASE	RATE PER GALLON	AMOUNT DUE
April	16,307.90	1.2755	2.9189	(1.6434)	\$ (26,800.40)
May	15,333.80	1.4627	2.9316	(1.4689)	\$ (22,523.82)
June	15,120.50	1.6045	2.9446	(1.3401)	\$ (20,262.98)
Actual Amount Due					\$ (69,587.20)

Fuel Relief Amount **\$ (20,951.26)**

TRUCKS

	2016	April	May	June
TRASH		16	16	16
YARD TRASH		9	9	9
RECYCLE		9	9	9
TOTAL		34	34	34

Thank you,

Ryan Clauss
 Division Accountant

April 28, 2016
 Date