Consideration of Implementing Consultant
Recommendations Regarding Improvements to the
Solid Waste Management System
(Budget Discussion Item #10)
July 10, 2012

The Leon County Board of County Commissioners met for a Workshop on Tuesday, July 10, 2012, to consider implementing consultant recommendations regarding improvements to the solid waste management system. This item was deferred from the Board’s July 9, 2012 Budget Workshop.

Present were Chairman Akin Akinyemi, Vice-Chairman Nick Maddox, and Commissioners John Dailey, Jane Sauls, Kristen Dozier, and Bryan Desloge. Commissioner Bill Proctor was absent. Also present were County Attorney Herb Thiele and Board Secretary Rebecca Vause.

Facilitators: Vince Long, County Administrator
Alan Rosenzweig, Deputy County Administrator
Maggie Theriot, Director, Office of Resource Stewardship
Norm Thomas, Director, Solid Waste
Mitch Kessler, President, Kessler Consulting, Inc.
Robin Mitchell, Project Manager, Kessler Consulting, Inc.

Chairman Akinyemi convened the workshop at 1:06 p.m.

Staff provided an overview of recent actions by the Board to advance the County’s recycling efforts to help achieve the State-mandated 75% recycling goal. Mr. Rosenzweig recalled that due to the complexity and uncertainty associated with solid waste issues, staff had recommended, and the Board approved, the hiring of a consultant with relevant statewide knowledge and experience to provide options for the Board’s consideration. Thus, staff obtained the services of Kessler Consulting, Inc. (KCI), who also serves as the City’s long-time solid waste consultant. He continued that the consultant conducted an in-depth analysis of the dynamics of both the County and City’s solid waste programs.

Mr. Rosenzweig conveyed that the City and County have had a long mutually beneficial relationship regarding solid waste disposal, but the County has been formally noticed that beginning April 2013 the City does not wish to continue to utilize the transfer station under the current terms and conditions of the agreement. He submitted however, that through efforts of the consultant, staff feels confident the City and County can reach a new mutually beneficial agreement that will increase recycling rates but also reduce costs to customers.

Mitch Kessler of KCI provided a summary of the findings of their solid waste assessment, which included a recommendation for a solid waste planning strategy. It is noted that a copy of the Kessler report was included in the Board’s agenda packet. He stated that his firm was tasked to:

- Maximize waste diversion (pathway to 75% recycling goal);
- Examine disposal options given city notice, and
- Develop economically viable and environmentally sustainable solid waste system.

Based on meetings between KCI, the City and the County, a three-stage approach to evaluate and select the most appropriate disposal and waste diversion options were presented. The following is a summary of the proposed recommendations:
<table>
<thead>
<tr>
<th>Stage 1: Disposal</th>
<th>Stage 2: Processing/Waste Diversion</th>
<th>Stage 3: Collection</th>
</tr>
</thead>
</table>
| • Recommendation: Immediately begin negotiations with Decatur County Georgia Landfill for potential disposal agreement. | • Recommendation: Issue a Request for Proposals (RFP) for processing services that maximize waste diversion.  
  • Select cost-effective option that meets waste diversion objectives. | • Recommendation: Negotiate 6-month contract extension with Waste Management  
  • Issue RFP for waste collection. |

**Commission Discussion:**

Chairman Akinyemi confirmed with staff that the City's reason for not renewing the current Agreement was not related to “service”, but rather was a cost saving measure. Upon questioning about the proposed RFP, he was able to ascertain that the proposed RFP would not be so specific, thereby allowing for solicitation of the private sector interest and approaches to processing waste.

**Commissioner Maddox moved, duly seconded by Commissioner Dozier, approval of Options 1, 2, 3 & 4:**

1) **Disposal** – Authorize County staff to negotiate with Decatur County landfill for potential disposal agreement;

2) **Processing** – Authorize County staff to proceed with the development and issuance of an RFP for processing/waste diversion;

3) **Collection** – Authorize staff to:
   - 3.1 Extend the current waste collection contract with Waste Management Inc. by six months
   - 3.2 Proceed with the development of a draft waste collection RFP.

4) **Authorize County staff to continue to secure Kessler consulting’s professional services in regards to strategic waste planning.**

Commissioner Dozier inquired about the Decatur County site and established with staff that it was a “safe, environmentally well designed and operated facility”. She discussed the state’s 75% recycling mandate and pointed out that there was no penalty associated with not meeting the mandate. However, she mentioned that many communities have adopted their own 75% goal. Staff shared that although the County does not have a formal 75% recycling policy all actions taken are moving toward this goal; but at the same time, balancing the financial implications. Commissioner Dozier commented that should the State eliminate its statewide recycling goal, she would like the County to consider a target goal on its own.

Commissioner Dozier initiated conversation regarding, and voiced her support for, further conversation on the implementation of universal collection. She concluded her comments by conversing with Mr. Thomas about the environmental constraints and concerns of the solid waste site for future development.
Commissioner Sauls asked how the rural waste centers would be affected by initiating the recommended actions of the consultant. Mr. Rosenzweig explained that there would be no change, unless the Board chooses to initiate universal collections.

Commissioner Maddox inquired about the number of counties that utilize universal collections. Mr. Kessler responded that he estimated that of the top 20 counties (in population) 18 use universal collections. Commissioner Maddox also expressed his support for more discussion on moving toward universal collections. He conveyed his interest in exploring the use of landfill site as a park facility and ascertained from Mr. Kessler that there are many examples throughout the Country where sites previously utilized as a landfill have been reclaimed as parks, ball fields, etc.

Chairman Akinyemi asked if consideration had been given to combining the two RFPs, processing/waste diversion and waste collection. Mr. Kessler shared that it has been his experience to separate the two out so as to allow maximum competition and to obtain the best price. Chairman Akinyemi too voiced support for implementing universal collections and inquired if staff would suggest its implementation just within the urban services area (USA) or countywide. Mr. Rosenzweig responded that the various scenarios, maintain status quo, implement throughout entire unincorporated area or a hybrid approach would be included as part of the draft RFP.

The motion carried 6-0 (Commissioner Proctor absent)

Chairman Akinyemi adjourned the workshop at 2:12 p.m.

ATTEST:

LEON COUNTY, FLORIDA

BY: Akin Akinyemi, Chairman
Board of County Commissioners

Bob Inzer, Clerk of the Court
Leon County, Florida

Budget Workshop Item #10
Consideration of Implementing Consultant Recommendations
Regarding Improvements to the solid Waste Management System
Leon County
Board of County Commissioners
Cover Sheet for Budget Workshop Item #10

July 10, 2012

To: Honorable Chairman and Members of the Board

From: Vincent S. Long, County Administrator

Title: Consideration of Implementing Consultant Recommendations Regarding Improvements to the Solid Waste Management System

County Administrator Review and Approval: Vincent S. Long, County Administrator

Department/Division Review: Alan Rosenzweig, Deputy County Administrator

Lead Staff/Project Team: Maggie Theriot, Office of Resource Stewardship
Norm Thomas, Solid Waste Director

Fiscal Impact:
This item has no current fiscal impact, although data collected as a result of this budget discussion item will be presented to the Board for future consideration. Fiscal impacts will be determined at that time, however, it is anticipated that customer cost will be reduced while increasing recycling rates.

Staff Recommendations:

1. Disposal - Authorize County staff to negotiate with Decatur County Landfill for potential disposal agreement
2. Processing – Authorize County staff to proceed with the development and issuance of an RFP for processing/waste diversion
3. Collection – Authorize staff to:
   3.1. extend the current waste collection contract with Waste Management Inc. by six months
   3.2. proceed with the development of a draft waste collection RFP.
4. Authorize County staff to continue to secure Kessler Consulting’s professional services in regards to strategic waste planning
Report and Discussion

Background:

On September 14, 2010, the Board conducted a solid waste workshop to discuss issues related to the State-mandated 75% recycling goal. As part of the workshop, the Board adopted a number of initial steps to evaluate options available to meet the 75% recycling goal, including a waste composition study. The Board authorized a waste composition study as the first phase in developing a long term strategy for solid waste disposal. The actual study determined how much of the waste stream delivered to the transfer station is recyclable by material type (Attachment #1). The next phase of the process was to utilize the results of the waste composition study in evaluating the available options of increasing recycling efforts, identify possible ways to reduce overall disposal costs while taking into account the fiscal conditions currently being experienced by the City and County.

Due to the complexity and uncertainty associated with these solid waste issues staff recommended hiring a consultant with relevant statewide knowledge and experience to proffer viable options for the Board’s consideration. Subsequently on December 13, 2011, the Board authorized staff to obtain the services of Kessler Consulting, Inc. (KCI), who also serves as the City’s long-time solid waste consultant.

KCI was contracted to assist with a strategic planning process to:

- Identify potential technologies and approaches for maximizing waste diversion
- Evaluate how these technologies and approaches might be applied in Leon County’s existing solid waste system (including collection and disposal methods).
- Evaluate the financial implications to the County of the various options.
- Categorize the options by short, immediate, and long term.

The consultant has conducted an in-depth analysis of the dynamics surrounding both the County’s and City’s solid waste programs to develop recommendations (Attachment #2). The analysis portion of this item will discuss the preliminary findings and recommendations from KCI, staff discussions with the City regarding these issues and proposed next steps.

Analysis:

Within the next year many dynamics relating to the operations of the Solid Waste program will be in a state of fluctuation. The primary purpose of this workshop item is to provide a summary of various elements of the solid waste program and a proposed strategy for pursuing the 75% recycling goal in a fiscally prudent manner. This item seeks only to grant the authorization necessary for staff to perform the necessary due diligence. No commitments are being asked of the Board at this time. However, as negotiations, renegotiations and procurement processes proceed, additional agenda items will be forthcoming to seek specific Board direction on decisions impacting solid waste services with the goal of developing a sustainable long-term solid waste management system that maximizes waste diversion and is economically viable.
The hauling and disposal agreement with Waste Management, Inc., the waste collection franchise agreement with Waste Management, Inc. and the interlocal agreement with the City of Tallahassee for use of the transfer station are all scheduled to expire within the next year. The following table illustrates the primary contracts within the solid waste program.

<table>
<thead>
<tr>
<th>Service</th>
<th>Vendor</th>
<th>Start Date</th>
<th>Expiration</th>
<th>Extension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hauling/Disposal</td>
<td>Waste Management Inc</td>
<td>5/1/2003</td>
<td>4/30/2013</td>
<td>5-yr basis</td>
</tr>
<tr>
<td>Collection Franchise (Curbside)</td>
<td>Waste Management Inc</td>
<td>4/22/2007</td>
<td>4/30/2013</td>
<td>5-yr basis</td>
</tr>
<tr>
<td>Solid Waste Interlocal (Transfer Station Processing)</td>
<td>City of Tallahassee</td>
<td>5/1/2003</td>
<td>4/30/2013</td>
<td>1-yr basis</td>
</tr>
<tr>
<td>Class III (C&amp;D)</td>
<td>Marpan Recycling</td>
<td>10/30/2008</td>
<td>10/29/2013</td>
<td>(3) 5-yr</td>
</tr>
<tr>
<td>Yard Debris Processing</td>
<td>Larry D. Smith, LLC</td>
<td>11/1/2011</td>
<td>10/31/2014</td>
<td>(2) 1-yr</td>
</tr>
<tr>
<td>Recyclables (LCS &amp; RWSC)</td>
<td>Recycled Fibers</td>
<td>1/1/2011</td>
<td>12/31/2012</td>
<td>(2) 1-yr</td>
</tr>
<tr>
<td>Waste Tire Processing</td>
<td>MAC Tire Recyclers</td>
<td>9/1/2009</td>
<td>8/31/12</td>
<td>(2) 1-yr</td>
</tr>
<tr>
<td>Electronic Recycling</td>
<td>Creative Recycling</td>
<td>8/1/2009</td>
<td>7/31/12</td>
<td>(2) 1-yr</td>
</tr>
<tr>
<td>Environmental Compliance</td>
<td>HDR Engineering</td>
<td>3/11/2008</td>
<td>3/10/2013</td>
<td>(3) 1-yr</td>
</tr>
</tbody>
</table>

Additionally, the City’s waste collection contract was set to expire September 30, 2013. However, the City recently extended its agreement with their current waste collection provider Waste Pro through September 30, 2018 (Attachment #3).

The pending expirations provide a unique opportunity to maximize synergies among the agreements, address factors relating to future revenue and expense, as well as make significant strides towards the State’s 75% recycling goal. However, in order to maximize these pursuits, it is evident that continued partnership and further collaboration with the City of Tallahassee and other solid waste agreement partners will be imperative.

Beginning in October 2010 the County reached out to the City to start a dialogue regarding partnering in fulfillment of recycling goals. This spirit of collaboration is evidenced in a letter dated December 20, 2011 from the County Administrator to the City Manager (Attachment #4). In a letter dated January 10, 2012 (attachment #5), the City responded with a willingness to work together. The letter also notified the County of the City’s intent to allow the terms of the solid waste interlocal agreement to expire May 1, 2012. This agreement governs the disposal of City waste at the Gum Road Transfer Station. Despite this notification, City and County staff have expressed an enduring desire to partner to address the community’s long-term solid waste issues for positive outcomes both fiscally and environmentally (Attachments #6 and #7). A strategic alliance was fostered between City and County staff through a series of meetings facilitated by
KCI. This alliance was due in large part to the role of KCI, their established relationship with the City, and their expertise in the field of solid waste.

Although not yet formalized, the City has identified a lower cost disposal option than is currently offered by the County. The City’s waste comprises over 70% of the material received at the Transfer Station, which will result in significant financial and operational impacts for Leon County. As a result of the City’s notice, the scope of KCI’s work has been expanded to also examine disposal options for Leon County’s segment of waste and maximizing the beneficial use of the remaining waste stream at the Transfer Station. The consultant will make a presentation at the Budget Workshop of his findings to-date and potential disposal options and their impact on the County both operationally and financially.

Board action taken during this Budget Workshop will provide staff the necessary guidance to continue steps to put a waste collection contract in place and assess the function of the Transfer Station. Through joint efforts with the consultant, staff will be able to provide the Board with specific fiscal impacts affecting the 2013 fiscal year and subsequent year budgets. However, given the timing of the collection contract expiration, on-going efforts to work along side the City for disposal and pending non-ad valorem study; the FY13 budget being developed will not be the final budget, but will need to be modified after the start of the next fiscal year.

As a result of the series of meetings KCI facilitated between County and City staff to assess opportunities for disposal and waste diversion options, KCI developed a three-stage approach to strategically evaluate and select the appropriate options. KCI’s analysis includes consideration of how these options would impact Leon County both operationally and financially and identifies next steps.

Three-stage Strategy
Collection, processing and disposal are interrelated elements of solid waste management. All three elements have a cost and are critical to maintaining a balanced, sustainable solid waste program. Changes to one of these elements will impact the others. Therefore, all three need to be looked at together, with timing and coordination of system changes being important. As previously noted, the hauling and disposal agreement with Waste Management, Inc., the waste collection franchise agreement with Waste Management, Inc. and the interlocal agreement with the City of Tallahassee for use of the transfer station are all scheduled to expire on the same day. A decision made regarding any one of these agreements will impact the others.

Stage 1 - Disposal
Before decisions can be made concerning future collection and processing options, economically feasible and environmentally sensitive disposal option should be secured. In light of developments concerning the potential loss of City waste flow to the Transfer Station, KCI developed identified four disposal options.

Option 1) Continue to operate the Transfer Station with City tonnage (status quo): This is not deemed feasible in large part due to the costs associated with the County’s existing hauling and disposal contract and operation of the Transfer Station. Leon County charges the City $41.80
per ton, which is nearly double the preliminary disposal fee offer the Decatur County Landfill has indicated.

Option 2) **Continue to operate the Transfer Station without City tonnage:** This will result in loss of net revenue of approximately $1.8M annually which directly supports the Transfer Station operations, Recycling program, Household Hazardous Waste program, and a portion of Solid Waste operations. As reflected in Table 2 of the KCI report, Leon County charges the City $41.80 per ton, with $13.79/ton covering solid waste program operations such as HHW and Recycling. Without the revenue of $13.79/ton for approximately 130,000 tons annually from the City it will be difficult to fully offset the loss of revenue through scaling back Transfer Station options.

Option 3) **Direct haul County waste to the SWMF:** The potential exists to reopen the SWMF to accept class I waste generated in the unincorporated County resulting in an estimated $200,000 net savings to the County annually. By delivering the approximately 50,000 tons of waste to the SWMF, the need for the Transfer Station would be eliminated. This opportunity would allow the Transfer Station facility to be repurposed potentially to function as a material recovery facility.

Option 4) **Direct haul to other public or private landfill:** The Board could choose to close the Transfer Station and require its waste hauler to direct haul waste to another public or private disposal facility other than the SWMF. There are various Class I landfills located within 100 miles of Leon County, with Decatur County Landfill being the closest at 25 miles as compared to the current disposal site of Springhill at 85 miles. As with Option 3, this would allow for alternative use of the Transfer Station.

KCI recommends the following course of action for Stage 1:

- Initiate negotiations with Decatur County to determine whether an acceptable disposal agreement can be reached.
- Initiate negotiations with Waste Management Inc to determine whether the existing transportation and disposal contract can be renegotiated with more favorable terms to the County.
- Obtain direction from the BCC regarding whether to further consider disposal of unincorporated County waste at the SMWF.
- If above actions do not result in a viable disposal option, then conduct a competitive procurement of disposal services.
- Extend the County’s existing collection franchise agreement for at least six months to enable completion of Stages 1 & 2.

Stage 2 – Processing
Once the disposal option has been chosen, staff can move forward with identifying programs and facilities that will maximize waste diversion and beneficial reuse of materials currently disposed. The objective of this stage is to develop new processing opportunities and expanded recycling programs. The County would be on a path toward meeting the 75% recycling goal with a substantial increase in the quantity of waste diverted from disposal and the revenue the County and City could then earn on such materials.
Stage 2 would include solicitation and analysis of private sector interests and approaches to processing waste locally at currently existing or future facilities. If the operations cease or change at the Transfer Station based upon actions taken in Stage 1, there may be an opportunity to partner with a private company to re-purpose the Transfer Station to accommodate processing of mixed waste or single stream recyclables. Other materials such as yard debris could be assessed as well.

KCI recommends the following course of action for Stage 2:
- Conduct a competitive procurement to solicit private sector interests and approaches to processing waste locally at currently existing or future facilities.
- Analyze and select processing/waste diversion options that will enable the County to maximize waste diversion in a sustainable, cost-effective manner.

Stage 3 - Collection
Once processing and disposal infrastructure is in place, collection services that compliment this system and maximize recycling and waste diversion can be procured.

This stage will begin with defining and evaluating collection options the Board wants to consider. These might include single stream, cart-based recycling; variable rate collection fee structure; and/or converting to universal collection in part or all of the unincorporated area. Options exist to “piggyback” on the City’s renegotiated collection contract, or conduct a competitive procurement.

KCI recommends the following course of action for Stage 3:
- Analyze and select the service level(s) that compliment the other elements of the solid waste system and will assist the County in maximizing waste diversion.
- Conduct a competitive procurement for collection service to solicit private sector proposals and pricing for such service.

The Solid Waste Assessment
The County’s solid waste system is established as an Enterprise Fund. The Fund is to be sustained by tipping fees, revenues from interest rates on cash balance, miscellaneous receipts and a non-ad valorem solid waste assessment. Currently, the fund is not self sustaining and is being subsidized by general revenue funds generated from non-incorporated sources at approximately $1 million per year. The Board has authorized a study to determine what the special assessment rate should be to eliminate the subsidy.

On June 26, 2012, the Board approved Government Services Group Inc. (GSG) to conduct the solid waste assessment study. The study may include four possible scenarios for waste collection services (status quo, mandatory collection in unincorporated area, mandatory collection in Urban Services Area, and Pay-As-You-Throw) of which GSG will calculate assessment rates for each. This will allow the Board maximum flexibility to provide direction in Stage 3 above. Once the new collection agreement costs are known, the new assessment rate can be entered into the calculation to determine the final rate. In order to directly position costs
associated with the new collection agreement and assessment to align with the start of the fiscal year, it is recommended that the current collection agreement be extended for six months.

Alternative Power Production
In addition, the issue of alternative power production at the SWMF may further complicate the development of policy decisions that will need to be reached within the year. At the Board’s request, staff issued an Invitation to Negotiate for design and installation of an electrical power production facility at the Apalachee Solid Waste Management Facility. The top ranked proposal included a 74 acre solar photovoltaic array combined with a bio-gas to energy plant that would use yard debris and commercial food waste as a feed stock. The Board opted not to pursue the solar array because it would tie up potential future recreational space for a period of twenty years. However, the Board expressed an interest in further exploring the bio-gas to energy component including a proposal submitted by Gilbane Building Company in response to the ITN. As a component of Kessler Consulting’s services, a brief review of the proposal submitted by Gilbane was conducted (attachment #8). In light of the state of transition the solid waste program will be in over the next year, the consultant and County staff recommends no further efforts be pursued at this time to develop a power production initiative. It is anticipated that Gilbane and other firms interested in developing power production from waste resources will have the opportunity to submit proposals during Stage 2.

In summary, the primary purpose of this workshop item is to provide a summary of various elements of the solid waste program and a proposed strategy for pursuing the state-mandated 75% recycling goal in a fiscally prudent manner. This item seeks only to grant the authorization necessary for staff to initiate the necessary due diligence. No commitments are being asked of the Board at this time.

**Options:**
1. Disposal - Authorize County staff to negotiate with Decatur County Landfill for potential disposal agreement
2. Processing – Authorize County staff to proceed with the development and issuance of an RFP for processing/waste diversion
3. Collection – Authorize staff to:
   3.1. extend the current waste collection contract with Waste Management Inc. by six months
   3.2. proceed with the development of a draft waste collection RFP.
4. Authorize County staff to continue to secure Kessler Consulting’s professional services in regards to strategic waste planning
5. Board direction.

**Recommendation:**
Options # 1, 2, 3, and 4.

**Attachment(s):**
1. Waste Composition Study pie chart
Title: Consideration of Implementing Consultant Recommendations Regarding Improvements to the Solid Waste Management System
July 10, 2012
Page 8

<p>| | |</p>
<table>
<thead>
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<tbody>
<tr>
<td>2.</td>
<td>Kessler Consulting Strategic Planning Phase 1 Report</td>
</tr>
<tr>
<td>3.</td>
<td>City Agenda Item – Approval to Extend Agreement for Solid Waste Services</td>
</tr>
<tr>
<td>4.</td>
<td>Letter from the County Administrator dated December 20, 2011</td>
</tr>
<tr>
<td>5.</td>
<td>Letter of Response from the City Manager dated January 10, 2012</td>
</tr>
<tr>
<td>6.</td>
<td>Letter from the Deputy County Administrator dated May 15, 2012</td>
</tr>
<tr>
<td>7.</td>
<td>Letter of Response from the Assistant City Manager dated June 6, 2012</td>
</tr>
</tbody>
</table>
COMPOSITION OF CLASS I WASTE DELIVERED TO LEON COUNTY TRANSFER STATION (% BY WEIGHT)

- Residue (All Other Materials), 39.5%
- Glass Food & Beverage Containers, 4.6%
- Aluminum Food & Beverage Containers, 1.0%
- Tin/Steel Cans, 1.1%
- Other Ferrous Metals, 0.9%
- Other Non-Ferrous Metals, 0.5%
- Plastic Containers (Recyclable), 5.7%
- Corrugated Cardboard, 5.8%
- Newspaper, 2.1%
- Office Paper, 2.9%
- Other Recyclable Paper, 4.6%
- Other Compostable Paper, 8.5%
- Aseptic Containers, 0.5%
- Food Waste, 11.4%
- Yard Waste, 2.6%
- Textiles, 3.5%
- Electronics, 0.9%
- Hazardous/Special Wastes, 0.8%
- Furniture, 0.3%
- Carpet/ Padding, 0.4%
- C&D, 2.4%
TECHNICAL MEMORANDUM

DATE: June 29, 2012

TO: Alan Rosenzweig, Deputy County Administrator, Leon County

FROM: Mitch Kessler, Project Director

SUBJ: Leon County Solid Waste Strategic Planning Update

PROJ #: 135-00.00

Background

Leon County (County) contracted Kessler Consulting, Inc. (KCI) to assist with a strategic planning process to identify and evaluate options for maximizing recycling and beneficial reuse of materials currently delivered to the Gum Road Transfer Station. The purpose of this project is to help put the County on a pathway toward achieving the State’s goal of a 75% recycling rate by 2020, but at the same time to ensure the long-term economic and environmental sustainability of the solid waste system.

KCI was tasked with evaluating a range of program options and technologies with the potential to substantially increase waste diversion. These include changes in collection programs (e.g., single stream collection, pay-as-you-throw, and universal collection) and processing options (e.g., single stream processing, organics composting, Class III processing, and mixed waste processing).

KCI has extensive experience in strategic solid waste management planning, especially as it relates to maximizing waste diversion. As you are aware, our firm developed a report outlining a state-level “roadmap” for achieving 75% recycling. We are extremely well versed in waste diversion policies and programs and state-of-the-art technologies.

As KCI initiated this project, it became clear that issues regarding disposal of waste required resolution as well. In a letter dated January 10, 2012, the City of Tallahassee (City) notified the County of its intent to allow the Inter-Local Agreement (ILA) governing disposal of City solid waste at the County’s transfer station to expire on April 30, 2013. Because City waste comprises over 70% of the waste received at the Gum Road Transfer Station, this will have significant financial and operational impacts on the County. Therefore, KCI’ s scope was expanded to also examine disposal options.

Through a series of meetings between County and City staff, KCI helped foster a strategic alliance between the two entities pertaining to solid waste management. Through this process, a three-stage
approach was developed for proceeding with this solid waste strategic planning process in a methodical and deliberative manner. The objective of this approach is to develop a sustainable, long-term solid waste management system that maximizes waste diversion and is economically viable.

This document provides an overview of the existing solid waste system, outlines the recommended three-stage approach for continuing this strategic planning process, and identifies next steps in the process.

**Solid Waste System Overview**

Figure 1 depicts the flow of Class I waste, Class III waste, recyclable materials, and yard debris collected by or on behalf of the County and City in FY 2011, and Table 1 provides a summary of solid waste and recyclables tonnages. Neither includes C&D, commercial recyclables, or other materials managed by private entities and outside the control or influence of the County or City.

As noted in Table 1, the County recycles approximately 23% of these materials and the City recycles 13%. According to the 2010 annual report submitted to the Florida Department of Environmental Protection (FDEP), 380,058 tons of municipal solid waste was collected in Leon County of which 39% was recycled. This data includes C&D and commercial recyclables, which are collected and managed outside the direct control of the County or City programs.

**Table 1: Solid Waste and Recyclables Collected, FY 2011**

<table>
<thead>
<tr>
<th>Waste Type</th>
<th>Unincorporated County</th>
<th>City of Tallahassee</th>
<th>Combined Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class I (tons)</td>
<td>49,536</td>
<td>130,623</td>
<td>180,159</td>
</tr>
<tr>
<td>Class III (tons)</td>
<td>4,494</td>
<td>5,228</td>
<td>9,722</td>
</tr>
<tr>
<td>Yard Waste (tons)</td>
<td>7,391</td>
<td>5,344</td>
<td>12,735</td>
</tr>
<tr>
<td>Recyclables (tons)</td>
<td>6,088</td>
<td>9,478</td>
<td>15,566</td>
</tr>
<tr>
<td>Tires/Electronics</td>
<td>182</td>
<td>426</td>
<td>608</td>
</tr>
<tr>
<td>Totals (tons)</td>
<td>67,564</td>
<td>150,801</td>
<td>218,790</td>
</tr>
<tr>
<td>Recycling Rate</td>
<td>24%</td>
<td>12%</td>
<td>16%</td>
</tr>
<tr>
<td>2010 Countywide Recycling Rate</td>
<td>39%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1 Assumes 30/70 split of tires/electronics between County and City.

2 Does not include C&D and other materials collected by private entities and outside the control or influence of the County or City.

3 In addition to recyclables and tires/electronics, assumes 66% of Class III is recycled.

4 Based on annual report to FDEP. Includes C&D and other materials collected by private entities.
Figure 1: Leon County Waste Flow, FY 2011

Class I Waste Flow

- Rural Waste Service Centers (5 Locations) → 23,000 Subscription Residential Units → Commercial → City of Tallahassee
- Class I Waste Flow: 4,996 tons → Gum Road Transfer Station (18,159 tons) → 134,623 tons
- Spring Hill Landfill Jackson Co. (186,425 tons)

Class III Waste Flow

- Rural Waste Service Centers (5 Locations) → 23,000 Subscription Residential Units → Commercial & Govt/Institutions → Unincorporated Self-Haul Class III Waste → City of Tallahassee (Waste Pro/City Collection)
- Class III Waste Flow: 1,612 tons → Marpan Processing Facility → 5,701 tons
- Apalachee Landfill (18,300 tons)

Recyclable Materials Flow

- 23,000 Subscription Residential Units → Govt/Institutions → Rural Waste Service Centers → City of Tallahassee
- Recyclable Materials Flow: 10,856 tons
- Marpan Processing Facility: 6,266 tons of Class I waste from Wakulla County delivered to the Gum Road Facility in FY 2011. Wakulla County no longer delivers waste to the Gum Road Facility.

Yard Debris Flow

- Rural Waste Service Centers (5 Locations) → 23,000 Subscription Residential Units → Commercial → City of Tallahassee
- Yard Debris Flow: 6,088 tons → Apalachee Yard Waste Processing (15,566 tons)
- Ground Onsite: Available to Residents
- Apalachee Landfill

Note: Does not include C&D and other materials collected by private entities and outside the control or influence of the County or City. Does not include 6,266 tons of Class I waste from Wakulla County delivered to the Gum Road Facility in FY 2011. Wakulla County no longer delivers waste to the Gum Road Facility.
Waste Collection

Residential and commercial waste generated in the unincorporated County is collected by Waste Management of Florida, Inc. (WMI) via an exclusive collection franchise agreement. This agreement was originally signed in 1986, has been renegotiated several times, and currently expires on April 30, 2013.

Residential collection is provided on a subscription basis for a monthly fee of $19.33 per household, which is billed by WMI. Approximately 60% of the County’s single-family households subscribe for collection service. Subscription service includes weekly collection of garbage, dual stream recyclables, and yard debris. Bulk materials are collected on call. Residents who do not subscribe may self-haul their solid waste, recyclables and yard debris to one of the County’s five Rural Waste Service Centers (RWSCs).

The County charges all residential property owners in the unincorporated County an annual non-ad valorem assessment of $40 per year for solid waste disposal. Concurrent with this strategic planning process, the County also is conducting an evaluation of this assessment.

WMI bills commercial customers directly for collection and disposal based on the level of service needed by the individual business and the commercial rates established in the franchise agreement. WMI remits a franchise fee of 5% of gross revenue from residential and commercial collection services to the County.

Transfer and Disposal

Class I waste generated within the County currently is delivered to the County-owned and operated Gum Road Transfer Station. City waste accounted for 70% of tonnage received at the transfer station in FY 2011; 27% was from the unincorporated County and the remaining 3% was from Wakulla County, which no longer delivers waste to the County.

Class I waste is transferred for disposal at Springhill Landfill in Jackson County via the County’s Transport and Disposal Agreement with WMI. The contract was awarded in 1998, commenced in 2003 when the transfer station became operational, and expires on April 30, 2013. The County is to provide notice of its intent to renew, negotiate, or terminate this agreement at least 180 days prior to that date.

In FY 2011, the County paid WMI $26.13 per ton for transport and disposal, in addition to an annual lump sum fuel surcharge and fuel tax adjustment of $326,469.74. Collectively, the County paid WMI $28.01 per ton for the transport and disposal of Class I waste received at Gum Road Transfer Station.

In FY 2011, the County charged a tipping fee at the transfer station of $41.80 per ton. This fee included the contract cost of transport and disposal and the costs of operating the transfer station and a variety of other solid waste program services. A breakdown of the tipping fee is provided in Table 2.
Table 2: Gum Road Transfer Station Tipping Fee Summary, FY 2011

<table>
<thead>
<tr>
<th>Service</th>
<th>$/Ton</th>
</tr>
</thead>
<tbody>
<tr>
<td>WMI Transport &amp; Disposal Contract Fee</td>
<td>$28.01</td>
</tr>
<tr>
<td>Hauling &amp; Disposal</td>
<td>$26.13</td>
</tr>
<tr>
<td>Fuel &amp; CPI Index Adjustments</td>
<td>$1.88</td>
</tr>
<tr>
<td>Fee for Program Operations</td>
<td>$13.79</td>
</tr>
<tr>
<td>Transfer Station Operations</td>
<td>$4.95</td>
</tr>
<tr>
<td>Recycling Services &amp; Education</td>
<td></td>
</tr>
<tr>
<td>Hazardous Waste</td>
<td></td>
</tr>
<tr>
<td>MIS Automation/Risk Allocation</td>
<td>$8.84</td>
</tr>
<tr>
<td>Indirect Costs</td>
<td></td>
</tr>
<tr>
<td>TS Capital Improvements</td>
<td></td>
</tr>
<tr>
<td>Solid Waste Management Allocation</td>
<td></td>
</tr>
<tr>
<td><strong>Total Tipping Fee</strong></td>
<td>$41.80</td>
</tr>
</tbody>
</table>

Note: Based on information provided by County staff.

Recycling

Residents who subscribe to WMI’s collection service place recyclable materials that are accepted in the County’s dual stream program at their curbside. Curbside recyclables are the responsibility of WMI, which contracts with Marpan for processing. The County receives no revenue.

Residents also may deliver recyclables to the County’s RWSCs. Recyclables collected at the RWSCs and in the County school recycling program are processed by Recycled Fibers, for which the County receives $5.51 per ton. The County’s contract with Recycled Fibers commenced on January 1, 2011, and automatically renews annually until expiration on December 31, 2014. The County may terminate with written notice 30 days prior to expiration of the then current term. Revenue can be negotiated annually.

Per Florida Statute (Section 403.7046 (3), F.S.), a local government may not give any company the exclusive right to collect commercial recyclables; therefore, commercial recycling is open market.

Yard Debris

Yard debris is processed at the Apalachee Solid Waste Management Facility (SWMF). The County contracts with Larry D. Smith, LLC, to process and remove yard debris. This contract commenced November 1, 2011 and has an expiration date of October 31, 2014. The contract will automatically renew for two additional one-year terms unless the County provides notice of non-renewal to the contractor at least 30 days prior to expiration of the then current term. The County charges a tipping fee for delivery of yard debris and pays the contractor for processing. A summary of the costs and fees for yard debris processing is provided in Table 3.

Table 3: Yard Debris Processing Costs and Fees, FY 2011

<table>
<thead>
<tr>
<th>Yard Debris</th>
<th>Cost/Ton</th>
<th>County Tipping Fee/Ton</th>
<th>Net Revenue/Ton</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bagged</td>
<td>Debagging</td>
<td>$11.41</td>
<td>$39.00</td>
</tr>
<tr>
<td></td>
<td>Grinding</td>
<td>$9.50</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Screening</td>
<td>$3.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Removal</td>
<td>$1.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>$24.91</td>
<td>$39.00</td>
</tr>
</tbody>
</table>

*This fee is for the City of Tallahassee only; all others are charged $39.00/ton for bagged or unbagged yard debris.
Yard debris that is delivered to the RWSCs is ground onsite at each center about twice per year and made available to residents at no charge. The County obtains quotes annually for providing grinding services.

**Class III Waste**

The County contracts with Marpan to process residential bulky waste (appliances, furniture, etc.) delivered by the County, its franchised hauler (WMI), the City of Tallahassee, Wakulla County, private non-for-profit organizations, private hauling contractors, and private individuals residing in these jurisdictions. The contract commenced on October 30, 2008 and expires October 29, 2013. It automatically renews for three additional five-year periods unless otherwise noted by either the County or Marpan more than 90 days before the end of the then current term.

Marpan charges the County a tipping fee of $35.00 per ton. In FY 2011, Marpan reported recycling 66% of materials it received. The remaining materials (34%) are residuals, which are disposed at the County’s Class I Landfill at Apalachee SWMF for a tipping fee of $27.00 per ton. Because Marpan also receives materials from other sources, the quantity of residuals disposed at Apalachee Landfill is greater than the quantity of Class III waste delivered to Marpan by the County. As a result, the County received estimated net revenue of $137,275 in FY 2011.

Marpan also disposes of recovered screen materials at Apalachee Landfill, at no charge, and includes this material as part of its recycling rate. The County agreed to accept this material at no charge because it was believed it could be used as daily landfill cover. However, because of the material’s high gypsum content, this has not been feasible. The County should revisit the decision to accept recovered screen materials for no tipping fee.

**Financial Summary**

Figures 2 and 3 provide a summary of solid waste system revenues and expenditures for FY 2011, respectively. Solid waste expenditures totaled over $12.02 million, while revenue reached only $11.07 million. The largest source of solid waste revenue was transfer station tipping fees received for City waste, comprising 43% of the revenue stream. Tipping fees for Leon and Wakulla County wastes and Marpan residuals made up 25% of the revenue stream. Only 13% of solid waste revenue was generated by the County’s non-ad valorem assessment. The remaining 7% was from other miscellaneous sources, including recycling revenue. Because solid waste revenue fails to meet expenditures, funds transferred from the General Fund represented 12% of solid waste revenues.

Transport and disposal contract fees account for the single largest solid waste expenditure at 40% of total expenditures. Solid waste facilities’ operations, including the Gum Road Transfer Station, RWSCs, and Apalachee SWMF, account for 32% of expenditures. The hazardous waste program and recycling services and education account for less than 8% of solid waste expenditures, while capital improvements represent 11%. Costs associated with landfill closure, fixed asset adjustments, risk allocation, and other miscellaneous expenditures make up the remaining 9% of the solid waste budget.

In summary, when City waste is no longer delivered to the Gum Road Transfer Station, the County will lose a significant portion of a revenue stream that already fails to meet expenditure levels. While County
expenditures are likely to decrease without City waste, the cost of facility operations and infrastructure maintenance will experience large shifts in economies of scale, compounding budgetary concerns.

**Figure 2: Leon County Solid Waste Revenue by Waste Source, FY 2011**

- TS Tip Fees: Wakulla Waste, $0.23M (2%)
- TS Tip Fees: County Waste, $1.8M (16%)
- TS Tip Fees: City Waste, $4.7M (43%)
- County Assessment, $1.5M (13%)
- Landfill Income, $0.8M (7%)
- Resource Recovery, $0.05M (1%)
- Hazardous Waste, $0.007M (0%)
- General Fund Revenue Transfer, $1.3M (12%)
- Misc Revenue, $0.68M (6%)

**Figure 3: Leon County Solid Waste Expenditures, FY 2011**

- RWSC, $0.9M (8%)
- Landfill Closure, $0.1M (1%)
- Misc Expenditures, $0.6M (6%)
- Fixed Asset Adj, $0.2M (2%)
- Recycling Serv. & Education, $0.4M (3%)
- SWMF, $2.1M (17%)
- Capital Improvements, $1.4M (11%)
- Transport & Disposal Contract, $4.9M (40%)

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1 Actual FY 2011 dollar amounts were not available at report preparation. Dollar amounts are from the Adjusted FY 2011 Solid Waste Management Pro Forma. Miscellaneous revenue includes equipment buy-back, interest income and delinquent taxes. City, County, and Wakulla tipping fees are derived from source fractions of total tonnages provided by the Pro Forma.

2 Actual FY 2011 dollar amounts were not available at report preparation. Transfer and disposal dollar amounts are provided by FY 2011 Adopted Line Items in FY 2012 Office of Resource Stewardship Line Item Expenditures. All other dollar amounts are provided by the Adjusted FY 2011 Solid Waste Management Pro Forma.
Balancing the Solid Waste Management System

Collection, processing, and marketing/disposal are interrelated elements of a solid waste management system (see Figure 4). The collection segment consists of public and/or private entities that collect materials generated by residents, businesses, and institutions. Processing includes sorting and recovering recyclable materials, as well as transferring solid waste for disposal. Recovered materials are then marketed, or solid waste is disposed in a landfill or waste-to-energy facility. All three elements have a cost and are critical to maintaining a balanced, sustainable solid waste management system. Changes to one of these elements will impact the others. Therefore, all three need to be looked at together to ensure a cohesive, sustainable, cost-effective solid waste management system for the County.

**Figure 4: Balancing the Business Components of Solid Waste Management**

![Figure 4: Balancing the Business Components of Solid Waste Management](image)

The timing and coordination of system changes is important. Table 4 summarizes the current expiration dates of the County’s various solid waste agreements. As noted in the table, the County’s collection franchise, transport and disposal agreement, and ILA with the City are all set to expire April 30, 2013; however, decisions made regarding any one of these agreements will impact the others. For example, the City’s decision not to renew the ILA will impact future disposal options, and a decision on future disposal will influence the collection franchise and how far the franchisee will be transporting waste for disposal.

**Table 4: Leon County Solid Waste Agreements and Expiration Dates**

<table>
<thead>
<tr>
<th>Agreement</th>
<th>Contractor/Partner</th>
<th>Expiration</th>
<th>Extension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Solid Waste ILA</td>
<td>Tallahassee</td>
<td>April 30, 2013</td>
<td>-</td>
</tr>
<tr>
<td>Collection</td>
<td>WMI</td>
<td>April 30, 2013</td>
<td>-</td>
</tr>
<tr>
<td>Transport and Disposal</td>
<td>WMI</td>
<td>April 30, 2013</td>
<td>-</td>
</tr>
<tr>
<td>Recyclables Processing (Schools &amp; RWSCs)</td>
<td>Recycled Fibers</td>
<td>Dec 31, 2012</td>
<td>(2) 1-yr</td>
</tr>
<tr>
<td>Class III Waste Processing</td>
<td>Marpan</td>
<td>Oct 29, 2013</td>
<td>(3) 5-yr</td>
</tr>
<tr>
<td>Yard Debris Processing</td>
<td>Larry D. Smith, LLC</td>
<td>Oct 31, 2014</td>
<td>(2) 1-yr</td>
</tr>
</tbody>
</table>

Because of the interconnectedness of these system elements and the potential impact of the loss of City waste tonnage to the system, a three-state approach was developed for proceeding with the strategic planning process. This recommended approach, which is outlined in the following section, addresses disposal first because of the potential loss of City waste in the County’s management system and the financial implications of this loss.
Proposed Three-Stage Strategic Planning Approach

During the planning process, it became clear that cooperation between the County and City would be mutually beneficial and could provide the most cost-effective opportunities. Through a series of meetings and visits with County and City Staff, KCI helped foster a successful dialog that resulted in a strategic solid waste planning alliance between the two entities. As part of this dialog, KCI developed a three-stage approach to moving forward with the strategic solid waste planning process and with meeting waste diversion goals. Where opportunities exist to work in conjunction with the City, doing so should benefit both entities.

Stage 1 – Disposal

In light of developments concerning the potential loss of City waste flow to the Gum Road Transfer Station, the County should secure a cost-effective, long-term disposal option before making decisions concerning future collection and processing options. KCI identified potential disposal options and considered how each option might impact the County, operationally and financially. Provided below is a brief summary of these options.

- **Continue to operate the Gum Road Transfer Station with City tonnage (status quo)**
  
  The City has identified a lower cost disposal option than that currently offered by the County. For the County to convince the City to continue delivering its waste to the County, a lower and more competitive tipping fee would need to be offered to the City. This is not feasible under the County’s existing transport and disposal contract. As noted in Table 2, it costs the County $32.96 per ton to transfer and dispose of waste ($4.95 per ton to operate the transfer station and $28.01 per ton in transport and disposal contract fees). This is substantially higher than the preliminary disposal fee offer the City has received.

- **Continue to operate the Gum Road Transfer Station without City tonnage**
  
  The loss of City tonnage will result in a loss of revenue to the County of approximately $4.7 million per year, which is approximately 43% of total solid waste revenue. The cost to transport and dispose of waste would also be reduced, but the net loss to the County would be an estimated $1.8 million annually. As noted in Table 2, this revenue helped pay for transfer station operations, recycling education, household hazardous waste collection, and other services provided by the County. Transfer station operations could be scaled back once City waste is no longer received; however, it will be difficult for the County to reduce expenses to fully offset this revenue loss. The net result likely would be increased costs to the County and its residents and businesses.

- **Direct Haul County Waste to County Landfill**
  
  The County could potentially reopen the Apalachee SWMF to accept Class I waste generated in the unincorporated County (approximately 50,000 tons annually). It would reduce the miles traveled for disposal and eliminate the associated environmental impacts. It also would eliminate the need for Gum Road Transfer Station, which would provide the opportunity to repurpose the facility for some other function, such as a materials recovery facility. This option would eliminate the $4.9 million expense for transport and disposal and $0.89 million to operate the transfer station, which would more than offset the $4.7 million annual loss of City tipping fees. County staff has indicated that it may be possible to handle County waste at Apalachee

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3 ($41.80/ton tipping fee less $28.01/ton contract fee for transport and disposal) x 130,623 tons/year.
Landfill with existing staff; however, further analysis is needed to determine the potential impact on operating expenses, landfill life, capital costs for future cell construction, etc. In addition, consideration should be given to previous resident concerns about odor and vehicle traffic, as well as more recent water quality issues that are being addressed.

- **Direct Haul to Other Public or Private Landfill**

  The City has had preliminary discussions with representatives of the Decatur County (Georgia) Landfill, who have offered the City a substantially lower disposal fee than that currently charged by the County. The City’s waste hauler has also provided a preliminary estimate of service fees to haul waste to Decatur County instead of Gum Road Transfer Station. The County could close Gum Road Transfer Station and also direct haul waste to a public or private disposal facility other than the County landfill. Class I landfills located within 100 miles of the County are provided in Table 5. Decatur County Landfill is the closest in proximity and, therefore, the most viable for direct haul. The County could potentially negotiate an ILA with Decatur County, Georgia, potentially in conjunction with the City. This option also would provide the opportunity to re-purpose Gum Road Transfer Station for some other use. Financial implications of this option include the elimination of costs to operate the transfer station, changes in transport and disposal costs, and loss of revenue from transfer station tipping fees.

**Table 5: Class I Landfills within 100 Miles of Leon County Able to Accept County Waste**

<table>
<thead>
<tr>
<th>Facility Name</th>
<th>Owner/Operator</th>
<th>Location</th>
<th>Distance*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decatur County MSW Landfill</td>
<td>Decatur County, GA</td>
<td>Attapulgus, GA</td>
<td>25 mi</td>
</tr>
<tr>
<td>Thomasville MSW Landfill</td>
<td>City of Thomasville, GA</td>
<td>Thomasville, GA</td>
<td>40 mi</td>
</tr>
<tr>
<td>Aucilla Area Solid Waste Facility</td>
<td>Aucilla Area Solid Waste Assn.</td>
<td>Greenville, FL</td>
<td>45 mi</td>
</tr>
<tr>
<td>Pecan Row MSW Landfill</td>
<td>Veolia Environmental Services, Inc.</td>
<td>Valdosta, GA</td>
<td>75 mi</td>
</tr>
<tr>
<td>Springhill Regional Landfill</td>
<td>Waste Management, Inc</td>
<td>Campbellton, FL</td>
<td>85 mi</td>
</tr>
</tbody>
</table>

* One-way mileage from center of County to facility.

KCI recommends the following course of action for Stage 1:

- Initiate negotiations with Decatur County to determine whether an acceptable disposal agreement can be reached.
- Obtain direction from the Board of County Commissioners (BOCC) regarding whether to further consider disposal of unincorporated County waste in Apalachee Landfill.
- If above actions do not result in a viable disposal option, then conduct a competitive procurement for disposal services or determine whether the existing contract can be renegotiated with more favorable terms to the County.
- Extend the County’s existing collection franchise agreement approximately six months to enable completion of Stages 1 and 2 of this recommended three-stage approach, both of which have potential to impact future collection services.

**Stage 2 – Processing/Waste Diversion**

Once a disposal option has been chosen, the County can move forward with identifying new processing opportunities and expanded recycling programs that will maximize materials recovery and the revenue the County earns from such recovered commodities. The objective is to develop an economically and
environmentally sustainable processing system that will put the County on a pathway toward meeting the 75% recycling goal.

Recycling provides well-documented environmental benefits, including natural resource, energy and water conservation. Recovered materials are also commodities that have a value when marketed. The average market value for the recovered materials found in a typical ton of curbside recyclables is currently in the range of $140 to $150. Many communities around the State currently receive $50 per ton or more in revenue for their curbside recyclables.

Based on the results of a waste composition study (see Figure 5), approximately 28% of the waste currently delivered to Gum Road Transfer Station consists of recyclable paper and containers, and an additional 23% is comprised of organics (i.e., yard debris, food waste, and compostable paper). These materials, in particular, demonstrate the significant opportunities for additional waste diversion.

**Figure 5: Composition of Class I Waste Delivered to Transfer Station**

A full range of program options and technologies were identified with the potential to substantially increase waste diversion. These include collection program changes (e.g., single stream collection, pay-as-you-throw, and universal collection), materials processing (e.g., single stream processing, organics composting, Class III processing, and mixed waste processing), and emerging technologies (e.g., gasification, pyrolysis, and refuse-derived fuel). Development of any type of processing facility would benefit from receiving the combined tonnage of the County and City. Facilities could be publicly or privately owned and/or operated. Depending on the disposal option selected in Stage 1, the Gum Road Transfer Station potentially could be re-purposed for some type of materials processing and recovery facility.

KCI recommends the following course of action for Stage 2:

- Conduct a competitive procurement to solicit private sector interests and approaches to processing waste locally at currently existing or future facilities.
• Analyze and select processing/waste diversion options that will enable the County to maximize waste diversion in a sustainable, cost-effective manner.

**Stage 3 – Collection**

Once processing and disposal infrastructure is in place, collection services that complement this system and maximize recycling and waste diversion can be procured. Because of the time needed to conduct the first two stages, the existing collection franchise agreement will need to be extended approximately six months. Extending this agreement is included in the Stage 1 recommendations.

The first step in Stage 3 is to evaluate and select collection service options that complement the processing and disposal decisions made in the previous stages and that encourage waste reduction and recycling. These might include single stream, cart-based recycling; variable rate collection fee structure (pay-as-you-throw) similar to other types of utilities; and/or converting to universal collection in part or the entire unincorporated County. The City has renegotiated its collection contract (approved by City Commission on June 13, 2012) and has included a piggybacking clause in the contract should the County wish to avail itself of such. If not, a competitive procurement would be conducted to obtain pricing for the levels of service under consideration and to ensure the County receives high quality, cost-effective collection service that encourages increased recycling and waste reduction by residents and businesses.

KCI recommends the following course of action for Stage 3:

• Analyze and select the service level or levels that complement the other elements of the solid waste system and will assist the County in maximizing waste diversion.

• Conduct a competitive procurement for collection service to solicit private sector proposals and pricing for such service.

**Next Steps**

Table 6 summarizes where the County and City currently stand in terms of collection, processing, and disposal; the County’s future objectives; and recommended next steps. The table also provides the estimated time needed from the start date of each stage to completion of that stage. The timing of the three stages could potentially overlap depending on the decisions made in each stage and how they might impact the decision-making process in future stages.
Table 6: Summary of System Elements and Recommended Next Steps

<table>
<thead>
<tr>
<th></th>
<th>Collection</th>
<th>Processing</th>
<th>Disposal</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current System</strong></td>
<td><strong>County</strong></td>
<td><strong>City</strong></td>
<td></td>
</tr>
<tr>
<td>County</td>
<td>• Contract rate of $19.33/unit/month for weekly collection of garbage, recyclables and yard debris and on-call bulky waste</td>
<td>• Receives $0 for residential recyclables • Receives $5.51/ton for school and RWSC recyclables</td>
<td>• Costs $32.96/ton ($4.95 for TS operation and $28.01 for transport and disposal)</td>
</tr>
<tr>
<td>City</td>
<td>• Contract rate of $13.76/unit/month for weekly collection of garbage and recyclables and every other week collection of yard debris and bulky waste</td>
<td>• Receives $60/ton for residential recyclables</td>
<td>• Pays $41.80/ton to County • Initial discussions with Decatur County, GA Landfill – potential tip fee in low $20s/ton</td>
</tr>
<tr>
<td><strong>Future Objectives</strong></td>
<td>• To implement collection changes to encourage additional waste diversion • To lower rates</td>
<td>• To develop processing programs and systems to increase waste diversion • To increase revenue from recovered materials</td>
<td>• To secure cost-effective, long-term disposal</td>
</tr>
<tr>
<td><strong>Recommendations</strong></td>
<td>• Extend contract for approximately six months • Select service changes that complement other system elements and promote waste diversion • Bid for collection service</td>
<td>• RFP for processing services that maximize waste diversion • Analyze and select option that maximizes waste diversion in sustainable, cost-effective manner</td>
<td>• Negotiate with Decatur County, GA • Consider disposal of unincorporated County waste in Apalachee Landfill • If above not viable, then RFP for disposal or renegotiate existing contract</td>
</tr>
<tr>
<td><strong>Estimated Time</strong></td>
<td>6-9 months</td>
<td>6-9 months</td>
<td>2-6 months depending on whether an RFP is needed</td>
</tr>
</tbody>
</table>

In conclusion, KCI believes this three-stage approach will be the most efficient path by which the County can obtain cost-effective solid waste services while maximizing the beneficial reuse of materials currently disposed. Ongoing, constructive dialog between the County and City should be maintained throughout this process so that partnership opportunities can be identified and both entities can benefit from the resulting collection, processing, and disposal infrastructure.
Given the opportunity to review the services delivered under the agreement with Waste Pro, staff, KCI and Waste Pro explored opportunities to enhance routing efficiencies and improve the effective use of specialized equipment. Under the current structure, both parties collect residential garbage and trash. This requires that both parties have equipment for each category of waste. By utilizing in one type of collection for the entire service territory, routes could be fine-tuned and equipment utilization could be maximized.

After numerous discussions between staff, KCI and Waste Pro, it was agreed that Waste Pro would provide garbage and recycling collection services to all residential customers. The City’s Solid Waste department would provide trash collection to all residential customers and continue to provide services to commercial customers. Garbage is collected in standard containers that are placed by the curb on pick-up day and then pulled back by the customer after pick-up. Unlike garbage collection, trash collection (consisting of yard waste and bulky items) is not standardized, and thus is more complex. Staff, in consultation with KCI, believes that the task of trash collection can be more efficiently and effectively performed by the City Solid Waste Department, given its current debris removal equipment. Specialization by the City will also create greater flexibility for picking up items that may fall outside the contract yard waste and bulky items.

As part of the discussions between the City and Waste Pro, both parties have explored the potential of realigning the services that each provide. Specifically, Waste Pro would provide garbage and recycling collection services to all residential customers. The City’s Solid Waste department would provide trash collection to all residential customers and continue to provide services to commercial customers. This realignment will enhance routing efficiencies and improve the effective use of specialized equipment. In addition, it emphasizes community beautification and customer service through standardized collections.

Waste Pro has expressed a desire to extend their contract with the City and realign the collection services as discussed. In order to do so, it is expected that Waste Pro will need to invest in additional vehicles. Consistent with its corporate commitment, Waste Pro intends to invest in natural gas-fueled vehicles for all new and replacement trucks. Likewise, Solid Waste will need to purchase additional trash trucks fueled by natural gas in order to provide optimal citywide service for trash collection.

Waste Pro proposed lowering the current monthly collection rate of $10.33 for garbage and recycling services to $8.75 per customer. This cost reduction of 15.3% will align the contract extension with the original 2006 contract prices. Considering its necessary investment in additional vehicles, Waste Pro has requested that the City consider a five-year contract extension through September 2018 to allow for recovery of their investment.

KCI has worked directly on these terms, believes they represent good value to the City, and has recommended that the City extend the agreement with the modified pricing and terms. If approved by the City Commission, Waste Pro and staff will work to implement the service realignment between October 2012 and January 2013.

The request has been reviewed and approved by the offices of Budget/Policy and Procurement. They concur that it meets budget and purchasing guidelines.
As an incentive, Waste Pro has proposed lowering the current monthly collection rate of $10.33 for garbage and recycling services to $8.75 per customer. This cost reduction of 15.3% will align the contract extension with the original 2006 contract prices. Based on a customer base of approximately 46,000 customers, and assuming no change in labor, annual savings are estimated to be $872,000. Considering its necessary investment in new trucks, Waste Pro requested that the City consider a five-year contract extension through September 2018 to allow for the recovery of their investment. We believe that request is reasonable.

For the first three years of the extension, contract rates would remain unchanged and escalated by CPI in years four and five. This is a change from the current contract rates which are adjusted by CPI each year. Savings over five years are projected to exceed $5.4 million. These savings are in addition to the expected savings of $1.5 million associated with lower equipment costs (see below), resulting in $7.2 million in total projected savings over five years.

KCI has worked directly on these terms, believes they represent good value to the City, and has recommended that the City extend the agreement with the modified pricing and terms. If approved by the City Commission, Waste Pro and staff will work to implement the service realignment between October 2012 and January 2013.

**Fleet Evaluation**

The eight new trash trucks required to implement the restructured contract are estimated to cost $1.33 million. Currently, the City has eight side loaders that are scheduled for replacement next year which can be displaced early. Staff anticipates the resale of the side loaders at an estimated price of $130,000 each, totaling $1.04 million. After the sale of the side loaders, the net cost to the City for the purchase of the new eight trash trucks is estimated to be $290,000, approximately $1.8 million less than the net replacement cost of the current fleet of garbage trucks that will no longer be needed.

The vehicle costs are based on the pricing, terms and conditions of City of Tallahassee Contract No. 2525 for Ward International Trucks of Florida, LLC and No. 2490 for Waste Equipment and Parts, LLC. The purchase price proposal by contract is the lowest price of any of the vendors’ other customers. Included in the evaluation for vehicles is the fuel source, i.e., Electric, Compressed Natural Gas (CNG) and Unleaded Gasoline vs. Diesel. There are no Electric vehicle options available, and Unleaded Gasoline is not preferred over diesel, so the evaluation is between diesel and CNG fuel sources. As shown in Table 1 below, the breakdown of the costs for CNG fueled trucks are as follows: 1) initial base vehicle cost for the cab and chassis $88,060.14, plus 2) CNG up-charge of approximately $35,000 each.

Assuming 4,400 gallons of fuel used per year at $1.95 per Natural Gas Diesel Gallon Equivalent (DGE) and $3.25 per gallon of Diesel, the annual fuel savings will be $5,720 per truck. The up-charge of $35,000 will be recouped in six years and one month, well within the expected 12-year life expectancy of the truck (see Table 1 below). Total lifecycle savings are projected to exceed $33,000 per truck.

### Table 1: CNG vs. Diesel with the Years in Service variable

<table>
<thead>
<tr>
<th>Type</th>
<th>Original Vehicle Cost</th>
<th>Up Cost</th>
<th>Avg # of Gallons Used</th>
<th>Avg Price of Gallon</th>
<th>Years in Service</th>
<th>Lifecycle Cost of Vehicle</th>
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The graph below illustrates the six year break-even point between CNG vs. Diesel fueled trucks.

Charitable Contributions from the two truck manufacturers, namely Waste Equip and Parts, LLC and Ward International Trucks of Florida, LLC were included in Bid/RFP No. 0081-11TJ-RC and Bid/RFP No 0021-11-KR-RC was previously approved by the City Commission.

**Options**

1. Approve the extension of the Solid Waste Collection contract through September 30, 2018 with modified pricing and delivery terms, and authorize staff to purchase eight additional solid waste trucks. Authorize the City Manager to sign the contract with concurrence by the City Attorney.

**Pros**

- The renegotiated pricing and service delivery is expected to result in enhanced community beautification, more efficient routing, and $7.2 million in lower costs during the five-year extension. These savings will serve to fund enhancements to the recycling programs and eliminate the need to increase solid waste rates beyond annual CPI increases.
- Adds CNG trucks to Waste Pro and Solid Waste fleets.
- Improves carbon footprint and lowers fuel costs.

**Cons**

- Usual difficulties and challenges associated with route changes and operational processes.
2. Do not approve the contract extension and instruct staff to prepare a Request for Proposal for a new contract for refuse collection.

3. Direct staff to pursue an alternative solution.

Attachments/References
None.
December 20, 2011

Anita Favors Thompson, City Manager
City of Tallahassee
City Hall
300 S. Adams St.
Tallahassee, FL 32301

Dear Anita,

In October 2010, the County reached out to the City to start a dialogue regarding partnering in fulfillment of recycling goals through the renewal of our interlocal agreement and the possibility of jointly bidding the curbside collection franchise agreements. I am extremely pleased with the progress that our senior staff has accomplished over this past year in having a frank and open dialogue.

A tangible benefit of this relationship has resulted in the County engaging the City’s solid waste consultant, Kessler Consulting, Inc. (KCI). The results of this study are intended to:

- Identify potential technologies and approaches for maximizing waste diversion (including the bio-gas proposal offered as part of the energy project at the solid waste facility)
- Evaluate how these technologies and approaches might be applied in Leon County’s existing solid waste system (including collection and disposal methods).
- Evaluate the financial implications of the various options.
- Categorize the options by short, immediate, and long term.
- Develop an overview of other potential technologies that might become viable in the future (such as biological, chemical, or thermal conversion technologies).

We anticipate receiving the results of the study in approximately 90 days.

To fully maximize our collective potential, I feel it is imperative that we continue to work together in seeking long term solutions for our community that are not only beneficial to the environment, but also take into consideration the fiscal realities both our governments are facing. The only way to ensure our future success in meeting these challenges is to continue to work together in implementing solutions that are mutually beneficial.
In support of this objective, I'm recommending we convene a small, focused, joint City/County committee to work together in reviewing the results of the study (and discuss any other issues or opportunities to enhance our cooperative efforts related to solid waste/recycling the committee deems appropriate). The committee would then provide recommendations for the City and County to consider. From the County, I would be appointing Alan Rosenzweig, Maggie Theriot and Norm Thomas. I would recommend that the committee complete its work by the summer.

Leon County and the City of Tallahassee have a long history of being partners in the management of our community’s solid waste – from the transfer station utilization to the most recent Sustainable You Conference. When we work together, the entire community benefits. I look forward to your positive response.

Sincerely,

[Signature]

Vincent S. Long
County Administrator
January 10, 2012

Mr. Vince Long
County Administrator
Leon County
301 S. Monroe Street
Tallahassee, FL 32301

Dear Vince,

Thank you for your letter of December 20, 2011, expressing your satisfaction with the progress made by our senior staff in discussions about solid waste in the city and the unincorporated area. I, too, am pleased and believe the discussions have been productive and would like to see them continue in their current form and format. Further, I believe we should continue discussions like these on all topics of mutual interest.

I know you and I both recognize the complexities facing both our solid waste businesses this coming year. Complexities that will challenge us but will also bring very unique opportunities to lower costs and increase service levels. Just a few items that the City must address are the expiration of the Transfer Station Agreement, the expiration of the collection services agreement, and new disposal options that were not previously available.

To that end, the Transfer Station Agreement between the City and County expires next year in April. The agreement was a commitment by the City in support of, and to ensure the financial viability of, the new transfer station. The purpose of the agreement has now ended. It was one of many agreements that have served to strengthen the relationship between the City and County. To officially terminate the agreement, either party must provide at least a 12-month termination notice. So that we can work through the solid waste challenges that face us and achieve the most efficient and effective results for our citizens, we intend to let the agreement expire. Please accept this as our official notice to allow the existing contract to expire on April 2, 2013. We do this with full anticipation that we will be able to come to mutually beneficial resolutions that benefit our community.

I am looking forward to working with you on these very important issues.

Sincerely,

Anita Favors Thompson
City Manager
May 15, 2012

Mr. Rick Fernandez  
Assistant City Manager for Utility Services  
City of Tallahassee  
300 S. Adams St.  
Tallahassee, FL 32301

Dear Rick:

This letter serves as a follow-up to our recent meetings and discussions regarding Solid Waste.

My understanding is that you have recently received direction from the City Commission to move forward with single stream recycling and proceed with the appropriate procurement to provide for such. I also understand that you have a time constraint to have a provider in place by the end of next fiscal year.

Based on our discussions, and previous letters between the County Administrator and City Manager, it is clear to me that there is a desire for the County and City to partner to address our long-term solid waste issues. I know that by working together we will be able to provide the best possible outcome for all involved; both financially and environmentally.

At the July Budget Workshops, we intend to seek direction from our Board regarding solid waste disposal, processing, collection and recycling options. These options will be derived from a preliminary report we anticipate receiving from our consultant prior to the workshop.

Through your and my discussions, I appreciate your acknowledgement that there are certain aspects of the solid waste program that need to be funded (such as hazardous waste and electronics) but need to remain “free” to the direct user. As discussed, we will need to have a dedicated revenue stream to support them over the long term.

In summary, I’m requesting and would appreciate you coordinating jointly any procurement process and allow us to present to the County Commission an approach to moving forward with the City. I feel strongly that we will receive positive support from the Board to address these most pressing needs in a collaborative approach with the City.

Sincerely,

Alan Rosenzweig  
Deputy County Administrator
June 6, 2012

Mr. Alan Rosenzweig
Deputy County Administrator
Leon County
301 S. Monroe Street
Tallahassee, FL 32301

Dear Alan,

Thank you for the letter dated May 15, 2012 asking for our cooperation to move forward jointly in the Single Stream Recycling and Disposal procurement processes. I appreciate the collaborative approach that we have executed over the last year to identify hurdles and opportunities, and believe that the outcome will be positive for our citizens. We will wait for the results of your July meeting before moving forward with the procurement of Recycling or Disposal Services.

I look forward to meeting again after the July decision and map out our strategy for the coming year.

Sincerely,

Ricardo Fernandez
Assistant City Manager
Utility Services

cc: Anita Favors Thompson, City Manager
TECHNICAL MEMORANDUM

DATE: June 14, 2012

TO: Alan Rosenzweig, Deputy County Administrator,
Leon County

FROM: Mitch Kessler, Project Director

SUBJ: Gilbane Solar Power/Biogas Proposal

PROJ #: 135-00.00

Background
Leon County (County) contracted Kessler Consulting Inc. (KCI) to assist with a strategic planning process to identify and evaluate options for maximizing recycling and reuse of materials currently delivered to the Gum Road Transfer Station. As part of this process, the County requested KCI to conduct a preliminary review of a proposal submitted by Gilbane Building Company (Gilbane) in response to the County’s Invitation to Negotiate for Design and Installation of Solar and/or Other Power Production at the Leon County Solid Waste Management Facility (ITN) published in September 2011. This memo provides KCI’s recommendations based on this preliminary review.

Recommendations
In light of recent developments concerning County waste flow and subsequent possible changes to elements of the County’s solid waste management program, the feasibility of Gilbane’s proposed project is difficult to assess. Specifically, the City of Tallahassee (City) has notified the County that it will cease delivery of waste to the Gum Road Transfer Station at the expiration of the Inter-Local Agreement (ILA) governing City waste disposal in May 2013. City waste represents approximately 70 percent of the waste stream received at the transfer station. The loss of this tonnage will have significant financial and programmatic ramifications.

Through a series of meetings between County and City staff, KCI helped foster a strategic alliance between the County and City pertaining to solid waste management. Through this process, a three-stage approach was developed that will assist the County in moving forward with strategically evaluating and selecting disposal and waste diversion options:

- Stage One includes the procurement of waste disposal service with maximum benefits to both the County and City.
- Stage Two includes the solicitation and analysis of private sector interests and approaches concerning maximizing waste diversion and optimizing the use of existing County solid waste
infrastructure. This might include the repurposing of the Gum Road Transfer Station or the use of private facilities for recyclables or mixed waste processing.

- Stage Three includes procurement of collection services that maximize benefits to the County and best suit the revised solid waste program.

The first two stages of this approach are critical in determining the design of the future solid waste management system. Until these stages are complete, concise information pertaining to available waste flow and facility availability remain outstanding. As such, it is not the appropriate time to consider the proposed alternative power project. However, the feasibility of alternative power production at the County’s Solid Waste Management Facility in the future should not be dismissed. Stage Two of the approach listed above would provide Gilbane and other private entities the opportunity to participate in the reshaping of the solid waste program.