

**JEFFREY K. BARTON**

Clerk to the Board



November 16, 2010

## **SOLID WASTE DISPOSAL DISTRICT**

### **MEETING MINUTES**

The Board of County Commissioners of the Solid Waste Disposal District met in Regular Session at the County Commission Chambers, 1801 27<sup>th</sup> Street, Vero Beach, Florida, on Tuesday, November 16, 2010. Present were Chairman Bob Solari, Vice Chairman Gary C. Wheeler, and Commissioners Wesley S. Davis, Joseph E. Flescher, and Peter D. O'Bryan. Also present were County Administrator Joseph A. Baird, County Attorney Alan S. Polackwich, Sr., and Deputy Clerk Maureen Gelfo.

The Chairman called the meeting to order at 12:25 p.m.

#### **15.B.1. BID AWARD FOR SOLID WASTE OPERATIONS AND MAINTENANCE** **(RFB2011003)**

*(Clerk's Note: Item 10.B.3. was heard in conjunction with item 15.B.1.)*

Himanshu Mehta, Managing Director, Solid Waste Disposal District, reviewed the memorandum of November 9, 2010, providing background and analysis on the SWDD Board's

directive for staff to seek contractor bids for: (Bid Item No. 1) Class I Landfill Operations and Maintenance, and (Bid Item No. 2) Class I Landfill Operations and Maintenance *plus* the Customer Convenience Centers (CCCs). He told Board members that awarding the bid for the Landfill Operations and CCCs together would effect a cost savings of approximately \$366,834, which is the basis for staff's recommendation for Bid Item No. 2, the Bid Award to Republic Services of Florida LP d.b.a. Treasure Coast Refuse.

Discussion ensued as Director Mehta, Budget and Management Director Jason Brown, Attorney Polackwich, and Director of Utilities Erik Olson responded to questions posed by the Board. Inquiries included, but were not limited to, how changes in the Consumer Price Index might affect future costs of the contract; estimated replacement costs for the surplus equipment ( under Alternative 2); fluctuations in the costs of Waste Management Inc.'s (current contractor for Class I Landfill) contract; the County's ability to maintain control over the level of services and compliance with environmental regulations if Republic takes over the convenience centers; and Republic's proposal to do the same amount of work with thirty-four (34), rather than the current forty-three (43), positions.

**Todd Westover**, Division Manager, Republic Services d/b/a Treasure Coast Refuse, used a PowerPoint presentation (on file) to provide an overview of his company and how the County would benefit by utilizing their services. He introduced Republic Services staff members Davis Unversaw, General Manager; Geoff Mills, Business Unit Controller; and Scott McAllister, Environmental Manager. Mr. Westover affirmed that it would be to the County's advantage to award to Republic Services, the Bid Award Class I Landfill Operations and Maintenance *plus* the Customer Convenience Centers (CCCs), because the company would: (1) hire all displaced County employees (that meet minimum hiring standards) from the Landfill and Convenience Centers; (2) purchase County Landfill and Customer Convenience Center assets at fair market value; and (3) save the County an annual amount of \$360,000-\$400,000.

Director of Human Resources James Sexton, responding to Commissioner Wheeler's query, provided information on the salaries and benefits Republic Services plans to offer the County employees who are hired.

Administrator Baird cautioned that the County could not guarantee that the above details would not change, since the County would no longer have jurisdiction over the employment terms of SWDD employees who would be working for Republic Services.

The Board sought and received confirmation from **Mr. Westover** that the employment package outlined by Director Sexton was correct. He added that dental insurance was also part of the insurance package.

**George Geletko**, Florida Government Affairs Director and **Debbie Perez**, Landfill Manager, Waste Management Inc., spoke to the level of service, fairness, and cooperation displayed by Waste Management over the past twelve (12) years. Ms. Perez thereafter asked the Commission to award the bid for the Class I Landfill to Waste Management.

Discussion ensued as Commissioners sought and received information from staff on whether there was an escape clause in the contract with Republic Services.

**Steve Myers**, Union Local 769, representing thirty-two (32) of the thirty-four (34) employees at the Convenience Centers, proposed that the Board approve the bid for Class I Landfill Operations and Maintenance only, and have staff brainstorm with the employees and the Union to lower SWDD costs, while maintaining current levels of service. He questioned how Republic could maintain the same level of service with nine (9) less employees, and was dismayed that the County would surplus \$6,000,000 worth of equipment that may ultimately need replacement.

The Board continued to discuss whether the levels of service would decline with either Bid No. 1 (with SWDD having a reduced budget and fewer employees); or with Bid Item No. 2 (Class I Landfill Operations and Maintenance *plus* the Customer Convenience Centers [CCCs]).

**Mr. Unversaw** assured Board members that no reductions in service would occur if Republic Services receives the bid award.

The following speakers provided arguments in support of retaining Waste Management for the Class I Landfill services and maintaining the Customer Convenience Centers under the County:

**Fred Mensing**, Roseland

**Richard Hutton**, 1975 1<sup>st</sup> Place Southwest

**Ruby Piatt**, SWDD Customer Convenience Center

**Jens Tripson**, 2525 14<sup>th</sup> Street

**Adriene Cuffe**, 695 43<sup>rd</sup> Avenue, asked the Board to defer making this decision so County employees could try to effect a similar cost savings as Republic's.

MOTION WAS MADE by Commissioner Wheeler,  
SECONDED by Chairman Solari, to approve staff's  
recommendation

Commissioners Wheeler, Davis, and Solari individually expressed support for the Motion, citing such reasons as: (1) current employees would be given the opportunity to work for Republic Services; (2) good business practices - it is the fiscally responsible action for the County to take; and (3) elimination of uncertainty for the employees who fear a job loss every time the privatization issue recurs.

Commissioner Flescher opposed the Motion. He was concerned about the possibility of having to repurchase \$6 million of assets if the privatization does not go well; he believed it would negatively impact the level of service provided to citizens; and he wanted the Board to let the SWDD employees try to adjust their costs.

Commissioner O'Bryan shared Commissioner Flescher's concerns regarding the disposal of the equipment, which would leave the County with a huge start-up cost should the County resume Landfill and Convenience Center operations. He presented further arguments opposing Bid Item No. 2, which included the need to stop cutting jobs, and the large number of communications he had received supporting the County's retention of the Convenience Centers.

The Chairman CALLED THE QUESTION, and by a 3-2 vote (Commissioners Flescher & O'Bryan opposed), the Motion carried. The Board approved (1) Bid Item No. 2: the Bid Award to Republic Services of Florida, LP based on an approximate annual savings of \$366,834; and (2) authorized the Purchasing Manager to dispose of the surplus equipment in accordance with Florida Statutes, as recommended in the memorandum of November 9, 2010.

ALL BACKUP DOCUMENTATION, RESOLUTIONS, AND ORDINANCES ARE ON FILE IN THE OFFICE OF THE CLERK TO THE BOARD AND ARE HEREBY MADE A PART OF THESE MINUTES

**ADJOURNMENT**

There being no further business, the Chairman declared the meeting adjourned at 2:10 p.m.

ATTEST:

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Jeffrey K. Barton, Clerk

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Bob Solari, Chairman

Minutes Approved: \_\_\_\_\_  
MG/SWDD Minutes