

CONTRACT, LEASE, AGREEMENT CONTROL FORM

Date: 05/10/2024

Contract/Lease Control #: C24-3992-PW

Procurement#: NA

Contract/Lease Type: AGREEMENT

Award To/Lessee: WM RECYCLE AMERICA, LLC

Owner/Lessor: OKALOOSA COUNTY

Effective Date: 07/01/2024

Expiration Date: 07/30/2027 W/2 1YR RENEWALS

Description of: RECYCLABLE MATERIALS PROCESSING

Department: PW

Department Monitor: AUTREY

Monitor's Telephone #: 850-689-5772

Monitor's FAX # or E-mail: JAUTREY@MYOKALOOSA.COM

Closed: _____

CC: BCC RECORDS

CONTRACT: C24-3992-PW
WM RECYCLE AMERICA, LLC.
Recyclable Material Processing
EXPIRES: 09/30/2027 w/(2) 1 yr renewals

RECYCLING SERVICES AGREEMENT

THIS RECYCLING SERVICES AGREEMENT ("Agreement") is made as of May 7, 2024, by and between WM RECYCLE AMERICA, L.L.C. ("Company"), a Delaware limited liability company with an office located at 800 Capitol Street, Ste 3000, Houston, TX 77002 and Okaloosa County, Florida ("Customer"), with an office located at 1759 S Ferdon Blvd, Crestview, FL 32536.

1. TERM:

- (a) The term of the Agreement shall commence the earlier of (a) the date Company provides Customer with written notice (email sufficient) that the Facility, as defined below, has commenced operations and is capable of accepting Recyclables (as defined below) and written acceptance (email sufficient) is provided in return by the Customer with an effective date, or (b) July 1, 2024 ("Initial Term"), and end on September 30, 2027. It shall automatically renew thereafter for additional terms of twelve (12) months ("Renewal Term") unless terminated as set forth below. The Initial Term and any subsequent Renewal Term of this Agreement are known collectively as the "Contract Term". At the end of the Initial Term and any subsequent Renewal Term, the Contract Term shall automatically renew for an additional Renewal Term at the then current service levels and applicable Charges, unless either party gives to the other party written notice of termination at least thirty (30) days prior to the termination of the then-existing term. Notice of termination received at any other time will be considered ineffective and the Agreement will be considered automatically renewed upon completion of the then-existing term.

2. TERMINATION RIGHTS:

Notwithstanding the foregoing, this Agreement can be terminated prior to the end of the Initial Term or a Renewal Term as follows:

- (a) by Customer,
- (i) if Company increases the Charges payable by Customer hereunder without Customer's prior approval in breach of Section 6(a); or
 - (ii) if Company fails to cure any other breach of its obligations under this Agreement within ten (10) business days of its receipt of written demand from Customer to cure such breach.
- (b) by Company,
- (i) if as a result of Customer's breach of Section 5, Company suspends services for more than fifteen (15) days, or
 - (ii) if Customer fails to cure any other breach of its obligations under this Agreement within ten (10) business days of its receipt of written demand from Company to cure such breach.

3. QUANTITY AND QUALITY:

During the Contract Term, Company shall take, and Customer agrees to provide, one hundred percent (100%) of Customer's single stream recyclables as set forth in Exhibit A ("Recyclable Materials" or "Recyclables"). Company reserves the right, upon notice to Customer, to discontinue acceptance of any category of Recyclable Materials set forth above as a result of market conditions related to such materials and makes no representations as to the recyclability of the materials. Company may reject in whole or in part, or may process, in its sole discretion, Recyclable Materials not meeting the specifications set forth on Exhibit A (the "Specifications"). Company shall take title to the Recyclables upon delivery to the Facility; provided, that title to and responsibility with respect to Excluded Materials (as defined on Exhibit A) shall remain with the designated hauler that delivered the Recyclables to the Facility.

4. RECYCLABLE VALUE:

The value of the Recyclable Materials meeting the Specifications shall be as set forth on Exhibit B. It shall be conclusively presumed that the composition of the Recyclables delivered to the Company shall be identical to the composition of all single stream recyclables processed by Company at the processing facility used, as established from time to time by Company. Notwithstanding the foregoing, the initial composition of the Recyclables shall be established during the Break In Period (as defined on Exhibit B), during which time the Company shall conduct a minimum of 15 composition audits, with such initial

composition applying immediately following the end of the Break In Period. Thereafter, Company will conduct at a minimum 18 composition studies of the Recyclables each year during the Contract Term to determine the percentage of each commodity in Customer's Recyclables and may revise the amount payable or chargeable to Customer to reflect the actual composition of Customer's Recyclables. Based on such composition studies, Company will update the composition for purposes of the blended value calculation contemplated by Exhibit on March 1 and September 1 each year during the Contract Term using a 12-month rolling average. The recycling composition study shall be performed consistent with ASTM D5231 and results shall be made available to the Customer immediately following completion. The Customer retains the right to challenge the results provided through a composition study performed independently. Customer acknowledges that the value of the Recyclables may be negative.

5. INVOICES; PAYMENT TERMS:

Upon receipt of an invoice, Customer shall pay for the services and/or containers (including repair and maintenance) furnished by Company in accordance with this Agreement, as such charges may be adjusted over the Contract Term of this Agreement as noted herein (the "Charges"). State and Local taxes, if applicable, will also be added. Where the value is positive for the Recyclable Materials, Company shall pay Customer on or about the last business day of each month for Recyclable Materials purchased during the preceding month, after deduction of any Charges owed to the Company by Customer for the services provided hereunder. Where the value is negative for the Recyclable Materials, Company shall send all invoices for Charges and any required notices to Customer under this Agreement to Customer's address provided above. Unless specifically agreed to in writing by Company and subject to such additional costs that Company may charge, in its discretion, Company shall not be required to bill Customer using Customer's or any third-party billing portal or program. In no event shall the use by Company of Customer's or any third-party billing portal or program, or any terms thereof, operate to amend or supplement the terms and conditions of this Agreement, which will remain binding in accordance with its terms. Customer shall pay all invoiced Charges within forty-five (45) days of the invoice date, by check mailed to Company's payment address on Customer's invoice, or via ACH as directed by Company. Payment by any other method or channel, including in person, online or by phone, may be allowed by Company and subject to applicable convenience fees and other costs charged by Company, from time to time. Any Customer invoice balance not paid within forty-five (45) days of the date of invoice is subject to a late charge, and any Customer check returned for insufficient funds is subject to a non-sufficient funds charge, both to the maximum extent allowed by applicable law. Customer acknowledges that any late charge charged by Company is not to be considered as interest on debt or a finance charge and is a reasonable charge for the anticipated loss and cost to Company for late payment. If payment is not made when due, Company retains the right to suspend services until the past due balance is paid in full. In addition to full payment of outstanding balances, Customer shall be required to pay a reactivation charge to resume suspended services. If services are suspended for more than fifteen (15) days for non-payment, Company may immediately terminate this Agreement for default and recover any equipment and all amounts owed hereunder.

6. CHARGES AND ADJUSTMENTS:

- (a) **ADJUSTMENTS.** The charges, fees and other amounts payable by Customer ("Charges") for services and/or equipment furnished by Company to Customer are set forth in this Agreement. Except as expressly provided herein, the Charges will not be adjusted or increased without written prior written consent of the Customer.
- (b) **PERMITTED PRICE ADJUSTMENTS.** Company reserves the right, and Customer acknowledges that it should expect Company to adjust Charges payable by Customer hereunder during the Contract Term:
 - (i) for any changes or difference in the composition, amount or weight of the Recyclable Materials collected by Company from Customer's service location(s) from what is specified herein;
 - (ii) for any changes or difference in the value of Recyclables as determined in Exhibit B;
 - (iii) beginning on October 1, 2025 and on October 1 of each subsequent year during the Contract

Term of this Agreement, the Processing Fee identified in Exhibit B shall be adjusted at a rate consistent with the U.S. Bureau of Labor Statistics Consumer Price Index for Water, Sewer and Trash Collection Services (CPI-WST). The CPI applied to this agreement will have a maximum annual increase of five-percent (5%) and a minimum increase of two-percent (2%). The rate adjustment will be rounded to the nearest hundredth. The calculated adjustment is equal to the change in the average of the 12 monthly indices of the most recent year divided by the average of the year's 12 monthly indices. In order to meet the County budgeting obligations and timing, a year will equate to the months of March through February. For example, for the October 1, 2026 adjustment under this Agreement, the recent year will consist of the monthly average from March 2024 to February 2025 and the previous year will consist of the monthly average of indices from March 2023 to February 2024. If any of the designated indices are discontinued or substantially altered, the Customer may select another relevant price index published by the United States Government or by a reputable publisher of financial economic indices with the Company's prior written consent, not to be unreasonably withheld.

- (c) **CONSENSUAL PRICE ADJUSTMENTS.** Without limiting the foregoing, Company also reserves the right to seek, and Customer acknowledges that it should expect Company to seek, increases in the Charges payable by Customer hereunder or decrease in Recyclables value for reasons not specifically permitted in Section 6(b) (a "Consensual Price Adjustment"). Notwithstanding the foregoing, the parties may, but are not obligated to, agree to a different increase or an adjustment to Customer's Charges (a "Negotiated Price Adjustment") as a result of a Consensual Price Adjustment request. Customer's agreement to a Consensual Price Adjustment or Negotiated Price Adjustment may be evidenced pursuant to Section 6(a) and the parties agree that this Agreement with such modified Charges will continue in full force and effect.

7. SERVICE:

Customer shall cause all Recyclable Materials to be delivered to Company's facility located at 109 Ready Ave NW, Fort Walton Beach, FL 32548 or to such other location within the greater Fort Walton Beach, FL area as Company may direct from time to time ("Facility") during such Facility's operating hours, Monday through Friday, excluding holidays specified by the Facility. All Recyclable Materials must be delivered in self-dumping trucks and will be weighed in and out by Company at the Facility.

8. INDEMNIFICATION/LIMIT OF LIABILITY:

Company agrees to indemnify, defend and save Customer and its Affiliates harmless from and against any and all liability which Customer or its Affiliates may suffer, incur or pay as a result of any bodily injuries (including death), property damage or violation of law, to the extent caused by any negligent act or omission or willful misconduct of Company or its employees, which occurs:

- (a) During the processing of Customer's Recyclable Materials, or
(b) As a result of the disposal of Non-Recyclables in a facility owned by Company or an Affiliate.

Customer agrees to indemnify, defend and save Company and its Affiliates harmless from and against any and all liability which Company and its Affiliates may suffer, incur or pay as a result of any bodily injuries (including death), property damage or violation of law to the extent caused by Customer's breach of this Agreement or by any negligent act or omission or willful misconduct of Customer or its employees, agents or contractors or Customer's use, operation or possession of any equipment furnished by Company. Neither party shall be liable to the other for consequential, indirect, special, incidental or punitive damages arising out of the performance or breach of this Agreement. Nothing herein shall be construed as a waiver of Customer's sovereign immunity under section 768.28, Florida Statutes.

9. DISPUTE RESOLUTION- AGREEMENT AND CLASS ACTION WAIVER.

Customer and Company agree that ANY and all existing or future controversy or claim between them arising out of or related to this Agreement or any prior agreements between the parties, whether based in contract, law or equity or alleging any other legal theory, or arising prior to, in connection with, or after the termination of this Agreement or any other agreements, shall be resolved by first attempting mediation. If mediation is unsuccessful, the parties may pursue any and all remedies at law or in equity. CLASS

ACTION WAIVER: Customer and Company agree that under no circumstances may Customer bring any claim against the Company, or allow any claim that the Customer may have against the Company to be asserted, as part of a class action, on a consolidated or representative basis or otherwise aggregated with claims brought by, or on behalf of, any other entity or person, including other customers of the Company.

10. PUBLIC EDUCATION:

The Company shall work with the Customer to maximize public participation in recycling. Company and Customer shall jointly implement a promotional and public education program to inform and encourage residents and business owners to maximize recycling. All Company-developed promotional materials and forms of communication regarding the Customer's programs including, but not limited to, electronic, printed, audio, video, graphics, logos, etc., shall be reviewed and approved by the Customer prior to disseminating or presenting publicly. Company shall provide a monthly report of public education activities.

11. MISCELLANEOUS:

- (a) Waste Management, Inc. of Florida ("WMFL") is an affiliate of the Company and is the collector of Recyclables pursuant to the Solid Waste and Recyclables Collection, Transfer and Processing/Disposal Agreement dated March 1, 2017, between the Customer and WMFL, as amended (the "Collection Contract"). Accordingly, WMFL shall be responsible for all Recyclables once collected from the residential customer (curbside), in accordance with the Collection Contract. Unless specifically addressed otherwise in this Agreement, but subject to the terms and conditions herein, the Company is responsible for processing Recyclable material once delivered to the Facility by WMFL or such other hauler as designated by the Customer.
- (b) Except for the obligation to make payments hereunder for services already performed, neither party shall be in default for its failure to perform or delay in performance caused by events or significant threats of events beyond its reasonable control, whether or not foreseeable, including, but not limited to, strikes, labor trouble, riots, imposition of laws or governmental orders, fires, acts of war or terrorism, and acts of God.
- (c) This Agreement shall be binding on and shall inure to the benefit of the parties hereto and their respective successors and assigns.
- (d) A party's remedies hereunder are not exclusive and are in addition to any other remedies at law or in equity. A party shall not be deemed to waive any remedy available to it or any right under this Agreement, at law or in equity, by virtue of any act or forbearance in enforcing such rights or remedies. In addition to, and not in limitation of, the foregoing, the terms and provisions of this Agreement may be amended and modified as agreed to by the parties as provided in Section 6(a). Subject to the foregoing, this Agreement represents the entire agreement between the parties and supersedes any and all other agreements for the same services at the same Customer locations covered by this Agreement, whether written or oral, that may exist between the parties.
- (e) This Agreement shall be construed in accordance with the law of the state in which the services are provided.
- (f) All written notification to Company required by this Agreement shall be effective upon receipt and delivered by Certified Mail, Return Receipt Requested, courier or by hand to Company at 800 Capitol St, Suite 3000, Houston TX, 77002, Attn: President and 800 Capitol St, Suite 3000, Houston TX 77002, Attn: Law Department, provided that Company may provide written notice to Customer of a different address for written notice to Company.
- (g) If any provision of this Agreement is declared invalid or unenforceable, then such provision shall be severed from and shall not affect the remainder of this Agreement; however, the parties shall amend this Agreement to give effect, to the maximum extent allowed, to the intent and meaning of the

severed provision.

- (h) In the event either party successfully enforces its rights against the other, the other party shall be required to pay the successful party's attorneys' fees and court costs.
- (i) Notwithstanding the termination of this Agreement, sections named Equipment/Access, Indemnification/Limit of Liability, Dispute Resolution and Class Action Waiver-, and Miscellaneous, and Customer's obligation to make payments for all Charges and other amounts due or payable hereunder through the termination date shall survive the termination of this Agreement.
- (j) The term "Affiliate" means with respect to any specified party, any corporation, limited liability company, partnership or other legal entity, directly or indirectly, controlled by, controlling or under common control with such specified party, with "control" meaning, directly or indirectly, the power to direct or cause the direction of the management and policies of such legal entity, whether through the ownership of voting securities, by contract or otherwise.
- (k) "business day" means Monday through Friday, excluding bank holidays.

BY SIGNING BELOW, EACH SIGNATOR WARRANTS THAT HE OR SHE IS AUTHORIZED TO ENTER INTO A BINDING AGREEMENT ON BEHALF OF THE PARTY SET FORTH ABOVE SUCH SIGNATURE.

Dated as of the date first above written.

WM RECYCLE AMERICA, L.L.C

By: DocuSigned by:
Kristen Ford
9FB7A389143844D...

Print Name: Kristen Ford

Title: Assistant Secretary

OKALOOSA COUNTY, FLORIDA

By: *Paul Mixon*

Print Name: Paul Mixon

Title: Chairman



EXHIBIT A
SINGLE STREAM SPECIFICATIONS

RECYCLABLE MATERIALS must be dry, loose (not bagged), unshredded, empty, and include ONLY the following:

Aluminum cans	Newspaper
PET bottles with the symbol #1 – with screw tops only	Mail
HDPE plastic bottles and containers with the symbol #2 (milk jugs, detergent containers, and shampoo bottles, etc.)	Uncoated paperboard (ex. cereal boxes; food and snack boxes)
PP plastic bottles and containers with symbol # 5 (ex. yogurt containers, syrup bottles)	Uncoated printing, writing and office paper
Bulky rigid plastics	Scrap steel
Steel and tin cans	Old corrugated containers/cardboard (uncoated) (ex. moving boxes, pizza boxes)
Glass food and beverage containers – any color	Magazines, glossy inserts and pamphlets
Plastics with the symbols #3, #4, #6 or #7	

NON-RECYCLABLES include, but are not limited to the following:

Plastic bags and bagged materials (even if containing Recyclables)	Microwavable trays
Porcelain and ceramics	Mirrors, window or auto glass
Light bulbs	Coated cardboard
Soiled paper, including paper plates and cups	Plastics not listed above including unnumbered plastics, including utensils
Expanded polystyrene	Coat hangers
Glass and metal cookware/bakeware	Household appliances and electronics
Hoses, cords, wires	Yard waste, construction debris, and wood
Flexible plastic or film packaging and multi-laminated materials	Needles, syringes, IV bags or other medical supplies
Food waste and liquids, containers containing such items	Textiles, cloth, or any fabric (bedding, pillows, sheets, etc.)
Excluded Materials or containers which contained Excluded Materials	Napkins, paper towels, tissue, paper plates, and paper cups
Any Recyclables less than 4" in multiple directions	Propane tanks, fuel canisters
Batteries	

DELIVERY SPECIFICATIONS:

Material delivered by or on behalf of Customer during the Break In Period (as defined on Exhibit B) may not contain more than forty percent (40%) Non-Recyclables. Material delivered in the first year of this Agreement after the Break In Period may not contain more than twenty-five percent (25%) Non-Recyclables. Material delivered by or on behalf of Customer in the second year of this Agreement may not contain more than twenty percent (20%) Non-Recyclables. Material delivered by or on behalf of Customer in the third and any subsequent year of this Agreement may not contain more than fifteen percent (15%) Non-Recyclables.

At no time may material delivered by or on behalf of Customer contain waste tires, radioactive, volatile, corrosive, flammable, explosive, biomedical, infectious, bio-hazardous, regulated medical or hazardous waste, toxic substance or material, as defined by, characterized or listed under applicable federal, state, or local laws or regulations, or chemical or other properties that are deleterious or capable of causing material damage to any part of Company's property, its personnel or the public or materially impair the strength or the durability of Company's structures or equipment, or any materials containing information (in hard copy or electronic format, or otherwise) which information is protected or regulated under any local, state or federal privacy or data security laws, including, but not limited to the Health Insurance Portability and Accountability Act of 1996, as amended, or other regulations or ordinances or other waste not approved in writing by the Company (collectively, "Excluded Material").

EXHIBIT B
BLENDED VALUE

1. RECYCLABLE VALUE

The value of the Recyclables meeting the Specifications shall be eighty-five percent (85%) of Company's Net Sale Price per ton for each commodity contained in the Single stream. "Net Sale Price" shall mean the amount equal to the average revenue received or charges paid by the Company's processing facility, for each commodity for Single Stream processed the month prior to delivery, less any freight costs paid by Company. It shall be conclusively presumed that the composition of the Single Stream delivered to the Company shall be identical to the composition of all Single Stream processed by Company, as established from time to time by Company. Notwithstanding the foregoing, Company may perform a composition study of the Single Stream to determine the composition percentage of each commodity for the Single Stream and may revise the Net Sale Price payable to Customer to reflect the actual composition of Customer's Single Stream. Customer acknowledges that the value of the Single Stream may be negative.

2. CHARGES

(a) For the first six (6) full calendar months (i.e if this agreement is executed on the 15th day of a particular month, this charge would be applicable to the end of that partial month and for the next full six (6) calendar months) the processing fee for each ton of delivered Recyclables ("Processing Fee") is \$60/ton. This will be termed the "Break-In Period".

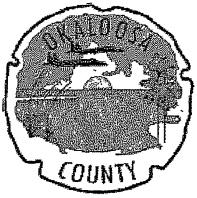
(b) Beyond the Break-In Period, the customer will pay a Processing Fee for each ton of delivered Recyclables of \$125.00 per ton until September 30, 2025 at which time the Permitted Price Adjustment rate is applied for the next fiscal year in accordance with Section 6(b) of the Agreement.

(c) In the event the Recyclable Materials contain more than the allowable Non-Recyclables as set forth in Exhibit A of this Agreement, an excess contamination fee will be charged to Customer by Company for the applicable percentage of Non-Recyclables exceeding the allowable amount set forth on Exhibit A ("Excess Contamination Fee"). The Excess Contamination Fee is \$125.00 per ton.

3. BLENDED VALUE PRICING EXAMPLE:

Blended Value Example March 2024			
Composition %	Index Grade	Current Market Value	Contribution \$/Ton
10.80%	OCC (11)	146.57	15.83
9.20%	MIXED PAPER (54)	86.49	7.96
3.80%	UBC (Aluminum Cans)	1,438.19	54.65
2.20%	STEEL CANS	220.54	4.85
2.20%	Scrap Steel	191.96	4.22
4.00%	Bulky Rigids	(60.00)	(2.40)
5.00%	PET	310.00	15.50
1.50%	NHDPE #2	700.00	10.50
1.60%	CHDPE #2	405.00	6.48
1.20%	PP 4 & 5 (Tubs & Lids)	120.00	1.44
0.90%	Plastics #3, 6, 7	(60.00)	(0.54)
22.40%	GLASS - Three Mix	(33.24)	(7.45)
35.20%	Residue	(60.00)	(21.12)
100.00%	Total	Blended Value	\$ 89.93

	85%	Customer Share	\$76.44
	MRF Processing Charge Per Ton		\$125.00
	Net after Processing		(\$48.56)
	Excessive Contamination	10.20%	(\$7.65)
	Net Customer (Fee) or Rebate/ton		(\$56.21)



BOARD OF COUNTY COMMISSIONERS AGENDA REQUEST

DATE: May 7, 2024
TO: Honorable Chairman and Distinguished Members of the Board
FROM: Jason Autrey
SUBJECT: Waste Management Recycling Services Agreement 2024
DEPARTMENT: Public Works
BCC DISTRICT: All

STATEMENT OF ISSUE: WM Recycle America, L.L.C. (WMRA) has submitted a proposed Agreement for recyclable material processing via its new facility at 109 Ready Avenue in the Fort Walton Beach Industrial Park. This is a request to enter into the agreement with WM and to provide notification to the Emerald Coast Utility Authority (ECUA) of termination of the current recyclable material processing agreement.

BACKGROUND: In April 2023, WMRA announced the construction of a \$30 million state-of-the-art Materials Recycling Facility (MRF) in the Fort Walton Beach industrial park. The MRF will be fully automated and will potentially serve an area covering Biloxi, MS to Tallahassee, FL. Construction of the facility is nearing completion and set to begin operations on or around June 1, 2024.

With the opening of the MRF, WMRA has made it a priority to secure recyclable material agreements from local jurisdictions including Okaloosa County, Santa Rosa County, the City of Ft Walton Beach and the City of Niceville. Over the past year, these agencies have collectively been negotiating an agreement with WMRA. The intent is to create consistency in the recycling market for all customers regardless of jurisdiction. Ultimately, each jurisdiction will enter into an independent agreement with WMRA for recyclable material processing, however the terms of these agreements will strongly mirror one another with differences in delivery methods. The Okaloosa County proposed Agreement is for three years and attached for consideration.

Currently the County is under contract with Emerald Coast Utility Authority (ECUA) to process Okaloosa recyclables through September 30, 2024. Materials collected through the curbside collection agreement, as well as those delivered directly to transfer stations, are hauled to the ECUA facility at the Perdido Landfill and then processed for commodity sale. The cost to deliver and process collected material is a total of \$91.28/ton (hauling and processing) plus charges of \$65/ton of contamination. If the Board decides to enter this Agreement with WMRA, the current ECUA contract requires a 30-day termination notification from the Director of Public Works; a draft letter is attached.

The proposed Agreement includes a six-month flat rate "Break-in" period and then transitions into a "Blended Value" model where the County is assessed a processing fee with reductions realized from the sale of commodities. During the six-month Break-In period:

- Recyclable materials are processed at a flat rate of \$60/ton (excludes \$31.28 hauling costs with ECUA). This is the same cost for processing currently with ECUA; no revenue

sharing is included in this period.

- A contamination rate of 40% is allowed with no additional charges. Preliminary sampling has the County contamination rate around 30% with about a 5% variance.
- A minimum of 15 sampling audits will be performed to further define material composition and contamination rates. These values will be the basis for the Blended Value model (see below).
- WMRA will be responsible for processing all material collected regardless of facility status (i.e. the County will not have to pay for additional diversion charges).

After the six-month Break-in period, operations will transition into the Blended Value model, which will be the normal operating position long term. The Blended Value model conditions include:

- Recyclable materials are received at a rate of \$125/ton. Processing cost is reduced based on the percentage of commodities (determined during the break in period and revised every March 1 and October 1 thereafter) and the pricing of each commodity category. Over the past nine-months this would have yielded an average rate of \$71.66/ton (compared to the current \$91.28/ton paid to ECUA).
- Contamination rate allowed is scheduled to progressively reduce from 25% year 1, to 20% year 2, to 15% year 3.
- The value of commodity sales is 85% to the County, 15% to WMRA.
- A minimum of 18 sampling audits will be performed per year.
- CPI adjustment consistent with the Index for Water, Sewer, and Trash Collection will be applied beginning October 1, 2025 (no adjustment the first year).
- WMRA will be responsible for processing all material collected regardless of facility status (i.e. the County will not have to pay for additional diversion charges).

Materials accepted by WMRA are consistent with those currently collected and processed at ECUA. As recycling moves forward, the County - and then directly the customers - will see improved rates through a reduction in contamination of provided/collected materials. WMRA is committed, and obligated through this agreement, to a public education campaign that is intended to improve the quality of recyclable materials collected. This will be coordinated with/through the Public Information Office and Keep Okaloosa Beautiful committee.

Acceptance of the agreement with WMRA will require termination of the current Recyclable Material Processing agreement with ECUA. Per that agreement the County is required to provide a 30-day notice of termination from the Director of Public Works. A draft letter is attached and will be sent to ECUA once authorized by the Board. Once the 30-day notice window has lapsed, WMRA will immediately begin processing recyclable material in accordance with this new agreement.

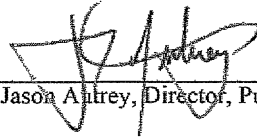
The County Attorney's office has reviewed and approved the agreement and Notice of Termination letter enclosed herein. Staff has worked closely with the City of Niceville as their collection and delivery method for recyclable materials is identical to that of the County's. Ft Walton Beach and Santa Rosa County will haul materials directly to WMRA, however processing rates and terms are the same in all agreements.

FUNDING SOURCE:

There is no cost for entering into this agreement, fees for material processing will be invoiced monthly based upon the tonnage processed and paid for by the Solid Waste Enterprise fund through revenue from customers.

OPTIONS: Approve/Disapprove/Postpone

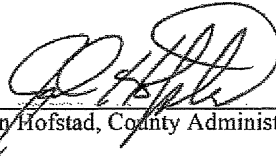
RECOMMENDATIONS: Motion to approve the Recycling Services Agreement with WM Recycle America, L.L.C. and authorize the Director of Public Works to provide the Notification of Termination to ECUA.



Jason Antrey, Director, Public Works

4/30/2024

RECOMMENDED BY:



John Hofstad, County Administrator

5/1/2024

APPROVED BY:



Okaloosa County Public Works



State of Florida

May 7, 2024

Mr. J. Bruce Woody
Executive Director
Emerald Coast Utilities Authority
9255 Sturdevant Street
Pensacola, FL 32514
Via email: bruce.woody@ecua.fl.gov

Re: Acceptance and Processing of Source Separated Recyclables
Notice of Agreement Termination

Mr. Woody,

In accordance with section 15 of the Interlocal Agreement between the Emerald Coast Utilities Authority and Okaloosa County for the Acceptance and Processing of Source Separated Recyclables dated September 5, 2023, please accept this as the County's thirty (30) day notice of termination.

Beginning Monday June 10, 2024 Okaloosa County will no longer be delivering recyclable material to the ECUA Materials Recycling Facility for processing. Okaloosa County is appreciative of the history between our agencies with respect to recyclable materials and wishes ECUA the best moving forward.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jason T. Autrey'.

Jason T. Autrey, P.E., C.P.M.
Public Works Director
Okaloosa County, FL

Cc: Mr. Robert O. Beasley
ECUA General Counsel
40 Palafox Place, Ste 300
Pensacola, FL 32502
ROBservice@lawpensacola.com

Ms. Lynn Hoshihara
County Attorney
1250 N Eglin Parkway, Ste 100
Shalimar, FL 23579
lhoshihara@myokaloosa.com