

**CAMDEN COUNTY BOARD OF COMMISSIONERS
AGENDA MEMORANDUM**

SUBJECT: Fuel rate adjustment for Stateline Disposal due to increased fuel costs.

DEPARTMENT: Solid Waste

AUTHORIZED BY: Steve Howard **CONTACT:** Lannie Brant – 729-4099

MOTIONS/RECOMMENDATIONS:

Approve a fuel rate adjustment for Stateline Disposal.

BACKGROUND:

Stateline Disposal is asking for a rate adjustment due to the increased fuel costs. The contract permits Stateline to ask for an adjustment. The adjustment would cost an additional .58 cent a month per customer, and the County will absorb the cost for the rest of this year with no increase to the taxpayer.

STAFF RECOMMENDATIONS:

Approve a fuel rate adjustment for Stateline Disposal

ATTACHMENTS:

1. Excerpt from Stateline's contract.

prior to said notice of hearing. Any change shall be incorporated into a resolution adopted by the Board at the hearing or a continuation thereof. Notwithstanding the foregoing, however, no upward rate adjustment shall take effect for a period not to exceed one (1) year from the date of execution of the original agreement. An audit of the Franchisee's books may be conducted by a County appointed Certified Public Accountant (CPA) before a rate change is approved or disapproved. The Franchisee shall pay the cost of all audits, legal fees, etc., incurred by the County in reviewing a proposed rate change, if the request is initiated by the Franchisee.

- C. Rate Adjustment. It is the intention of the County to enter into a franchise agreement with the qualified vendor having the best and most detailed proposal for accomplishing the tasks outlined, at the lowest cost to the recipients. Separate and apart from the conditions required for eligibility of rate changes set forth above and notwithstanding any terms and conditions to the contrary relating thereto, the Franchisee shall be entitled to rate adjustments based on changes in the Consumer Price Index as follows: (1) On the first anniversary of the term of this Agreement and on each anniversary thereafter, including any renewal periods, the rates to be paid to Franchisee hereunder shall be subject to annual price adjustments which shall be made by applying to the then current rate, the ratio of change between the former and the current index of the Consumer Price Index for ALL URBAN WAGE EARNERS on a national basis published by the U.S. Department of Labor, Bureau of Labor Statistics for the month ending sixty (60) days prior to each anniversary date of the Term and any Renewal(s) thereof. (2) Provided, however, that if the Bureau of Labor Statistics changes the form or the basis of calculating the Consumer Price Index, above referred to, the parties agree to request the Bureau to make available, for the life of the contract, a monthly Consumer Price Index, "All Items" number, in its present form and calculated on the same basis as the Index for May, 1994. If the Bureau will not make a monthly Consumer Price Index available, and if a reasonably comparable successor Index is available, then the Rates set forth herein shall be computed according to such successor Index, appropriately adjusted. In order to be eligible for such adjustment, the Franchisee shall submit records and information as would support the requested adjustment in order to justify said adjustment with the County. Furthermore, the Franchisee may petition the County for rate adjustments on the basis of unusual changes in its costs of doing business, such as revised laws, ordinances or regulations; changes in the location

of Solid Waste Disposal Facilities or significantly increased fuel prices (in the case of fuel, upon proof that all existing fuel reserves at the lower rates have been depleted). Any fuel allowances granted the Franchisee shall be taken into account, when adjusting costs by the Consumer Price Index.

If fuel rates are reduced substantially, the County may petition the Board for lower rates to be charged by the Franchisee.

7. Disposal Fees and Regulations.

A. Disposal at Designated Disposal Facilities. The Franchisee must dispose of all Solid Waste collected by it under the terms of the Agreement at only the Designated Disposal Facilities and the County shall pay any and all disposal fees incurred by or on behalf of the Franchisee arising out of Franchisee's performance under this Agreement. An arrangement shall be implemented with no binding effect on Franchisee whereby said disposal fees shall be billed directly from the Designated Disposal Facility to the County and whereby the County shall pay such fees directly to said Designated Disposal Facility. County shall promptly reimburse Franchisee in the event Franchisee is required to expend any costs for disposal of Solid Waste pursuant to this Agreement. Furthermore, in the event Franchisee experiences a net cost for disposal of Recyclable Materials, County shall have the option to reimburse Franchisee for that cost or to place such material in the Designated Disposal Facility.

B. Solid Waste Non-Returnable. No Solid Waste, once collected, may be returned to the Customer without the written approval of the Department, or to any location other than a Designated Disposal Facility.

C. Penalty. The penalty for disposal at any location other than a Designated Disposal Facility shall be two (2) times the applicable disposal fee, payable to the County.

8. Franchise Fee. The Board recognizes that a Franchise Fee, if instituted, would increase the cost of services to the citizens of Camden County, and therefore the Board is not requiring a Franchisee Fee of the Franchisee at this time. The Board hereby reserves the right and authority to require the payment of a Franchise Fee by the Franchisee, to be payable to the Board in accordance with the terms hereof. The Board further agrees to give the Franchisee a minimum of six (6) months notice prior to instituting a Franchisee Fee to be paid by the Franchisee. This six (6) month notice recognizes that Franchisee's billing to County may have to be changed to